

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

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

4 A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING INDIVIDUAL INCOME TAX RATES; AMENDING  
5 SECTION 15-30-103, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
6 APPLICABILITY DATE."

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

11 **"15-30-103. Rate of tax.** (1) There must be levied, collected, and paid for each tax year upon the taxable  
12 income of each taxpayer subject to this tax, after making allowance for exemptions and deductions as provided  
13 in this chapter, a tax on the brackets of taxable income as follows:

- 14 (a) on the first \$2,300 of taxable income or any part of that income, ~~4%~~ 0.9%;
- 15 (b) on the next \$1,800 of taxable income or any part of that income, ~~2%~~ 1.8%;
- 16 (c) on the next \$2,100 of taxable income or any part of that income, ~~3%~~ 2.7%;
- 17 (d) on the next \$2,200 of taxable income or any part of that income, ~~4%~~ 3.6%;
- 18 (e) on the next \$2,400 of taxable income or any part of that income, ~~5%~~ 4.5%;
- 19 (f) on the next \$3,100 of taxable income or any part of that income, ~~6%~~ 5.4%;
- 20 (g) on any taxable income in excess of \$13,900 or any part of that income, ~~6.9%~~ 6.21%.

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

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

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28 NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the  
29 meaning of 1-2-109, to tax years beginning after December 31, 2006.

30 - END -

