

1 HOUSE BILL NO. 857
2 INTRODUCED BY J. FITZPATRICK, J. HAMILTON, K. WALSH, R. FITZGERALD, M. HOPKINS, P. TUSS, D.
3 HARVEY, J. KASSMIER
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN INCOME TAX CREDIT FOR THE INSTALLATION
6 OF SPRINKLER SYSTEMS IN HISTORIC BUILDINGS; PROVIDING THAT THE CREDIT MAY BE CLAIMED
7 BY INDIVIDUALS, PASS-THROUGHS, OR CORPORATIONS; PROVIDING A DEFINITION; AMENDING
8 SECTION 15-30-2303, MCA; AND PROVIDING AN APPLICABILITY 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. Credit for installation of sprinkler systems in historic buildings.** (1)

13 A taxpayer or corporation is allowed a credit against the tax imposed by chapter 31 or this chapter for the
14 installation of a pressurized sprinkler system in a historic building being remodeled or repurposed for residential
15 or commercial use.

16 (2) The credit is equal to 30% of the installed cost of a pressurized sprinkler system.

17 (3) A tax credit under this section must be claimed in the year the installation expenses were
18 incurred.

19 (4) The credit allowed under this section may not exceed the taxpayer's income tax liability but
20 may be carried forward 2 years.

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

24 (6) The aggregate amount of tax credits allowed under this section is \$10 million a year. Credits
25 must be awarded on a first-come, first-served basis.

26 (7) The fire chief or senior administrative officer for the fire protection jurisdiction where the
27 sprinkler system is located shall certify that the equipment has been installed and is fully functional. The
28 taxpayer shall include a copy of the certification statement with the Montana income tax return.

1 ~~(7)~~(8) Pursuant to 5-4-104, the purpose of the credit is to provide a financial incentive for the
2 installation of pressurized sprinkler systems in historic buildings being remodeled or repurposed for residential
3 or commercial use.

4 ~~(8)~~(9) For the purposes of this section, "historic building" means a building that is listed individually in
5 the national register of historic places, is located in a registered historic district and certified by the secretary of
6 the interior as contributing to the historic significance of the district, or was constructed prior to 1950.

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8 **NEW SECTION. Section 2. Credit for installation of sprinkler systems in historic buildings.**

9 There is a credit against tax liability under this chapter for the installation of a pressurized sprinkler system in a
10 historic building being remodeled or repurposed for residential or commercial use as provided in [section 1].

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12 **Section 3.** Section 15-30-2303, MCA, is amended to read:

13 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits
14 must be reviewed during the biennium commencing July 1, 2019, and during each biennium commencing 10
15 years thereafter:

- 16 (a) the credit for contractor's gross receipts provided for in 15-50-207; and
 - 17 (b) the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341.
- 18 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2021, and
19 during each biennium commencing 10 years thereafter:

- 20 (a) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-
21 30-3110, and 15-31-158; and
- 22 (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-
23 30-3111, and 15-31-159.

24 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2023, and
25 during each biennium commencing 10 years thereafter:

- 26 (a) the credit for infrastructure use fees provided for in 17-6-316;
- 27 (b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-
28 2329, 15-31-161, and 15-31-162; and