

Proposed 2015 Session Legislation

Agency Name & No: Department of Revenue - 5801

Priority Number: Filename: Ag Withholding

Short Title: Clarify the Requirements for Ag Employees Wage Withholding

Agency Contact Person/Phone: Gene Walborn 444-0908

1. Purpose:

To exempt agricultural labor from wage withholding requirements.

2. Background:

Prior to 2005, Montana wage withholding requirements exempted agricultural labor from wage withholding. In 2005, the legislature repealed a statute that was critical to this exemption. The department hadn't discovered the connection to the repealed statute and the agricultural labor exemption until recently. Federally agricultural labor is exempt from wage withholding.

This proposal reinstates Montana's pre-2005 agricultural labor exemption and would follow the Federal treatment. Without this proposal the department will need to begin to enforce wage withholding for agricultural labor.

3. Fiscal Impact by Fund Type: This impact should be as specific as possible.

None

4. Summary Checklist [Check & complete all that apply]--

- Housekeeping Only, Federal Requirement, Audit Recommendation, Major Legislation, Anticipated to be Controversial Legislation, Bill Draft has been included in Legislation Submittal, Supports Submitted EPP Item Number, Local Government Fiscal Impact, Increases/Decreases FTE, Revenue changes (Tax/Fee/Penalty), Previous Legislative Sessions, Other state agencies, Special Interest Groups Affected (Farmers and Ranchers, Farm Bureau, Cattlemen Assoc., etc...), Other