

## HOUSE BILL NO. 266

INTRODUCED BY N. SCHWADERER

A BILL FOR AN ACT ENTITLED: "AN ACT LOWERING INDIVIDUAL INCOME TAX RATES; PROVIDING THAT THE PROPOSED ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA; AMENDING MCA SECTION; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

**NEW SECTION. Section 1. Section amended by referendum.** The following section of the Montana Code Annotated is amended by this referendum:

15-30-2103. Rate of tax.

**Section 2.** Section 15-30-2103, MCA, is amended to read:

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

(a) on the first \$2,300 of taxable income or any part of that income, ~~4%~~ 0.9%;

(b) on the next \$1,800 of taxable income or any part of that income, ~~2%~~ 1.8%;

(c) on the next \$2,100 of taxable income or any part of that income, ~~3%~~ 2.7%;

(d) on the next \$2,200 of taxable income or any part of that income, ~~4%~~ 3.6%;

(e) on the next \$2,400 of taxable income or any part of that income, ~~5%~~ 4.5%;

(f) on the next \$3,100 of taxable income or any part of that income, ~~6%~~ 5.4%;

(g) on any taxable income in excess of \$13,900 or any part of that income, ~~6.9%~~ 6.3%.

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

**NEW SECTION. Section 3. Effective date.** [This act] is effective upon approval by the electorate.

