

1 HOUSE BILL NO. 223  
 2 INTRODUCED BY S. KERNS, E. BUTTREY, D. LENZ, S. HINEBAUCH, R. FITZGERALD, F. ANDERSON, J.  
 3 TREBAS, C. KNUDSEN, J. SMALL, N. DURAM, J. DOOLING, J. KASSMIER, B. PHALEN, K. ZOLNIKOV, B.  
 4 MITCHELL, J. SCHILLINGER, M. STROMSWOLD, C. HINKLE, G. FRAZER, M. BINKLEY, S. ESSMANN, T.  
 5 BROCKMAN, T. SMITH, G. PARRY, C. SPRUNGER, G. NIKOLAKAKOS, P. GREEN, B. BARKER

6  
 7 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISABLED VETERAN PROPERTY TAX  
 8 ASSISTANCE PROGRAM; REMOVING THE INCOME LIMIT FOR THE PROGRAM; PROVIDING  
 9 ASSISTANCE FOR DISABLED VETERANS WHO ARE RATED 60% TO 90% DISABLED; AMENDING  
 10 SECTIONS 15-6-301, 15-6-302, AND 15-6-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE  
 11 AND A RETROACTIVE AN APPLICABILITY DATE."  
 12

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

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

16 **"15-6-301. Definitions.** As used in this part, the following definitions apply:

17 (1) "Annual verification" means the use of a process to:

18 (a) verify an applicant's income;

19 (b) approve, renew, or deny benefits for the current year based ~~upon~~on the applicant's eligibility;

20 and

21 (c) terminate participation based ~~upon~~on death or loss of status as a qualified veteran or veteran's  
 22 spouse.

23 (2) "PCE" means the implicit price deflator (price index) for personal consumption expenditures as  
 24 published in the national income and product accounts by the bureau of economic analysis of the U.S.  
 25 department of commerce.

26 (3) "PCE inflation factor" for a tax year means the PCE price index value for the first quarter of the  
 27 prior tax year before the tax year divided by the PCE price index value for the first quarter of 2015.

28 (4) (a) "Primary residence" is, subject to the provisions of subsection (4)(b), a dwelling:

**Amendment - 1st Reading-white - Requested by: Jim Hamilton - (H) Appropriations**

- 2023

68th Legislature 2023

Drafter: Megan Moore, 406-444-4496

HB0223.002.001

1 administering taxpayer assistance programs provided for in 15-6-305 and 15-6-311.

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

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

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

9 **"15-6-311. Disabled veteran program.** (1) The residential real property of a qualified veteran or a  
10 qualified veteran's spouse is eligible to receive a tax rate reduction as provided in 15-6-302 and this section.

11 (2) Property qualifying under subsection (1) and owned by a qualified veteran is taxed at the rate  
12 provided in 15-6-134 multiplied by a percentage figure based on the applicant's qualifying income and disability  
13 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>
<u>\$44,886 or more <del>to</del> -</u>	<u>\$52,367 or more <del>to</del> -</u>	<u>50%</u>	<u>70%</u>

**Amendment - 1st Reading-white - Requested by: Jim Hamilton - (H) Appropriations**

- 2023

68th Legislature 2023

Drafter: Megan Moore, 406-444-4496

HB0223.002.001

<del>\$150,000</del> <del>\$55,000</del>	<del>\$150,000</del> <del>\$75,000</del>		
--	--	--	--

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>	0%
<del>\$31,171 — \$34,911</del>	20%
<del>\$34,912 — \$38,651</del>	30%
<del>\$38,652 — \$42,392</del>	50%

Income - Surviving Spouse	Percentage Multiplier -	
	100% Disabled	60% to 90% Disabled
<del>\$0 - \$31,170</del> <del>\$37,404</del>	0%	50%
<del>\$31,171 — \$34,911</del> <del>\$37,405 -</del> <del>\$41,145</del>	20%	60%
<del>\$34,912 — \$38,651</del> <del>\$41,146 -</del> <del>\$44,885</del>	30%	65%
<del>\$38,652 or more TO \$150,000</del> <del>\$44,886 - \$55,000</del>	50%	70%

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

**Amendment - 1st Reading-white - Requested by: Jim Hamilton - (H) Appropriations**

- 2023

68th Legislature 2023

Drafter: Megan Moore, 406-444-4496

HB0223.002.001

1 was rated ~~400%~~ 60% disabled or higher or was paid at the ~~400%~~ 60% disabled rate or higher by the U.S.  
2 department of veterans affairs for a service-connected disability at the time of death or that the veteran died  
3 while on active duty or as a result of a service-connected disability.

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

8

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

10

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

13

14 NEW SECTION. SECTION 5. APPLICABILITY. [THIS ACT] APPLIES TO PROPERTY TAX YEARS BEGINNING  
15 AFTER DECEMBER 31, 2023.

16

- END -