

1 HOUSE BILL NO. 225  
 2 INTRODUCED BY C. SPRUNGER, A. BUCKLEY, B. MERCER, J. FULLER, R. LYNCH, M. NOLAND, D.  
 3 HARVEY, Z. WIRTH  
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR AN ADOPTION TAX CREDIT; PROVIDING  
 6 THAT THE TAX CREDIT IS REFUNDABLE; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTION  
 7 15-30-2303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, A RETROACTIVE APPLICABILITY  
 8 DATE, AND A TERMINATION DATE."

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

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 12 NEW SECTION. Section 1. Adoption tax credit -- rulemaking. (1) A resident taxpayer is allowed a  
 13 credit against the tax imposed by 15-30-2103 or 15-30-2151 for the legal adoption of an eligible child ON OR  
 14 AFTER JULY 1, 2022, for which the taxpayer qualifies for the credit for adoption expenses under section 23 of the  
 15 Internal Revenue Code, 26 U.S.C. 23.

16 (2) The amount of the credit allowed under subsection (1) is equal to:

17 (a) \$7,500 in the tax year the adoption is final if the eligible child was in foster care under the  
 18 custody of the state as provided in Title 41, chapter 3, at the time of adoption; or

19 (b) \$5,000 in the tax year the adoption is final if the eligible child does not meet the requirements  
 20 of subsection (2)(a).

21 (3) To claim the credit under this section, the taxpayer shall:

22 (a) include the name, age, location of birth, and federal tax identification number, if known, of the  
 23 eligible child on the tax return; and

24 (b) provide other information as required by the department, including the identification of an agent  
 25 assisting with the adoption.

26 (4) The taxpayer is entitled to a refund equal to the amount by which the credit exceeds the  
 27 taxpayer's tax liability or, if the taxpayer has no tax liability under this chapter, a refund equal to the amount of  
 28 the credit. The credit may be claimed by filing a Montana income tax return.

**Amendment - 1st Reading-white - Requested by: Terry Moore - (H) Appropriations**

- 2023

68th Legislature 2023

Drafter: Megan Moore, 406-444-4496

HB0225.002.001

1            NEW SECTION. SECTION 4. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE ON PASSAGE AND APPROVAL.

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3            NEW SECTION. SECTION 5. RETROACTIVE APPLICABILITY. [THIS ACT] APPLIES RETROACTIVELY, WITHIN

4 THE MEANING OF 1-2-109, TO ELIGIBLE ADOPTIONS ON OR AFTER JULY 1, 2022, ~~claimed on tax returns filed for tax~~  
5 ~~years beginning after December 31, 2022.~~

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7            NEW SECTION. SECTION 4. — Applicability. [This act] applies to income tax years beginning after  
8 December 31, 2023.

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10           NEW SECTION. SECTION 6. TERMINATION. [THIS ACT] TERMINATES DECEMBER 31, 2031.

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