

SENATE BILL NO. 200

INTRODUCED BY D. ANKNEY

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4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING INCOME TAX LAWS; LOWERING
5 INDIVIDUAL INCOME TAX RATES; REVISING THE CAPITAL GAINS CREDIT; AMENDING SECTIONS
6 15-30-2103 AND 15-30-2301, MCA; AND PROVIDING AN APPLICABILITY 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 must be levied, collected, and paid for each tax year upon the
12 taxable income of each taxpayer subject to this tax, after making allowance for exemptions and deductions as
13 provided in this chapter, a tax on the brackets of taxable income as follows:

14 (a) on the first ~~\$2,300~~ \$3,000 of taxable income or any part of that income, ~~4% .09%~~ 0.9%;

15 (b) on the next ~~\$1,800~~ \$3,000 of taxable income or any part of that income, ~~2%~~ 1.9%;

16 (c) on the next ~~\$2,100~~ \$3,000 of taxable income or any part of that income, ~~3%~~ 2.8%;

17 (d) on the next ~~\$2,200~~ \$2,500 of taxable income or any part of that income, ~~4%~~ 3.8%;

18 (e) on the next ~~\$2,400~~ \$3,000 of taxable income or any part of that income, ~~5%~~ 4.8%;

19 (f) on the next ~~\$3,100~~ \$3,500 of taxable income or any part of that income, ~~6%~~ 5.8%;

20 (g) on any taxable income in excess of ~~\$13,900~~ \$18,000 or any part of that income, ~~6.9%~~ 6.7%.

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, but using the 2016 consumer price index, and round the
23 cumulative brackets to the nearest \$100. The resulting adjusted brackets are effective for that tax year and must
24 be used as the basis for imposition of the tax in subsection (1) of this section."

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26 **Section 2.** Section 15-30-2301, MCA, is amended to read:
27 **"15-30-2301. Capital gains credit.** An individual taxpayer is allowed a credit against the taxes imposed
28 by 15-30-2103 in an amount equal to ~~4% of the taxpayer's net capital gains for tax years 2005 and 2006 and 2%~~
29 1.9% of the taxpayer's net capital gains ~~for tax years beginning after 2006~~, as shown on the taxpayer's individual
30 income tax return filed pursuant to 15-30-2602. The credit allowed under this section may not exceed the

1 taxpayer's income tax liability."

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3 NEW SECTION. **Section 3. Applicability.** [This act] applies to tax years beginning after December 31,

4 2015.

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