

## 1 SENATE BILL NO. 323

2 INTRODUCED BY BLACK

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A ~~2-YEAR CARRYBACK AND A 7-YEAR~~ 5-YEAR  
5 CARRYFORWARD OF THE INCOME AND CORPORATE TAX CREDIT FOR THE PUBLIC CONTRACTOR'S  
6 GROSS RECEIPTS TAX; AMENDING SECTION 15-50-207, MCA; AND PROVIDING AN IMMEDIATE  
7 EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

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11 **Section 1.** Section 15-50-207, MCA, is amended to read:

12 **"15-50-207. Credit against other taxes -- credit for personal property taxes and certain fees. (1)**

13 (a) The additional license fees withheld or otherwise paid as provided in this chapter may be used as a credit  
14 on the contractor's corporation license tax provided for in chapter 31 of this title or on the contractor's income  
15 tax provided for in chapter 30, depending upon the type of tax the contractor is required to pay under the laws  
16 of the state.

17 (b) The credit allowed under this subsection (1) may be used as a ~~carryback against taxes imposed~~  
18 ~~under chapter 30 or 31 for the 2 preceding tax years and may be used as a carryforward against taxes imposed~~  
19 ~~by chapter 30 or 31 for the 7 5 succeeding tax years. The entire amount of the credit not used in the year earned~~  
20 ~~must be carried first to the earliest tax year in which the credit may be applied and then to each succeeding tax~~  
21 ~~year.~~

22 (2) Personal property taxes and the fee in lieu of tax on buses, trucks having a manufacturer's rated  
23 capacity of more than 1 ton, or truck tractors, as provided in 61-3-529, and the registration fee on light vehicles,  
24 as provided in 61-3-560 through 61-3-562, paid in Montana on any personal property or vehicle of the contractor  
25 that is used in the business of the contractor and is located within this state may be credited against the license  
26 fees required under this chapter. However, in computing the tax credit allowed by this section against the  
27 contractor's corporation license tax or income tax, the tax credit against the license fees required under this  
28 chapter may not be considered as license fees paid for the purpose of the income tax or corporation license tax  
29 credit."

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1            NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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3            NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the  
4 meaning of 1-2-109, to tax years beginning after December 31, 2004.

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