

## HOUSE BILL NO. 706

INTRODUCED BY T. WINTER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING INDIVIDUAL INCOME TAX CREDIT LAWS; PROVIDING  
5 FOR THE MONTANA EDUCATIONAL OPPORTUNITY TAX CREDIT FOR STUDENT LOAN PAYMENTS FOR  
6 DEBT INCURRED WHILE ATTENDING A MONTANA COLLEGE OR UNIVERSITY; REVISING THE CAPITAL  
7 GAINS TAX CREDIT; AMENDING SECTION 15-30-2301, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

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11 NEW SECTION. **Section 1. Montana educational opportunity tax credit.** (1) The Montana  
12 educational opportunity tax credit is a credit against the tax imposed by 15-30-2103 for student loan payments  
13 made by a taxpayer.

14 (2) To qualify for the credit, the taxpayer must have incurred the student loan debt while attending a unit  
15 of the Montana university system, a Montana community college, or a Montana tribal college and the taxpayer  
16 must have obtained a degree from a unit of the Montana university system, a Montana community college, or a  
17 Montana tribal college.

18 (3) (a) Subject to subsections (3)(b) and (3)(c), the credit is equal to the amount of student loan interest  
19 deducted on the taxpayer's tax return. The taxpayer may claim the student loan interest deduction and the credit  
20 provided for in this section.

21 (b) For a taxpayer whose adjusted gross income is \$30,000 or more but less than \$40,000, the amount  
22 of the credit is equal to the credit calculated under subsection (3)(a) multiplied by the percentage provided in the  
23 following table:

Adjusted gross income	Percentage of credit allowed
\$30,000 - \$32,500	80%
\$32,501 - \$35,000	60%
\$35,001 - \$37,500	40%
\$37,501 - \$39,999	20%
\$40,000 or more	0%

30 (c) A taxpayer with adjusted gross income of \$40,000 or more may not claim the credit.

1 (4) The credit must be refunded if it exceeds the taxpayer's tax liability.

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3 **Section 2.** Section 15-30-2301, MCA, is amended to read:

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

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10 NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an  
11 integral part of Title 15, chapter 30, part 23, and the provisions of Title 15, chapter 30, part 23, apply to [section  
12 1].

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14 NEW SECTION. **Section 4. Applicability.** [This act] applies to income tax years beginning after  
15 December 31, 2019.

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