

SENATE BILL NO. 371  
INTRODUCED BY E. STONINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A REDUCED TAX RATE ON NET CAPITAL GAIN;  
AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

NEW SECTION. **Section 1. Tax on net capital gains.** (1) There is imposed a separate tax on the entire amount of net capital gain determined for federal income tax purposes under 26 U.S.C. 1 (h).

(2) Net capital gain is taxed according to the brackets of taxable income contained in 15-30-103(1), as adjusted under 15-30-103(2), at the tax rate applicable to the bracket of taxable income of the net capital gain, less 1 percentage point.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 15, chapter 30, part 1, and the provisions of Title 15, chapter 30, part 1, apply to [section 1].

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 4. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to tax years or tax periods beginning after December 31, 2002.

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