

HOUSE BILL NO. 801
INTRODUCED BY G. MACLAREN

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A REFUNDABLE TAX CREDIT FOR MEDICAL INSURANCE PREMIUMS PAID BY A TAXPAYER WHOSE GROSS HOUSEHOLD INCOME IS LESS THAN OR EQUAL TO 200 PERCENT OF THE FEDERAL POVERTY LEVEL; 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. Low-income credit for medical care insurance payments -- refund. (1)

Subject to the conditions of this section, there is a tax credit against the taxes otherwise due under this chapter for premium payments made for insurance for medical care, as defined in 26 U.S.C. 213(d), for coverage of the taxpayer and the taxpayer's spouse and dependents to the extent that premium payments are not covered or reimbursed by other sources, such as but not limited to a premium assistance payment made under Title 33, chapter 22, part 20.

(2) To qualify for the credit under this section, the taxpayer's total gross household income must be less than or equal to 200% of the federal poverty level, as defined in 53-4-201, for the appropriate family unit size.

(3) The amount of the credit is equal to 50% of premium payments made for insurance for medical care in the tax year.

(4) If the credit allowed under subsection (1) is claimed, the amount of the deduction allowed or allowable under this chapter for the amount that qualifies for the credit must be reduced by the dollar amount of the credit allowed.

(5) If the amount of the credit exceeds the claimant's liability under this chapter, the amount of the excess must be refunded to the claimant. The credit may be claimed even though the claimant has no income that is taxable under this chapter.

(6) For the purposes of this section:

(a) "gross household income" has the meaning provided in 15-30-171; and

(b) "income" has the meaning provided in 15-30-171.

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 beginning after December 31, 2006.

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