

HOUSE BILL NO. 268

INTRODUCED BY J. KASSMIER, B. MERCER, L. JONES

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A CHILD TAX CREDIT FOR MONTANA RESIDENT TAXPAYERS; PROVIDING A MAXIMUM REFUNDABLE CREDIT AMOUNT FOR A CHILD 5 YEARS OF AGE OR YOUNGER; AMENDING SECTION 15-30-2303, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

NEW SECTION. **Section 1. Child tax credit.** (1) Except as provided in subsection (3), a resident taxpayer who is permitted a child tax credit under section 24 of the Internal Revenue Code, 26 U.S.C. 24, is allowed a credit against the taxes imposed by this chapter for each qualifying child of the taxpayer.

(2) The amount of the credit is \$1,200 for each qualifying child.

(3) The credit is not allowed if the taxpayer's federal adjusted gross income exceeds the threshold amount.

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

(5) For the purposes of this section, the following definitions apply:

(a) "Qualifying child" means a child of the taxpayer who is 5 years of age or younger as of the close of the calendar year in which the taxpayer's tax year begins.

(b) "Threshold amount" is \$50,000, regardless of the individual taxpayer's filing status.

**Section 2.** Section 15-30-2303, MCA, is amended to read:

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

- 1 (a) the credit for contractor's gross receipts provided for in 15-50-207; and
- 2 (b) the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341.
- 3 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2021, and
- 4 during each biennium commencing 10 years thereafter:
- 5 (a) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-
- 6 30-3110, and 15-31-158; ~~and~~
- 7 (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-
- 8 30-3111, and 15-31-159; and
- 9 (c) the child tax credit provided for in [section 1].
- 10 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2023, and
- 11 during each biennium commencing 10 years thereafter:
- 12 (a) the credit for infrastructure use fees provided for in 17-6-316;
- 13 (b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-
- 14 2329, 15-31-161, and 15-31-162; and
- 15 (c) the credit for property to recycle or manufacture using recycled material provided for in Title 15,
- 16 chapter 32, part 6.
- 17 (4) The following tax credits must be reviewed during the biennium commencing July 1, 2025, and
- 18 during each biennium commencing 10 years thereafter:
- 19 (a) the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151;
- 20 (b) the credit for unlocking state lands provided for in 15-30-2380;
- 21 (c) the job growth incentive tax credit provided for in 15-30-2361 and 15-31-175; and
- 22 (d) the credit for trades education and training provided for in 15-30-2359 and 15-31-174.
- 23 (5) The following tax credits must be reviewed during the biennium commencing July 1, 2027, and
- 24 during each biennium commencing 10 years thereafter:
- 25 (a) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357
- 26 and 15-31-173;
- 27 (b) the earned income tax credit provided for in 15-30-2318; and
- 28 (c) the media production and postproduction credits provided for in 15-31-1007 and 15-31-1009.

