

SENATE BILL NO. 259

INTRODUCED BY J. SHOCKLEY

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A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING A TAX DEDUCTION BY A TAXPAYER FOR WAGES PAID TO AN UNAUTHORIZED ALIEN; AND PROVIDING PENALTIES FOR CLAIMING THE DEDUCTION."

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

NEW SECTION. **Section 1. Deduction for wages paid to unauthorized alien not allowed.** (1) For tax years beginning after December 31, 2007, a deduction may not be taken under this chapter for wages paid to or on behalf of an unauthorized alien as defined in section 274A(h)(3) of the Immigration and Naturalization Act, 8 U.S.C. 1234a(h)(3). A taxpayer claiming a deduction in violation of this subsection is subject to the penalty provisions of this chapter.

(2) For the purposes of this section, "wages" means all remuneration for employment, including the cash value of all remuneration and benefits paid in any medium other than cash.

(3) The provisions of subsection (1) do not apply to a person who is participating in the basic pilot program described in section 403 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, if the person obtains confirmation of identity and employment eligibility under the terms and conditions of the program.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 15, chapter 30, part 1, and Title 15, chapter 31, and the provisions of Title 15, chapter 30, part 1, and Title 15, chapter 31, apply to [section 1].

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