

HOUSE BILL NO. 184

INTRODUCED BY C. SMITH

1  
2  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR HEALTH CARE TAX RELIEF AND EQUITY;  
5 ALLOWING AN INDIVIDUAL INCOME TAX CREDIT FOR CERTAIN HEALTH CARE EXPENSES FOR AN  
6 INDIVIDUAL AND FAMILY MEMBERS; PROVIDING THAT HEALTH CARE EXPENSES INCLUDE HEALTH  
7 INSURANCE PREMIUM PAYMENTS; PROHIBITING A CREDIT FOR EXPENSES THAT ARE PAID BY AN  
8 EMPLOYER AND NOT REPORTED AS INCOME OR ARE OTHERWISE REIMBURSED OR SUBJECT TO  
9 OTHER TAX BENEFITS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
10 APPLICABILITY DATE."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13  
14 NEW SECTION. **Section 1. Short title.** [Sections 1 and 2] may be cited as the "Health Care Tax Relief  
15 and Equity Act".

16  
17 NEW SECTION. **Section 2. Credit for expense of health care for family members.** (1)(a) There is  
18 a credit against the tax imposed by this chapter for qualified health care expenses paid by an individual for the  
19 care of the individual and qualifying family members during the tax year.

20 (b) The amount of the credit is equal to 7% of the amount of qualifying health care expenses allowed the  
21 claimant and the claimant's qualifying family members.

22 (c) The credit allowed under this section may not be claimed as a carryback or carryforward and may  
23 not be refunded if the taxpayer has no tax liability.

24 (d) In the case of a married individual filing a separate return, the amount of the credit is limited to  
25 one-half of the amount calculated under subsection (1)(b).

26 (2) A qualifying family member is an individual who is the claimant's spouse or dependent.

27 (3) A qualifying health care expense is an expense that is incurred for medical care, including insurance  
28 premium payments, as defined by 26 U.S.C. 213(d), other than an expense that was:

29 (a) reimbursed by insurance or from any other source;

30 (b) paid by an employer and not reported as income; or

- 1 (c) paid by funds that were subject to a tax benefit under the provisions of:
- 2 (i) a health care expense trust account under 2-18-1304;
- 3 (ii) the tax credit for insurance premiums paid by eligible small employers who are individuals under
- 4 15-30-2368;
- 5 (iii) a medical care savings account under Title 15, chapter 61; or
- 6 (iv) any other law that allows an exclusion, deduction, or credit for the qualifying health care expense
- 7 allowed the claimant.
- 8 (4) A deduction or credit is not allowed under any other provision of chapter 31 or this chapter with
- 9 respect to any amount for which a credit is allowed under this section.

10

11 **NEW SECTION. Section 3. Codification instruction.** [Section 2] is intended to be codified as an

12 integral part of Title 15, chapter 30, part 23, and the provisions of Title 15, chapter 30, part 23, apply to [section

13 2].

14

15 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

16

17 **NEW SECTION. Section 5. Retroactive applicability.** [This act] applies retroactively, within the

18 meaning of 1-2-109, to tax years beginning after December 31, 2010.

19 - END -