

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

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

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE TAXPAYER INTEGRITY FEE; PROVIDING AN  
5 EXEMPTION FROM THE FEE BASED ON THE FEDERAL POVERTY LEVEL FOR CERTAIN PARTICIPANTS  
6 IN THE MONTANA HEALTH AND ECONOMIC LIVELIHOOD PARTNERSHIP ACT; AMENDING SECTION 15-  
7 30-2660, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
8 APPLICABILITY DATE."

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

11  
12 **Section 1.** Section 15-30-2660, MCA, is amended to read:

13 **"15-30-2660. (Temporary) Taxpayer integrity fees.** (1) (a) ~~The~~ Subject to subsection (2)(b), the  
14 department shall assess a fee as provided in subsection (2)(a) for a taxpayer who is a participant in the  
15 Montana Health and Economic Livelihood Partnership Act provided for in Title 53, chapter 6, part 13, and Title  
16 39, chapter 12, and owns:

17 (i) equity in real property or improvements to real property, or both, that exceeds the limit established  
18 for homesteads under 70-32-104 by \$5,000 or more, if the real property is not agricultural land;

19 (ii) more than one light vehicle when the combined depreciated value of the manufacturer's suggested  
20 retail price totals \$20,000 or more and the participant's equity in the vehicles exceeds that combined  
21 depreciated value by \$5,000 or more; or

22 (iii) agricultural land with a taxable value in excess of \$1,500 a year.

23 (b) For the purposes of subsection (1)(a):

24 (i) "real property or improvements to real property" does not include property held in trust by the  
25 United States for the benefit of a Montana federally recognized Indian tribe; and

26 (ii) the depreciated value of the manufacturer's suggested retail price must be computed as provided in  
27 61-3-503(2).

28 (2) (a) The fee is \$100 a month plus an amount equal to an additional \$4 a month for:

1           ~~(a)(i)~~ each \$1,000 in equity value above the limits established in subsections (1)(a)(i) and (1)(a)(ii);

2    and

3           ~~(b)(ii)~~ each \$100 of taxable value in agricultural land above \$1,500.

4           **(b) A taxpayer that is subject to the fee provided for in subsections (1) and (2)(a) is entitled to a sliding**  
5 **scale exemption based on the taxpayer's percentage of income in comparison to the federal poverty level. A**  
6 **taxpayer with income:**

7           **(i) between 0% to no more than 75% of the federal poverty level is exempt from the fee;**

8           **(ii) greater than 75% to no more than 100% of the federal poverty level is exempt from 75% of the fee;**

9           **(iii) greater than 100% to no more than 125% of the federal poverty level is exempt from 25% of the**  
10 **fee; and**

11           **(iv) greater than 125% of the federal poverty level does not receive an exemption.**

12           (3) (a) The department shall assess a fee for an entity organized under 26 U.S.C. 501(d) and subject  
13 to taxes as provided in Title 15, chapter 31, if the entity has members who are receiving medicaid coverage  
14 under Title 53, chapter 6, part 13.

15           (b) The fee is equal to the state's share of the average annual cost per program participant, as  
16 defined in 53-6-1303, multiplied by the number of individuals in the 26 U.S.C. 501(d) organization who are  
17 receiving medicaid coverage because they are eligible under 53-6-1304, less the total annual amount the  
18 entity's members have paid in premiums.

19           (4) (a) For the purposes of calculating the fee required under subsection (3), the department of public  
20 health and human services shall provide the department of revenue by February 1 of each year with:

21           (i) the percentage of medicaid claims costs of program participants for which the state was  
22 responsible in the previous calendar year; and

23           (ii) the average annual cost of medical claims for program participants in the previous calendar year.

24           (b) The department of public health and human services shall post the average annual cost for a  
25 program participant on the department's website by February 15 of each year.

26           (5) An organization shall pay the fee provided for in subsection (3) as follows:

27           (a) on or before the last day of each month, the organization shall pay an estimated fee equal to one-  
28 twelfth of the most recently published annual cost per program participant; and

1 (b) on or before April 15 of each year, the organization shall report and pay any additional amount  
2 owed for the prior year or request a refund of any overpayment made in the prior year.

3 (6) (a) The department of public health and human services shall provide the department of revenue  
4 with the names of program participants and other necessary information to assist the department of revenue in  
5 administering and enforcing this section.

6 (b) The department of justice shall provide the department of revenue with vehicle registration  
7 information for the administration of this section.

8 (7) Fees collected pursuant to this section must be deposited in the Montana HELP Act special  
9 revenue account provided for in 53-6-1315.

10 (8) A fee remains until paid and may be collected through assessments against future income tax  
11 returns or through a civil action initiated by the state.

12 (9) For the purposes of this section, the following definitions apply:

13 (a) (i) "Agricultural land" means agricultural land as described in 15-7-202 that is taxed as class three  
14 property at the rate provided in 15-6-133.

15 (ii) The term does not include:

16 (A) parcels of land that are considered nonqualified agricultural land as provided in 15-6-133(1)(c);

17 (B) improvements to real property; or

18 (C) land held in trust by the United States for the benefit of a Montana federally recognized Indian  
19 tribe.

20 ~~(b) "Light vehicle" has the meaning provided in 61-1-101.~~

21 (b) "Federal poverty level" means the measure of indigence used by the department of public health  
22 and human services in administering Title 53, chapter 6, part 13.

23 (c) "Light vehicle" has the meaning provided in 61-1-101.

24 ~~(e)(d)~~ "Manufacturer's suggested retail price" has the meaning provided in 61-3-503(3). (Terminates  
25 June 30, 2025--secs. 38, 48, Ch. 415, L. 2019.)"

26

27 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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