

SENATE TAX

Exhibit No. 5

Date 2-11-2015

Bill No. SB 116

Amendments to Senate Bill No. 116
1st Reading Copy

Requested by Senator Brian Hoven

For the Senate Taxation Committee

Prepared by Jaret Coles
February 9, 2015 (9:01am)

1. Title, page 1, line 5.

Following: "PURPOSES;"

Insert: "REVISING THE DEFINITION OF HOUSEHOLD INCOME;"

Strike: "SECTION"

Insert: "SECTIONS 15-30-2337 AND"

2. Page 1, line 10.

Following: line 9

Insert: "Section 1. Section 15-30-2337, MCA, is amended to read:

"15-30-2337. Residential property tax credit for elderly -- definitions. As used in 15-30-2337 through 15-30-2341, the following definitions apply:

(1) "Claim period" means the tax year for individuals required to file Montana individual income tax returns and the calendar year for individuals not required to file returns.

(2) "Claimant" means a person who is eligible to file a claim under 15-30-2338.

(3) "Department" means the department of revenue.

(4) "Gross household income" means all income received by all individuals of a household while they are members of the household.

(5) "Gross rent" means the total rent in cash or its equivalent actually paid during the claim period by the renter or lessee for the right of occupancy of the homestead pursuant to an arm's-length transaction with the landlord.

(6) "Homestead" means:

(a) a single-family dwelling or unit of a multiple-unit dwelling that is subject to property taxes in Montana and as much of the surrounding land, but not in excess of 1 acre, as is reasonably necessary for its use as a dwelling; or

(b) a single-family dwelling or unit of a multiple-unit dwelling that is rented from a county or municipal housing authority as provided in Title 7, chapter 15.

(7) (a) "Household" means an association of persons who live in the same dwelling, sharing its furnishings, facilities, accommodations, and expenses.

(b) The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

(8) "Household income" means the amount obtained by subtracting ~~\$6,300~~ \$9,300 from gross household income.

(9) (a) "Income" means, except as provided in subsection (9)(b), federal adjusted gross income, without regard to loss, as that quantity is defined in the Internal Revenue Code of the United States, plus all nontaxable income, including but not limited to:

(i) the amount of any pension or annuity, including Railroad Retirement Act benefits and veterans' disability benefits;

(ii) the amount of capital gains excluded from adjusted gross income;

(iii) alimony;

(iv) support money;

(v) nontaxable strike benefits;

(vi) cash public assistance and relief;

(vii) interest on federal, state, county, and municipal bonds; and

(viii) all payments received under federal social security except social security income paid directly to a nursing home.

(b) For the purposes of this subsection (9), income is reduced by the taxpayer's basis.

(10) "Property tax billed" means taxes levied against the homestead, including special assessments and fees but excluding penalties or interest during the claim period.

(11) "Rent-equivalent tax paid" means 15% of the gross rent."

{ Internal References to 15-30-2337:

15-7-102 *x	15-16-101 *x	15-30-2337 *x	15-30-2338 *x
15-30-2338 *x	15-30-2339 *x	15-30-2339 *x	15-30-2340 *x
15-30-2340 *x	15-30-2341 *x	15-30-2341 *x	47-1-111 x
53-4-1103 x}"			

Renumber: subsequent sections

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