

1 SENATE BILL NO. 394

2 INTRODUCED BY A. WITTICH

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4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE TAXATION OF INDIVIDUAL INCOME;
5 DECREASING INDIVIDUAL INCOME TAXES LEVIED BY 5% FOR TAX YEAR 2014; AMENDING SECTION
6 15-30-2103, MCA; AND PROVIDING AN APPLICABILITY DATE AND A TERMINATION DATE."

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

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10 **Section 1.** Section 15-30-2103, MCA, is amended to read:

11 **"15-30-2103. Rate of tax.** (1) ~~There~~ Subject to subsection (3), there must be levied, collected, and paid
12 for each tax year upon the taxable income of each taxpayer subject to this tax, after making allowance for
13 exemptions and deductions as provided in this chapter, a tax on the brackets of taxable income as follows:

- 14 (a) on the first \$2,300 of taxable income or any part of that income, 1%;
15 (b) on the next \$1,800 of taxable income or any part of that income, 2%;
16 (c) on the next \$2,100 of taxable income or any part of that income, 3%;
17 (d) on the next \$2,200 of taxable income or any part of that income, 4%;
18 (e) on the next \$2,400 of taxable income or any part of that income, 5%;
19 (f) on the next \$3,100 of taxable income or any part of that income, 6%;
20 (g) on any taxable income in excess of \$13,900 or any part of that income, 6.9%.

21 (2) By November 1 of each year, the department shall multiply the bracket amount contained in
22 subsection (1) by the inflation factor for that tax year and round the cumulative brackets to the nearest \$100. The
23 resulting adjusted brackets are effective for that tax year and must be used as the basis for imposition of the tax
24 in subsection (1) of this section.

25 (3) For the tax year ending December 31, 2014, the amount of tax levied, collected, and paid for each
26 taxpayer is equal to the amount of tax calculated on the brackets of taxable income in subsection (1) multiplied
27 by a tax relief discount factor of 0.95."

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29 **NEW SECTION. Section 2. Applicability.** [This act] applies to the tax year beginning after December
30 31, 2013.

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2 NEW SECTION. **Section 3. Termination.** [This act] terminates December 31, 2014.

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