

HOUSE BILL NO. 299

INTRODUCED BY D. KOTTEL

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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING AN INDIVIDUAL INCOME TAX CREDIT FOR PURCHASE OF A HEARING AID FOR A TAXPAYER WHO IS 55 YEARS OF AGE OR OLDER OR FOR A DEPENDENT OF A TAXPAYER; PROVIDING THAT THE CREDIT MAY BE CLAIMED ONLY ONCE IN A 5-YEAR PERIOD FOR ANY INDIVIDUAL; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

NEW SECTION. Section 1. Tax credit for hearing aids. (1) (a) Subject to the conditions of this section,

there is a credit against the taxes otherwise due under this chapter for the actual expenses incurred for a qualified hearing aid to the extent that the expenses are not covered or reimbursed by medical insurance or by other sources. The credit may be claimed for each hearing aid purchased for use by:

- (i) the taxpayer; or
- (ii) a dependent of the taxpayer.
- (b) In order to claim the credit under subsection (1)(a)(i), the taxpayer must be 55 years of age or older in the tax year for which the credit is claimed.
- (c) Only one claim may be made for each dependent in the tax year the credit is claimed.

(2) The amount of the credit may not exceed \$500 for each qualified hearing aid. The credit may not be claimed in the 4 succeeding tax years with respect to any individual for whom a credit was claimed in the current tax year.

(3) The credit or credits allowed by this section may not be refunded if the taxpayer has a tax liability less than the amount of the credit or credits, and there is no carryback or carryover of the credit permitted under this section.

(4) If the credit allowed under this section is claimed, the amount of the deduction allowed or allowable under this chapter for the amount that qualifies for the credit must be reduced by the dollar amount of the credit allowed.

(5) For the purpose of this section, "qualified hearing aid" means a hearing aid that is described in 21

1 CFR 874.3300 and that is authorized for commercial distribution under the Federal Food, Drug, and Cosmetic
2 Act.

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

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7 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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9 NEW SECTION. Section 4. Retroactive applicability. [This act] applies retroactively, within the
10 meaning of 1-2-109, to tax years beginning after December 31, 2008.

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