

HOUSE BILL NO. 153

INTRODUCED BY S. GIBSON

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING TAX CREDITS TO AN EMPLOYER FOR EMPLOYING AND RETAINING ~~A VETERAN~~ NATIONAL GUARD, RESERVE, OR ACTIVE DUTY VETERANS; PROVIDING THAT THE CREDITS BE TAKEN AGAINST INDIVIDUAL INCOME TAX AND CORPORATION LICENSE TAX LIABILITIES; PROVIDING RULEMAKING AUTHORITY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE ~~AND~~ A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."

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

NEW SECTION. **Section 1. Veteran employment tax credit.** A taxpayer is allowed credits against taxes imposed by this chapter for each qualifying veteran hired and employed by a taxpayer as provided in [section 2].

NEW SECTION. **Section 2. Veteran employment tax credit -- rulemaking.** (1) Subject to the provisions of this section, a taxpayer is allowed credits against taxes imposed by chapter 30 or this chapter for each qualifying veteran hired and employed by the taxpayer. The taxpayer is entitled to the credits for each veteran whose employment qualifies under this section.

(2) The amount of the credits are:

(a) \$100 for each qualifying veteran hired; and

(b) subject to subsection (3), an amount equal to 5% of the wages paid by the taxpayer to a qualifying veteran during the 18 consecutive months immediately following the date the veteran is first employed.

(3) The credit in subsection (2)(b):

(a) is limited to a maximum of \$1,200;

(b) must be applied against the tax due for the first tax year ending on or after the end of the employment period described in subsection (2)(b); and

(c) may not be claimed until a veteran is employed by the taxpayer for at least 2,080 hours during the initial 18-month period in subsection (2)(b).

(4) To qualify as a veteran for the purposes of the credits under this section, the veteran must have been

1 unemployed for more than 4 weeks immediately preceding the date employment begins and must have been  
2 discharged or released from military service:

3 (a) not more than 10 years before the date employment begins in the case of a veteran who is a disabled  
4 veteran; or

5 (b) not more than 2 years before the date employment begins in the case of a veteran who is not a  
6 disabled veteran.

7 (5) A taxpayer shall keep a record of the name of the veteran employee whose employment is the basis  
8 for the credits under this section, documentation supporting the employee's qualification as a veteran or disabled  
9 veteran, and the veteran employee's hours employed and period of employment.

10 (6) The credit allowed under this section may not be claimed as a carryback or carryforward and may  
11 not be refunded if the taxpayer has no tax liability.

12 (7) For the purposes of this section:

13 (a) "Disabled veteran" has the meaning provided in 39-29-101; and

14 (b) "Veteran" has the meaning provided in 39-29-101.

15 (8) The department may adopt rules to implement and administer this section.

16

17 **NEW SECTION. Section 3. Codification instruction.** (1) [Section 1] is intended to be codified as an  
18 integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [section 1].

19 (2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 31, and the provisions  
20 of Title 15, chapter 31, apply to [section 2].

21

22 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

23

24 **NEW SECTION. Section 5. Retroactive applicability.** [This act] applies retroactively, within the  
25 meaning of 1-2-109, to tax years beginning after December 31, 2012.

26

27 **NEW SECTION. SECTION 6. TERMINATION. [THIS ACT] TERMINATES DECEMBER 31, 2018.**

28

- END -