

SENATE BILL NO. 116

INTRODUCED BY B. HOVEN

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A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MAXIMUM RESIDENTIAL PROPERTY TAX CREDIT FOR THE ELDERLY FOR INDIVIDUAL INCOME TAX PURPOSES; AMENDING SECTION 15-30-2340, 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 15-30-2340, MCA, is amended to read:

"15-30-2340. Residential property tax credit for elderly -- computation of relief. The amount of the tax credit granted under the provisions of 15-30-2337 through 15-30-2341 is computed as follows:

(1) In the case of a claimant who owns the homestead for which a claim is made, the credit is the amount of property tax billed less the deduction specified in subsection (4).

(2) In the case of a claimant who rents the homestead for which a claim is made, the credit is the amount of rent-equivalent tax paid less the deduction specified in subsection (4).

(3) In the case of a claimant who both owns and rents the homestead for which a claim is made, the credit is:

(a) the amount of property tax billed on the owned portion of the homestead less the deduction specified in subsection (4); plus

(b) the amount of rent-equivalent tax paid on the rented portion of the homestead less the deduction specified in subsection (4).

(4) Property tax billed and rent-equivalent tax paid are reduced according to the following schedule:

Household income	Amount of reduction
\$0 - \$999	\$0
\$1,000 - \$1,999	\$0
\$2,000 - \$2,999	the product of .006 times the household income
\$3,000 - \$3,999	the product of .016 times the household income
\$4,000 - \$4,999	the product of .024 times the household income
\$5,000 - \$5,999	the product of .028 times the household income



1	\$6,000 - \$6,999	the product of .032 times the household income
2	\$7,000 - \$7,999	the product of .035 times the household income
3	\$8,000 - \$8,999	the product of .039 times the household income
4	\$9,000 - \$9,999	the product of .042 times the household income
5	\$10,000 - \$10,999	the product of .045 times the household income
6	\$11,000 - \$11,999	the product of .048 times the household income
7	\$12,000 & over	the product of .050 times the household income

8 (5) For a claimant whose household income is \$35,000 or more but less than \$45,000, the amount of
 9 the credit is equal to the credit calculated under this section multiplied by the decimal equivalent of a percentage
 10 figure according to the following table:

11	Gross household income	Percentage of credit allowed
12	\$35,000 - \$37,500	40%
13	\$37,501 - \$40,000	30%
14	\$40,001 - \$42,500	20%
15	\$42,501 - \$44,999	10%
16	\$45,000 or more	0%

17 (6) The credit granted may not exceed ~~\$1,000~~ \$1,500.

18 (7) Relief under 15-30-2337 through 15-30-2341 is a credit against the claimant's Montana individual
 19 income tax liability for the claim period. If the amount of the credit exceeds the claimant's liability under this
 20 chapter, the amount of the excess must be refunded to the claimant. The credit may be claimed even though the
 21 claimant has no income taxable under this chapter."

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23 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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25 NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the
 26 meaning of 1-2-109, to tax years beginning after December 31, 2014.

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- END -