

1 HOUSE BILL NO. 629

2 INTRODUCED BY D. FERN, M. BLASDEL, J. HAMILTON

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING TAXATION TO PROMOTE NEW
5 BUSINESS AND ECONOMIC ACTIVITY; PROVIDING FOR THE CREATION OF AN INCOME TAX CREDIT
6 TO INCENTIVIZE MONTANA JOB GROWTH; PROVIDING FOR ADMINISTRATION BY THE DEPARTMENT
7 OF LABOR AND INDUSTRY AND THE DEPARTMENT OF REVENUE; PROVIDING THAT THE CREDITS BE
8 TAKEN AGAINST INDIVIDUAL INCOME TAX AND CORPORATE INCOME TAX LIABILITIES; PROVIDING
9 DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; PROVIDING APPROPRIATIONS; AMENDING
10 SECTIONS 15-30-2303, 15-30-2357, 15-30-2618, AND 15-31-511, MCA; AND PROVIDING AN IMMEDIATE
11 EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE EFFECTIVE
12 DATES, APPLICABILITY DATES, AND TERMINATION DATES."

13

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

15

16 NEW SECTION. **Section 1. Employer job growth incentive tax credit -- administration.** (1) An
17 employer that hires qualifying new employees is eligible for an annual job growth incentive tax credit against
18 income taxes imposed pursuant to Title 15, chapter 30 or 31.

19 (2) The amount and duration of the credit is administered by the department of revenue as provided in
20 [sections 2 and 3].

21 (3) A qualifying employer seeking approval to claim a credit shall apply for a credit certificate with the
22 department for the preceding calendar year. The application must be submitted on a form prescribed by the
23 department on which the employer:

24 (a) identifies and describes the number of qualifying new employees hired;

25 (b) provides necessary details to calculate the net employee growth and qualifying net employee
26 growth;

27 (c) provides documentation necessary to calculate the job growth incentive tax credit, including but
28 not limited to the average yearly wage of each qualifying new employee; and

1 (d) submits any other information the department considers necessary for auditing purposes and to
2 determine whether the employer qualifies for a credit certificate.

3 (4) After receiving an application, the department shall:

4 (a) provide the employer with a credit certificate, which must accompany the employer's tax return
5 that is filed with the department of revenue; or

6 (b) deny an application for a credit certificate and provide the employer with the reasoning for the
7 denial. Prior to issuing a denial, the department shall provide the employer with an opportunity to resolve
8 deficiencies in the application.

9 (5) The department shall provide to the department of revenue a list of the qualifying employers
10 approved for a credit certificate, the qualifying new employees employed by the qualifying employer, and the
11 aggregate total of net employee growth and qualified net employee growth for qualified employers claiming the
12 credit. The list must include the federal tax identification number of the qualifying employer and the name and
13 social security number or federal tax identification number of the qualifying new employees that were utilized
14 during the issuance of a credit certificate.

15 (6) The identity and social security number or federal tax identification number of individuals
16 employed by the employer are subject to the provisions of 15-30-2618 and 15-31-511.

17 (7) The department may audit an employer applying for a credit certificate or who has obtained a
18 credit certificate.

19 ~~(8)~~ BY NOVEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL MULTIPLY THE MINIMUM YEARLY WAGE IN
20 SUBSECTION (10)(J)(I)(C) BY THE INFLATION FACTOR FOR THE FOLLOWING TAX YEAR AND ROUND THE PRODUCT TO THE
21 NEAREST \$10. THE RESULTING MINIMUM YEARLY WAGE IS EFFECTIVE FOR THAT FOLLOWING TAX YEAR AND MUST BE
22 USED IN CALCULATING THE MINIMUM YEARLY WAGE.

23 ~~(9)~~ (9) The department may adopt rules necessary to administer this section.

24 ~~(9)~~ (10) For the purposes of this section, the following definitions apply:

25 (a) "Business transfer" means any change in ownership or transfer of all or a material portion of the
26 business to another entity or individual by entity merger, combination, reorganization, asset acquisition,
27 transfer, or other similar business transaction in which an existing business is continued under new ownership
28 or a different entity.

1 (b) "Credit certificate" means a statement issued by the department to a qualifying employer that
 2 provides the number of qualifying new employees hired or retained by the qualifying employer starting with
 3 calendar year ~~2024~~ 2022 and ending in calendar year ~~2027~~ 2028.

4 (c) "Department" means the department of labor and industry provided for in 2-15-1701.

5 (d) "Employer" includes any person, entity, or fiduciary, resident or nonresident, subject to a tax or
 6 other obligation imposed by Title 15, chapters 30 and 31.

7 (E) "INFLATION FACTOR" MEANS A NUMBER DETERMINED FOR EACH TAX YEAR BY DIVIDING THE CONSUMER
 8 PRICE INDEX AS DEFINED IN 15-30-2101 FOR JUNE OF THE PREVIOUS TAX YEAR BY THE CONSUMER PRICE INDEX FOR
 9 JUNE 2021.

10 ~~(e)(F)~~ "Net employee growth" means the difference between the total number of qualifying new
 11 employees employed by the employer in the state during any calendar year starting with calendar year ~~2024~~
 12 2022 and ending in calendar year ~~2027~~ 2028 and the total number of full-time equivalent employees that were
 13 employed by the employer or predecessor in the state during calendar year ~~2020~~ 2021.

14 ~~(f)(G)~~ "Predecessor" means any entity or individual that operated a business prior to a business
 15 transfer to the employer.

16 ~~(g)(H)~~ "Qualifying employer" means an employer with qualifying net employee growth.

17 ~~(h)(I)~~ (i) "Qualifying net employee growth" means:

18 (A) UNLESS SUBSECTION ~~(9)(H)(I)(B)~~ (10)(I)(I)(B) APPLIES, net employee growth equal to at least 10
 19 qualifying new employees during the first year the credit is claimed and at least 15 total qualifying new
 20 employees during any subsequent calendar year;

21 (B) FOR A COUNTY WITH A POPULATION OF 20,000 OR LESS, NET EMPLOYEE GROWTH EQUAL TO AT LEAST 5
 22 QUALIFYING NEW EMPLOYEES DURING THE FIRST YEAR THE CREDIT IS CLAIMED AND AT LEAST 7 TOTAL QUALIFYING NEW
 23 EMPLOYEES DURING ANY SUBSEQUENT CALENDAR YEAR.

24 (ii) In order to qualify, the net employee growth must be associated with a project in the state that
 25 encourages, promotes, and stimulates economic development in key economic sectors, including but not
 26 limited to agriculture, energy or natural resource development, tourism, construction, information technology,
 27 aerospace, health care, bioscience, and life science THE SECTORS OF CONSTRUCTION, NATURAL RESOURCES,
 28 MINING, AGRICULTURE, FORESTRY, MANUFACTURING, TRANSPORTATION, UTILITIES, OR OUTDOOR RECREATION.

1 ~~(j)~~(j) (i) "Qualifying new employee" means an employee of a qualifying employer:

2 (A) who is hired in any calendar year starting with calendar year ~~2024~~ 2022 and ending in calendar
3 year ~~2027~~ 2028;

4 (B) who is employed for at least 6 months during the year for which the credit is granted; and

5 (C) with a yearly wage of at least \$50,000, plus any benefits paid to other employees of the employer.

6 (ii) The term does not include an employee:

7 (A) previously employed by the employer or a predecessor in the preceding 12 months; or

8 (B) hired to replace an employee of a predecessor.

9

10 NEW SECTION. Section 2. Grow Montana jobs -- annual job growth incentive tax credit. (1)

11 Subject to the provisions of [section 1], a taxpayer is allowed an annual job growth incentive tax credit against
12 the tax imposed by chapter 31 or this chapter for creating qualifying net employee growth in the state.

13 (2) The amount of the credit is equal to the number of qualifying new employees in the credit
14 certificate multiplied by 50% of the taxpayer's total estimated taxes imposed on the taxpayer each year for the
15 MONTANA SOURCE WAGES PAID TO qualifying new employees under the Federal Insurance Contributions Act, 26
16 U.S.C. 3111(a) and (b).

17 (3) The credit allowed by this section may not be refunded if the taxpayer has a tax liability less than
18 the amount of the credit. If the sum of credit carryovers from the credit, if any, and the amount of credit allowed
19 by this section for the tax year exceeds the taxpayer's tax liability for the current tax year, the excess
20 attributable to the current tax year's credit is a credit carryover to succeeding tax years for a period not to
21 exceed 10 years from the tax year the credit was claimed. The entire amount of unused credit must be carried
22 forward to the earliest of the succeeding years, and the oldest available unused credit must be used first. Any
23 credit remaining 10 years after the tax year for which the credit is based may not be refunded or credited to the
24 taxpayer.

25 (4) The credit may be claimed for up to 7 years, but only in a tax year in which the department of labor
26 and industry approved the credit by issuing the taxpayer with a credit certificate as provided in [section 1]. If a
27 taxpayer claims the credit but was not approved by the department of labor and industry, the taxpayer's return
28 will be processed without regard to the credit.

1 (5) For fiscal year filers, the credit available to claim in the current fiscal year is the credit allowed for
2 the calendar year that ends within the taxpayer's fiscal period.

3 (6) The department shall, after consultation with the department of labor and industry, prescribe a
4 form for a taxpayer to claim the tax credit. The form must provide the department with sufficient information for
5 the proper administration of the credit.

6 (7) The department shall provide the department of labor and industry with an annual report detailing
7 the tax credit provided to taxpayers for the previous year. The information provided to the department of labor
8 and industry is subject to the provisions of 15-30-2618 and 15-31-511.

9 (8) A taxpayer claiming this credit may not claim the apprenticeship tax credit pursuant to sections 15-
10 30-2357, 15-31-173, and 39-6-109 in the same tax year that this credit is claimed. This subsection does not
11 prevent a credit carryover from this credit from being used in a tax year in which the apprenticeship tax credit is
12 claimed.

13 (9) Each biennium, the department shall provide to the revenue interim committee information
14 regarding all approvals granted and credit certificates issued, including the credits claimed, the names of the
15 qualifying employers of the credits, and the amount of tax credits claimed. This information is not subject to the
16 confidentiality requirements of 15-30-2618 or 15-31-511.

17 (10) For the purposes of this section, the terms "credit certificate", "qualifying employer", "qualifying net
18 employee growth", and "qualifying new employee" have the same meaning as those terms are defined in
19 [section 1].

20

21 **NEW SECTION. Section 3. Grow Montana jobs -- annual job growth incentive tax credit.** (1)

22 There is an annual job growth incentive tax credit against the taxes otherwise due under 15-31-121 or 15-31-
23 122 that is allowable in the amount established pursuant to [section 2] when a taxpayer hires qualifying new
24 employees in the state. The credit is administered as provided in [sections 1 and 2] and this section.

25 (2) If the credit allowed under this section is claimed by a small business corporation as defined in 15-
26 30-3301 or a partnership, the credit must be attributed to shareholders or partners using the same proportion to
27 report the corporation's or partnership's income or loss for Montana income tax purposes.

28

1 NEW SECTION. SECTION 4. EMPLOYER JOB GROWTH INCENTIVE TAX CREDIT -- ADMINISTRATION. (1) AN
2 EMPLOYER THAT HIRES QUALIFYING NEW EMPLOYEES IS ELIGIBLE FOR AN ANNUAL JOB GROWTH INCENTIVE TAX CREDIT
3 AGAINST INCOME TAXES IMPOSED PURSUANT TO TITLE 15, CHAPTER 30 OR 31.

4 (2) THE AMOUNT AND DURATION OF THE CREDIT IS ADMINISTERED BY THE DEPARTMENT OF REVENUE AS
5 PROVIDED IN [SECTIONS 5 AND 6].

6 (3) A QUALIFYING EMPLOYER SEEKING APPROVAL TO CLAIM A CREDIT SHALL APPLY FOR A CREDIT CERTIFICATE
7 WITH THE DEPARTMENT FOR THE PRECEDING CALENDAR YEAR. THE APPLICATION MUST BE SUBMITTED ON A FORM
8 PRESCRIBED BY THE DEPARTMENT ON WHICH THE EMPLOYER:

9 (A) IDENTIFIES AND DESCRIBES THE NUMBER OF QUALIFYING NEW EMPLOYEES HIRED;

10 (B) PROVIDES NECESSARY DETAILS TO CALCULATE THE NET EMPLOYEE GROWTH AND QUALIFYING NET
11 EMPLOYEE GROWTH;

12 (C) PROVIDES DOCUMENTATION NECESSARY TO CALCULATE THE JOB GROWTH INCENTIVE TAX CREDIT,
13 INCLUDING BUT NOT LIMITED TO THE AVERAGE YEARLY WAGE OF EACH QUALIFYING NEW EMPLOYEE; AND

14 (D) SUBMITS ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY FOR AUDITING PURPOSES
15 AND TO DETERMINE WHETHER THE EMPLOYER QUALIFIES FOR A CREDIT CERTIFICATE.

16 (4) AFTER RECEIVING AN APPLICATION, THE DEPARTMENT SHALL:

17 (A) PROVIDE THE EMPLOYER WITH A CREDIT CERTIFICATE, WHICH MUST ACCOMPANY THE EMPLOYER'S TAX
18 RETURN THAT IS FILED WITH THE DEPARTMENT OF REVENUE; OR

19 (B) DENY AN APPLICATION FOR A CREDIT CERTIFICATE AND PROVIDE THE EMPLOYER WITH THE REASONING
20 FOR THE DENIAL. PRIOR TO ISSUING A DENIAL, THE DEPARTMENT SHALL PROVIDE THE EMPLOYER WITH AN OPPORTUNITY
21 TO RESOLVE DEFICIENCIES IN THE APPLICATION.

22 (5) THE DEPARTMENT SHALL PROVIDE TO THE DEPARTMENT OF REVENUE A LIST OF THE QUALIFYING
23 EMPLOYERS APPROVED FOR A CREDIT CERTIFICATE, THE QUALIFYING NEW EMPLOYEES EMPLOYED BY THE QUALIFYING
24 EMPLOYER, AND THE AGGREGATE TOTAL OF NET EMPLOYEE GROWTH AND QUALIFIED NET EMPLOYEE GROWTH FOR
25 QUALIFIED EMPLOYERS CLAIMING THE CREDIT. THE LIST MUST INCLUDE THE FEDERAL TAX IDENTIFICATION NUMBER OF
26 THE QUALIFYING EMPLOYER AND THE NAME AND SOCIAL SECURITY NUMBER OR FEDERAL TAX IDENTIFICATION NUMBER OF
27 THE QUALIFYING NEW EMPLOYEES THAT WERE UTILIZED DURING THE ISSUANCE OF A CREDIT CERTIFICATE.

28 (6) THE IDENTITY AND SOCIAL SECURITY NUMBER OR FEDERAL TAX IDENTIFICATION NUMBER OF INDIVIDUALS

1 EMPLOYED BY THE EMPLOYER ARE SUBJECT TO THE PROVISIONS OF 15-30-2618 AND 15-31-511.

2 (7) THE DEPARTMENT MAY AUDIT AN EMPLOYER APPLYING FOR A CREDIT CERTIFICATE OR WHO HAS OBTAINED
3 A CREDIT CERTIFICATE.

4 (8) BY NOVEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL MULTIPLY THE MINIMUM YEARLY WAGE IN
5 SUBSECTION (10)(J)(I)(C) BY THE INFLATION FACTOR FOR THE FOLLOWING TAX YEAR AND ROUND THE PRODUCT TO THE
6 NEAREST \$10. THE RESULTING MINIMUM YEARLY WAGE IS EFFECTIVE FOR THAT FOLLOWING TAX YEAR AND MUST BE
7 USED IN CALCULATING THE MINIMUM YEARLY WAGE.

8 (9) THE DEPARTMENT MAY ADOPT RULES NECESSARY TO ADMINISTER THIS SECTION.

9 (10) FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING DEFINITIONS APPLY:

10 (A) "BUSINESS TRANSFER" MEANS ANY CHANGE IN OWNERSHIP OR TRANSFER OF ALL OR A MATERIAL PORTION
11 OF THE BUSINESS TO ANOTHER ENTITY OR INDIVIDUAL BY ENTITY MERGER, COMBINATION, REORGANIZATION, ASSET
12 ACQUISITION, TRANSFER, OR OTHER SIMILAR BUSINESS TRANSACTION IN WHICH AN EXISTING BUSINESS IS CONTINUED
13 UNDER NEW OWNERSHIP OR A DIFFERENT ENTITY.

14 (B) "CREDIT CERTIFICATE" MEANS A STATEMENT ISSUED BY THE DEPARTMENT TO A QUALIFYING EMPLOYER
15 THAT PROVIDES THE NUMBER OF QUALIFYING NEW EMPLOYEES HIRED OR RETAINED BY THE QUALIFYING EMPLOYER
16 STARTING WITH CALENDAR YEAR 2022 AND ENDING IN CALENDAR YEAR 2028.

17 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR AND INDUSTRY PROVIDED FOR IN 2-15-1701.

18 (D) "EMPLOYER" INCLUDES ANY PERSON, ENTITY, OR FIDUCIARY, RESIDENT OR NONRESIDENT, SUBJECT TO A
19 TAX OR OTHER OBLIGATION IMPOSED BY TITLE 15, CHAPTERS 30 AND 31.

20 (E) "INFLATION FACTOR" MEANS A NUMBER DETERMINED FOR EACH TAX YEAR BY DIVIDING THE CONSUMER
21 PRICE INDEX AS DEFINED IN 15-30-2101 FOR JUNE OF THE PREVIOUS TAX YEAR BY THE CONSUMER PRICE INDEX FOR
22 JUNE 2021.

23 (F) "NET EMPLOYEE GROWTH" MEANS THE DIFFERENCE BETWEEN THE TOTAL NUMBER OF QUALIFYING NEW
24 EMPLOYEES EMPLOYED BY THE EMPLOYER IN THE STATE DURING ANY CALENDAR YEAR STARTING WITH CALENDAR YEAR
25 2022 AND ENDING IN CALENDAR YEAR 2028 AND THE TOTAL NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES THAT WERE
26 EMPLOYED BY THE EMPLOYER OR PREDECESSOR IN THE STATE DURING CALENDAR YEAR 2021.

27 (G) "PREDECESSOR" MEANS ANY ENTITY OR INDIVIDUAL THAT OPERATED A BUSINESS PRIOR TO A BUSINESS
28 TRANSFER TO THE EMPLOYER.

1 (H) "QUALIFYING EMPLOYER" MEANS AN EMPLOYER WITH QUALIFYING NET EMPLOYEE GROWTH.

2 (I) (I) "QUALIFYING NET EMPLOYEE GROWTH" MEANS:

3 (A) UNLESS SUBSECTION (10)(I)(I)(B) APPLIES, NET EMPLOYEE GROWTH EQUAL TO AT LEAST 10 QUALIFYING
 4 NEW EMPLOYEES DURING THE FIRST YEAR THE CREDIT IS CLAIMED AND AT LEAST 15 TOTAL QUALIFYING NEW EMPLOYEES
 5 DURING ANY SUBSEQUENT CALENDAR YEAR;

6 (B) FOR A COUNTY WITH A POPULATION OF 20,000 OR LESS, NET EMPLOYEE GROWTH EQUAL TO AT LEAST 5
 7 QUALIFYING NEW EMPLOYEES DURING THE FIRST YEAR THE CREDIT IS CLAIMED AND AT LEAST 7 TOTAL QUALIFYING NEW
 8 EMPLOYEES DURING ANY SUBSEQUENT CALENDAR YEAR.

9 (II) IN ORDER TO QUALIFY, THE NET EMPLOYEE GROWTH MUST BE ASSOCIATED WITH A PROJECT IN THE STATE
 10 THAT ENCOURAGES, PROMOTES, AND STIMULATES ECONOMIC DEVELOPMENT IN THE SECTORS OF CONSTRUCTION,
 11 NATURAL RESOURCES, MINING, AGRICULTURE, FORESTRY, MANUFACTURING, TRANSPORTATION, UTILITIES, OR OUTDOOR
 12 RECREATION.

13 (J) (I) "QUALIFYING NEW EMPLOYEE" MEANS AN EMPLOYEE OF A QUALIFYING EMPLOYER:

14 (A) WHO IS HIRED IN ANY CALENDAR YEAR STARTING WITH CALENDAR YEAR 2022 AND ENDING IN CALENDAR
 15 YEAR 2028;

16 (B) WHO IS EMPLOYED FOR AT LEAST 6 MONTHS DURING THE YEAR FOR WHICH THE CREDIT IS GRANTED; AND

17 (C) WITH A YEARLY WAGE OF AT LEAST \$50,000, PLUS ANY BENEFITS PAID TO OTHER EMPLOYEES OF THE
 18 EMPLOYER.

19 (II) THE TERM DOES NOT INCLUDE AN EMPLOYEE:

20 (A) PREVIOUSLY EMPLOYED BY THE EMPLOYER OR A PREDECESSOR IN THE PRECEDING 12 MONTHS; OR

21 (B) HIRED TO REPLACE AN EMPLOYEE OF A PREDECESSOR.

22

23 NEW SECTION. SECTION 5. GROW MONTANA JOBS -- ANNUAL JOB GROWTH INCENTIVE TAX CREDIT. (1)

24 SUBJECT TO THE PROVISIONS OF [SECTION 4], A TAXPAYER IS ALLOWED AN ANNUAL JOB GROWTH INCENTIVE TAX CREDIT
 25 AGAINST THE TAX IMPOSED BY CHAPTER 31 OR THIS CHAPTER FOR CREATING QUALIFYING NET EMPLOYEE GROWTH IN
 26 THE STATE.

27 (2) THE AMOUNT OF THE CREDIT IS EQUAL TO THE NUMBER OF QUALIFYING NEW EMPLOYEES IN THE CREDIT
 28 CERTIFICATE MULTIPLIED BY 50% OF THE TAXPAYER'S TOTAL ESTIMATED TAXES IMPOSED ON THE TAXPAYER EACH YEAR

1 FOR THE MONTANA SOURCE WAGES PAID TO QUALIFYING NEW EMPLOYEES UNDER THE FEDERAL INSURANCE
2 CONTRIBUTIONS ACT, 26 U.S.C. 3111(A) AND (B).

3 (3) THE CREDIT ALLOWED BY THIS SECTION MAY NOT BE REFUNDED IF THE TAXPAYER HAS A TAX LIABILITY
4 LESS THAN THE AMOUNT OF THE CREDIT. IF THE SUM OF CREDIT CARRYOVERS FROM THE CREDIT, IF ANY, AND THE
5 AMOUNT OF CREDIT ALLOWED BY THIS SECTION FOR THE TAX YEAR EXCEEDS THE TAXPAYER'S TAX LIABILITY FOR THE
6 CURRENT TAX YEAR, THE EXCESS ATTRIBUTABLE TO THE CURRENT TAX YEAR'S CREDIT IS A CREDIT CARRYOVER TO
7 SUCCEEDING TAX YEARS FOR A PERIOD NOT TO EXCEED 10 YEARS FROM THE TAX YEAR THE CREDIT WAS CLAIMED. THE
8 ENTIRE AMOUNT OF UNUSED CREDIT MUST BE CARRIED FORWARD TO THE EARLIEST OF THE SUCCEEDING YEARS, AND
9 THE OLDEST AVAILABLE UNUSED CREDIT MUST BE USED FIRST. ANY CREDIT REMAINING 10 YEARS AFTER THE TAX YEAR
10 FOR WHICH THE CREDIT IS BASED MAY NOT BE REFUNDED OR CREDITED TO THE TAXPAYER.

11 (4) THE CREDIT MAY BE CLAIMED FOR UP TO 7 YEARS, BUT ONLY IN A TAX YEAR IN WHICH THE DEPARTMENT OF
12 LABOR AND INDUSTRY APPROVED THE CREDIT BY ISSUING THE TAXPAYER WITH A CREDIT CERTIFICATE AS PROVIDED IN
13 [SECTION 4]. IF A TAXPAYER CLAIMS THE CREDIT BUT WAS NOT APPROVED BY THE DEPARTMENT OF LABOR AND
14 INDUSTRY, THE TAXPAYER'S RETURN WILL BE PROCESSED WITHOUT REGARD TO THE CREDIT.

15 (5) FOR FISCAL YEAR FILERS, THE CREDIT AVAILABLE TO CLAIM IN THE CURRENT FISCAL YEAR IS THE CREDIT
16 ALLOWED FOR THE CALENDAR YEAR THAT ENDS WITHIN THE TAXPAYER'S FISCAL PERIOD.

17 (6) THE DEPARTMENT SHALL, AFTER CONSULTATION WITH THE DEPARTMENT OF LABOR AND INDUSTRY,
18 PRESCRIBE A FORM FOR A TAXPAYER TO CLAIM THE TAX CREDIT. THE FORM MUST PROVIDE THE DEPARTMENT WITH
19 SUFFICIENT INFORMATION FOR THE PROPER ADMINISTRATION OF THE CREDIT.

20 (7) THE DEPARTMENT SHALL PROVIDE THE DEPARTMENT OF LABOR AND INDUSTRY WITH AN ANNUAL REPORT
21 DETAILING THE TAX CREDIT PROVIDED TO TAXPAYERS FOR THE PREVIOUS YEAR. THE INFORMATION PROVIDED TO THE
22 DEPARTMENT OF LABOR AND INDUSTRY IS SUBJECT TO THE PROVISIONS OF 15-30-2618 AND 15-31-511.

23 (8) A TAXPAYER CLAIMING THIS CREDIT MAY NOT CLAIM THE APPRENTICESHIP TAX CREDIT PURSUANT TO
24 SECTIONS 15-30-2357, 15-31-173, AND 39-6-109 IN THE SAME TAX YEAR THAT THIS CREDIT IS CLAIMED. THIS
25 SUBSECTION DOES NOT PREVENT A CREDIT CARRYOVER FROM THIS CREDIT FROM BEING USED IN A TAX YEAR IN WHICH
26 THE APPRENTICESHIP TAX CREDIT IS CLAIMED.

27 (9) EACH BIENNIUM, THE DEPARTMENT SHALL PROVIDE TO THE REVENUE INTERIM COMMITTEE INFORMATION
28 REGARDING ALL APPROVALS GRANTED AND CREDIT CERTIFICATES ISSUED, INCLUDING THE CREDITS CLAIMED, THE

1 NAMES OF THE QUALIFYING EMPLOYERS OF THE CREDITS, AND THE AMOUNT OF TAX CREDITS CLAIMED. THIS
 2 INFORMATION IS NOT SUBJECT TO THE CONFIDENTIALITY REQUIREMENTS OF 15-30-2618 OR 15-31-511.

3 (10) FOR THE PURPOSES OF THIS SECTION, THE TERMS "CREDIT CERTIFICATE", "QUALIFYING EMPLOYER",
 4 "QUALIFYING NET EMPLOYEE GROWTH", AND "QUALIFYING NEW EMPLOYEE" HAVE THE SAME MEANING AS THOSE TERMS
 5 ARE DEFINED IN [SECTION 4].

6
 7 NEW SECTION. SECTION 6. GROW MONTANA JOBS -- ANNUAL JOB GROWTH INCENTIVE TAX CREDIT. (1)
 8 THERE IS AN ANNUAL JOB GROWTH INCENTIVE TAX CREDIT AGAINST THE TAXES OTHERWISE DUE UNDER 15-31-121 OR
 9 15-31-122 THAT IS ALLOWABLE IN THE AMOUNT ESTABLISHED PURSUANT TO [SECTION 5] WHEN A TAXPAYER HIRES
 10 QUALIFYING NEW EMPLOYEES IN THE STATE. THE CREDIT IS ADMINISTERED AS PROVIDED IN [SECTIONS 4 AND 5] AND
 11 THIS SECTION.

12 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION IS CLAIMED BY A SMALL BUSINESS CORPORATION AS
 13 DEFINED IN 15-30-3301 OR A PARTNERSHIP, THE CREDIT MUST BE ATTRIBUTED TO SHAREHOLDERS OR PARTNERS USING
 14 THE SAME PROPORTION TO REPORT THE CORPORATION'S OR PARTNERSHIP'S INCOME OR LOSS FOR MONTANA INCOME
 15 TAX PURPOSES.

16
 17 NEW SECTION. SECTION 7. EMPLOYER JOB GROWTH INCENTIVE TAX CREDIT -- ADMINISTRATION. (1) AN
 18 EMPLOYER THAT HIRES QUALIFYING NEW EMPLOYEES IS ELIGIBLE FOR AN ANNUAL JOB GROWTH INCENTIVE TAX CREDIT
 19 AGAINST INCOME TAXES IMPOSED PURSUANT TO TITLE 15, CHAPTER 30 OR 31.

20 (2) THE AMOUNT AND DURATION OF THE CREDIT IS ADMINISTERED BY THE DEPARTMENT OF REVENUE AS
 21 PROVIDED IN [SECTIONS 8 AND 9].

22 (3) A QUALIFYING EMPLOYER SEEKING APPROVAL TO CLAIM A CREDIT SHALL APPLY FOR A CREDIT CERTIFICATE
 23 WITH THE DEPARTMENT FOR THE PRECEDING CALENDAR YEAR. THE APPLICATION MUST BE SUBMITTED ON A FORM
 24 PRESCRIBED BY THE DEPARTMENT ON WHICH THE EMPLOYER:

25 (A) IDENTIFIES AND DESCRIBES THE NUMBER OF QUALIFYING NEW EMPLOYEES HIRED;

26 (B) PROVIDES NECESSARY DETAILS TO CALCULATE THE NET EMPLOYEE GROWTH AND QUALIFYING NET
 27 EMPLOYEE GROWTH;

28 (C) PROVIDES DOCUMENTATION NECESSARY TO CALCULATE THE JOB GROWTH INCENTIVE TAX CREDIT,

1 INCLUDING BUT NOT LIMITED TO THE AVERAGE YEARLY WAGE OF EACH QUALIFYING NEW EMPLOYEE; AND

2 (D) SUBMITS ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY FOR AUDITING PURPOSES
3 AND TO DETERMINE WHETHER THE EMPLOYER QUALIFIES FOR A CREDIT CERTIFICATE.

4 (4) AFTER RECEIVING AN APPLICATION, THE DEPARTMENT SHALL:

5 (A) PROVIDE THE EMPLOYER WITH A CREDIT CERTIFICATE, WHICH MUST ACCOMPANY THE EMPLOYER'S TAX
6 RETURN THAT IS FILED WITH THE DEPARTMENT OF REVENUE; OR

7 (B) DENY AN APPLICATION FOR A CREDIT CERTIFICATE AND PROVIDE THE EMPLOYER WITH THE REASONING
8 FOR THE DENIAL. PRIOR TO ISSUING A DENIAL, THE DEPARTMENT SHALL PROVIDE THE EMPLOYER WITH AN OPPORTUNITY
9 TO RESOLVE DEFICIENCIES IN THE APPLICATION.

10 (5) THE DEPARTMENT SHALL PROVIDE TO THE DEPARTMENT OF REVENUE A LIST OF THE QUALIFYING
11 EMPLOYERS APPROVED FOR A CREDIT CERTIFICATE, THE QUALIFYING NEW EMPLOYEES EMPLOYED BY THE QUALIFYING
12 EMPLOYER, AND THE AGGREGATE TOTAL OF NET EMPLOYEE GROWTH AND QUALIFIED NET EMPLOYEE GROWTH FOR
13 QUALIFIED EMPLOYERS CLAIMING THE CREDIT. THE LIST MUST INCLUDE THE FEDERAL TAX IDENTIFICATION NUMBER OF
14 THE QUALIFYING EMPLOYER AND THE NAME AND SOCIAL SECURITY NUMBER OR FEDERAL TAX IDENTIFICATION NUMBER OF
15 THE QUALIFYING NEW EMPLOYEES THAT WERE UTILIZED DURING THE ISSUANCE OF A CREDIT CERTIFICATE.

16 (6) THE IDENTITY AND SOCIAL SECURITY NUMBER OR FEDERAL TAX IDENTIFICATION NUMBER OF INDIVIDUALS
17 EMPLOYED BY THE EMPLOYER ARE SUBJECT TO THE PROVISIONS OF 15-30-2618 AND 15-31-511.

18 (7) THE DEPARTMENT MAY AUDIT AN EMPLOYER APPLYING FOR A CREDIT CERTIFICATE OR WHO HAS OBTAINED
19 A CREDIT CERTIFICATE.

20 (8) BY NOVEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL MULTIPLY THE MINIMUM YEARLY WAGE IN
21 SUBSECTION (10)(J)(I)(C) BY THE INFLATION FACTOR FOR THE FOLLOWING TAX YEAR AND ROUND THE PRODUCT TO THE
22 NEAREST \$10. THE RESULTING MINIMUM YEARLY WAGE IS EFFECTIVE FOR THAT FOLLOWING TAX YEAR AND MUST BE
23 USED IN CALCULATING THE MINIMUM YEARLY WAGE.

24 (9) THE DEPARTMENT MAY ADOPT RULES NECESSARY TO ADMINISTER THIS SECTION.

25 (10) FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING DEFINITIONS APPLY:

26 (A) "BUSINESS TRANSFER" MEANS ANY CHANGE IN OWNERSHIP OR TRANSFER OF ALL OR A MATERIAL PORTION
27 OF THE BUSINESS TO ANOTHER ENTITY OR INDIVIDUAL BY ENTITY MERGER, COMBINATION, REORGANIZATION, ASSET
28 ACQUISITION, TRANSFER, OR OTHER SIMILAR BUSINESS TRANSACTION IN WHICH AN EXISTING BUSINESS IS CONTINUED

1 UNDER NEW OWNERSHIP OR A DIFFERENT ENTITY.

2 (B) "CREDIT CERTIFICATE" MEANS A STATEMENT ISSUED BY THE DEPARTMENT TO A QUALIFYING EMPLOYER
3 THAT PROVIDES THE NUMBER OF QUALIFYING NEW EMPLOYEES HIRED OR RETAINED BY THE QUALIFYING EMPLOYER
4 STARTING WITH CALENDAR YEAR 2022 AND ENDING IN CALENDAR YEAR 2028.

5 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR AND INDUSTRY PROVIDED FOR IN 2-15-1701.

6 (D) "EMPLOYER" INCLUDES ANY PERSON, ENTITY, OR FIDUCIARY, RESIDENT OR NONRESIDENT, SUBJECT TO A
7 TAX OR OTHER OBLIGATION IMPOSED BY TITLE 15, CHAPTERS 30 AND 31.

8 (E) "INFLATION FACTOR" MEANS A NUMBER DETERMINED FOR EACH TAX YEAR BY DIVIDING THE CONSUMER
9 PRICE INDEX AS DEFINED IN 15-30-2101 FOR JUNE OF THE PREVIOUS TAX YEAR BY THE CONSUMER PRICE INDEX FOR
10 JUNE 2021.

11 (F) "NET EMPLOYEE GROWTH" MEANS THE DIFFERENCE BETWEEN THE TOTAL NUMBER OF QUALIFYING NEW
12 EMPLOYEES EMPLOYED BY THE EMPLOYER IN THE STATE DURING ANY CALENDAR YEAR STARTING WITH CALENDAR YEAR
13 2022 AND ENDING IN CALENDAR YEAR 2028 AND THE TOTAL NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES THAT WERE
14 EMPLOYED BY THE EMPLOYER OR PREDECESSOR IN THE STATE DURING CALENDAR YEAR 2021.

15 (G) "PREDECESSOR" MEANS ANY ENTITY OR INDIVIDUAL THAT OPERATED A BUSINESS PRIOR TO A BUSINESS
16 TRANSFER TO THE EMPLOYER.

17 (H) "QUALIFYING EMPLOYER" MEANS AN EMPLOYER WITH QUALIFYING NET EMPLOYEE GROWTH.

18 (I) (I) "QUALIFYING NET EMPLOYEE GROWTH" MEANS:

19 (A) UNLESS SUBSECTION (10)(I)(I)(B) APPLIES, NET EMPLOYEE GROWTH EQUAL TO AT LEAST 10 QUALIFYING
20 NEW EMPLOYEES DURING THE FIRST YEAR THE CREDIT IS CLAIMED AND AT LEAST 15 TOTAL QUALIFYING NEW EMPLOYEES
21 DURING ANY SUBSEQUENT CALENDAR YEAR;

22 (B) FOR A COUNTY WITH A POPULATION OF 20,000 OR LESS, NET EMPLOYEE GROWTH EQUAL TO AT LEAST 5
23 QUALIFYING NEW EMPLOYEES DURING THE FIRST YEAR THE CREDIT IS CLAIMED AND AT LEAST 7 TOTAL QUALIFYING NEW
24 EMPLOYEES DURING ANY SUBSEQUENT CALENDAR YEAR.

25 (II) IN ORDER TO QUALIFY, THE NET EMPLOYEE GROWTH MUST BE ASSOCIATED WITH A PROJECT IN THE STATE
26 THAT ENCOURAGES, PROMOTES, AND STIMULATES ECONOMIC DEVELOPMENT IN THE SECTORS OF CONSTRUCTION,
27 NATURAL RESOURCES, MINING, AGRICULTURE, FORESTRY, MANUFACTURING, TRANSPORTATION, UTILITIES, OR OUTDOOR
28 RECREATION.

- 1 (J) (i) "QUALIFYING NEW EMPLOYEE" MEANS AN EMPLOYEE OF A QUALIFYING EMPLOYER:
 2 (A) WHO IS HIRED IN ANY CALENDAR YEAR STARTING WITH CALENDAR YEAR 2022 AND ENDING IN CALENDAR
 3 YEAR 2028;
 4 (B) WHO IS EMPLOYED FOR AT LEAST 6 MONTHS DURING THE YEAR FOR WHICH THE CREDIT IS GRANTED; AND
 5 (C) WITH A YEARLY WAGE OF AT LEAST \$50,000, PLUS ANY BENEFITS PAID TO OTHER EMPLOYEES OF THE
 6 EMPLOYER.
- 7 (ii) THE TERM DOES NOT INCLUDE AN EMPLOYEE:
 8 (A) PREVIOUSLY EMPLOYED BY THE EMPLOYER OR A PREDECESSOR IN THE PRECEDING 12 MONTHS; OR
 9 (B) HIRED TO REPLACE AN EMPLOYEE OF A PREDECESSOR.

10
 11 **NEW SECTION. SECTION 8. GROW MONTANA JOBS -- ANNUAL JOB GROWTH INCENTIVE TAX CREDIT. (1)**
 12 SUBJECT TO THE PROVISIONS OF [SECTION 7], A TAXPAYER IS ALLOWED AN ANNUAL JOB GROWTH INCENTIVE TAX CREDIT
 13 AGAINST THE TAX IMPOSED BY CHAPTER 31 OR THIS CHAPTER FOR CREATING QUALIFYING NET EMPLOYEE GROWTH IN
 14 THE STATE.

15 (2) THE AMOUNT OF THE CREDIT IS EQUAL TO THE NUMBER OF QUALIFYING NEW EMPLOYEES IN THE CREDIT
 16 CERTIFICATE MULTIPLIED BY 50% OF THE TAXPAYER'S TOTAL ESTIMATED TAXES IMPOSED ON THE TAXPAYER EACH YEAR
 17 FOR THE MONTANA SOURCE WAGES PAID TO QUALIFYING NEW EMPLOYEES UNDER THE FEDERAL INSURANCE
 18 CONTRIBUTIONS ACT, 26 U.S.C. 3111(A) AND (B).

19 (3) THE CREDIT ALLOWED BY THIS SECTION MAY NOT BE REFUNDED IF THE TAXPAYER HAS A TAX LIABILITY
 20 LESS THAN THE AMOUNT OF THE CREDIT. IF THE SUM OF CREDIT CARRYOVERS FROM THE CREDIT, IF ANY, AND THE
 21 AMOUNT OF CREDIT ALLOWED BY THIS SECTION FOR THE TAX YEAR EXCEEDS THE TAXPAYER'S TAX LIABILITY FOR THE
 22 CURRENT TAX YEAR, THE EXCESS ATTRIBUTABLE TO THE CURRENT TAX YEAR'S CREDIT IS A CREDIT CARRYOVER TO
 23 SUCCEEDING TAX YEARS FOR A PERIOD NOT TO EXCEED 10 YEARS FROM THE TAX YEAR THE CREDIT WAS CLAIMED. THE
 24 ENTIRE AMOUNT OF UNUSED CREDIT MUST BE CARRIED FORWARD TO THE EARLIEST OF THE SUCCEEDING YEARS, AND
 25 THE OLDEST AVAILABLE UNUSED CREDIT MUST BE USED FIRST. ANY CREDIT REMAINING 10 YEARS AFTER THE TAX YEAR
 26 FOR WHICH THE CREDIT IS BASED MAY NOT BE REFUNDED OR CREDITED TO THE TAXPAYER.

27 (4) THE CREDIT MAY BE CLAIMED FOR UP TO 7 YEARS, BUT ONLY IN A TAX YEAR IN WHICH THE DEPARTMENT OF
 28 LABOR AND INDUSTRY APPROVED THE CREDIT BY ISSUING THE TAXPAYER WITH A CREDIT CERTIFICATE AS PROVIDED IN

1 [SECTION 7]. IF A TAXPAYER CLAIMS THE CREDIT BUT WAS NOT APPROVED BY THE DEPARTMENT OF LABOR AND
 2 INDUSTRY, THE TAXPAYER'S RETURN WILL BE PROCESSED WITHOUT REGARD TO THE CREDIT.

3 (5) FOR FISCAL YEAR FILERS, THE CREDIT AVAILABLE TO CLAIM IN THE CURRENT FISCAL YEAR IS THE CREDIT
 4 ALLOWED FOR THE CALENDAR YEAR THAT ENDS WITHIN THE TAXPAYER'S FISCAL PERIOD.

5 (6) THE DEPARTMENT SHALL, AFTER CONSULTATION WITH THE DEPARTMENT OF LABOR AND INDUSTRY,
 6 PRESCRIBE A FORM FOR A TAXPAYER TO CLAIM THE TAX CREDIT. THE FORM MUST PROVIDE THE DEPARTMENT WITH
 7 SUFFICIENT INFORMATION FOR THE PROPER ADMINISTRATION OF THE CREDIT.

8 (7) THE DEPARTMENT SHALL PROVIDE THE DEPARTMENT OF LABOR AND INDUSTRY WITH AN ANNUAL REPORT
 9 DETAILING THE TAX CREDIT PROVIDED TO TAXPAYERS FOR THE PREVIOUS YEAR. THE INFORMATION PROVIDED TO THE
 10 DEPARTMENT OF LABOR AND INDUSTRY IS SUBJECT TO THE PROVISIONS OF 15-30-2618 AND 15-31-511.

11 (8) A TAXPAYER CLAIMING THIS CREDIT MAY NOT CLAIM THE APPRENTICESHIP TAX CREDIT PURSUANT TO
 12 SECTIONS 15-30-2357, 15-31-173, AND 39-6-109 IN THE SAME TAX YEAR THAT THIS CREDIT IS CLAIMED. THIS
 13 SUBSECTION DOES NOT PREVENT A CREDIT CARRYOVER FROM THIS CREDIT FROM BEING USED IN A TAX YEAR IN WHICH
 14 THE APPRENTICESHIP TAX CREDIT IS CLAIMED.

15 (9) EACH BIENNIUM, THE DEPARTMENT SHALL PROVIDE TO THE REVENUE INTERIM COMMITTEE INFORMATION
 16 REGARDING ALL APPROVALS GRANTED AND CREDIT CERTIFICATES ISSUED, INCLUDING THE CREDITS CLAIMED, THE
 17 NAMES OF THE QUALIFYING EMPLOYERS OF THE CREDITS, AND THE AMOUNT OF TAX CREDITS CLAIMED. THIS
 18 INFORMATION IS NOT SUBJECT TO THE CONFIDENTIALITY REQUIREMENTS OF 15-30-2618 OR 15-31-511.

19 (10) FOR THE PURPOSES OF THIS SECTION, THE TERMS "CREDIT CERTIFICATE", "QUALIFYING EMPLOYER",
 20 "QUALIFYING NET EMPLOYEE GROWTH", AND "QUALIFYING NEW EMPLOYEE" HAVE THE SAME MEANING AS THOSE TERMS
 21 ARE DEFINED IN [SECTION 7].

22
 23 **NEW SECTION. SECTION 9. GROW MONTANA JOBS -- ANNUAL JOB GROWTH INCENTIVE TAX CREDIT. (1)**
 24 THERE IS AN ANNUAL JOB GROWTH INCENTIVE TAX CREDIT AGAINST THE TAXES OTHERWISE DUE UNDER 15-31-121 OR
 25 15-31-122 THAT IS ALLOWABLE IN THE AMOUNT ESTABLISHED PURSUANT TO [SECTION 8] WHEN A TAXPAYER HIRES
 26 QUALIFYING NEW EMPLOYEES IN THE STATE. THE CREDIT IS ADMINISTERED AS PROVIDED IN [SECTIONS 7 AND 8] AND
 27 THIS SECTION.

28 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION IS CLAIMED BY A SMALL BUSINESS CORPORATION AS

1 DEFINED IN 15-30-3301 OR A PARTNERSHIP, THE CREDIT MUST BE ATTRIBUTED TO SHAREHOLDERS OR PARTNERS USING
2 THE SAME PROPORTION TO REPORT THE CORPORATION'S OR PARTNERSHIP'S INCOME OR LOSS FOR MONTANA INCOME
3 TAX PURPOSES.

4
5 NEW SECTION. SECTION 10. EMPLOYER JOB GROWTH INCENTIVE TAX CREDIT -- ADMINISTRATION. (1) AN
6 EMPLOYER THAT HIRES QUALIFYING NEW EMPLOYEES IS ELIGIBLE FOR AN ANNUAL JOB GROWTH INCENTIVE TAX CREDIT
7 AGAINST INCOME TAXES IMPOSED PURSUANT TO TITLE 15, CHAPTER 30 OR 31.

8 (2) THE AMOUNT AND DURATION OF THE CREDIT IS ADMINISTERED BY THE DEPARTMENT OF REVENUE AS
9 PROVIDED IN [SECTIONS 11 AND 12].

10 (3) A QUALIFYING EMPLOYER SEEKING APPROVAL TO CLAIM A CREDIT SHALL APPLY FOR A CREDIT CERTIFICATE
11 WITH THE DEPARTMENT FOR THE PRECEDING CALENDAR YEAR. THE APPLICATION MUST BE SUBMITTED ON A FORM
12 PRESCRIBED BY THE DEPARTMENT ON WHICH THE EMPLOYER:

13 (A) IDENTIFIES AND DESCRIBES THE NUMBER OF QUALIFYING NEW EMPLOYEES HIRED;

14 (B) PROVIDES NECESSARY DETAILS TO CALCULATE THE NET EMPLOYEE GROWTH AND QUALIFYING NET
15 EMPLOYEE GROWTH;

16 (C) PROVIDES DOCUMENTATION NECESSARY TO CALCULATE THE JOB GROWTH INCENTIVE TAX CREDIT,
17 INCLUDING BUT NOT LIMITED TO THE AVERAGE YEARLY WAGE OF EACH QUALIFYING NEW EMPLOYEE; AND

18 (D) SUBMITS ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY FOR AUDITING PURPOSES
19 AND TO DETERMINE WHETHER THE EMPLOYER QUALIFIES FOR A CREDIT CERTIFICATE.

20 (4) AFTER RECEIVING AN APPLICATION, THE DEPARTMENT SHALL:

21 (A) PROVIDE THE EMPLOYER WITH A CREDIT CERTIFICATE, WHICH MUST ACCOMPANY THE EMPLOYER'S TAX
22 RETURN THAT IS FILED WITH THE DEPARTMENT OF REVENUE; OR

23 (B) DENY AN APPLICATION FOR A CREDIT CERTIFICATE AND PROVIDE THE EMPLOYER WITH THE REASONING
24 FOR THE DENIAL. PRIOR TO ISSUING A DENIAL, THE DEPARTMENT SHALL PROVIDE THE EMPLOYER WITH AN OPPORTUNITY
25 TO RESOLVE DEFICIENCIES IN THE APPLICATION.

26 (5) THE DEPARTMENT SHALL PROVIDE TO THE DEPARTMENT OF REVENUE A LIST OF THE QUALIFYING
27 EMPLOYERS APPROVED FOR A CREDIT CERTIFICATE, THE QUALIFYING NEW EMPLOYEES EMPLOYED BY THE QUALIFYING
28 EMPLOYER, AND THE AGGREGATE TOTAL OF NET EMPLOYEE GROWTH AND QUALIFIED NET EMPLOYEE GROWTH FOR

1 QUALIFIED EMPLOYERS CLAIMING THE CREDIT. THE LIST MUST INCLUDE THE FEDERAL TAX IDENTIFICATION NUMBER OF
2 THE QUALIFYING EMPLOYER AND THE NAME AND SOCIAL SECURITY NUMBER OR FEDERAL TAX IDENTIFICATION NUMBER OF
3 THE QUALIFYING NEW EMPLOYEES THAT WERE UTILIZED DURING THE ISSUANCE OF A CREDIT CERTIFICATE.

4 (6) THE IDENTITY AND SOCIAL SECURITY NUMBER OR FEDERAL TAX IDENTIFICATION NUMBER OF INDIVIDUALS
5 EMPLOYED BY THE EMPLOYER ARE SUBJECT TO THE PROVISIONS OF 15-30-2618 AND 15-31-511.

6 (7) THE DEPARTMENT MAY AUDIT AN EMPLOYER APPLYING FOR A CREDIT CERTIFICATE OR WHO HAS OBTAINED
7 A CREDIT CERTIFICATE.

8 (8) BY NOVEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL MULTIPLY THE MINIMUM YEARLY WAGE IN
9 SUBSECTION (10)(J)(I)(C) BY THE INFLATION FACTOR FOR THE FOLLOWING TAX YEAR AND ROUND THE PRODUCT TO THE
10 NEAREST \$10. THE RESULTING MINIMUM YEARLY WAGE IS EFFECTIVE FOR THAT FOLLOWING TAX YEAR AND MUST BE
11 USED IN CALCULATING THE MINIMUM YEARLY WAGE.

12 (9) THE DEPARTMENT MAY ADOPT RULES NECESSARY TO ADMINISTER THIS SECTION.

13 (10) FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING DEFINITIONS APPLY:

14 (A) "BUSINESS TRANSFER" MEANS ANY CHANGE IN OWNERSHIP OR TRANSFER OF ALL OR A MATERIAL PORTION
15 OF THE BUSINESS TO ANOTHER ENTITY OR INDIVIDUAL BY ENTITY MERGER, COMBINATION, REORGANIZATION, ASSET
16 ACQUISITION, TRANSFER, OR OTHER SIMILAR BUSINESS TRANSACTION IN WHICH AN EXISTING BUSINESS IS CONTINUED
17 UNDER NEW OWNERSHIP OR A DIFFERENT ENTITY.

18 (B) "CREDIT CERTIFICATE" MEANS A STATEMENT ISSUED BY THE DEPARTMENT TO A QUALIFYING EMPLOYER
19 THAT PROVIDES THE NUMBER OF QUALIFYING NEW EMPLOYEES HIRED OR RETAINED BY THE QUALIFYING EMPLOYER
20 STARTING WITH CALENDAR YEAR 2022 AND ENDING IN CALENDAR YEAR 2028.

21 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR AND INDUSTRY PROVIDED FOR IN 2-15-1701.

22 (D) "EMPLOYER" INCLUDES ANY PERSON, ENTITY, OR FIDUCIARY, RESIDENT OR NONRESIDENT, SUBJECT TO A
23 TAX OR OTHER OBLIGATION IMPOSED BY TITLE 15, CHAPTERS 30 AND 31.

24 (E) "INFLATION FACTOR" MEANS A NUMBER DETERMINED FOR EACH TAX YEAR BY DIVIDING THE CONSUMER
25 PRICE INDEX AS DEFINED IN 15-30-2101 FOR JUNE OF THE PREVIOUS TAX YEAR BY THE CONSUMER PRICE INDEX FOR
26 JUNE 2021.

27 (F) "NET EMPLOYEE GROWTH" MEANS THE DIFFERENCE BETWEEN THE TOTAL NUMBER OF QUALIFYING NEW
28 EMPLOYEES EMPLOYED BY THE EMPLOYER IN THE STATE DURING ANY CALENDAR YEAR STARTING WITH CALENDAR YEAR

1 2022 AND ENDING IN CALENDAR YEAR 2028 AND THE TOTAL NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES THAT WERE
 2 EMPLOYED BY THE EMPLOYER OR PREDECESSOR IN THE STATE DURING CALENDAR YEAR 2021.

3 (G) "PREDECESSOR" MEANS ANY ENTITY OR INDIVIDUAL THAT OPERATED A BUSINESS PRIOR TO A BUSINESS
 4 TRANSFER TO THE EMPLOYER.

5 (H) "QUALIFYING EMPLOYER" MEANS AN EMPLOYER WITH QUALIFYING NET EMPLOYEE GROWTH.

6 (I) (I) "QUALIFYING NET EMPLOYEE GROWTH" MEANS:

7 (A) UNLESS SUBSECTION (10)(I)(I)(B) APPLIES, NET EMPLOYEE GROWTH EQUAL TO AT LEAST 10 QUALIFYING
 8 NEW EMPLOYEES DURING THE FIRST YEAR THE CREDIT IS CLAIMED AND AT LEAST 15 TOTAL QUALIFYING NEW EMPLOYEES
 9 DURING ANY SUBSEQUENT CALENDAR YEAR;

10 (B) FOR A COUNTY WITH A POPULATION OF 20,000 OR LESS, NET EMPLOYEE GROWTH EQUAL TO AT LEAST 5
 11 QUALIFYING NEW EMPLOYEES DURING THE FIRST YEAR THE CREDIT IS CLAIMED AND AT LEAST 7 TOTAL QUALIFYING NEW
 12 EMPLOYEES DURING ANY SUBSEQUENT CALENDAR YEAR.

13 (II) IN ORDER TO QUALIFY, THE NET EMPLOYEE GROWTH MUST BE ASSOCIATED WITH A PROJECT IN THE STATE
 14 THAT ENCOURAGES, PROMOTES, AND STIMULATES ECONOMIC DEVELOPMENT IN THE SECTORS OF CONSTRUCTION,
 15 NATURAL RESOURCES, MINING, AGRICULTURE, FORESTRY, MANUFACTURING, TRANSPORTATION, UTILITIES, OR OUTDOOR
 16 RECREATION.

17 (J) (I) "QUALIFYING NEW EMPLOYEE" MEANS AN EMPLOYEE OF A QUALIFYING EMPLOYER:

18 (A) WHO IS HIRED IN ANY CALENDAR YEAR STARTING WITH CALENDAR YEAR 2022 AND ENDING IN CALENDAR
 19 YEAR 2028;

20 (B) WHO IS EMPLOYED FOR AT LEAST 6 MONTHS DURING THE YEAR FOR WHICH THE CREDIT IS GRANTED; AND

21 (C) WITH A YEARLY WAGE OF AT LEAST \$50,000, PLUS ANY BENEFITS PAID TO OTHER EMPLOYEES OF THE
 22 EMPLOYER.

23 (II) THE TERM DOES NOT INCLUDE AN EMPLOYEE:

24 (A) PREVIOUSLY EMPLOYED BY THE EMPLOYER OR A PREDECESSOR IN THE PRECEDING 12 MONTHS; OR

25 (B) HIRED TO REPLACE AN EMPLOYEE OF A PREDECESSOR.

26
 27 NEW SECTION. SECTION 11. GROW MONTANA JOBS -- ANNUAL JOB GROWTH INCENTIVE TAX CREDIT. (1)

28 SUBJECT TO THE PROVISIONS OF [SECTION 10], A TAXPAYER IS ALLOWED AN ANNUAL JOB GROWTH INCENTIVE TAX

1 CREDIT AGAINST THE TAX IMPOSED BY CHAPTER 31 OR THIS CHAPTER FOR CREATING QUALIFYING NET EMPLOYEE
2 GROWTH IN THE STATE.

3 (2) THE AMOUNT OF THE CREDIT IS EQUAL TO THE NUMBER OF QUALIFYING NEW EMPLOYEES IN THE CREDIT
4 CERTIFICATE MULTIPLIED BY 50% OF THE TAXPAYER'S TOTAL ESTIMATED TAXES IMPOSED ON THE TAXPAYER EACH YEAR
5 FOR THE MONTANA SOURCE WAGES PAID TO QUALIFYING NEW EMPLOYEES UNDER THE FEDERAL INSURANCE
6 CONTRIBUTIONS ACT, 26 U.S.C. 3111(A) AND (B).

7 (3) THE CREDIT ALLOWED BY THIS SECTION MAY NOT BE REFUNDED IF THE TAXPAYER HAS A TAX LIABILITY
8 LESS THAN THE AMOUNT OF THE CREDIT. IF THE SUM OF CREDIT CARRYOVERS FROM THE CREDIT, IF ANY, AND THE
9 AMOUNT OF CREDIT ALLOWED BY THIS SECTION FOR THE TAX YEAR EXCEEDS THE TAXPAYER'S TAX LIABILITY FOR THE
10 CURRENT TAX YEAR, THE EXCESS ATTRIBUTABLE TO THE CURRENT TAX YEAR'S CREDIT IS A CREDIT CARRYOVER TO
11 SUCCEEDING TAX YEARS FOR A PERIOD NOT TO EXCEED 10 YEARS FROM THE TAX YEAR THE CREDIT WAS CLAIMED. THE
12 ENTIRE AMOUNT OF UNUSED CREDIT MUST BE CARRIED FORWARD TO THE EARLIEST OF THE SUCCEEDING YEARS, AND
13 THE OLDEST AVAILABLE UNUSED CREDIT MUST BE USED FIRST. ANY CREDIT REMAINING 10 YEARS AFTER THE TAX YEAR
14 FOR WHICH THE CREDIT IS BASED MAY NOT BE REFUNDED OR CREDITED TO THE TAXPAYER.

15 (4) THE CREDIT MAY BE CLAIMED FOR UP TO 7 YEARS, BUT ONLY IN A TAX YEAR IN WHICH THE DEPARTMENT OF
16 LABOR AND INDUSTRY APPROVED THE CREDIT BY ISSUING THE TAXPAYER WITH A CREDIT CERTIFICATE AS PROVIDED IN
17 [SECTION 10]. IF A TAXPAYER CLAIMS THE CREDIT BUT WAS NOT APPROVED BY THE DEPARTMENT OF LABOR AND
18 INDUSTRY, THE TAXPAYER'S RETURN WILL BE PROCESSED WITHOUT REGARD TO THE CREDIT.

19 (5) FOR FISCAL YEAR FILERS, THE CREDIT AVAILABLE TO CLAIM IN THE CURRENT FISCAL YEAR IS THE CREDIT
20 ALLOWED FOR THE CALENDAR YEAR THAT ENDS WITHIN THE TAXPAYER'S FISCAL PERIOD.

21 (6) THE DEPARTMENT SHALL, AFTER CONSULTATION WITH THE DEPARTMENT OF LABOR AND INDUSTRY,
22 PRESCRIBE A FORM FOR A TAXPAYER TO CLAIM THE TAX CREDIT. THE FORM MUST PROVIDE THE DEPARTMENT WITH
23 SUFFICIENT INFORMATION FOR THE PROPER ADMINISTRATION OF THE CREDIT.

24 (7) THE DEPARTMENT SHALL PROVIDE THE DEPARTMENT OF LABOR AND INDUSTRY WITH AN ANNUAL REPORT
25 DETAILING THE TAX CREDIT PROVIDED TO TAXPAYERS FOR THE PREVIOUS YEAR. THE INFORMATION PROVIDED TO THE
26 DEPARTMENT OF LABOR AND INDUSTRY IS SUBJECT TO THE PROVISIONS OF 15-30-2618 AND 15-31-511.

27 (8) A TAXPAYER CLAIMING THIS CREDIT MAY NOT CLAIM THE APPRENTICESHIP TAX CREDIT PURSUANT TO
28 SECTIONS 15-30-2357, 15-31-173, AND 39-6-109 IN THE SAME TAX YEAR THAT THIS CREDIT IS CLAIMED. THIS

1 SUBSECTION DOES NOT PREVENT A CREDIT CARRYOVER FROM THIS CREDIT FROM BEING USED IN A TAX YEAR IN WHICH
 2 THE APPRENTICESHIP TAX CREDIT IS CLAIMED.

3 (9) EACH BIENNIUM, THE DEPARTMENT SHALL PROVIDE TO THE REVENUE INTERIM COMMITTEE INFORMATION
 4 REGARDING ALL APPROVALS GRANTED AND CREDIT CERTIFICATES ISSUED, INCLUDING THE CREDITS CLAIMED, THE
 5 NAMES OF THE QUALIFYING EMPLOYERS OF THE CREDITS, AND THE AMOUNT OF TAX CREDITS CLAIMED. THIS
 6 INFORMATION IS NOT SUBJECT TO THE CONFIDENTIALITY REQUIREMENTS OF 15-30-2618 OR 15-31-511.

7 (10) FOR THE PURPOSES OF THIS SECTION, THE TERMS "CREDIT CERTIFICATE", "QUALIFYING EMPLOYER",
 8 "QUALIFYING NET EMPLOYEE GROWTH", AND "QUALIFYING NEW EMPLOYEE" HAVE THE SAME MEANING AS THOSE TERMS
 9 ARE DEFINED IN [SECTION 10].

10
 11 **NEW SECTION. SECTION 12. GROW MONTANA JOBS -- ANNUAL JOB GROWTH INCENTIVE TAX CREDIT. (1)**
 12 THERE IS AN ANNUAL JOB GROWTH INCENTIVE TAX CREDIT AGAINST THE TAXES OTHERWISE DUE UNDER 15-31-121 OR
 13 15-31-122 THAT IS ALLOWABLE IN THE AMOUNT ESTABLISHED PURSUANT TO [SECTION 11] WHEN A TAXPAYER HIRES
 14 QUALIFYING NEW EMPLOYEES IN THE STATE. THE CREDIT IS ADMINISTERED AS PROVIDED IN [SECTIONS 10 AND 11] AND
 15 THIS SECTION.

16 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION IS CLAIMED BY A SMALL BUSINESS CORPORATION AS
 17 DEFINED IN 15-30-3301 OR A PARTNERSHIP, THE CREDIT MUST BE ATTRIBUTED TO SHAREHOLDERS OR PARTNERS USING
 18 THE SAME PROPORTION TO REPORT THE CORPORATION'S OR PARTNERSHIP'S INCOME OR LOSS FOR MONTANA INCOME
 19 TAX PURPOSES.

20
 21 **NEW SECTION. SECTION 13. EMPLOYER JOB GROWTH INCENTIVE TAX CREDIT -- ADMINISTRATION. (1) AN**
 22 EMPLOYER THAT HIRES QUALIFYING NEW EMPLOYEES IS ELIGIBLE FOR AN ANNUAL JOB GROWTH INCENTIVE TAX CREDIT
 23 AGAINST INCOME TAXES IMPOSED PURSUANT TO TITLE 15, CHAPTER 30 OR 31.

24 (2) THE AMOUNT AND DURATION OF THE CREDIT IS ADMINISTERED BY THE DEPARTMENT OF REVENUE AS
 25 PROVIDED IN [SECTIONS 14 AND 15].

26 (3) A QUALIFYING EMPLOYER SEEKING APPROVAL TO CLAIM A CREDIT SHALL APPLY FOR A CREDIT CERTIFICATE
 27 WITH THE DEPARTMENT FOR THE PRECEDING CALENDAR YEAR. THE APPLICATION MUST BE SUBMITTED ON A FORM
 28 PRESCRIBED BY THE DEPARTMENT ON WHICH THE EMPLOYER:

1 (A) IDENTIFIES AND DESCRIBES THE NUMBER OF QUALIFYING NEW EMPLOYEES HIRED;

2 (B) PROVIDES NECESSARY DETAILS TO CALCULATE THE NET EMPLOYEE GROWTH AND QUALIFYING NET
3 EMPLOYEE GROWTH;

4 (C) PROVIDES DOCUMENTATION NECESSARY TO CALCULATE THE JOB GROWTH INCENTIVE TAX CREDIT,
5 INCLUDING BUT NOT LIMITED TO THE AVERAGE YEARLY WAGE OF EACH QUALIFYING NEW EMPLOYEE; AND

6 (D) SUBMITS ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY FOR AUDITING PURPOSES
7 AND TO DETERMINE WHETHER THE EMPLOYER QUALIFIES FOR A CREDIT CERTIFICATE.

8 (4) AFTER RECEIVING AN APPLICATION, THE DEPARTMENT SHALL:

9 (A) PROVIDE THE EMPLOYER WITH A CREDIT CERTIFICATE, WHICH MUST ACCOMPANY THE EMPLOYER'S TAX
10 RETURN THAT IS FILED WITH THE DEPARTMENT OF REVENUE; OR

11 (B) DENY AN APPLICATION FOR A CREDIT CERTIFICATE AND PROVIDE THE EMPLOYER WITH THE REASONING
12 FOR THE DENIAL. PRIOR TO ISSUING A DENIAL, THE DEPARTMENT SHALL PROVIDE THE EMPLOYER WITH AN OPPORTUNITY
13 TO RESOLVE DEFICIENCIES IN THE APPLICATION.

14 (5) THE DEPARTMENT SHALL PROVIDE TO THE DEPARTMENT OF REVENUE A LIST OF THE QUALIFYING
15 EMPLOYERS APPROVED FOR A CREDIT CERTIFICATE, THE QUALIFYING NEW EMPLOYEES EMPLOYED BY THE QUALIFYING
16 EMPLOYER, AND THE AGGREGATE TOTAL OF NET EMPLOYEE GROWTH AND QUALIFIED NET EMPLOYEE GROWTH FOR
17 QUALIFIED EMPLOYERS CLAIMING THE CREDIT. THE LIST MUST INCLUDE THE FEDERAL TAX IDENTIFICATION NUMBER OF
18 THE QUALIFYING EMPLOYER AND THE NAME AND SOCIAL SECURITY NUMBER OR FEDERAL TAX IDENTIFICATION NUMBER OF
19 THE QUALIFYING NEW EMPLOYEES THAT WERE UTILIZED DURING THE ISSUANCE OF A CREDIT CERTIFICATE.

20 (6) THE IDENTITY AND SOCIAL SECURITY NUMBER OR FEDERAL TAX IDENTIFICATION NUMBER OF INDIVIDUALS
21 EMPLOYED BY THE EMPLOYER ARE SUBJECT TO THE PROVISIONS OF 15-30-2618 AND 15-31-511.

22 (7) THE DEPARTMENT MAY AUDIT AN EMPLOYER APPLYING FOR A CREDIT CERTIFICATE OR WHO HAS OBTAINED
23 A CREDIT CERTIFICATE.

24 (8) BY NOVEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL MULTIPLY THE MINIMUM YEARLY WAGE IN
25 SUBSECTION (10)(J)(I)(C) BY THE INFLATION FACTOR FOR THE FOLLOWING TAX YEAR AND ROUND THE PRODUCT TO THE
26 NEAREST \$10. THE RESULTING MINIMUM YEARLY WAGE IS EFFECTIVE FOR THAT FOLLOWING TAX YEAR AND MUST BE
27 USED IN CALCULATING THE MINIMUM YEARLY WAGE.

28 (9) THE DEPARTMENT MAY ADOPT RULES NECESSARY TO ADMINISTER THIS SECTION.

1 (10) FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING DEFINITIONS APPLY:

2 (A) "BUSINESS TRANSFER" MEANS ANY CHANGE IN OWNERSHIP OR TRANSFER OF ALL OR A MATERIAL PORTION
3 OF THE BUSINESS TO ANOTHER ENTITY OR INDIVIDUAL BY ENTITY MERGER, COMBINATION, REORGANIZATION, ASSET
4 ACQUISITION, TRANSFER, OR OTHER SIMILAR BUSINESS TRANSACTION IN WHICH AN EXISTING BUSINESS IS CONTINUED
5 UNDER NEW OWNERSHIP OR A DIFFERENT ENTITY.

6 (B) "CREDIT CERTIFICATE" MEANS A STATEMENT ISSUED BY THE DEPARTMENT TO A QUALIFYING EMPLOYER
7 THAT PROVIDES THE NUMBER OF QUALIFYING NEW EMPLOYEES HIRED OR RETAINED BY THE QUALIFYING EMPLOYER
8 STARTING WITH CALENDAR YEAR 2022 AND ENDING IN CALENDAR YEAR 2028.

9 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR AND INDUSTRY PROVIDED FOR IN 2-15-1701.

10 (D) "EMPLOYER" INCLUDES ANY PERSON, ENTITY, OR FIDUCIARY, RESIDENT OR NONRESIDENT, SUBJECT TO A
11 TAX OR OTHER OBLIGATION IMPOSED BY TITLE 15, CHAPTERS 30 AND 31.

12 (E) "INFLATION FACTOR" MEANS A NUMBER DETERMINED FOR EACH TAX YEAR BY DIVIDING THE CONSUMER
13 PRICE INDEX AS DEFINED IN 15-30-2101 FOR JUNE OF THE PREVIOUS TAX YEAR BY THE CONSUMER PRICE INDEX FOR
14 JUNE 2021.

15 (F) "NET EMPLOYEE GROWTH" MEANS THE DIFFERENCE BETWEEN THE TOTAL NUMBER OF QUALIFYING NEW
16 EMPLOYEES EMPLOYED BY THE EMPLOYER IN THE STATE DURING ANY CALENDAR YEAR STARTING WITH CALENDAR YEAR
17 2022 AND ENDING IN CALENDAR YEAR 2028 AND THE TOTAL NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES THAT WERE
18 EMPLOYED BY THE EMPLOYER OR PREDECESSOR IN THE STATE DURING CALENDAR YEAR 2021.

19 (G) "PREDECESSOR" MEANS ANY ENTITY OR INDIVIDUAL THAT OPERATED A BUSINESS PRIOR TO A BUSINESS
20 TRANSFER TO THE EMPLOYER.

21 (H) "QUALIFYING EMPLOYER" MEANS AN EMPLOYER WITH QUALIFYING NET EMPLOYEE GROWTH.

22 (I) (I) "QUALIFYING NET EMPLOYEE GROWTH" MEANS:

23 (A) UNLESS SUBSECTION (10)(I)(I)(B) APPLIES, NET EMPLOYEE GROWTH EQUAL TO AT LEAST 10 QUALIFYING
24 NEW EMPLOYEES DURING THE FIRST YEAR THE CREDIT IS CLAIMED AND AT LEAST 15 TOTAL QUALIFYING NEW EMPLOYEES
25 DURING ANY SUBSEQUENT CALENDAR YEAR;

26 (B) FOR A COUNTY WITH A POPULATION OF 20,000 OR LESS, NET EMPLOYEE GROWTH EQUAL TO AT LEAST 5
27 QUALIFYING NEW EMPLOYEES DURING THE FIRST YEAR THE CREDIT IS CLAIMED AND AT LEAST 7 TOTAL QUALIFYING NEW
28 EMPLOYEES DURING ANY SUBSEQUENT CALENDAR YEAR.

1 (II) IN ORDER TO QUALIFY, THE NET EMPLOYEE GROWTH MUST BE ASSOCIATED WITH A PROJECT IN THE STATE
 2 THAT ENCOURAGES, PROMOTES, AND STIMULATES ECONOMIC DEVELOPMENT IN THE SECTORS OF CONSTRUCTION,
 3 NATURAL RESOURCES, MINING, AGRICULTURE, FORESTRY, MANUFACTURING, TRANSPORTATION, UTILITIES, OR OUTDOOR
 4 RECREATION.

5 (J) (I) "QUALIFYING NEW EMPLOYEE" MEANS AN EMPLOYEE OF A QUALIFYING EMPLOYER:

6 (A) WHO IS HIRED IN ANY CALENDAR YEAR STARTING WITH CALENDAR YEAR 2022 AND ENDING IN CALENDAR
 7 YEAR 2028;

8 (B) WHO IS EMPLOYED FOR AT LEAST 6 MONTHS DURING THE YEAR FOR WHICH THE CREDIT IS GRANTED; AND

9 (C) WITH A YEARLY WAGE OF AT LEAST \$50,000, PLUS ANY BENEFITS PAID TO OTHER EMPLOYEES OF THE
 10 EMPLOYER.

11 (II) THE TERM DOES NOT INCLUDE AN EMPLOYEE:

12 (A) PREVIOUSLY EMPLOYED BY THE EMPLOYER OR A PREDECESSOR IN THE PRECEDING 12 MONTHS; OR

13 (B) HIRED TO REPLACE AN EMPLOYEE OF A PREDECESSOR.

14
 15 NEW SECTION. SECTION 14. GROW MONTANA JOBS -- ANNUAL JOB GROWTH INCENTIVE TAX CREDIT. (1)

16 SUBJECT TO THE PROVISIONS OF [SECTION 13], A TAXPAYER IS ALLOWED AN ANNUAL JOB GROWTH INCENTIVE TAX
 17 CREDIT AGAINST THE TAX IMPOSED BY CHAPTER 31 OR THIS CHAPTER FOR CREATING QUALIFYING NET EMPLOYEE
 18 GROWTH IN THE STATE.

19 (2) THE AMOUNT OF THE CREDIT IS EQUAL TO THE NUMBER OF QUALIFYING NEW EMPLOYEES IN THE CREDIT
 20 CERTIFICATE MULTIPLIED BY 50% OF THE TAXPAYER'S TOTAL ESTIMATED TAXES IMPOSED ON THE TAXPAYER EACH YEAR
 21 FOR THE MONTANA SOURCE WAGES PAID TO QUALIFYING NEW EMPLOYEES UNDER THE FEDERAL INSURANCE
 22 CONTRIBUTIONS ACT, 26 U.S.C. 3111(A) AND (B).

23 (3) THE CREDIT ALLOWED BY THIS SECTION MAY NOT BE REFUNDED IF THE TAXPAYER HAS A TAX LIABILITY
 24 LESS THAN THE AMOUNT OF THE CREDIT. IF THE SUM OF CREDIT CARRYOVERS FROM THE CREDIT, IF ANY, AND THE
 25 AMOUNT OF CREDIT ALLOWED BY THIS SECTION FOR THE TAX YEAR EXCEEDS THE TAXPAYER'S TAX LIABILITY FOR THE
 26 CURRENT TAX YEAR, THE EXCESS ATTRIBUTABLE TO THE CURRENT TAX YEAR'S CREDIT IS A CREDIT CARRYOVER TO
 27 SUCCEEDING TAX YEARS FOR A PERIOD NOT TO EXCEED 10 YEARS FROM THE TAX YEAR THE CREDIT WAS CLAIMED. THE
 28 ENTIRE AMOUNT OF UNUSED CREDIT MUST BE CARRIED FORWARD TO THE EARLIEST OF THE SUCCEEDING YEARS, AND

1 THE OLDEST AVAILABLE UNUSED CREDIT MUST BE USED FIRST. ANY CREDIT REMAINING 10 YEARS AFTER THE TAX YEAR
 2 FOR WHICH THE CREDIT IS BASED MAY NOT BE REFUNDED OR CREDITED TO THE TAXPAYER.

3 (4) THE CREDIT MAY BE CLAIMED FOR UP TO 7 YEARS, BUT ONLY IN A TAX YEAR IN WHICH THE DEPARTMENT OF
 4 LABOR AND INDUSTRY APPROVED THE CREDIT BY ISSUING THE TAXPAYER WITH A CREDIT CERTIFICATE AS PROVIDED IN
 5 [SECTION 10]. IF A TAXPAYER CLAIMS THE CREDIT BUT WAS NOT APPROVED BY THE DEPARTMENT OF LABOR AND
 6 INDUSTRY, THE TAXPAYER'S RETURN WILL BE PROCESSED WITHOUT REGARD TO THE CREDIT.

7 (5) FOR FISCAL YEAR FILERS, THE CREDIT AVAILABLE TO CLAIM IN THE CURRENT FISCAL YEAR IS THE CREDIT
 8 ALLOWED FOR THE CALENDAR YEAR THAT ENDS WITHIN THE TAXPAYER'S FISCAL PERIOD.

9 (6) THE DEPARTMENT SHALL, AFTER CONSULTATION WITH THE DEPARTMENT OF LABOR AND INDUSTRY,
 10 PRESCRIBE A FORM FOR A TAXPAYER TO CLAIM THE TAX CREDIT. THE FORM MUST PROVIDE THE DEPARTMENT WITH
 11 SUFFICIENT INFORMATION FOR THE PROPER ADMINISTRATION OF THE CREDIT.

12 (7) THE DEPARTMENT SHALL PROVIDE THE DEPARTMENT OF LABOR AND INDUSTRY WITH AN ANNUAL REPORT
 13 DETAILING THE TAX CREDIT PROVIDED TO TAXPAYERS FOR THE PREVIOUS YEAR. THE INFORMATION PROVIDED TO THE
 14 DEPARTMENT OF LABOR AND INDUSTRY IS SUBJECT TO THE PROVISIONS OF 15-30-2618 AND 15-31-511.

15 (8) A TAXPAYER CLAIMING THIS CREDIT MAY NOT CLAIM THE APPRENTICESHIP TAX CREDIT PURSUANT TO
 16 SECTIONS 15-30-2357, 15-31-173, AND 39-6-109 IN THE SAME TAX YEAR THAT THIS CREDIT IS CLAIMED. THIS
 17 SUBSECTION DOES NOT PREVENT A CREDIT CARRYOVER FROM THIS CREDIT FROM BEING USED IN A TAX YEAR IN WHICH
 18 THE APPRENTICESHIP TAX CREDIT IS CLAIMED.

19 (9) EACH BIENNIUM, THE DEPARTMENT SHALL PROVIDE TO THE REVENUE INTERIM COMMITTEE INFORMATION
 20 REGARDING ALL APPROVALS GRANTED AND CREDIT CERTIFICATES ISSUED, INCLUDING THE CREDITS CLAIMED, THE
 21 NAMES OF THE QUALIFYING EMPLOYERS OF THE CREDITS, AND THE AMOUNT OF TAX CREDITS CLAIMED. THIS
 22 INFORMATION IS NOT SUBJECT TO THE CONFIDENTIALITY REQUIREMENTS OF 15-30-2618 OR 15-31-511.

23 (10) FOR THE PURPOSES OF THIS SECTION, THE TERMS "CREDIT CERTIFICATE", "QUALIFYING EMPLOYER",
 24 "QUALIFYING NET EMPLOYEE GROWTH", AND "QUALIFYING NEW EMPLOYEE" HAVE THE SAME MEANING AS THOSE TERMS
 25 ARE DEFINED IN [SECTION 13].

26
 27 **NEW SECTION. SECTION 15. GROW MONTANA JOBS -- ANNUAL JOB GROWTH INCENTIVE TAX CREDIT. (1)**
 28 **THERE IS AN ANNUAL JOB GROWTH INCENTIVE TAX CREDIT AGAINST THE TAXES OTHERWISE DUE UNDER 15-31-121 OR**

1 15-31-122 THAT IS ALLOWABLE IN THE AMOUNT ESTABLISHED PURSUANT TO [SECTION 14] WHEN A TAXPAYER HIRES
 2 QUALIFYING NEW EMPLOYEES IN THE STATE. THE CREDIT IS ADMINISTERED AS PROVIDED IN [SECTIONS 13 AND 14] AND
 3 THIS SECTION.

4 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION IS CLAIMED BY A SMALL BUSINESS CORPORATION AS
 5 DEFINED IN 15-30-3301 OR A PARTNERSHIP, THE CREDIT MUST BE ATTRIBUTED TO SHAREHOLDERS OR PARTNERS USING
 6 THE SAME PROPORTION TO REPORT THE CORPORATION'S OR PARTNERSHIP'S INCOME OR LOSS FOR MONTANA INCOME
 7 TAX PURPOSES.

8

9 **SECTION 16. SECTION 15-30-2303, MCA, IS AMENDED TO READ:**

10 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits
 11 must be reviewed during the biennium commencing July 1, 2019:

- 12 (a) the credit for income taxes imposed by foreign states or countries provided for in 15-30-2302;
- 13 (b) the credit for contractor's gross receipts provided for in 15-50-207;
- 14 (c) the credit for new or expanded manufacturing provided for in 15-31-124 through 15-31-127;
- 15 (d) the credit for installing an alternative energy system provided for in 15-32-201 through 15-32-203;
- 16 (e) the credit for energy-conserving expenditures provided for in 15-30-2319 and 15-32-109; and
- 17 (f) the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341.

18 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2021:

19 (a) the credit for commercial or net metering system investment provided for in Title 15, chapter 32,
 20 part 4;

21 (b) the credit for qualified elderly care expenses provided for in 15-30-2366;

22 (c) the credit for dependent care assistance and referral services provided for in 15-30-2373 and 15-
 23 31-131;

24 (d) the credit for contributions to a university or college foundation or endowment provided for in 15-
 25 30-2326, 15-31-135, and 15-31-136;

26 (e) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-30-
 27 3110, and 15-31-158; and

28 (f) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-30-

1 3111, and 15-31-159.

2 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2023:

3 (a) the credit for providing disability insurance for employees provided for in 15-30-2367 and 15-31-
4 132;

5 (b) the credit for installation of a geothermal system provided for in 15-32-115;

6 (c) the credit for property to recycle or manufacture using recycled material provided for in Title 15,
7 chapter 32, part 6;

8 (d) the credit for converting a motor vehicle to alternative fuel provided for in 15-30-2320 and 15-31-
9 137;

10 (e) the credit for infrastructure use fees provided for in 17-6-316; and

11 (f) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-
12 2329, 15-31-161, and 15-31-162.

13 (4) The following tax credits must be reviewed during the biennium commencing July 1, 2025:

14 (a) the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151;

15 (b) the credit for mineral or coal exploration provided for in Title 15, chapter 32, part 5;

16 (c) the credit for capital gains provided for in 15-30-2301;

17 (d) the credit for a new employee in an empowerment zone provided for in 15-30-2356 and 15-31-
18 134;

19 (e) the credit for an oilseed crush facility provided for in 15-32-701; ~~and~~

20 (f) the credit for unlocking state lands provided for in 15-30-2380; and

21 (g) the job growth incentive tax credit provided for in [sections 2, ~~and~~ 3, 5, 6, 8, 9, 11, 12, 14, AND 15].

22 (5) The following tax credits must be reviewed during the biennium commencing July 1, 2027:

23 (a) the biodiesel or biolubricant production facility credit provided for in 15-32-702;

24 (b) the biodiesel blending and storage credit provided for in 15-32-703;

25 (c) the adoption tax credit provided for in 15-30-2364;

26 (d) the credit for providing temporary emergency lodging provided for in 15-30-2381 and 15-31-171;

27 (e) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357 and
28 15-31-173;

- 1 (f) the earned income tax credit provided for in 15-30-2318; and
- 2 (g) the media production and postproduction credits provided for in 15-31-1007 and 15-31-1009.
- 3 (6) The revenue interim committee shall review the tax credits scheduled for review in the biennium of
- 4 the next regular legislative session, including any individual or corporate income tax credits with an expiration or
- 5 termination date that are not listed in this section, and make recommendations to the legislature about whether
- 6 to eliminate or revise the credits. The legislature may extend the review dates by amending this section. The
- 7 revenue interim committee shall review the credits using the following criteria:
- 8 (a) whether the credit changes taxpayer decisions, including whether the credit rewards decisions that
- 9 may have been made regardless of the existence of the tax credit;
- 10 (b) to what extent the credit benefits some taxpayers at the expense of other taxpayers;
- 11 (c) whether the credit has out-of-state beneficiaries;
- 12 (d) the timing of costs and benefits of the credit and how long the credit is effective;
- 13 (e) any adverse impacts of the credit or its elimination and whether the benefits of continuance or
- 14 elimination outweigh adverse impacts; and
- 15 (f) the extent to which benefits of the credit affect the larger economy."

16

17 **Section 17.** Section 15-30-2357, MCA, is amended to read:

18 **"15-30-2357. Tax credit for hiring registered apprentice or veteran apprentice.** (1) Subject to the

19 provisions of ~~section~~ SECTIONS 2(8), 5(8), 8(8), 11(8), AND 14(8) and 39-6-109, a taxpayer is allowed a credit

20 against the tax imposed by chapter 31 or this chapter for employing a registered apprentice or registered

21 veteran apprentice who works in Montana.

22 (2) The credit may not exceed the taxpayer's tax liability and may not be carried forward or carried

23 back.

24 (3) The credit may be claimed only in the tax year in which the department of labor and industry

25 approved the credit as provided in 39-6-109(4). If a taxpayer claims the credit but was not approved by the

26 department of labor and industry, the taxpayer's return must be processed without regard to the credit.

27 (4) For fiscal year filers, the credit available to claim in the current fiscal year is the credit allowed for

28 the calendar year that ends within the taxpayer's fiscal period.

1 (5) Subject to the probationary period provided for in 39-6-109, if an employer employs an apprentice
2 for less than the full preceding calendar year, the employer may apply for the full credit for the year in which the
3 apprentice was employed.

4 (6) The department shall, after consultation with the department of labor and industry, prescribe a
5 form for a taxpayer to claim the tax credit. The form must provide the department with sufficient information for
6 the proper administration of the credit.

7 (7) The department shall provide the department of labor and industry an annual report detailing the
8 tax credit provided to employers for the previous year. The information provided to the department of labor and
9 industry is subject to the provisions of 15-30-2618 and 15-31-511.

10 (8) The department may adopt rules, prepare forms, and maintain records that are necessary to
11 implement this credit."

12

13 **Section 18.** Section 15-30-2618, MCA, is amended to read:

14 **"15-30-2618. (Temporary) Confidentiality of tax records.** (1) Except as provided in 5-12-303, 15-1-
15 106, 17-7-111, and subsections (7) through (9) of this section, in accordance with a proper judicial order, or as
16 otherwise provided by law, it is unlawful to divulge or make known in any manner:

17 (a) the amount of income or any particulars set forth or disclosed in any individual report or individual
18 return required under this chapter or any other information secured in the administration of this chapter; or

19 (b) any federal return or federal return information disclosed on any return or report required by rule of
20 the department or under this chapter.

21 (2) (a) The officers charged with the custody of the reports and returns may not be required to
22 produce them or evidence of anything contained in them in an action or proceeding in a court, except in an
23 action or proceeding:

24 (i) to which the department is a party under the provisions of this chapter or any other taxing act; or

25 (ii) on behalf of a party to any action or proceedings under the provisions of this chapter or other taxes
26 when the reports or facts shown by the reports are directly involved in the action or proceedings.

27 (b) The court may require the production of and may admit in evidence only as much of the reports or
28 of the facts shown by the reports as are pertinent to the action or proceedings.

1 (3) This section does not prohibit:

2 (a) the delivery to a taxpayer or the taxpayer's authorized representative of a certified copy of any
3 return or report filed in connection with the taxpayer's tax;

4 (b) the publication of statistics classified to prevent the identification of particular reports or returns
5 and the items of particular reports or returns; ~~or~~

6 (c) the inspection by the attorney general or other legal representative of the state of the report or
7 return of any taxpayer who brings an action to set aside or review the tax based on the report or return or
8 against whom an action or proceeding has been instituted in accordance with the provisions of 15-30-2630; or

9 (d) the delivery of information to the revenue interim committee relating to the annual job growth
10 incentive tax credit as provided in ~~section~~ SECTIONS 2, 5, 8, 11, AND 14].

11 (4) The department may deliver to a taxpayer's spouse the taxpayer's return or information related to
12 the return for a tax year if the spouse and the taxpayer filed the return with the filing status of married filing
13 separately on the same return. The information being provided to the spouse or reported on the return,
14 including subsequent adjustments or amendments to the return, must be treated in the same manner as if the
15 spouse and the taxpayer filed the return using a joint filing status for that tax year.

16 (5) Reports and returns must be preserved for at least 3 years and may be preserved until the
17 department orders them to be destroyed.

18 (6) Any offense against subsections (1) through (5) is punishable by a fine not exceeding \$500. If the
19 offender is an officer or employee of the state, the offender must be dismissed from office or employment and
20 may not hold any public office or public employment in this state for a period of 1 year after dismissal or, in the
21 case of a former officer or employee, for 1 year after conviction.

22 (7) This section may not be construed to prohibit the department from providing taxpayer return
23 information and information from employers' payroll withholding reports to:

24 (a) the department of labor and industry to be used for the purpose of investigation and prevention of
25 noncompliance, tax evasion, fraud, and abuse under the unemployment insurance laws;

26 (b) the state fund to be used for the purpose of investigation and prevention of noncompliance, fraud,
27 and abuse under the workers' compensation program; or

28 (c) the department of public health and human services to verify, as required under 53-6-133, the

1 income reported by applicants for medical assistance.

2 (8) The department may permit the commissioner of internal revenue of the United States or the
 3 proper officer of any state imposing a tax on the incomes of individuals or the authorized representative of
 4 either officer to inspect the return of income of any individual or may furnish to the officer or an authorized
 5 representative an abstract of the return of income of any individual or supply the officer with information
 6 concerning an item of income contained in a return or disclosed by the report of an investigation of the income
 7 or return of income of an individual, but the permission may be granted or information furnished only if the
 8 statutes of the United States or of the other state grant substantially similar privileges to the proper officer of
 9 this state charged with the administration of this chapter.

10 (9) On written request to the director or a designee of the director, the department shall furnish:

11 (a) to the department of justice all information necessary to identify those persons qualifying for the
 12 additional exemption for blindness pursuant to 15-30-2114(4), for the purpose of enabling the department of
 13 justice to administer the provisions of 61-5-105;

14 (b) to the department of public health and human services information acquired under 15-30-2616,
 15 pertaining to an applicant for public assistance, reasonably necessary for the prevention and detection of public
 16 assistance fraud and abuse, provided notice to the applicant has been given;

17 (c) to the department of labor and industry for the purpose of:

18 (i) ~~for the purpose of~~ prevention and detection of fraud and abuse in and eligibility for benefits under
 19 the unemployment compensation and workers' compensation programs, information on whether a taxpayer
 20 who is the subject of an ongoing investigation by the department of labor and industry is an employee, an
 21 independent contractor, or self-employed; ~~and~~

22 (ii) ~~for the purpose of~~ administering the apprenticeship tax credit provided for in 39-6-109, employer
 23 and apprentice information necessary to implement 15-30-2357, 15-31-173, and 39-6-109; and

24 (iii) administering the annual job growth incentive tax credit provided for in [section-SECTIONS 1, 4, 7, 10,
 25 AND 13], taxpayer and employee information necessary to implement [sections 2, and 3, 5, 6, 8, 9, 11, 12, 14,
 26 AND 15];

27 (d) to the department of fish, wildlife, and parks specific information that is available from income tax
 28 returns and required under 87-2-102 to establish the residency requirements of an applicant for hunting and

1 fishing licenses;

2 (e) to the board of regents information required under 20-26-1111;

3 (f) to the legislative fiscal analyst and the office of budget and program planning individual income tax
4 information as provided in 5-12-303, 15-1-106, and 17-7-111. The information provided to the office of budget
5 and program planning must be the same as the information provided to the legislative fiscal analyst.

6 (g) to the department of transportation farm income information based on the most recent income tax
7 return filed by an applicant applying for a refund under 15-70-430, provided that notice to the applicant has
8 been given as provided in 15-70-430. The information obtained by the department of transportation is subject to
9 the same restrictions on disclosure as are individual income tax returns.

10 (h) to the department of commerce tax information about a taxpayer whose debt is assigned to the
11 department of revenue for offset or collection pursuant to the terms of Title 17, chapter 4, part 1. The
12 information provided to the department of commerce must be used for the purposes of preventing and detecting
13 fraud or abuse and determining eligibility for grants or loans.

14 (i) to the superintendent of public instruction information required under 20-9-905. (Terminates June
15 30, 2025, on occurrence of contingency--sec. 48, Ch. 415, L. 2019; subsection (9)(i) terminates December 31,
16 2023--sec. 33, Ch. 457, L. 2015.)

17 **15-30-2618. (Effective July 1, 2025, on occurrence of contingency) Confidentiality of tax**
18 **records.** (1) Except as provided in 5-12-303, 15-1-106, 17-7-111, and subsections (8) and (9) of this section, in
19 accordance with a proper judicial order, or as otherwise provided by law, it is unlawful to divulge or make known
20 in any manner:

21 (a) the amount of income or any particulars set forth or disclosed in any individual report or individual
22 return required under this chapter or any other information secured in the administration of this chapter; or

23 (b) any federal return or federal return information disclosed on any return or report required by rule of
24 the department or under this chapter.

25 (2) (a) The officers charged with the custody of the reports and returns may not be required to
26 produce them or evidence of anything contained in them in an action or proceeding in a court, except in an
27 action or proceeding:

28 (i) to which the department is a party under the provisions of this chapter or any other taxing act; or

1 (ii) on behalf of a party to any action or proceedings under the provisions of this chapter or other taxes
2 when the reports or facts shown by the reports are directly involved in the action or proceedings.

3 (b) The court may require the production of and may admit in evidence only as much of the reports or
4 of the facts shown by the reports as are pertinent to the action or proceedings.

5 (3) This section does not prohibit:

6 (a) the delivery to a taxpayer or the taxpayer's authorized representative of a certified copy of any
7 return or report filed in connection with the taxpayer's tax;

8 (b) the publication of statistics classified to prevent the identification of particular reports or returns
9 and the items of particular reports or returns; ~~or~~

10 (c) the inspection by the attorney general or other legal representative of the state of the report or
11 return of any taxpayer who brings an action to set aside or review the tax based on the report or return or
12 against whom an action or proceeding has been instituted in accordance with the provisions of 15-30-2630; or

13 (d) the delivery of information to the revenue interim committee relating to the annual job growth
14 incentive tax credit as provided in [section SECTIONS 2, 5, 8, 11, AND 14].

15 (4) The department may deliver to a taxpayer's spouse the taxpayer's return or information related to
16 the return for a tax year if the spouse and the taxpayer filed the return with the filing status of married filing
17 separately on the same return. The information being provided to the spouse or reported on the return,
18 including subsequent adjustments or amendments to the return, must be treated in the same manner as if the
19 spouse and the taxpayer filed the return using a joint filing status for that tax year.

20 (5) Reports and returns must be preserved for at least 3 years and may be preserved until the
21 department orders them to be destroyed.

22 (6) Any offense against subsections (1) through (5) is punishable by a fine not exceeding \$500. If the
23 offender is an officer or employee of the state, the offender must be dismissed from office or employment and
24 may not hold any public office or public employment in this state for a period of 1 year after dismissal or, in the
25 case of a former officer or employee, for 1 year after conviction.

26 (7) This section may not be construed to prohibit the department from providing taxpayer return
27 information and information from employers' payroll withholding reports to:

28 (a) the department of labor and industry to be used for the purpose of investigation and prevention of

1 noncompliance, tax evasion, fraud, and abuse under the unemployment insurance laws; or

2 (b) the state fund to be used for the purpose of investigation and prevention of noncompliance, fraud,
3 and abuse under the workers' compensation program.

4 (8) The department may permit the commissioner of internal revenue of the United States or the
5 proper officer of any state imposing a tax on the incomes of individuals or the authorized representative of
6 either officer to inspect the return of income of any individual or may furnish to the officer or an authorized
7 representative an abstract of the return of income of any individual or supply the officer with information
8 concerning an item of income contained in a return or disclosed by the report of an investigation of the income
9 or return of income of an individual, but the permission may be granted or information furnished only if the
10 statutes of the United States or of the other state grant substantially similar privileges to the proper officer of
11 this state charged with the administration of this chapter.

12 (9) On written request to the director or a designee of the director, the department shall furnish:

13 (a) to the department of justice all information necessary to identify those persons qualifying for the
14 additional exemption for blindness pursuant to 15-30-2114(4), for the purpose of enabling the department of
15 justice to administer the provisions of 61-5-105;

16 (b) to the department of public health and human services information acquired under 15-30-2616,
17 pertaining to an applicant for public assistance, reasonably necessary for the prevention and detection of public
18 assistance fraud and abuse, provided notice to the applicant has been given;

19 (c) to the department of labor and industry for the purpose of:

20 (i) ~~for the purpose of~~ prevention and detection of fraud and abuse in and eligibility for benefits under
21 the unemployment compensation and workers' compensation programs, information on whether a taxpayer
22 who is the subject of an ongoing investigation by the department of labor and industry is an employee, an
23 independent contractor, or self-employed; ~~and~~

24 (ii) ~~for the purpose of~~ administering the apprenticeship tax credit provided for in 39-6-109, employer
25 and apprentice information necessary to implement 15-30-2357, 15-31-173, and 39-6-109; and

26 (iii) administering the annual job growth incentive tax credit provided for in [section-SECTIONS 1, 4, 7, 10,
27 AND 13], taxpayer and employee information necessary to implement [sections 2, ~~and~~ 3, 5, 6, 8, 9, 11, 12, 14,
28 AND 15];

1 (d) to the department of fish, wildlife, and parks specific information that is available from income tax
2 returns and required under 87-2-102 to establish the residency requirements of an applicant for hunting and
3 fishing licenses;

4 (e) to the board of regents information required under 20-26-1111;

5 (f) to the legislative fiscal analyst and the office of budget and program planning individual income tax
6 information as provided in 5-12-303, 15-1-106, and 17-7-111. The information provided to the office of budget
7 and program planning must be the same as the information provided to the legislative fiscal analyst.

8 (g) to the department of transportation farm income information based on the most recent income tax
9 return filed by an applicant applying for a refund under 15-70-430, provided that notice to the applicant has
10 been given as provided in 15-70-430. The information obtained by the department of transportation is subject to
11 the same restrictions on disclosure as are individual income tax returns.

12 (h) to the department of commerce tax information about a taxpayer whose debt is assigned to the
13 department of revenue for offset or collection pursuant to the terms of Title 17, chapter 4, part 1. The
14 information provided to the department of commerce must be used for the purposes of preventing and detecting
15 fraud or abuse and determining eligibility for grants or loans.

16 (i) to the superintendent of public instruction information required under 20-9-905. (Subsection (9)(i)
17 terminates December 31, 2023--sec. 33, Ch. 457, L. 2015.)"

18

19 **Section 19.** Section 15-31-511, MCA, is amended to read:

20 **"15-31-511. Confidentiality of tax records.** (1) Except as provided in this section, in accordance with
21 a proper judicial order, or as otherwise provided by law, it is unlawful to divulge or make known in any manner:

22 (a) the amount of income or any particulars set forth or disclosed in any return or report required
23 under this chapter or any other information relating to taxation secured in the administration of this chapter; or

24 (b) any federal return or information in or disclosed on a federal return or report required by law or
25 rule of the department under this chapter.

26 (2) (a) An officer or employee charged with custody of returns and reports required by this chapter
27 may not be ordered to produce any of them or evidence of anything contained in them in any administrative
28 proceeding or action or proceeding in any court, except:

1 (i) in an action or proceeding in which the department is a party under the provisions of this chapter;

2 or

3 (ii) in any other tax proceeding or on behalf of a party to an action or proceeding under the provisions
4 of this chapter when the returns or reports or facts shown in them are directly pertinent to the action or
5 proceeding.

6 (b) If the production of a return, report, or information contained in them is ordered, the court shall
7 limit production of and the admission of returns, reports, or facts shown in them to the matters directly pertinent
8 to the action or proceeding.

9 (3) This section does not prohibit:

10 (a) the delivery of a certified copy of any return or report filed in connection with a return to the
11 taxpayer who filed the return or report or to the taxpayer's authorized representative;

12 (b) the publication of statistics prepared in a manner that prevents the identification of particular
13 returns, reports, or items from returns or reports;

14 (c) the inspection of returns and reports by the attorney general or other legal representative of the
15 state in the course of an administrative proceeding or litigation under this chapter;

16 (d) access to information under subsection (4);

17 (e) the delivery of information to the revenue interim committee relating to the annual job growth
18 incentive tax credit as provided in [section-SECTIONS 2, 5, 8, 11, AND 14]; or

19 ~~(e)~~(f) the director of revenue from permitting a representative of the commissioner of internal revenue
20 of the United States or a representative of a proper officer of any state imposing a tax on the income of a
21 taxpayer to inspect the returns or reports of a corporation. The department may also furnish those persons
22 abstracts of income, returns, and reports; information concerning any item in a return or report; and any item
23 disclosed by an investigation of the income or return of a corporation. The director of revenue may not furnish
24 that information to a person representing the United States or another state unless the United States or the
25 other state grants substantially similar privileges to an officer of this state charged with the administration of this
26 chapter.

27 (4) On written request to the director or a designee of the director, the department shall:

28 (a) allow the inspection of returns and reports by the legislative auditor, but the information furnished

1 to the legislative auditor is subject to the same restrictions on disclosure outside that office as provided in
2 subsection (1);

3 (b) provide corporate income tax and alternative corporate income tax information, including any
4 information that may be required under Title 15, chapter 30, part 33, to the legislative fiscal analyst, as provided
5 in 5-12-303 or 15-1-106, and the office of budget and program planning, as provided in 15-1-106 or 17-7-111.
6 The information furnished to the legislative fiscal analyst and the office of budget and program planning is
7 subject to the same restrictions on disclosure outside those offices as provided in subsection (1).

8 (c) provide to the department of commerce tax information about a taxpayer whose debt is assigned
9 to the department of revenue for offset or collection pursuant to the terms of Title 17, chapter 4, part 1. The
10 information provided to the department of commerce must be used for the purposes of preventing and detecting
11 fraud or abuse and determining eligibility for grants or loans.

12 (d) furnish to the superintendent of public instruction information required under 20-9-905;

13 (e) exchange with the department of labor and industry;

14 (i) taxpayer and apprentice information necessary to implement 15-30-2357, 15-31-173, and 39-6-
15 109; and

16 (ii) taxpayer and employee information necessary to administer the annual job growth incentive tax
17 credit provided for in [sections 1 through 3 15]; and

18 (f) provide the department of public health and human services with the information necessary to
19 verify, as required under 53-6-133, the income reported by an applicant for medical assistance.

20 (5) A person convicted of violating this section shall be fined not to exceed \$500. If a public officer or
21 public employee is convicted of violating this section, the person is dismissed from office or employment and
22 may not hold any public office or public employment in the state for a period of 1 year after dismissal or, in the
23 case of a former officer or employee, for 1 year after conviction. (Subsection (4)(d) terminates December 31,
24 2023--sec. 33, Ch. 457, L. 2015; subsection (4)(f) terminates June 30, 2025, on occurrence of contingency--
25 sec. 48, Ch. 415, L. 2019.)"

26
27 **NEW SECTION. Section 20. Appropriation.** (1) There is appropriated \$353,000 from the general
28 fund to the department of revenue for the fiscal year beginning July 1, 2021, for the purposes of complying with

1 [this act].

2 (2) There is appropriated \$271,895 from the general fund to the department of revenue for the fiscal
3 year beginning July 1, 2022, for the purposes of complying with [this act].

4
5 NEW SECTION. Section 21. Codification instruction. (1) ~~[Section SECTIONS 1, 4, 7, 10, AND 13]~~ is
6 ARE intended to be codified as an integral part of Title 39, and the provisions of Title 39 apply to ~~[section~~
7 SECTIONS 1, 4, 7, 10, AND 13].

8 (2) ~~[Section SECTIONS 2, 5, 8, 11, AND 14]~~ is ARE intended to be codified as an integral part of Title 15,
9 chapter 30, and the provisions of Title 15, chapter 30, apply to ~~[section SECTIONS 2, 5, 8, 11, AND 14]~~.

10 (3) ~~[Section SECTIONS 3, 6, 9, 12, AND 15]~~ is ARE intended to be codified as an integral part of Title 15,
11 chapter 31, and the provisions of Title 15, chapter 31, apply to ~~[section SECTIONS 3, 6, 9, 12, AND 15]~~.

12
13 NEW SECTION. SECTION 22. SEVERABILITY. IF A PART OF [THIS ACT] IS INVALID, ALL VALID PARTS THAT
14 ARE SEVERABLE FROM THE INVALID PART REMAIN IN EFFECT. IF A PART OF [THIS ACT] IS INVALID IN ONE OR MORE OF ITS
15 APPLICATIONS, THE PART REMAINS IN EFFECT IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE INVALID
16 APPLICATIONS.

17
18 NEW SECTION. Section 23. Effective date DATES -- APPLICABILITY. (1) ~~[This act]~~ EXCEPT AS
19 PROVIDED IN SUBSECTIONS (2) THROUGH (6), [THIS ACT] is effective on passage and approval JULY 1, 2021.

20 (2) [SECTIONS 1 THROUGH 3] ARE EFFECTIVE OCTOBER 1, 2021, AND APPLY TO THE INCOME TAX YEAR
21 BEGINNING AFTER DECEMBER 31, 2021.

22 (3) [SECTIONS 4 THROUGH 6] ARE EFFECTIVE OCTOBER 1, 2022, AND APPLY TO THE INCOME TAX YEAR
23 BEGINNING AFTER DECEMBER 31, 2022.

24 (4) [SECTIONS 7 THROUGH 9] ARE EFFECTIVE OCTOBER 1, 2023, AND APPLY TO THE INCOME TAX YEAR
25 BEGINNING AFTER DECEMBER 31, 2023.

26 (5) [SECTIONS 10 THROUGH 12] ARE EFFECTIVE OCTOBER 1, 2024, AND APPLY TO THE INCOME TAX YEAR
27 BEGINNING AFTER DECEMBER 31, 2024.

28 (6) [SECTIONS 13 THROUGH 15] ARE EFFECTIVE OCTOBER 1, 2025, AND APPLY TO INCOME TAX YEARS

1 BEGINNING AFTER DECEMBER 31, 2025.

2

3 NEW SECTION. Section 11. — Retroactive applicability. ~~[This act] applies retroactively, within the~~
4 ~~meaning of 1-2-109, to tax years beginning after December 31, 2020.~~

5

6 NEW SECTION. Section 24. Termination. (1) [This act] EXCEPT AS PROVIDED IN SUBSECTIONS (2)
7 THROUGH (6), [THIS ACT] terminates December 31, 2027 2028.

8 (2) [SECTIONS 1 THROUGH 3] TERMINATE DECEMBER 31, 2022.

9 (3) [SECTIONS 4 THROUGH 6] TERMINATE DECEMBER 31, 2023.

10 (4) [SECTIONS 7 THROUGH 9] TERMINATE DECEMBER 31, 2024.

11 (5) [SECTIONS 10 THROUGH 12] TERMINATE DECEMBER 31, 2025.

12 (6) [SECTION 25] TERMINATES JANUARY 1, 2025.

13

14 NEW SECTION. SECTION 25. 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 THROUGH 3] TERMINATE ON THE DATE THAT THE BUDGET DIRECTOR PROVIDES THE
22 CERTIFICATION PROVIDED FOR IN SUBSECTION (7). IN ORDER TO BE EFFECTIVE, THE CERTIFICATION MUST BE MADE IN
23 CALENDAR YEAR 2021.

24 (3) [SECTIONS 4 THROUGH 6] TERMINATE ON THE DATE THAT THE BUDGET DIRECTOR PROVIDES THE
25 CERTIFICATION PROVIDED FOR IN SUBSECTION (7). IN ORDER TO BE EFFECTIVE, THE CERTIFICATION MUST BE MADE
26 BETWEEN OCTOBER 1, 2022, AND DECEMBER 31, 2022.

27 (4) [SECTIONS 7 THROUGH 9] TERMINATE ON THE DATE THAT THE BUDGET DIRECTOR PROVIDES THE
28 CERTIFICATION PROVIDED FOR IN SUBSECTION (7). IN ORDER TO BE EFFECTIVE, THE CERTIFICATION MUST BE MADE

1 BETWEEN OCTOBER 1, 2023, AND DECEMBER 31, 2023.

2 (5) [SECTIONS 10 THROUGH 12] TERMINATE ON THE DATE THAT THE BUDGET DIRECTOR PROVIDES THE
3 CERTIFICATION PROVIDED FOR IN SUBSECTION (7). IN ORDER TO BE EFFECTIVE, THE CERTIFICATION MUST BE MADE
4 BETWEEN OCTOBER 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 TO REPAY OR REFUND TO THE FEDERAL GOVERNMENT PURSUANT TO THE AMERICAN
9 RESCUE PLAN ACT.

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

11 (I) THE FEDERAL GOVERNMENT ABOUT THE AMERICAN RESCUE PLAN ACT;

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 SATISFY THE CRITERIA IN SUBSECTION (6)(A) BASED ON THE GUIDANCE IN SUBSECTION (6)(B), THE BUDGET DIRECTOR
18 SHALL NOTIFY THE LEGISLATIVE FINANCE COMMITTEE OF THE PRELIMINARY DETERMINATION. THE BUDGET DIRECTOR'S
19 NOTIFICATION OF THE PRELIMINARY DETERMINATION MAY OCCUR AFTER JANUARY 1 BUT NO LATER THAN DECEMBER 10
20 OF EACH OF THE CALENDAR YEARS 2021, 2022, 2023, AND 2024. WITHIN 20 DAYS OF NOTIFICATION, THE LEGISLATIVE
21 FINANCE COMMITTEE SHALL PROVIDE THE BUDGET DIRECTOR WITH ANY RECOMMENDATIONS CONCERNING THE
22 PRELIMINARY DETERMINATION. THE BUDGET DIRECTOR SHALL CONSIDER ANY RECOMMENDATIONS OF THE LEGISLATIVE
23 FINANCE COMMITTEE.

24 (7) IF THE BUDGET DIRECTOR DETERMINES THAT THE IMPLEMENTATION OF A SECTION OF [THIS ACT] WOULD
25 MORE LIKELY THAN NOT SATISFY THE CRITERIA IN SUBSECTION (6)(A) BASED ON THE GUIDANCE IN SUBSECTION (6)(B)
26 AND THE RECOMMENDATIONS OF THE LEGISLATIVE FINANCE COMMITTEE IN SUBSECTION (6)(C), THE BUDGET DIRECTOR
27 SHALL PROVIDE CERTIFICATION IN WRITING TO THE LEGISLATIVE FINANCE COMMITTEE AND THE CODE COMMISSIONER OF
28 THE OCCURRENCE OF THE RELEVANT CONTINGENCY PROVIDED FOR IN SUBSECTIONS (2) THROUGH (5).

1

- END -