

HOUSE BILL NO. 330

INTRODUCED BY K. ABBOTT

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING INDIVIDUAL INCOME TAX LAWS; REVISING THE RATE STRUCTURE TO INCLUDE A TOP MARGINAL TAX RATE OF 8.9% FOR INCOME IN EXCESS OF \$400,000; AMENDING SECTION 15-30-2103, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

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

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

- (a) on the first \$2,900 of taxable income or any part of that income, 1%;
- (b) on the next \$2,200 of taxable income or any part of that income, 2%;
- (c) on the next \$2,700 of taxable income or any part of that income, 3%;
- (d) on the next \$2,700 of taxable income or any part of that income, 4%;
- (e) on the next \$3,000 of taxable income or any part of that income, 5%;
- (f) on the next \$3,900 of taxable income or any part of that income, 6%;
- (g) on the next \$382,600 of taxable income or any part of that income, 6.9%;

(h) on any taxable income in excess of ~~\$17,400~~ \$400,000 or any part of that income, ~~6.9%~~ 8.9%.

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

NEW SECTION. Section 2. Applicability. [This act] applies to tax years beginning after December 31, 2017.

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