

1 SENATE BILL NO. 273

2 INTRODUCED BY C. STAPLETON

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN INCENTIVE PROGRAM TO EMPLOY RECENT
 5 MONTANA COLLEGE GRADUATES; ESTABLISHING THE QUALIFICATIONS FOR THE INCENTIVES;
 6 PROVIDING QUALIFIED MONTANA GRADUATES A ~~\$500~~ \$1,000 PAYMENT ~~AFTER 6 MONTHS OF~~
 7 ~~QUALIFIED EMPLOYMENT IN THE STATE AND AN ADDITIONAL \$1,000~~ FOR 24 UNINTERRUPTED
 8 MONTHS OF EMPLOYMENT WITH THE SAME EMPLOYER; LIMITING QUALIFIED GRADUATES TO ~~ONE~~
 9 ~~6-MONTH AND ONE 24-MONTH INCENTIVE PAYMENT~~; PROVIDING ~~\$500~~ A \$1,000 INDIVIDUAL AND
 10 CORPORATE INCOME TAX ~~CREDITS~~ CREDIT TO BUSINESS EMPLOYERS FOR ~~EACH QUALIFIED~~
 11 ~~GRADUATE EMPLOYED BY THEM FOR 6 MONTHS AND AN ADDITIONAL \$1,000 IN TAX CREDITS FOR~~
 12 KEEPING THE SAME QUALIFIED ~~GRADUATES~~ GRADUATE EMPLOYED FOR 24 UNINTERRUPTED
 13 MONTHS; PROVIDING A CRIMINAL PENALTY FOR ILLEGALLY RECEIVING AN INCENTIVE PAYMENT;
 14 AND PROVIDING AN EFFECTIVE DATE ~~AND~~, AN APPLICABILITY DATE, AND A TERMINATION DATE."

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

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18 NEW SECTION. **Section 1. Montana graduate in-state employment incentive program -- purpose.**

19 The purpose of [sections 1 through 5] is to provide an incentive for Montana businesses to hire and retain
 20 Montana college graduates and to provide an incentive for Montana college graduates to remain in the
 21 state after college, thus enhancing and vitalizing our workforce.

22

23 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 5], the following definitions

24 apply:

- 25 (1) "Department" means department of labor and industry provided for in 2-15-1701.
 26 (2) "Full-time employment" means normal employment of at least 35 hours a week and earning
 27 a minimum of \$8 an hour.
 28 (3) "Qualified employer" means an employer engaged in business for profit within the state.
 29 (4) "Qualified graduate" means a person who:
 30 (A) received a first bachelor's degree from a college or university located in Montana AND within

1 3 years ~~of~~ AFTER the GRADUATION date WAS hired by a ~~qualified~~ MONTANA employer, ~~with the~~ THE majority
 2 of the credits required for ~~that~~ THE bachelor's degree ~~having~~ MUST HAVE been obtained from a college or
 3 university located in Montana.

4 (B) IF THE PERSON OWES FOR STUDENT EDUCATIONAL LOANS, DOES NOT HAVE LOANS IN DELINQUENCY AS DEFINED
 5 IN 20-26-1101.

6
 7 NEW SECTION. Section 3. Application for incentive payment to qualified graduates. (1) A
 8 qualified graduate is entitled to an incentive payment of \$500 ~~after completing 6 months of uninterrupted~~
 9 ~~full-time employment in the state with a qualified employer and a further incentive payment of \$1,000~~
 10 after completing 24 months of uninterrupted FULL-TIME employment in the state with the same ~~qualified~~
 11 employer. A qualified graduate is eligible for incentive payments only once.

12 (2) A qualified graduate shall apply for incentive payments on forms provided by the department.
 13 The application must require verification of the required term of employment by the applicant's employer.

14
 15 NEW SECTION. Section 4. Income or corporate tax credit for hiring qualified graduates. (1) A
 16 taxpayer WHO IS A QUALIFIED EMPLOYER is allowed a tax credit against the taxes imposed by 15-30-103 or
 17 15-31-101 in an amount equal to:

18 ~~—— (a) \$500 for each qualified graduate who has completed, during the tax year, 6 months of~~
 19 ~~uninterrupted full-time employment in the state with the taxpayer; and~~

20 ~~—— (b) \$1,000 for each qualified graduate who was the subject of a credit under subsection (1)(a)~~
 21 ~~for the taxpayer and who has completed, during the tax year, 24 months of uninterrupted full-time~~
 22 employment in the state with the taxpayer.

23 (2) The credit allowed under subsection (1) may be used as a carryforward against taxes imposed
 24 by 15-30-103 or 15-31-101 for 7 succeeding tax years. The entire amount of the credit not used in the
 25 year earned must be carried first to the earliest tax year in which the credit may be applied and then to
 26 each succeeding tax year.

27
 28 NEW SECTION. Section 5. Obtaining incentive payments through deception or other fraudulent
 29 means -- criminal penalty. A person who, through deception or other fraudulent means, obtains incentive
 30 payments that the person is not entitled to under [sections 1 through 5] is guilty of a crime under

1 45-6-301, and a county attorney may initiate criminal proceedings against the person.

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3 **NEW SECTION. Section 6. Montana graduate in-state employment incentive program tax credit.**

4 There is a credit against taxes otherwise due under this chapter allowable for the Montana graduate
5 in-state employment incentive program. The credit must be computed and administered as provided in
6 [section 4]. AN EMPLOYER MAY NOT CLAIM THE TAX CREDIT IF THE INDIVIDUAL WHO RECEIVES AN INCENTIVE PAYMENT
7 UNDER [SECTION 3] IS AN OFFICER OR OWNER OF THE EMPLOYING ENTITY.

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9 **NEW SECTION. Section 7. Montana graduate in-state employment incentive program tax credit.**

10 (1) There is a credit against taxes otherwise due under this chapter allowable for the Montana graduate
11 in-state employment incentive program. The credit must be computed and administered as provided in
12 [section 4]. AN EMPLOYER MAY NOT CLAIM THE TAX CREDIT IF THE INDIVIDUAL WHO RECEIVES AN INCENTIVE PAYMENT
13 UNDER [SECTION 3] IS AN OFFICER OR OWNER OF THE EMPLOYING ENTITY.

14 (2) If a Montana graduate in-state employment incentive program tax credit is claimed by a small
15 business corporation, as defined in 15-31-201, or a partnership, the credit must be attributed to
16 shareholders or partners using the same proportion used to report the corporation's or partnership's income
17 or loss for Montana income tax purposes.

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19 **NEW SECTION. Section 8. Codification instruction.** (1) [Sections 1 through 5] are intended to
20 be codified as an integral part of Title 39, and the provisions of Title 39 apply to [sections 1 through 5].

21 (2) [Section 6] is intended to be codified as an integral part of Title 15, chapter 30, and the
22 provisions of Title 15, chapter 30, apply to [section 6].

23 (3) [Section 7] is intended to be codified as an integral part of Title 15, chapter 31, and the
24 provisions of Title 15, chapter 31, apply to [section 7].

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26 **NEW SECTION. Section 9. Effective date.** [This act] is effective July 1, 2001.

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28 **NEW SECTION. Section 10. Applicability.** [This act] applies to persons that graduate with a
29 bachelor's degree from a college or university in the state after June 30, 2001.

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