

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN INDIVIDUAL INCOME TAX CREDIT FOR CREDIT  
5 COUNSELING EXPENSES ASSOCIATED WITH STUDENT LOAN DEBT; PROVIDING THAT THE CREDIT IS  
6 NONREFUNDABLE; INCLUDING THE CREDIT IN THE LEGISLATURE'S TAX CREDIT REVIEW PROCESS;  
7 DEFINING "CREDIT COUNSELING"; AMENDING SECTION 15-30-2303, MCA; AND PROVIDING AN  
8 APPLICABILITY DATE."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11  
12 NEW SECTION. **Section 1. Credit for student debt credit counseling.** (1) There is a credit against  
13 the tax imposed by this chapter for the expenses incurred by a taxpayer for credit counseling.

14 (2) The credit allowed under this section must be claimed in the tax year that the taxpayer pays for  
15 credit counseling. The credit for each taxpayer may not:

- 16 (a) be claimed more than twice;
- 17 (b) exceed \$300 in a tax year; or
- 18 (c) exceed the taxpayer's tax liability.

19 (3) A taxpayer may claim the credit when the taxpayer's student loan debt is greater than \$25,000 the  
20 first time the credit is claimed and greater than \$50,000 the second time the credit is claimed.

21 (4) If the amount of the credit exceeds the taxpayer's liability, the credit may be carried forward 5  
22 years. The entire amount of the tax credit not used in the year earned must be carried first to the earliest tax  
23 year in which the credit may be applied and then to each succeeding tax year.

24 (5) Pursuant to 5-4-104, the legislature finds that the purpose of the tax credit provided for in this  
25 section is to help students understand the obligations associated with borrowing and assist them in making  
26 careful decisions about taking on student loan debt.

27 (6) For the purpose of this section, "credit counseling" means a service provided by a person or  
28 organization regarding budget, basic financial planning, and consumer education to a person with higher

1 education student loan debt for consideration.

2

3 **Section 2.** Section 15-30-2303, MCA, is amended to read:

4 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits  
5 must be reviewed during the biennium commencing July 1, 2019:

6 (a) the credit for income taxes imposed by foreign states or countries provided for in 15-30-2302;

7 (b) the credit for contractor's gross receipts provided for in 15-50-207;

8 (c) the credit for new or expanded manufacturing provided for in 15-31-124 through 15-31-127;

9 (d) the credit for installing an alternative energy system provided for in 15-32-201 through 15-32-203;

10 (e) the credit for energy-conserving expenditures provided for in 15-30-2319 and 15-32-109; and

11 (f) the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341.

12 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2021:

13 (a) the credit for commercial or net metering system investment provided for in Title 15, chapter 32,  
14 part 4;

15 (b) the credit for qualified elderly care expenses provided for in 15-30-2366;

16 (c) the credit for dependent care assistance and referral services provided for in 15-30-2373 and 15-  
17 31-131;

18 (d) the credit for contributions to a university or college foundation or endowment provided for in 15-  
19 30-2326, 15-31-135, and 15-31-136;

20 (e) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-30-  
21 3110, and 15-31-158; and

22 (f) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-30-  
23 3111, and 15-31-159.

24 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2023:

25 (a) the credit for providing disability insurance for employees provided for in 15-30-2367 and 15-31-  
26 132;

27 (b) the credit for installation of a geothermal system provided for in 15-32-115;

28 (c) the credit for property to recycle or manufacture using recycled material provided for in Title 15,

1 chapter 32, part 6;

2 (d) the credit for converting a motor vehicle to alternative fuel provided for in 15-30-2320 and 15-31-  
3 137;

4 (e) the credit for infrastructure use fees provided for in 17-6-316; and

5 (f) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-  
6 2329, 15-31-161, and 15-31-162.

7 (4) The following tax credits must be reviewed during the biennium commencing July 1, 2025:

8 (a) the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151;

9 (b) the credit for mineral or coal exploration provided for in Title 15, chapter 32, part 5;

10 (c) the credit for capital gains provided for in 15-30-2301;

11 (d) the credit for a new employee in an empowerment zone provided for in 15-30-2356 and 15-31-  
12 134;

13 (e) the credit for an oilseed crush facility provided for in 15-32-701; and

14 (f) the credit for unlocking state lands provided for in 15-30-2380.

15 (5) The following tax credits must be reviewed during the biennium commencing July 1, 2027:

16 (a) the biodiesel or biolubricant production facility credit provided for in 15-32-702;

17 (b) the biodiesel blending and storage credit provided for in 15-32-703;

18 (c) the adoption tax credit provided for in 15-30-2364;

19 (d) the credit for providing temporary emergency lodging provided for in 15-30-2381 and 15-31-171;

20 (e) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357 and  
21 15-31-173;

22 (f) the earned income tax credit provided for in 15-30-2318; ~~and~~

23 (g) the media production and postproduction credits provided for in 15-31-1007 and 15-31-1009; and

24 (h) the credit for receiving student debt credit counseling as provided in [section 1].

25 (6) The revenue interim committee shall review the tax credits scheduled for review in the biennium of  
26 the next regular legislative session, including any individual or corporate income tax credits with an expiration or  
27 termination date that are not listed in this section, and make recommendations to the legislature about whether  
28 to eliminate or revise the credits. The legislature may extend the review dates by amending this section. The

1 revenue interim committee shall review the credits using the following criteria:

2 (a) whether the credit changes taxpayer decisions, including whether the credit rewards decisions that  
3 may have been made regardless of the existence of the tax credit;

4 (b) to what extent the credit benefits some taxpayers at the expense of other taxpayers;

5 (c) whether the credit has out-of-state beneficiaries;

6 (d) the timing of costs and benefits of the credit and how long the credit is effective;

7 (e) any adverse impacts of the credit or its elimination and whether the benefits of continuance or  
8 elimination outweigh adverse impacts; and

9 (f) the extent to which benefits of the credit affect the larger economy."

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11 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an  
12 integral part of Title 15, chapter 30, part 23, and the provisions of Title 15, chapter 30, part 23, apply to [section  
13 1].

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15 NEW SECTION. Section 4. Applicability. [This act] applies to tax years beginning after December  
16 31, 2021.

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