

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A TAX CREDIT FOR BUSINESSES AND  
5 INDIVIDUALS HIRING RECENT MONTANA COLLEGE GRADUATES; ALLOWING A CARRYOVER OF  
6 UNUSED CREDITS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
7 APPLICABILITY DATE."

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

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11 NEW SECTION. **Section 1. Hiring recent Montana college graduate -- tax credit.** (1) There is  
12 allowed as a credit against the taxes otherwise due under this chapter an amount equal to:

13 (a) the recent Montana college graduate tax credit determined under subsection (2); and

14 (b) any recent Montana graduate tax credit carryovers.

15 (2) (a) Subject to subsection (2)(b), there is a tax credit of 3% of Montana taxable income paid  
16 as salary or wages by the taxpayer during the tax year to qualifying graduates of Montana colleges and  
17 universities. To qualify for the tax credit authorized by this section, the employee:

18 (i) must have graduated from an accredited Montana college or university in the current or previous  
19 tax year in which the credit is claimed; and

20 (ii) must have been employed on a full-time basis for the balance of the tax year in which the  
21 employee graduated, or if the credit is claimed for the tax year following the year of graduation, the  
22 employee must have been employed on a full-time basis for all of the tax year in which the credit is  
23 claimed.

24 (b) The tax credit may not exceed \$500 a year for each qualifying graduate employee.

25 (3) If the credit granted under this section exceeds the taxpayer's liability for the tax year, the  
26 amount of the excess may be carried over for the succeeding 5 tax years. The entire amount of unused  
27 credit must be carried forward to the earliest of the succeeding years, and the oldest available unused  
28 credit must be used first.

29 (4) The amount of any credit claimed for a tax year under this section must be subtracted from  
30 any amount of salaries and wages that the taxpayer claims as a deduction for that tax year under



1 15-31-114.

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3 NEW SECTION. **Section 2. Hiring recent Montana college graduate -- tax credit.** There is a tax  
4 credit for hiring recent Montana college graduates against the taxes imposed by 15-30-103, as provided  
5 in [section 1].

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

10 (2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 30, part 1, and  
11 the provisions of Title 15, chapter 30, part 1, apply to [section 2].

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

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15 NEW SECTION. **Section 5. Retroactive applicability.** [This act] applies retroactively, within the  
16 meaning of 1-2-109, to Montana college graduates hired after December 31, 2000.

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