

1 SENATE BILL NO. 502  
2 INTRODUCED BY D. LENZ

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN INCOME TAX CREDIT FOR NURSING HOME  
5 EXPENSES; PROVIDING THAT THE CREDIT IS FOR PRIVATE PAY TAXPAYERS WHOSE NURSING  
6 HOME EXPENSES EXCEED THE MEDICAID REIMBURSEMENT RATE; PROVIDING DEFINITIONS;  
7 AMENDING SECTION 15-30-2303, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

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11 NEW SECTION. **Section 1. Credit for nursing home expenses.** (1) There is credit against the  
12 taxes imposed by this chapter equal to 40% of a qualifying taxpayer's nursing home expenses that exceed the  
13 medicaid reimbursement rate for care in a nursing home.

14 (2) The credit may not be refunded if the taxpayer has a tax liability less than the amount of the  
15 credit and may not be carried to another tax year.

16 (3) A taxpayer may claim the credit for a maximum of 3 years.

17 (4) As used in this section, the following definitions apply:

18 (a) "Nursing home expenses" means expenses paid to a facility that provides skilled nursing care  
19 as defined in 50-5-101 and is certified by the centers for medicare and medicaid services to participate in the  
20 medicare or medicaid program.

21 (b) "Qualifying taxpayer" means a taxpayer for whom nursing home expenses are not paid through  
22 the medicaid program.

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

25 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits  
26 must be reviewed during the biennium commencing July 1, 2019, and during each biennium commencing 10  
27 years thereafter:

28 (a) the credit for contractor's gross receipts provided for in 15-50-207; and

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

2 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2021, and  
3 during each biennium commencing 10 years thereafter:

4 (a) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-  
5 30-3110, and 15-31-158; and

6 (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-  
7 30-3111, and 15-31-159.

8 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2023, and  
9 during each biennium commencing 10 years thereafter:

10 (a) the credit for infrastructure use fees provided for in 17-6-316;

11 (b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-  
12 2329, 15-31-161, and 15-31-162; and

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

15 (4) The following tax credits must be reviewed during the biennium commencing July 1, 2025, and  
16 during each biennium commencing 10 years thereafter:

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

18 (b) the credit for unlocking state lands provided for in 15-30-2380;

19 (c) the job growth incentive tax credit provided for in 15-30-2361 and 15-31-175; ~~and~~

20 (d) the credit for trades education and training provided for in 15-30-2359 and 15-31-174; and

21 (e) the credit for nursing home expenses as provided in [section 1].

22 (5) The following tax credits must be reviewed during the biennium commencing July 1, 2027, and  
23 during each biennium commencing 10 years thereafter:

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

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

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

28 (6) The revenue interim committee shall review the tax credits scheduled for review and make

1 recommendations in accordance with 5-11-210 at the conclusion of the full review to the legislature about  
2 whether to eliminate or revise the credits. The committee shall also review any tax credit with an expiration date  
3 or termination date that is not listed in this section in the biennium before the credit is scheduled to expire or  
4 terminate.

5 (7) The revenue interim committee shall review the credits using the following criteria:

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

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

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

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

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

13 (f) the extent to which benefits of the credit affect the larger economy. (Subsection (4)(d)  
14 terminates December 31, 2026--sec. 7, Ch. 248, L. 2021; subsection (4)(c) terminates December 31, 2028--  
15 sec. 24(1), Ch. 550, L. 2021.)"

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

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20 **NEW SECTION. Section 4. Applicability.** [This act] applies to income tax years beginning after  
21 December 31, 2023.

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