

HOUSE BILL NO. 707

INTRODUCED BY K. ABBOTT

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE CAPITAL GAINS CREDIT ALLOWED AGAINST INDIVIDUAL INCOME TAXES; RETAINING A CREDIT FOR CERTAIN INCOME LEVELS; AMENDING SECTION 15-30-2301, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 15-30-2301, MCA, is amended to read:

"15-30-2301. Capital gains credit. (1) An individual taxpayer with adjusted gross income, as provided in 15-30-2110, of less than \$1 million is allowed a credit against the taxes imposed 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% of the lesser of the taxpayer's net capital gains ~~for tax years beginning after 2006~~ or taxable income, as shown on the taxpayer's individual income tax return filed pursuant to 15-30-2602. The credit allowed under this section may not exceed the taxpayer's income tax liability.

(2) By November 1 of each year, the department shall multiply the adjusted gross income number contained in subsection (1) by the inflation factor for the following tax year and round the result to the nearest \$1,000. The resulting amount is in effect for the following tax year for determining under subsection (1) whether an individual taxpayer qualifies for the credit."

NEW SECTION. Section 2. Applicability. [This act] applies to tax years beginning after December 31, 2019.

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