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HOUSE BILL NO. 23
INTRODUCED BY M. THANE
BY REQUEST OF THE REVENUE INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE AMOUNT OF THE CREDIT FOR THE INNOVATIVE EDUCATIONAL PROGRAM CREDIT AND THE STUDENT SCHOLARSHIP ORGANIZATION CREDIT; AMENDING SECTIONS 15-30-3110 AND 15-30-3111, MCA; AMENDING SECTIONS 23 AND 24, CHAPTER 480, LAWS OF 2021; REPEALING SECTIONS 8, 9, 10, 14, 15, 16, AND 25, CHAPTER 480, LAWS OF 2021; AND PROVIDING AN ~~IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE~~ APPLICABILITY DATE."

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

Section 1. Section 15-30-3110, MCA, is amended to read:

~~"15-30-3110. (Temporary) Credit for providing supplemental funding to public schools-- innovative educational program. (1) Subject to subsection (4), a taxpayer or corporation is allowed a credit against the tax imposed by chapter 30 or 31 for donations made to a school district for the purpose of providing supplemental funding to the school district for innovative educational programs. The amount of the credit allowed is equal to the amount of the donation, not to exceed \$200,000. A district shall deposit a donation made for an innovative educational program into the district's miscellaneous programs fund and shall limit the expenditure of the donation to expenditures for innovative educational programs of the district.~~

~~(2) (a) If the credit allowed under this section is claimed by a small business corporation, a pass-through entity, or a partnership, the credit must be attributed to shareholders, owners, or partners using the same proportion as used to report the entity's income or loss.~~

~~(b) A donation by an estate or trust qualifies for the credit. Any credit not used by the estate or trust may be attributed to each beneficiary of the estate or trust in the same proportion used to report the beneficiary's income from the estate or trust for Montana income tax purposes.~~

~~(3) The credit allowed under this section may not exceed the taxpayer's income tax liability but may~~

1 June 30, 2025."

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3 **Section 4.** Section 24, Chapter 480, Laws of 2021, is amended to read:

4 **"Section 24. Termination** (1) [Sections 7 and 13] terminate December 31, 2022.

5 ~~(2) [Sections 8 and 14] terminate December 31, 2023.~~

6 ~~(3) [Sections 9 and 15] terminate December 31, 2024.~~

7 ~~(4) [Sections 10 and 16] terminate December 31, 2025.~~

8 ~~(5) [Section 25] terminates January 1, 2025.~~

9 ~~(6)(2) [Sections 1 through 6 and 11, 12, 17, and 18] terminate December 31, 2029."~~

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11 NEW SECTION. Section 5. Repealer. Sections 8, 9, 10, 14, 15, 16, and 25, Chapter 480, Laws of
12 2021, are repealed.

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14 ~~NEW SECTION. Section 6. Effective date. [This act] is effective on passage and approval.~~

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16 ~~NEW SECTION. Section 7. Retroactive applicability. [This act] applies retroactively, within the
17 meaning of 1-2-109, to income tax years beginning after December 31, 2022.~~

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19 NEW SECTION. Section 6. Applicability. [This act] applies to income tax years beginning after
20 December 31, 2023.

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- END -