

HOUSE BILL NO. 287

INTRODUCED BY T. JACOBSON

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ELDERLY HOMEOWNER AND RENTER INCOME TAX CREDIT; PROVIDING THAT THE CREDIT MAY BE CLAIMED BY A TAXPAYER WHEN AN ELDERLY CARE FACILITY DOES NOT PAY PROPERTY TAXES; PROVIDING A TRANSITION FOR THE PURPOSE OF CLAIMING THE CREDIT IN A PRIOR TAX YEAR; AMENDING SECTIONS 15-30-2337 AND 15-30-2341, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 15-30-2337, MCA, is amended to read:

"15-30-2337. Residential property tax credit for elderly -- definitions. As used in 15-30-2337 through 15-30-2341, the following definitions apply:

(1) "Claim period" means the tax year for individuals required to file Montana individual income tax returns and the calendar year for individuals not required to file returns.

(2) "Claimant" means a person who is eligible to file a claim under 15-30-2338.

(3) "Department" means the department of revenue.

(4) "Gross household income" means all income received by all individuals of a household while they are members of the household.

(5) "Gross rent" means the total rent in cash or its equivalent actually paid during the claim period by the renter or lessee for the right of occupancy of the homestead pursuant to an arm's-length transaction with the landlord.

(6) "Homestead" means:

(a) a single-family dwelling or unit of a multiple-unit dwelling that is subject to property taxes in Montana and as much of the surrounding land, but not in excess of 1 acre, as is reasonably necessary for its use as a dwelling; or

(b) a single-family dwelling or unit of a multiple-unit dwelling that is rented from:

(i) a county or municipal housing authority as provided in Title 7, chapter 15;

(ii) an assisted living or retirement facility;



1 (iii) a long-term care facility;

2 (iv) a home and community-based facility; or

3 (v) a facility that has the characteristics of a facility in subsections (6)(b)(ii) through (6)(b)(iv).

4 (7) (a) "Household" means an association of persons who live in the same dwelling, sharing its
5 furnishings, facilities, accommodations, and expenses.

6 (b) The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

7 (8) "Household income" means the amount obtained by subtracting \$6,300 from gross household
8 income.

9 (9) (a) "Income" means, except as provided in subsection (9)(b), federal adjusted gross income, without
10 regard to loss, as that quantity is defined in the Internal Revenue Code of the United States, plus all nontaxable
11 income, including but not limited to:

12 (i) the amount of any pension or annuity, including Railroad Retirement Act benefits and veterans'
13 disability benefits;

14 (ii) the amount of capital gains excluded from adjusted gross income;

15 (iii) alimony;

16 (iv) support money;

17 (v) nontaxable strike benefits;

18 (vi) cash public assistance and relief;

19 (vii) interest on federal, state, county, and municipal bonds; and

20 (viii) all payments received under federal social security except social security income paid directly to a
21 nursing home.

22 (b) For the purposes of this subsection (9), income is reduced by the taxpayer's basis.

23 (10) "Property tax billed" means taxes levied against the homestead, including special assessments and
24 fees but excluding penalties or interest during the claim period.

25 (11) "Rent-equivalent tax paid" means 15% of the gross rent."
26

27 **Section 2.** Section 15-30-2341, MCA, is amended to read:

28 **"15-30-2341. Residential property tax credit for elderly -- limitations -- denial of claim.** (1) Only one
29 claimant per household in a claim period under the provisions of 15-30-2337 through 15-30-2341 is entitled to
30 relief.

1 (2) Except as provided in subsection (3), a claim for relief may not be allowed for any portion of property
 2 taxes billed or rent-equivalent taxes paid that is derived from a public rent or tax subsidy program.

3 (3) ~~Except for dwellings rented from a county or municipal housing authority, a~~ A claim for relief may not
 4 be is allowed on certain rented lands or rented dwellings that are not subject to Montana property taxes during
 5 the claim period, including but not limited to dwellings rented from a county or municipal housing authority, an
 6 assisted living or retirement facility, a long-term care facility, or a home and community-based facility.

7 (4) A person filing a false or fraudulent claim under the provisions of 15-30-2337 through 15-30-2341
 8 must be charged with the offense of unsworn falsification to authorities pursuant to 45-7-203. If a false or
 9 fraudulent claim has been paid, the amount paid may be recovered as any other debt owed to the state. An
 10 additional 10% may be added to the amount due as a penalty. The unpaid debt must bear interest from the date
 11 of the original payment of claim until paid, at the rate of 1% per month."

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13 NEW SECTION. Section 3. Transition. For the tax year ending December 31, 2014:

14 (1) the April 15 deadline in 15-30-2339(1) does not apply; and

15 (2) subject to 15-30-2339(3), the claim for relief must be filed by September 15, 2015.

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

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19 NEW SECTION. Section 5. Retroactive applicability. [This act] applies retroactively, within the
 20 meaning of 1-2-109, to tax years beginning after December 31, 2013.

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- END -