

## HOUSE BILL NO. 428

INTRODUCED BY G. FORRESTER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT LOWERING THE INDIVIDUAL INCOME TAX RATES TO A  
5 MAXIMUM OF 7 PERCENT FROM 11 PERCENT; REDUCING THE NUMBER OF INCOME BRACKETS FROM  
6 10 TO 6; AMENDING SECTION 15-30-103, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

9  
10 **Section 1.** Section 15-30-103, MCA, is amended to read:

11 **"15-30-103. Rate of tax.** (1) There ~~shall be~~ is levied, collected, and paid for each ~~taxable~~ tax year  
12 commencing on or after December 31, 1968, upon the taxable income of every taxpayer subject to this  
13 tax, after making allowance for exemptions and deductions as hereinafter provided, a tax on the following  
14 brackets of taxable income, as adjusted under subsection (2), at the following rates:

15 (a) on the first \$1,000 of taxable income or any part thereof, 2%;

16 ~~(b) on the next \$1,000 of taxable income or any part thereof, 3%;~~

17 ~~—— (c) on the next \$2,000 of taxable income or any part thereof, 4%;~~

18 ~~—— (d) on the next \$2,000 of taxable income or any part thereof, 5%;~~

19 ~~—— (e) on the next \$2,000 of taxable income or any part thereof, 6%;~~

20 ~~(f)(b)~~ on the next \$2,000 of taxable income or any part thereof, ~~7%~~ 3%;

21 ~~(g)(c)~~ on the next \$4,000 of taxable income or any part thereof, ~~8%~~ 4%;

22 ~~(h)(d)~~ on the next \$6,000 of taxable income or any part thereof, ~~9%~~ 5%;

23 ~~(i)(e)~~ on the next \$15,000 of taxable income or any part thereof, ~~10%~~ 6%;

24 ~~(j)(f)~~ on any taxable income in excess of \$35,000 or any part thereof, ~~11%~~ 7%.

25 (2) By November 1 of each year, the department shall multiply the bracket amount contained in  
26 subsection (1) by the inflation factor for that ~~taxable~~ tax year and round the cumulative brackets to the  
27 nearest \$100. The resulting adjusted brackets are effective for that ~~taxable~~ tax year and ~~shall~~ must be  
28 used as the basis for imposition of the tax in subsection (1) ~~of this section.~~"

29  
30 NEW SECTION. **Section 2. Applicability.** [This act] applies to tax years beginning after December

1 31, 2001.

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