TCG = Total Capital Gains
MCG= Montana Capital Gains
MCG / TCG = 0.113

TI = Total Income
MTI= Montana Total Income
MTI/ TI =0.0725

Current Law

Tax
- 2% of TCG
Tax after Capital Gains
* Montana Income/ Total Income
Montana Tax Liability before Credits

Cost of Credit = $2,226,391

Proposed Law: Option 2

Tax
* Montana Income/ Total Income
Montana Tax Liability before Credits
- 2% of TCG * MCG/TCG
Tax after Capital Gains

Cost of Credit= $3,519,130

Proposed Law: Option 2

Tax
- 2% of TCG * MCG/TCG
Tax after Capital Gains
* Montana Income/ Total Income
Montana Tax Liability before Credits

Cost of Credit= $255,163

SENATE TAXATION
EXHIBIT NO. 10
DATE 3-23-07
BILL NO. SB-657