

SENATE BILL NO. 45

INTRODUCED BY M. BLASDEL

BY REQUEST OF THE REVENUE INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REPEALING THE NEW OR EXPANDED INDUSTRY CREDIT FOR CORPORATE INCOME TAXES; AMENDING SECTIONS 15-30-2303 AND 15-32-405, MCA; AND REPEALING SECTIONS 15-31-124, 15-31-125, 15-31-126, AND 15-31-127, MCA."

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

**Section 1.** Section 15-30-2303, MCA, is amended to read:

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

(a) the credit for income taxes imposed by foreign states or countries provided for in 15-30-2302;

(b) the credit for contractor's gross receipts provided for in 15-50-207;

~~(c) the credit for new or expanded manufacturing provided for in 15-31-124 through 15-31-127;~~

~~(d)~~(c) the credit for installing an alternative energy system provided for in 15-32-201 through 15-32-203;

~~(e)~~(d) the credit for energy-conserving expenditures provided for in 15-30-2319 and 15-32-109; and

~~(f)~~(e) the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341.

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

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

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

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

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

1 (e) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-30-  
2 3110, and 15-31-158; and

3 (f) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-30-  
4 3111, and 15-31-159.

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

6 (a) the credit for providing disability insurance for employees provided for in 15-30-2367 and 15-31-  
7 132;

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

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

11 (d) the credit for converting a motor vehicle to alternative fuel provided for in 15-30-2320 and 15-31-  
12 137;

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

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

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

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

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

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

20 (d) the credit for a new employee in an empowerment zone provided for in 15-30-2356 and 15-31-  
21 134;

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

23 (f) the credit for unlocking state lands provided for in 15-30-2380.

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

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

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

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

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

1 (e) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357 and  
2 15-31-173;

3 (f) the earned income tax credit provided for in 15-30-2318; and

4 (g) the media production and postproduction credits provided for in 15-31-1007 and 15-31-1009.

5 (6) The revenue interim committee shall review the tax credits scheduled for review in the biennium of  
6 the next regular legislative session, including any individual or corporate income tax credits with an expiration or  
7 termination date that are not listed in this section, and make recommendations to the legislature about whether  
8 to eliminate or revise the credits. The legislature may extend the review dates by amending this section. The  
9 revenue interim committee shall review the credits using the following criteria:

10 (a) whether the credit changes taxpayer decisions, including whether the credit rewards decisions that  
11 may have been made regardless of the existence of the tax credit;

12 (b) to what extent the credit benefits some taxpayers at the expense of other taxpayers;

13 (c) whether the credit has out-of-state beneficiaries;

14 (d) the timing of costs and benefits of the credit and how long the credit is effective;

15 (e) any adverse impacts of the credit or its elimination and whether the benefits of continuance or  
16 elimination outweigh adverse impacts; and

17 (f) the extent to which benefits of the credit affect the larger economy."

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19 **Section 2.** Section 15-32-405, MCA, is amended to read:

20 "**15-32-405. Exclusion from other tax incentives.** If a credit is claimed for an investment pursuant to  
21 this part, no other state energy or investment tax credit, ~~including but not limited to the tax credits allowed by~~  
22 ~~15-31-124 and 15-31-125,~~ may be claimed for the investment. Property tax reduction allowed by 15-6-224 may  
23 not be applied to a facility for which a credit is claimed pursuant to this part."

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25 NEW SECTION. **Section 3. Repealer.** The following sections of the Montana Code Annotated are  
26 repealed:

27 15-31-124. New or expanded industry credit -- definitions.

28 15-31-125. Determination of tax credit.

- 1 15-31-126. Limitation.
- 2 15-31-127. Department duties.

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