

HOUSE BILL NO. 391

INTRODUCED BY T. JACOBSON, K. ABBOTT, F. ANDERSON, J. BACHMEIER, Z. BROWN, R. COOK,
 V. COURT, A. CURTIS, G. CUSTER, M. DUNWELL, D. FERN, J. FLEMING, M. FUNK, F. GARNER,
 E. GREEF, J. HAMILTON, B. HAMLETT, A. HERTZ, J. KEANE, K. KELKER, J. KNOKEY, D. LOGE,
 R. LYNCH, N. MCCONNELL, S. MORIGEAU, A. OLSEN, J. PATELIS, Z. PERRY, G. PIERSON,
 J. POMNICHOWSKI, J. PRICE, V. RICCI, C. SCHREINER, B. SMITH, J. TREBAS, B. TSCHIDA, P. WEBB,
 S. WEBBER, T. WELCH, K. WHITE, J. WINDY BOY

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FOR A REFUNDABLE EARNED INCOME CREDIT
 BASED ON A PERCENTAGE OF THE FEDERAL EARNED INCOME CREDIT; AND PROVIDING AN
 APPLICABILITY DATE."

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

NEW SECTION. Section 1. Earned income tax credit. (1) A resident taxpayer is allowed as a credit
 against the tax imposed by 15-30-2103 a percentage of the credit allowed for the federal earned income credit
 for which the individual taxpayer is eligible for the tax year under section 32 of the Internal Revenue Code, 26
 U.S.C. 32.

(2) The amount of the credit allowed under subsection (1) is ~~40%~~ 3% of the amount of the credit
 determined for the tax year under section 32 of the Internal Revenue Code, 26 U.S.C. 32.

(3) Except for married taxpayers living apart who are treated as single under section 7703(b) of the
 Internal Revenue Code, 26 U.S.C. 7703(b), the credit is not allowed to married taxpayers if the spouses report
 their income on separate tax forms. Married taxpayers filing separately on the same form may allocate the credit
 between spouses.

(4) The taxpayer is entitled to a refund equal to the amount by which the credit exceeds the taxpayer's
 tax liability or, if the taxpayer has no tax liability under this chapter, a refund equal to the amount of the credit. The
 credit may be claimed by filing a Montana income tax return.

NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an
 integral part of Title 15, chapter 30, part 23, and the provisions of Title 15, chapter 30, part 23, apply to [section

1 1].

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

4 December 31, ~~2017~~ 2018.

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