

1 SENATE BILL NO. 398

2 INTRODUCED BY C. KAUFMANN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE PROGRESSIVITY OF THE INDIVIDUAL INCOME
5 TAX BY PROVIDING FOR AN ADDITIONAL INCOME TAX BRACKET THAT INCREASES THE TAX RATE FOR
6 HIGHER INCOME TAXPAYERS; AMENDING SECTION 15-30-2103, MCA; AND PROVIDING AN
7 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 15-30-2103, MCA, is amended to read:

12 **"15-30-2103. Rate of tax.** (1) There must be levied, collected, and paid for each tax year upon the
13 taxable income of each taxpayer subject to this tax, after making allowance for exemptions and deductions as
14 provided in this chapter, a tax on the brackets of taxable income as follows:

- 15 (a) on the first \$2,300 of taxable income or any part of that income, 1%;
- 16 (b) on the next \$1,800 of taxable income or any part of that income, 2%;
- 17 (c) on the next \$2,100 of taxable income or any part of that income, 3%;
- 18 (d) on the next \$2,200 of taxable income or any part of that income, 4%;
- 19 (e) on the next \$2,400 of taxable income or any part of that income, 5%;
- 20 (f) on the next \$3,100 of taxable income or any part of that income, 6%;
- 21 (g) on ~~any~~ the next \$236,100 of taxable income in excess of \$13,900 or any part of that income, 6.9%;
- 22 (h) on any taxable income in excess of \$250,000 or any part of that income, 11%.

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

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28 NEW SECTION. **Section 2. Applicability.** [This act] applies to tax years beginning after December 31,
29 2011.

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