

1 HOUSE BILL NO. 223  
 2 INTRODUCED BY S. KERNS, F. ANDERSON, J. SCHILLINGER, C. KNUDSEN, M. STROMSWOLD, G.  
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 4 BINKLEY, E. BUTTREY, C. HINKLE, R. FITZGERALD, T. BROCKMAN, G. PARRY, J. SMALL, S.  
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7  
 8 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISABLED VETERAN PROPERTY TAX  
 9 ASSISTANCE PROGRAM; REMOVING THE INCOME LIMIT FOR THE PROGRAM; PROVIDING  
 10 ASSISTANCE FOR DISABLED VETERANS WHO ARE RATED 60% TO 90% DISABLED; AMENDING  
 11 SECTIONS 15-6-301, 15-6-302, AND 15-6-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE  
 12 AND A RETROACTIVE APPLICABILITY DATE."

13  
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15  
 16 **Section 1.** Section 15-6-301, MCA, is amended to read:

17 **"15-6-301. Definitions.** As used in this part, the following definitions apply:

- 18 (1) "Annual verification" means the use of a process to:
  - 19 (a) verify an applicant's income;
  - 20 (b) approve, renew, or deny benefits for the current year based ~~upon~~on the applicant's eligibility;
  - 21 and
  - 22 (c) terminate participation based ~~upon~~on death or loss of status as a qualified veteran or veteran's
  - 23 spouse.
- 24 (2) "PCE" means the implicit price deflator (price index) for personal consumption expenditures as
- 25 published in the national income and product accounts by the bureau of economic analysis of the U.S.
- 26 department of commerce.
- 27 (3) "PCE inflation factor" for a tax year means the PCE price index value for the first quarter of the
- 28 prior tax year before the tax year divided by the PCE price index value for the first quarter of 2015.

**Amendment - 1st Reading-white - Requested by: George Nikolakakos - (H) Taxation**

- 2023

68th Legislature 2023

Drafter: Megan Moore, 406-444-4496

HB0223.001.002

1 (9) The department may address unusual circumstances of ownership and income that arise in  
 2 administering taxpayer assistance programs provided for in 15-6-305 and 15-6-311.

3 (10) A temporary stay in a nursing home or similar facility does not change a taxpayer's primary  
 4 residence for the purposes of taxpayer assistance programs provided for in 15-6-305 and 15-6-311.

5 (11) The department shall award property assistance under the property tax assistance program  
 6 that provides the greatest benefit to the taxpayer by reviewing applications and eligibility requirements, and  
 7 notify the applicant of the department's decision."  
 8

9 **Section 3.** Section 15-6-311, MCA, is amended to read:

10 **"15-6-311. Disabled veteran program.** (1) The residential real property of a qualified veteran or a  
 11 qualified veteran's spouse is eligible to receive a tax rate reduction as provided in 15-6-302 and this section.

12 (2) Property qualifying under subsection (1) and owned by a qualified veteran is taxed at the rate  
 13 provided in 15-6-134 multiplied by a percentage figure based on the applicant's qualifying income and disability  
 14 rating determined from the following table:

Income	Income	Percentage
Single Person	Married Couple	Multiplier
	Head of Household	
\$0 — \$37,404	\$0 — \$44,885	0%
\$37,405 — \$41,145	\$44,886 — \$48,626	20%
\$41,146 — \$44,885	\$48,627 — \$52,366	30%
\$44,886 — \$48,626	\$52,367 — \$56,107	50%

<u>Income - Single Person</u>	<u>Income - Married Couple or</u> <u>Head of Household</u>	<u>Percentage</u> <u>Multiplier - 100%</u> <u>Disabled</u>	<u>Percentage</u> <u>Multiplier - 60% to</u> <u>90% Disabled</u>
<u>\$0 - \$37,404</u>	<u>\$0 - \$44,885</u>	<u>0%</u>	<u>50%</u>
<u>\$37,405 - \$41,145</u>	<u>\$44,886 - \$48,626</u>	<u>20%</u>	<u>60%</u>
<u>\$41,146 - \$44,885</u>	<u>\$48,627 - \$52,366</u>	<u>30%</u>	<u>65%</u>

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<del>\$44,886 or more to</del>	<del>\$52,367 or more to \$150,000</del>	<del>50%</del>	<del>70%</del>
<u>\$150,000</u>			

1

2 (3) For a surviving spouse who owns property qualifying under subsection (4), the property is  
 3 taxed at the rate established by 15-6-134 multiplied by a percentage figure based on the spouse's qualifying  
 4 income and the veteran's disability rating determined from the following table:

Income	Percentage
Surviving Spouse	Multiplier
<del>\$0 — \$31,170</del>	<del>0%</del>
<del>\$31,171 — \$34,911</del>	<del>20%</del>
<del>\$34,912 — \$38,651</del>	<del>30%</del>
<del>\$38,652 — \$42,392</del>	<del>50%</del>

<u>Income - Surviving Spouse</u>	<u>Percentage Multiplier -</u>	
	<u>100% Disabled</u>	<u>60% to 90% Disabled</u>
<u>\$0 - \$31,170</u>	<u>0%</u>	<u>50%</u>
<u>\$31,171 - \$34,911</u>	<u>20%</u>	<u>60%</u>
<u>\$34,912 - \$38,651</u>	<u>30%</u>	<u>65%</u>
<u>\$38,652 <del>or more to \$150,000</del></u>	<u>50%</u>	<u>70%</u>

5

6 (4) The property tax exemption under this section remains in effect as long as the qualifying  
 7 income requirements are met and the property is the primary residence owned and occupied by the veteran or,  
 8 if the veteran is deceased, by the veteran's spouse and the spouse:

- 9 (a) is the owner and occupant of the house;
- 10 (b) is unmarried; and
- 11 (c) has obtained from the U.S. department of veterans affairs a letter indicating that the veteran  
 12 was rated ~~400%~~ 60% disabled or higher or was paid at the ~~400%~~ 60% disabled rate or higher by the U.S.  
 13 department of veterans affairs for a service-connected disability at the time of death or that the veteran died

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1 while on active duty or as a result of a service-connected disability.

2 (5) The qualifying income levels contained in subsections (2) and (3) must be adjusted annually by  
3 using the PCE inflation factor defined in 15-6-301, rounded to the nearest whole dollar amount. If the  
4 adjustment results in a decrease in qualifying income levels from the previous year, the qualifying income levels  
5 must remain the same for that year."

6

7 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

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9 NEW SECTION. Section 5. Retroactive applicability. [This act] applies retroactively, within the  
10 meaning of 1-2-109, to property tax years beginning on January 1, 2023.

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- END -