

HOUSE BILL NO. 240

INTRODUCED BY J. HAMILTON

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING REPORTING REQUIREMENTS FOR THIRD-PARTY  
5 SETTLEMENT ORGANIZATIONS; REQUIRING A THIRD-PARTY SETTLEMENT ORGANIZATION THAT IS  
6 REQUIRED TO FILE AN INFORMATION RETURN WITH THE INTERNAL REVENUE SERVICE TO FILE A  
7 DUPLICATE RETURN IF THE RECIPIENT HAS A MONTANA ADDRESS; PROVIDING THAT THE DE MINIMIS  
8 LIMITATION FOR REPORTING BY A THIRD-PARTY SETTLEMENT ORGANIZATION DOES NOT APPLY;  
9 PROVIDING RULEMAKING AUTHORITY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A  
10 RETROACTIVE APPLICABILITY DATE."

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12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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14 NEW SECTION. **Section 1. Information returns for third-party settlement organizations --**

15 **rulemaking.** (1) A person required to file an information return pursuant to 26 U.S.C. 6050W shall, within 30 days  
16 of the date the filing is due to the internal revenue service, file with the department a duplicate of an information  
17 return on which the recipient has a Montana address.

18 (2) A third-party settlement organization shall report to the department and to any participating payee  
19 with a Montana address the information required by 26 U.S.C. 6050W with respect to third-party network  
20 transactions related to that participating payee as if the de minimis limitation of 26 U.S.C. 6050W(e) does not  
21 apply.

22 (3) The department may adopt rules and authorize electronic filing of the information required by this  
23 section.

24 (4) As used in this section, the following definitions apply:

25 (a) "Participating payee" has the meaning provided in 26 U.S.C. 6050W(d).

26 (b) "Third-party network transaction" has the meaning provided in 26 U.S.C. 6050W(c).

27 (c) "Third-party settlement organization" has the meaning provided in 26 U.S.C. 6050W(b).

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29 NEW SECTION. **Section 2. Information returns for third-party settlement organizations --**

30 **rulemaking.** (1) [Section 1] applies to a person required to file an information return pursuant to 26 U.S.C.



1 6050W.

2 (2) The department may adopt rules and authorize electronic filing of the information required by this  
3 section.

4 (3) As used in this section, "third-party settlement organizations" has the meaning provided in 26 U.S.C.  
5 6050W(b).

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7 **NEW SECTION. Section 3. Codification instruction.** (1) [Section 1] is intended to be codified as an  
8 integral part of Title 15, chapter 31, and the provisions of Title 15, chapter 31, apply to [section 1].

9 (2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 30, and the provisions  
10 of Title 15, chapter 30, apply to [section 2].

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12 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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14 **NEW SECTION. Section 5. Retroactive applicability.** [This act] applies retroactively, within the  
15 meaning of 1-2-109, to income tax years beginning after December 31, 2018.

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