

HOUSE BILL NO. 523

INTRODUCED BY SCHWADERER, FITZPATRICK, C. SMITH, WHITE, ZOLNIKOV

A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE CORPORATION LICENSE AND CORPORATION INCOME TAX RATE; AMENDING SECTION 15-31-121, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

**Section 1.** Section 15-31-121, MCA, is amended to read:

**"15-31-121. Rate of tax -- minimum tax -- distribution of revenue.** (1) Except as provided in subsection (2), the percentage of net income to be paid under 15-31-101 is ~~6-3/4%~~ 5.9% of all net income for the tax period.

(2) For a taxpayer making a water's-edge election, the percentage of net income to be paid under 15-31-101 is 7% of all taxable net income for the tax period.

(3) Each corporation subject to taxation under this part shall pay a minimum tax of not less than \$50."

NEW SECTION. **Section 2. Effective date.** [This act] is effective January 1, 2014.

NEW SECTION. **SECTION 3. APPLICABILITY.** [THIS ACT] APPLIES TO TAX PERIODS BEGINNING AFTER DECEMBER 31, 2014.

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