

1 HOUSE BILL NO. 191

2 INTRODUCED BY M. HOPKINS, J. DOOLING, J. FULLER, F. GARNER, C. HINKLE, K. HOLMLUND, J.
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4 WHITMAN, B.HOVEN

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE RESIDENTIAL PROPERTY TAX CREDIT FOR
7 THE ELDERLY; REVISING THE DEFINITION OF HOUSEHOLD INCOME; INCREASING THE MAXIMUM
8 CREDIT THAT MAY BE CLAIMED; AMENDING ~~SECTION~~ SECTIONS 15-30-2337 AND 15-30-2340, MCA;
9 AND PROVIDING ~~AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE~~
10 EFFECTIVE DATES AND TERMINATION DATES."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
14 **SECTION 1. SECTION 15-30-2337, MCA, IS AMENDED TO READ:**

15 **"15-30-2337. Residential property tax credit for elderly -- definitions.** As used in 15-30-2337
16 through 15-30-2341, the following definitions apply:

17 (1) "Claim period" means the tax year for individuals required to file Montana individual income tax
18 returns and the calendar year for individuals not required to file returns.

19 (2) "Claimant" means a person who is eligible to file a claim under 15-30-2338.

20 (3) "Department" means the department of revenue.

21 (4) "Gross household income" means all income received by all individuals of a household while they
22 are members of the household.

23 (5) "Gross rent" means the total rent in cash or its equivalent actually paid during the claim period by
24 the renter or lessee for the right of occupancy of the homestead pursuant to an arm's-length transaction with
25 the landlord.

26 (6) "Homestead" means:

27 (a) a single-family dwelling or unit of a multiple-unit dwelling that is subject to property taxes in
28 Montana and as much of the surrounding land, but not in excess of 1 acre, as is reasonably necessary for its

1 use as a dwelling; or

2 (b) a single-family dwelling or unit of a multiple-unit dwelling that is rented from a county or municipal
3 housing authority as provided in Title 7, chapter 15.

4 (7) (a) "Household" means an association of persons who live in the same dwelling, sharing its
5 furnishings, facilities, accommodations, and expenses.

6 (b) The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

7 (8) "Household income" means the amount obtained by subtracting ~~\$6,300~~ \$12,600 from gross
8 household income.

9 (9) (a) "Income" means, except as provided in subsection (9)(b), federal adjusted gross income,
10 without regard to loss, as that quantity is defined in the Internal Revenue Code of the United States, plus all
11 nontaxable income, including but not limited to:

12 (i) the amount of any pension or annuity, including Railroad Retirement Act benefits and veterans'
13 disability benefits;

14 (ii) the amount of capital gains excluded from adjusted gross income;

15 (iii) alimony;

16 (iv) support money;

17 (v) nontaxable strike benefits;

18 (vi) cash public assistance and relief;

19 (vii) interest on federal, state, county, and municipal bonds; and

20 (viii) all payments received under federal social security except social security income paid directly to a
21 nursing home.

22 (b) For the purposes of this subsection (9), income is reduced by the taxpayer's basis.

23 (10) "Property tax billed" means taxes levied against the homestead, including special assessments
24 and fees but excluding penalties or interest during the claim period.

25 (11) "Rent-equivalent tax paid" means 15% of the gross rent."
26

27 **SECTION 2. SECTION 15-30-2337, MCA, IS AMENDED TO READ:**

28 **"15-30-2337. Residential property tax credit for elderly -- definitions.** As used in 15-30-2337

1 through 15-30-2341, the following definitions apply:

2 (1) "Claim period" means the tax year for individuals required to file Montana individual income tax
3 returns and the calendar year for individuals not required to file returns.

4 (2) "Claimant" means a person who is eligible to file a claim under 15-30-2338.

5 (3) "Department" means the department of revenue.

6 (4) "Gross household income" means all income received by all individuals of a household while they
7 are members of the household.

8 (5) "Gross rent" means the total rent in cash or its equivalent actually paid during the claim period by
9 the renter or lessee for the right of occupancy of the homestead pursuant to an arm's-length transaction with
10 the landlord.

11 (6) "Homestead" means:

12 (a) a single-family dwelling or unit of a multiple-unit dwelling that is subject to property taxes in
13 Montana and as much of the surrounding land, but not in excess of 1 acre, as is reasonably necessary for its
14 use as a dwelling; or

15 (b) a single-family dwelling or unit of a multiple-unit dwelling that is rented from a county or municipal
16 housing authority as provided in Title 7, chapter 15.

17 (7) (a) "Household" means an association of persons who live in the same dwelling, sharing its
18 furnishings, facilities, accommodations, and expenses.

19 (b) The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

20 (8) "Household income" means the amount obtained by subtracting ~~\$6,300~~ \$12,600 from gross
21 household income.

22 (9) (a) "Income" means, except as provided in subsection (9)(b), federal adjusted gross income,
23 without regard to loss, as that quantity is defined in the Internal Revenue Code of the United States, plus all
24 nontaxable income, including but not limited to:

25 (i) the amount of any pension or annuity, including Railroad Retirement Act benefits and veterans'
26 disability benefits;

27 (ii) the amount of capital gains excluded from adjusted gross income;

28 (iii) alimony;

- 1 (iv) support money;
- 2 (v) nontaxable strike benefits;
- 3 (vi) cash public assistance and relief;
- 4 (vii) interest on federal, state, county, and municipal bonds; and
- 5 (viii) all payments received under federal social security except social security income paid directly to a
- 6 nursing home.

7 (b) For the purposes of this subsection (9), income is reduced by the taxpayer's basis.

8 (10) "Property tax billed" means taxes levied against the homestead, including special assessments

9 and fees but excluding penalties or interest during the claim period.

10 (11) "Rent-equivalent tax paid" means 15% of the gross rent."

11

12 **SECTION 3. SECTION 15-30-2337, MCA, IS AMENDED TO READ:**

13 **"15-30-2337. Residential property tax credit for elderly -- definitions.** As used in 15-30-2337

14 through 15-30-2341, the following definitions apply:

15 (1) "Claim period" means the tax year for individuals required to file Montana individual income tax

16 returns and the calendar year for individuals not required to file returns.

17 (2) "Claimant" means a person who is eligible to file a claim under 15-30-2338.

18 (3) "Department" means the department of revenue.

19 (4) "Gross household income" means all income received by all individuals of a household while they

20 are members of the household.

21 (5) "Gross rent" means the total rent in cash or its equivalent actually paid during the claim period by

22 the renter or lessee for the right of occupancy of the homestead pursuant to an arm's-length transaction with

23 the landlord.

24 (6) "Homestead" means:

25 (a) a single-family dwelling or unit of a multiple-unit dwelling that is subject to property taxes in

26 Montana and as much of the surrounding land, but not in excess of 1 acre, as is reasonably necessary for its

27 use as a dwelling; or

28 (b) a single-family dwelling or unit of a multiple-unit dwelling that is rented from a county or municipal

1 housing authority as provided in Title 7, chapter 15.

2 (7) (a) "Household" means an association of persons who live in the same dwelling, sharing its
3 furnishings, facilities, accommodations, and expenses.

4 (b) The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

5 (8) "Household income" means the amount obtained by subtracting ~~\$6,300~~ \$12,600 from gross
6 household income.

7 (9) (a) "Income" means, except as provided in subsection (9)(b), federal adjusted gross income,
8 without regard to loss, as that quantity is defined in the Internal Revenue Code of the United States, plus all
9 nontaxable income, including but not limited to:

10 (i) the amount of any pension or annuity, including Railroad Retirement Act benefits and veterans'
11 disability benefits;

12 (ii) the amount of capital gains excluded from adjusted gross income;

13 (iii) alimony;

14 (iv) support money;

15 (v) nontaxable strike benefits;

16 (vi) cash public assistance and relief;

17 (vii) interest on federal, state, county, and municipal bonds; and

18 (viii) all payments received under federal social security except social security income paid directly to a
19 nursing home.

20 (b) For the purposes of this subsection (9), income is reduced by the taxpayer's basis.

21 (10) "Property tax billed" means taxes levied against the homestead, including special assessments
22 and fees but excluding penalties or interest during the claim period.

23 (11) "Rent-equivalent tax paid" means 15% of the gross rent."
24

25 **SECTION 4. SECTION 15-30-2337, MCA, IS AMENDED TO READ:**

26 **"15-30-2337. Residential property tax credit for elderly -- definitions.** As used in 15-30-2337
27 through 15-30-2341, the following definitions apply:

28 (1) "Claim period" means the tax year for individuals required to file Montana individual income tax

1 returns and the calendar year for individuals not required to file returns.

2 (2) "Claimant" means a person who is eligible to file a claim under 15-30-2338.

3 (3) "Department" means the department of revenue.

4 (4) "Gross household income" means all income received by all individuals of a household while they
5 are members of the household.

6 (5) "Gross rent" means the total rent in cash or its equivalent actually paid during the claim period by
7 the renter or lessee for the right of occupancy of the homestead pursuant to an arm's-length transaction with
8 the landlord.

9 (6) "Homestead" means:

10 (a) a single-family dwelling or unit of a multiple-unit dwelling that is subject to property taxes in
11 Montana and as much of the surrounding land, but not in excess of 1 acre, as is reasonably necessary for its
12 use as a dwelling; or

13 (b) a single-family dwelling or unit of a multiple-unit dwelling that is rented from a county or municipal
14 housing authority as provided in Title 7, chapter 15.

15 (7) (a) "Household" means an association of persons who live in the same dwelling, sharing its
16 furnishings, facilities, accommodations, and expenses.

17 (b) The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

18 (8) "Household income" means the amount obtained by subtracting ~~\$6,300~~ \$12,600 from gross
19 household income.

20 (9) (a) "Income" means, except as provided in subsection (9)(b), federal adjusted gross income,
21 without regard to loss, as that quantity is defined in the Internal Revenue Code of the United States, plus all
22 nontaxable income, including but not limited to:

23 (i) the amount of any pension or annuity, including Railroad Retirement Act benefits and veterans'
24 disability benefits;

25 (ii) the amount of capital gains excluded from adjusted gross income;

26 (iii) alimony;

27 (iv) support money;

28 (v) nontaxable strike benefits;

- 1 (vi) cash public assistance and relief;
 2 (vii) interest on federal, state, county, and municipal bonds; and
 3 (viii) all payments received under federal social security except social security income paid directly to a
 4 nursing home.

5 (b) For the purposes of this subsection (9), income is reduced by the taxpayer's basis.

6 (10) "Property tax billed" means taxes levied against the homestead, including special assessments
 7 and fees but excluding penalties or interest during the claim period.

8 (11) "Rent-equivalent tax paid" means 15% of the gross rent."
 9

10 **SECTION 5. SECTION 15-30-2337, MCA, IS AMENDED TO READ:**

11 **"15-30-2337. Residential property tax credit for elderly -- definitions.** As used in 15-30-2337
 12 through 15-30-2341, the following definitions apply:

13 (1) "Claim period" means the tax year for individuals required to file Montana individual income tax
 14 returns and the calendar year for individuals not required to file returns.

15 (2) "Claimant" means a person who is eligible to file a claim under 15-30-2338.

16 (3) "Department" means the department of revenue.

17 (4) "Gross household income" means all income received by all individuals of a household while they
 18 are members of the household.

19 (5) "Gross rent" means the total rent in cash or its equivalent actually paid during the claim period by
 20 the renter or lessee for the right of occupancy of the homestead pursuant to an arm's-length transaction with
 21 the landlord.

22 (6) "Homestead" means:

23 (a) a single-family dwelling or unit of a multiple-unit dwelling that is subject to property taxes in
 24 Montana and as much of the surrounding land, but not in excess of 1 acre, as is reasonably necessary for its
 25 use as a dwelling; or

26 (b) a single-family dwelling or unit of a multiple-unit dwelling that is rented from a county or municipal
 27 housing authority as provided in Title 7, chapter 15.

28 (7) (a) "Household" means an association of persons who live in the same dwelling, sharing its

1 furnishings, facilities, accommodations, and expenses.

2 (b) The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

3 (8) "Household income" means the amount obtained by subtracting ~~\$6,300~~ \$12,600 from gross
4 household income.

5 (9) (a) "Income" means, except as provided in subsection (9)(b), federal adjusted gross income,
6 without regard to loss, as that quantity is defined in the Internal Revenue Code of the United States, plus all
7 nontaxable income, including but not limited to:

8 (i) the amount of any pension or annuity, including Railroad Retirement Act benefits and veterans'
9 disability benefits;

10 (ii) the amount of capital gains excluded from adjusted gross income;

11 (iii) alimony;

12 (iv) support money;

13 (v) nontaxable strike benefits;

14 (vi) cash public assistance and relief;

15 (vii) interest on federal, state, county, and municipal bonds; and

16 (viii) all payments received under federal social security except social security income paid directly to a
17 nursing home.

18 (b) For the purposes of this subsection (9), income is reduced by the taxpayer's basis.

19 (10) "Property tax billed" means taxes levied against the homestead, including special assessments
20 and fees but excluding penalties or interest during the claim period.

21 (11) "Rent-equivalent tax paid" means 15% of the gross rent."
22

23 **Section 6.** Section 15-30-2340, MCA, is amended to read:

24 **"15-30-2340. Residential property tax credit for elderly -- computation of relief.** The amount of
25 the tax credit granted under the provisions of 15-30-2337 through 15-30-2341 is computed as follows:

26 (1) In the case of a claimant who owns the homestead for which a claim is made, the credit is the
27 amount of property tax billed less the deduction specified in subsection (4).

28 (2) In the case of a claimant who rents the homestead for which a claim is made, the credit is the

1 amount of rent-equivalent tax paid less the deduction specified in subsection (4).

2 (3) In the case of a claimant who both owns and rents the homestead for which a claim is made, the
 3 credit is:

4 (a) the amount of property tax billed on the owned portion of the homestead less the deduction
 5 specified in subsection (4); plus

6 (b) the amount of rent-equivalent tax paid on the rented portion of the homestead less the deduction
 7 specified in subsection (4).

8 (4) Property tax billed and rent-equivalent tax paid are reduced according to the following schedule:

Household income	Amount of reduction
\$0 - \$999	\$0
\$1,000 - \$1,999	\$0
\$2,000 - \$2,999	the product of .006 times the household income
\$3,000 - \$3,999	the product of .016 times the household income
\$4,000 - \$4,999	the product of .024 times the household income
\$5,000 - \$5,999	the product of .028 times the household income
\$6,000 - \$6,999	the product of .032 times the household income
\$7,000 - \$7,999	the product of .035 times the household income
\$8,000 - \$8,999	the product of .039 times the household income
\$9,000 - \$9,999	the product of .042 times the household income
\$10,000 - \$10,999	the product of .045 times the household income
\$11,000 - \$11,999	the product of .048 times the household income
\$12,000 & over	the product of .050 times the household income

9 (5) For a claimant whose household income is \$35,000 or more but less than \$45,000, the amount of
 10 the credit is equal to the credit calculated under this section multiplied by the decimal equivalent of a
 11 percentage figure according to the following table:

Gross household income	Percentage of credit allowed
\$35,000 - \$37,500	40%

\$37,501 - \$40,000	30%
\$40,001 - \$42,500	20%
\$42,501 - \$44,999	10%
\$45,000 or more	0%

1 (6) The credit granted may not exceed ~~\$1,000~~ \$1,700 \$1,150.

2 (7) Relief under 15-30-2337 through 15-30-2341 is a credit against the claimant's Montana individual
3 income tax liability for the claim period. If the amount of the credit exceeds the claimant's liability under this
4 chapter, the amount of the excess must be refunded to the claimant. The credit may be claimed even though
5 the claimant has no income taxable under this chapter."

6

7 **SECTION 7. SECTION 15-30-2340, MCA, IS AMENDED TO READ:**

8 **"15-30-2340. Residential property tax credit for elderly -- computation of relief.** The amount of
9 the tax credit granted under the provisions of 15-30-2337 through 15-30-2341 is computed as follows:

10 (1) In the case of a claimant who owns the homestead for which a claim is made, the credit is the
11 amount of property tax billed less the deduction specified in subsection (4).

12 (2) In the case of a claimant who rents the homestead for which a claim is made, the credit is the
13 amount of rent-equivalent tax paid less the deduction specified in subsection (4).

14 (3) In the case of a claimant who both owns and rents the homestead for which a claim is made, the
15 credit is:

16 (a) the amount of property tax billed on the owned portion of the homestead less the deduction
17 specified in subsection (4); plus

18 (b) the amount of rent-equivalent tax paid on the rented portion of the homestead less the deduction
19 specified in subsection (4).

20 (4) Property tax billed and rent-equivalent tax paid are reduced according to the following schedule:

Household income	Amount of reduction
\$0 - \$999	\$0
\$1,000 - \$1,999	\$0

\$2,000 - \$2,999	the product of.006 times the household income
\$3,000 - \$3,999	the product of.016 times the household income
\$4,000 - \$4,999	the product of.024 times the household income
\$5,000 - \$5,999	the product of.028 times the household income
\$6,000 - \$6,999	the product of.032 times the household income
\$7,000 - \$7,999	the product of.035 times the household income
\$8,000 - \$8,999	the product of.039 times the household income
\$9,000 - \$9,999	the product of.042 times the household income
\$10,000 - \$10,999	the product of.045 times the household income
\$11,000 - \$11,999	the product of.048 times the household income
\$12,000 & over	the product of.050 times the household income

1 (5) For a claimant whose household income is \$35,000 or more but less than \$45,000, the amount of
 2 the credit is equal to the credit calculated under this section multiplied by the decimal equivalent of a
 3 percentage figure according to the following table:

Gross household income	Percentage of credit allowed
\$35,000 - \$37,500	40%
\$37,501 - \$40,000	30%
\$40,001 - \$42,500	20%
\$42,501 - \$44,999	10%
\$45,000 or more	0%

4 (6) The credit granted may not exceed ~~\$1,000~~ \$1,150.

5 (7) Relief under 15-30-2337 through 15-30-2341 is a credit against the claimant's Montana individual
 6 income tax liability for the claim period. If the amount of the credit exceeds the claimant's liability under this
 7 chapter, the amount of the excess must be refunded to the claimant. The credit may be claimed even though
 8 the claimant has no income taxable under this chapter."
 9

10 **SECTION 8. SECTION 15-30-2340, MCA, IS AMENDED TO READ:**

11 **"15-30-2340. Residential property tax credit for elderly -- computation of relief.** The amount of

1 the tax credit granted under the provisions of 15-30-2337 through 15-30-2341 is computed as follows:

2 (1) In the case of a claimant who owns the homestead for which a claim is made, the credit is the
 3 amount of property tax billed less the deduction specified in subsection (4).

4 (2) In the case of a claimant who rents the homestead for which a claim is made, the credit is the
 5 amount of rent-equivalent tax paid less the deduction specified in subsection (4).

6 (3) In the case of a claimant who both owns and rents the homestead for which a claim is made, the
 7 credit is:

8 (a) the amount of property tax billed on the owned portion of the homestead less the deduction
 9 specified in subsection (4); plus

10 (b) the amount of rent-equivalent tax paid on the rented portion of the homestead less the deduction
 11 specified in subsection (4).

12 (4) Property tax billed and rent-equivalent tax paid are reduced according to the following schedule:

Household income	Amount of reduction
\$0 - \$999	\$0
\$1,000 - \$1,999	\$0
\$2,000 - \$2,999	the product of .006 times the household income
\$3,000 - \$3,999	the product of .016 times the household income
\$4,000 - \$4,999	the product of .024 times the household income
\$5,000 - \$5,999	the product of .028 times the household income
\$6,000 - \$6,999	the product of .032 times the household income
\$7,000 - \$7,999	the product of .035 times the household income
\$8,000 - \$8,999	the product of .039 times the household income
\$9,000 - \$9,999	the product of .042 times the household income
\$10,000 - \$10,999	the product of .045 times the household income
\$11,000 - \$11,999	the product of .048 times the household income
\$12,000 & over	the product of .050 times the household income

13 (5) For a claimant whose household income is \$35,000 or more but less than \$45,000, the amount of
 14 the credit is equal to the credit calculated under this section multiplied by the decimal equivalent of a

1 percentage figure according to the following table:

Gross household income	Percentage of credit allowed
\$35,000 - \$37,500	40%
\$37,501 - \$40,000	30%
\$40,001 - \$42,500	20%
\$42,501 - \$44,999	10%
\$45,000 or more	0%

2 (6) The credit granted may not exceed ~~\$1,000~~ \$1,150.

3 (7) Relief under 15-30-2337 through 15-30-2341 is a credit against the claimant's Montana individual
4 income tax liability for the claim period. If the amount of the credit exceeds the claimant's liability under this
5 chapter, the amount of the excess must be refunded to the claimant. The credit may be claimed even though
6 the claimant has no income taxable under this chapter."

7

8 **SECTION 9. SECTION 15-30-2340, MCA, IS AMENDED TO READ:**

9 **"15-30-2340. Residential property tax credit for elderly -- computation of relief.** The amount of
10 the tax credit granted under the provisions of 15-30-2337 through 15-30-2341 is computed as follows:

11 (1) In the case of a claimant who owns the homestead for which a claim is made, the credit is the
12 amount of property tax billed less the deduction specified in subsection (4).

13 (2) In the case of a claimant who rents the homestead for which a claim is made, the credit is the
14 amount of rent-equivalent tax paid less the deduction specified in subsection (4).

15 (3) In the case of a claimant who both owns and rents the homestead for which a claim is made, the
16 credit is:

17 (a) the amount of property tax billed on the owned portion of the homestead less the deduction
18 specified in subsection (4); plus

19 (b) the amount of rent-equivalent tax paid on the rented portion of the homestead less the deduction
20 specified in subsection (4).

21 (4) Property tax billed and rent-equivalent tax paid are reduced according to the following schedule:

Household income	Amount of reduction
\$0 - \$999	\$0
\$1,000 - \$1,999	\$0
\$2,000 - \$2,999	the product of .006 times the household income
\$3,000 - \$3,999	the product of .016 times the household income
\$4,000 - \$4,999	the product of .024 times the household income
\$5,000 - \$5,999	the product of .028 times the household income
\$6,000 - \$6,999	the product of .032 times the household income
\$7,000 - \$7,999	the product of .035 times the household income
\$8,000 - \$8,999	the product of .039 times the household income
\$9,000 - \$9,999	the product of .042 times the household income
\$10,000 - \$10,999	the product of .045 times the household income
\$11,000 - \$11,999	the product of .048 times the household income
\$12,000 & over	the product of .050 times the household income

1 (5) For a claimant whose household income is \$35,000 or more but less than \$45,000, the amount of
 2 the credit is equal to the credit calculated under this section multiplied by the decimal equivalent of a
 3 percentage figure according to the following table:

Gross household income	Percentage of credit allowed
\$35,000 - \$37,500	40%
\$37,501 - \$40,000	30%
\$40,001 - \$42,500	20%
\$42,501 - \$44,999	10%
\$45,000 or more	0%

4 (6) The credit granted may not exceed ~~\$1,000~~ \$1,150.

5 (7) Relief under 15-30-2337 through 15-30-2341 is a credit against the claimant's Montana individual
 6 income tax liability for the claim period. If the amount of the credit exceeds the claimant's liability under this
 7 chapter, the amount of the excess must be refunded to the claimant. The credit may be claimed even though
 8 the claimant has no income taxable under this chapter."

1

2 **SECTION 10. SECTION 15-30-2340, MCA, IS AMENDED TO READ:**

3 **"15-30-2340. Residential property tax credit for elderly -- computation of relief.** The amount of
4 the tax credit granted under the provisions of 15-30-2337 through 15-30-2341 is computed as follows:

5 (1) In the case of a claimant who owns the homestead for which a claim is made, the credit is the
6 amount of property tax billed less the deduction specified in subsection (4).

7 (2) In the case of a claimant who rents the homestead for which a claim is made, the credit is the
8 amount of rent-equivalent tax paid less the deduction specified in subsection (4).

9 (3) In the case of a claimant who both owns and rents the homestead for which a claim is made, the
10 credit is:

11 (a) the amount of property tax billed on the owned portion of the homestead less the deduction
12 specified in subsection (4); plus

13 (b) the amount of rent-equivalent tax paid on the rented portion of the homestead less the deduction
14 specified in subsection (4).

15 (4) Property tax billed and rent-equivalent tax paid are reduced according to the following schedule:

Household income	Amount of reduction
\$0 - \$999	\$0
\$1,000 - \$1,999	\$0
\$2,000 - \$2,999	the product of .006 times the household income
\$3,000 - \$3,999	the product of .016 times the household income
\$4,000 - \$4,999	the product of .024 times the household income
\$5,000 - \$5,999	the product of .028 times the household income
\$6,000 - \$6,999	the product of .032 times the household income
\$7,000 - \$7,999	the product of .035 times the household income
\$8,000 - \$8,999	the product of .039 times the household income
\$9,000 - \$9,999	the product of .042 times the household income
\$10,000 - \$10,999	the product of .045 times the household income

\$11,000 - \$11,999	the product of .048 times the household income
\$12,000 & over	the product of .050 times the household income

1 (5) For a claimant whose household income is \$35,000 or more but less than \$45,000, the amount of
 2 the credit is equal to the credit calculated under this section multiplied by the decimal equivalent of a
 3 percentage figure according to the following table:

Gross household income	Percentage of credit allowed
\$35,000 - \$37,500	40%
\$37,501 - \$40,000	30%
\$40,001 - \$42,500	20%
\$42,501 - \$44,999	10%
\$45,000 or more	0%

4 (6) The credit granted may not exceed ~~\$1,000~~ \$1,150.

5 (7) Relief under 15-30-2337 through 15-30-2341 is a credit against the claimant's Montana individual
 6 income tax liability for the claim period. If the amount of the credit exceeds the claimant's liability under this
 7 chapter, the amount of the excess must be refunded to the claimant. The credit may be claimed even though
 8 the claimant has no income taxable under this chapter."
 9

10 **NEW SECTION. SECTION 11. EFFECTIVE DATES -- APPLICABILITY. (1) EXCEPT AS PROVIDED IN**
 11 **SUBSECTIONS (2) THROUGH (6), [THIS ACT] IS EFFECTIVE JULY 1, 2021.**

12 **(2) [SECTIONS 1 AND 6] ARE EFFECTIVE OCTOBER 1, 2021, AND APPLY TO THE INCOME TAX YEAR BEGINNING**
 13 **AFTER DECEMBER 31, 2021.**

14 **(3) [SECTIONS 2 AND 7] ARE EFFECTIVE OCTOBER 1, 2022, AND APPLY TO THE INCOME TAX YEAR BEGINNING**
 15 **AFTER DECEMBER 31, 2022.**

16 **(4) [SECTIONS 3 AND 8] ARE EFFECTIVE OCTOBER 1, 2023, AND APPLY TO THE INCOME TAX YEAR BEGINNING**
 17 **AFTER DECEMBER 31, 2023.**

18 **(5) [SECTIONS 4 AND 9] ARE EFFECTIVE OCTOBER 1, 2024, AND APPLY TO THE INCOME TAX YEAR BEGINNING**
 19 **AFTER DECEMBER 31, 2024.**

20 **(6) [SECTIONS 5 AND 10] ARE EFFECTIVE OCTOBER 1, 2025, AND APPLY TO THE INCOME TAX YEARS**

1 BEGINNING AFTER DECEMBER 31, 2025.

2

3 ~~NEW SECTION. **Section 3. — Effective date.** [This act] is effective on passage and approval.~~

4

5 ~~NEW SECTION. **Section 4. — Retroactive applicability.** [This act] applies retroactively, within the~~
6 ~~meaning of 1-2-109, to tax years beginning after December 31, 2020.~~

7

8 NEW SECTION. **SECTION 12. TERMINATION.** (1) [SECTIONS 1 AND 6] TERMINATE DECEMBER 31, 2022.

9 (2) [SECTIONS 2 AND 7] TERMINATE DECEMBER 31, 2023.

10 (3) [SECTIONS 3 AND 8] TERMINATE DECEMBER 31, 2024.

11 (4) [SECTIONS 4 AND 9] TERMINATE DECEMBER 31, 2025.

12 (5) [SECTION 13] TERMINATES JANUARY 1, 2025.

13

14 NEW SECTION. **SECTION 13. CONTINGENT TERMINATION -- LEGISLATIVE INTENT -- SPECIFIC FINDINGS --**
15 **REPORT TO LEGISLATIVE FINANCE COMMITTEE.** (1) THE LEGISLATURE INTENDS TO PROVIDE THE TAX RELIEF PROVIDED
16 BY [THIS ACT] WHILE ALSO PREVENTING THE LOSS OF FEDERAL FUNDS THAT ARE AVAILABLE TO THE STATE AS PART OF
17 THE RECENTLY ENACTED AMERICAN RESCUE PLAN ACT, PUBLIC LAW 117-2. THE CONTINGENT TERMINATION
18 PROVISIONS IN SUBSECTIONS (2) THROUGH (5) ARE LIMITED TO THE DURATION OF TIME ESTABLISHED BY EACH
19 SUBSECTION AND ARE NECESSARY BASED ON THE LACK OF INFORMATION AVAILABLE TO THE LEGISLATURE FROM THE
20 FEDERAL GOVERNMENT AT THE TIME OF ENACTMENT OF [THIS ACT].

21 (2) [SECTIONS 1 AND 6] TERMINATE ON THE DATE THAT THE BUDGET DIRECTOR PROVIDES THE CERTIFICATION
22 PROVIDED FOR IN SUBSECTION (7). IN ORDER TO BE EFFECTIVE, THE CERTIFICATION MUST BE MADE IN CALENDAR YEAR
23 2021.

24 (3) [SECTIONS 2 AND 7] TERMINATE ON THE DATE THAT THE BUDGET DIRECTOR PROVIDES THE CERTIFICATION
25 PROVIDED FOR IN SUBSECTION (7). IN ORDER TO BE EFFECTIVE, THE CERTIFICATION MUST BE MADE BETWEEN OCTOBER
26 1, 2022, AND DECEMBER 31, 2022.

27 (4) [SECTIONS 3 AND 8] TERMINATE ON THE DATE THAT THE BUDGET DIRECTOR PROVIDES THE CERTIFICATION
28 PROVIDED FOR IN SUBSECTION (7). IN ORDER TO BE EFFECTIVE, THE CERTIFICATION MUST BE MADE BETWEEN OCTOBER

1 1, 2023, AND DECEMBER 31, 2023.

2 (5) [SECTIONS 4 AND 9] TERMINATE ON THE DATE THAT THE BUDGET DIRECTOR PROVIDES THE CERTIFICATION
3 PROVIDED FOR IN SUBSECTION (7). IN ORDER TO BE EFFECTIVE, THE CERTIFICATION MUST BE MADE BETWEEN OCTOBER
4 1, 2024, AND DECEMBER 31, 2024.

5 (6) (A) THE BUDGET DIRECTOR SHALL CONTINUALLY EVALUATE WHETHER IMPLEMENTATION OF A SECTION OF
6 [THIS ACT] WILL:

7 (I) RESULT IN A REDUCTION OF FUNDS FROM THE AMERICAN RESCUE PLAN ACT; OR

8 (II) REQUIRE THE STATE OF MONTANA TO REPAY OR REFUND TO THE FEDERAL GOVERNMENT PURSUANT TO THE
9 AMERICAN RESCUE PLAN ACT.

10 (B) THE BUDGET DIRECTOR SHALL CONSIDER GUIDANCE FROM:

11 (I) THE FEDERAL GOVERNMENT ABOUT THE AMERICAN RESCUE PLAN ACT, PUBLIC LAW 117-2;

12 (II) COURT DECISIONS ABOUT THE AMERICAN RESCUE PLAN ACT;

13 (III) AMENDMENTS TO THE AMERICAN RESCUE PLAN ACT;

14 (IV) ANY INFORMATION PROVIDED BY THE ATTORNEY GENERAL; AND

15 (V) OTHER RELEVANT INFORMATION ABOUT THE AMERICAN RESCUE PLAN ACT.

16 (C) IF THE BUDGET DIRECTOR DETERMINES THAT THE IMPLEMENTATION OF A SECTION OF THIS ACT MAY
17 RESULT IN A REDUCTION OF FUNDS OR REQUIRE THE STATE TO REPAY OR REFUND TO THE FEDERAL GOVERNMENT FUNDS
18 BASED ON THE GUIDANCE IN SUBSECTION (6)(B), THE BUDGET DIRECTOR SHALL NOTIFY THE LEGISLATIVE FINANCE
19 COMMITTEE OF THE PRELIMINARY DETERMINATION. THE BUDGET DIRECTOR'S NOTIFICATION OF THE PRELIMINARY
20 DETERMINATION MAY OCCUR AFTER JANUARY 1 BUT NO LATER THAN DECEMBER 10 OF EACH OF THE CALENDAR YEARS
21 2021, 2022, 2023, AND 2024. WITHIN 20 DAYS OF NOTIFICATION, THE LEGISLATIVE FINANCE COMMITTEE SHALL
22 PROVIDE THE BUDGET DIRECTOR WITH ANY RECOMMENDATIONS CONCERNING THE PRELIMINARY DETERMINATION. THE
23 BUDGET DIRECTOR SHALL CONSIDER ANY RECOMMENDATIONS OF THE LEGISLATIVE FINANCE COMMITTEE.

24 (7) IF THE BUDGET DIRECTOR DETERMINES THAT THE IMPLEMENTATION OF A SECTION OF THIS ACT WOULD
25 MORE LIKELY THAN NOT RESULT IN A REDUCTION OF FUNDS OR REQUIRE THE STATE TO REPAY OR REFUND TO THE
26 FEDERAL GOVERNMENT FUNDS BASED ON THE GUIDANCE IN SUBSECTION (6)(B) AND THE RECOMMENDATIONS OF THE
27 LEGISLATIVE FINANCE COMMITTEE IN SUBSECTION (6)(C), THE BUDGET DIRECTOR SHALL PROVIDE CERTIFICATION IN
28 WRITING TO THE LEGISLATIVE FINANCE COMMITTEE AND THE CODE COMMISSIONER OF THE OCCURRENCE OF THE

1 RELEVANT CONTINGENCY PROVIDED FOR IN SUBSECTIONS (2) THROUGH (5).

2 - END -