

HOUSE BILL NO. 675
INTRODUCED BY H. JACOBSON

A BILL FOR AN ACT ENTITLED: "AN ACT PLACING A 20 PERCENT PROPERTY TAX SURTAX ON RESIDENTIAL PROPERTIES OWNED BY PERSONS WHO DO NOT PAY MONTANA INCOME TAXES TO DEFRAY STATE GOVERNMENT EXPENSES IN PROVIDING EMERGENCY SERVICES TO THE PROPERTIES; PROVIDING AN EXCEPTION FOR PERSONS WHO NO LONGER PAY MONTANA INCOME TAXES BECAUSE OF AGE, INFIRMITY, OR MISFORTUNE; AND PROVIDING AN APPLICABILITY DATE."

WHEREAS, homeland security emergency contingencies create extraordinary costs incurred by the State of Montana to protect the people and property located in the state; and

WHEREAS, wildfires often threaten residences located outside of the urban areas and require the use of extraordinary expenditures from contingent emergency and disaster relief funds to pay for the costs of fighting the fires and protecting the residences; and

WHEREAS, emergencies, disasters, and threats of terrorism may require callups of the National Guard to protect people and property and may result in expenditures of state emergency disaster funds and supplemental appropriations from the general fund; and

WHEREAS, in order to help protect residential property located in the State of Montana, it is necessary to assess a property tax surtax to be collected from those who do not pay Montana state income taxes to supplant the amounts already being paid by people paying Montana state income taxes.

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

NEW SECTION. Section 1. Residential property emergency services surcharge -- income tax replacement. (1) (a) In addition to property taxes levied on class four residential property described in 15-6-134, including a single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home, and the class four real property upon which the residential property sits, if the owner of the property has not paid income taxes under 15-30-103 in the prior year, there is assessed a state property tax surtax of 20% of the property taxes payable on the property to defray the provision of state emergency services to the property.

(b) The proceeds of the surtax must be remitted by the county treasurer to the department for deposit in the state general fund.

(2) If a residence is owned by several individuals, co-owners, or owners, partners, or shareholders of a corporation, small business corporation, partnership, trust, or pass-through entity, individuals with a majority of the ownership interest in the residence must have paid income taxes under 15-30-103 for the owner to be considered to have paid income taxes.

(3) (a) For the purposes of this section, an owner is considered to have paid income taxes under 15-30-103 if the owner had in a previous year paid income taxes but, because of age, infirmity, or misfortune, did not pay income taxes in the prior year and since the last time that the owner did pay income taxes under 15-30-103, the owner has not paid income taxes in another state.

(b) A person may apply to the department for an exemption from the income tax payment requirements of this section on forms provided by the department. The applicant shall establish that the criteria in subsection (2)(a) have been met. If the exemption is denied, the owner may appeal to the county tax appeal board in the county where the property is located within 90 days after notice in writing of the denial is mailed to the owner by the department. A decision of the county tax appeal board may be appealed to the district court within the time and in the manner provided under Title 15, chapter 2, part 3.

NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 15, chapter 6, part 1, and the provisions of Title 15, chapter 6, part 1, apply to [section 1].

NEW SECTION. Section 3. Applicability. [This act] applies to property tax years beginning after December 31, 2007.

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