



AN ACT REPEALING THE NEW OR EXPANDED INDUSTRY CREDIT FOR CORPORATE INCOME TAXES; AMENDING SECTIONS 15-30-2303 AND 15-32-405, MCA; AND REPEALING SECTIONS 15-31-124, 15-31-125, 15-31-126, AND 15-31-127, MCA.

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

Section 1. Section 15-30-2303, MCA, is amended to read:

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

- (a) the credit for income taxes imposed by foreign states or countries provided for in 15-30-2302;
- (b) the credit for contractor's gross receipts provided for in 15-50-207;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) the credit for property to recycle or manufacture using recycled material provided for in Title 15, chapter 32, part 6;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 2. Section 15-32-405, MCA, is amended to read:

"15-32-405. Exclusion from other tax incentives. If a credit is claimed for an investment pursuant to this part, no other state energy or investment tax credit, ~~including but not limited to the tax credits allowed by 15-31-124 and 15-31-125,~~ may be claimed for the investment. Property tax reduction allowed by 15-6-224 may not be applied to a facility for which a credit is claimed pursuant to this part."

Section 3. Repealer. The following sections of the Montana Code Annotated are repealed:

15-31-124. New or expanded industry credit -- definitions.

15-31-125. Determination of tax credit.

15-31-126. Limitation.

15-31-127. Department duties.

- END -

I hereby certify that the within bill,
SB 45, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2021.

Speaker of the House

Signed this _____ day
of _____, 2021.

SENATE BILL NO. 45

INTRODUCED BY M. BLASDEL

BY REQUEST OF THE REVENUE INTERIM COMMITTEE

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