

SENATE JOINT RESOLUTION NO. 37
INTRODUCED BY J. ESSMANN

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE FILING OPTIONS FOR MARRIED TAXPAYERS UNDER MONTANA'S INDIVIDUAL INCOME TAX LAW.

WHEREAS, it is generally advantageous for married taxpayers to file a joint return for federal income tax purposes; and

WHEREAS, most states require married taxpayers to file state individual income tax returns using the same filing status that they use in filing federal income tax returns; and

WHEREAS, Montana is one of the few states that allow married taxpayers to file separately on the same tax form; and

WHEREAS, married taxpayers filing separately on the same tax form in Montana could not use certain federal tax deductions that were allowed married taxpayers filing jointly; and

WHEREAS, the Montana Legislature had to enact legislation to specifically allow these federal deductions on the state tax return; and

WHEREAS, the different individual income tax filing methods for married taxpayers contribute to the complexity of compliance with and administration of the state's individual income tax laws; and

WHEREAS, the Montana Legislature has not undertaken a systematic evaluation of the effects of allowing married taxpayers to file separately on the same form.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, or direct sufficient staff resources to:

(1) review the rationale for allowing married taxpayers in Montana to file separately on the same form and review the legislative history related to how married taxpayers may choose to file individual income tax returns;

(2) evaluate the benefits and drawbacks of revising the method for filing individual income tax returns by married taxpayers, including an analysis of changes to tax rate schedules if the existing method of filing were

changed; and

(3) consider policy options related to the filing method used by married taxpayers.

BE IT FURTHER RESOLVED, that if the study is assigned to staff, any findings or conclusions be presented to and reviewed by an appropriate committee designated by the Legislative Council.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2010.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the appropriate committee, be reported to the 62nd Legislature.

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