

SENATE BILL NO. 472
INTRODUCED BY K. GILLAN

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MAXIMUM TAX CREDIT FOR PROVIDING DISABILITY INSURANCE FOR EMPLOYEES OF SMALL BUSINESSES; AMENDING SECTION 15-31-132, MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 15-31-132, MCA, is amended to read:

"15-31-132. Tax credit for providing disability insurance for employees. An employer is entitled to a credit against taxes otherwise due under this chapter for the amount of premiums for disability insurance paid by the employer for the employer's employees, subject to the following requirements:

(1) The tax credit is available only to employers who:

- (a) have been in business in Montana for at least 12 months; and
- (b) employ 20 or fewer employees working at least 20 hours a week.

(2) At least 50% of each employee's insurance premium is paid by the employer.

(3) Subject to the provisions of subsection (4), an employer is entitled to a tax credit for a maximum of 10 employees, computed as follows:

(a) a credit of ~~\$25~~ \$100 a month for each employee if the employer pays 100% of the employee's premium; or

(b) a credit equal to ~~\$25~~ \$100 a month multiplied by the percentage of the employee's premium paid by the employer for each employee if the employer pays less than 100% of the employee's premium.

(4) The credit may not exceed 50% of the premium cost for each employee and may not be claimed for a period of more than 36 consecutive months. A tax credit may not be granted to an employer or the employer's successor within 10 years of the last consecutive credit claimed.

(5) The credit allowed under this section may not be claimed as a carryback or carryforward and may not be refunded if the employer has no tax liability."

NEW SECTION. **Section 2. 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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