

SENATE BILL NO. 426

INTRODUCED BY J. BALYEAT

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4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE TREASURE STATE TAXPAYER DIVIDEND
5 PROGRAM; ALLOWING TAXPAYERS A REFUND OF SURPLUS STATE GOVERNMENT REVENUE FUND
6 BALANCE THROUGH AN INCOME TAX CREDIT; AND PROVIDING THAT THE TAX CREDIT IS BASED UPON
7 THE RELATIVE AMOUNTS OF ALL PROPERTY TAXES PAID ON A CLAIMANT'S PRINCIPAL RESIDENCE
8 AND UPON THE AMOUNT OF INDIVIDUAL INCOME TAXES THAT HAD BEEN PAID BY THE CLAIMANT;
9 PROVIDING THAT THE PROPOSED ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA;
10 AND PROVIDING AN EFFECTIVE DATE."

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

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14 NEW SECTION. Section 1. Tax credits based on surplus state revenue FUND BALANCE -- property
15 tax -- income tax. (1) (a) The department of administration shall certify to the budget director, by August 1 of
16 each year, the amount of unaudited general fund ~~revenue received~~ BALANCE in the prior fiscal year as recorded
17 when the prior fiscal year statewide accounting, budgeting, and human resource system records are closed in
18 July. General fund ~~revenue~~ BALANCE is as recorded in the statewide accounting, budgeting, and human resource
19 system using generally accepted accounting principles in accordance with 17-1-102(2). Tax credits are allowed
20 under this section if the unaudited general fund ~~revenue received~~ BALANCE in the fiscal year exceeds ~~406%~~ 125%
21 of the budgeted general fund BALANCE for that fiscal year, ~~including the specified general fund ending fund~~
22 ~~balance and supplemental appropriations less anticipated general fund reversions~~ [and if the tax rate specified
23 in 15-6-138(3)(a)(ii) has been in effect for at least 1 tax year]. TAX CREDITS ARE NOT ALLOWED UNDER THIS SECTION
24 UNLESS THE EXCESS BALANCE IS AT LEAST \$5 MILLION. One-half of the amount in excess of ~~406%~~ 125% must be
25 distributed in the form of individual income tax credits related to the property taxes paid on the taxpayer's principal
26 residence and related to the taxpayer's individual income tax paid.

27 (b) There is a credit against taxes imposed by this chapter equal to the amount determined under
28 subsection (2).

29 (2) (a) If a tax credit is allowed under subsection (1)(a), the department shall ~~divide~~ DETERMINE THE
30 PERCENTAGE BY DIVIDING the amount of the ~~excess revenue~~ BALANCE TO BE REFUNDED by the amounts of the total

1 collections that are attributable to TOTAL statewide property tax collections THAT WAS ASSESSED, OTHER THAN LOCAL
 2 OPTION VEHICLE TAX UNDER 61-3-537, and TOTAL individual income tax collections FROM MONTANA RESIDENTS FOR
 3 THE SAME FISCAL YEAR AS THE GENERAL FUND BALANCE.

4 (b) The property tax share of the excess ~~revenue~~ BALANCE must be reimbursed to property taxpayers
 5 based upon an amount ~~that is a percentage~~ of each taxpayer's property taxes PAID on the taxpayer's principal
 6 residence ~~for the property tax year beginning~~ in the taxpayer's income tax year. To determine the ~~percentage~~
 7 AMOUNT, the department shall ~~divide the property tax share of available excess revenue~~ MULTIPLY THE PERCENTAGE
 8 DETERMINED IN SUBSECTION (2)(A) by total property tax collections actually received and attributable to principal
 9 residences for the property tax year that ended on December 31 of the year before the previous calendar THE
 10 INDIVIDUAL'S TOTAL PROPERTY TAXES PAID ON THE PRINCIPAL RESIDENCE IN THE PRIOR year.

11 (c) The income tax share of the excess ~~revenue~~ BALANCE must be distributed to taxpayers as a credit
 12 under this chapter based upon an amount ~~that is a percentage of the amount the~~ EACH taxpayer paid IN MONTANA
 13 INDIVIDUAL INCOME TAXES pursuant to 15-30-2103 in the immediately preceding tax year ~~on Montana source~~
 14 income. To determine the ~~percentage~~ AMOUNT, the department shall ~~divide the income tax share of available~~
 15 ~~excess revenue~~ MULTIPLY THE PERCENTAGE DETERMINED IN SUBSECTION (2)(A) by total income tax collections
 16 actually received and attributable to the tax year that ended in the calendar year before the previous calendar
 17 THE INDIVIDUAL'S INCOME TAXES PAID IN THE PRIOR year.

18 (3) Only one claim may be made with respect to any property.

19 (4) A claim is not allowed under this section if there are delinquent property taxes owed on the principal
 20 residence.

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

24 (6) The department may adopt rules to implement and administer this section.

25 (7) As used in this section, THE FOLLOWING DEFINITIONS APPLY:

26 (A) "BUDGETED GENERAL FUND BALANCE" IS A PROJECTED GENERAL FUND BALANCE CALCULATED BY THE
 27 LEGISLATIVE FISCAL ANALYST BY AUGUST 1 FOR EACH FISCAL YEAR. IN DETERMINING THE PROJECTED GENERAL FUND
 28 BALANCE, THE LEGISLATIVE FISCAL ANALYST SHALL USE THE APPROPRIATE FISCAL YEAR AMOUNTS AS UTILIZED BY THE
 29 LEGISLATURE IN DEVELOPING THE BIENNIAL BUDGET. THE FISCAL YEAR AMOUNTS ARE ANTICIPATED REVENUES AND
 30 TRANSFERS THAT INCLUDE THE IMPACTS OF ENACTED LEGISLATION, ESTABLISHED LEVEL OF APPROPRIATIONS AND

1 TRANSFERS, ANTICIPATED SUPPLEMENTAL APPROPRIATIONS, AND ANTICIPATED REVERSIONS. TO CALCULATE THE
 2 PROJECTED BALANCE, THE LEGISLATIVE FISCAL ANALYST SHALL ADD THE UNASSIGNED FUND BALANCE FROM THE MOST
 3 RECENT COMPLETED FISCAL YEAR PLUS THE ANTICIPATED REVENUES AND TRANSFERS LESS THE LEVEL OF
 4 APPROPRIATIONS AND TRANSFERS, SUPPLEMENTAL APPROPRIATIONS, AND ANTICIPATED REVERSIONS FOR THE MOST
 5 RECENT COMPLETED FISCAL YEAR.

6 (B) ~~principal~~ PRINCIPAL residence" means a class four residential dwelling that is a single-family dwelling
 7 unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home that is LOCATED IN MONTANA AND
 8 occupied by the owner for at least 7 months during the tax year and INCLUDES as much of the surrounding land,
 9 not exceeding 5 acres, as is reasonably necessary for its use as a dwelling.

10 (8) THIS SECTION MAY BE CITED AS THE "TREASURE STATE TAXPAYER DIVIDEND PROGRAM".
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12 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an
 13 integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [section 1].
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15 NEW SECTION. Section 3. Contingent voidness. If Senate Bill No. 372 is not passed and approved
 16 or if Senate Bill No. 372 is rendered void, then the bracketed language in [section 1(1)(a)] is void.
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18 NEW SECTION. Section 4. Effective date. If approved by the electorate, [this act] is effective January
 19 1, 2013.
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21 NEW SECTION. Section 5. Submission to electorate. [This act] shall be submitted to the qualified
 22 electors of Montana at the general election to be held in November 2012 by printing on the ballot the full title of
 23 [this act] and the following:

24 [] FOR contingently providing taxpayers a ~~refund~~ REFUNDS of surplus state government ~~revenue~~
 25 GENERAL FUND BALANCE through an income tax credit based upon property and individual income
 26 taxes paid.

27 [] AGAINST contingently providing taxpayers a ~~refund~~ REFUNDS of surplus state government
 28 ~~revenue~~ GENERAL FUND BALANCE through an income tax credit based upon property and individual
 29 income taxes paid.
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