

Proposed 2007 Session Legislation

Agency Name: Agency No:

Priority Number: Filename:

Short Title:

Agency Contact Person/Phone:

1. Purpose:
 Amend Title 15 (Taxation), MCA, to provide employers of members of the MT National Guard (MTNG), and self-employed MTNG members, with a state income tax credit. This will assist in recruiting efforts and will help to defray some of the additional costs that employers/business owners may shoulder when their employees, or the business owner, perform military service.

2. Background:
 Employers of MTNG members make sacrifices when their employees leave jobs to serve our state and nation. Self-employed members of the MTNG face financial challenges when absent from their businesses. This act will recognize and encourage employer support of our active MTNG members, which will assist MTNG in its effort to recruit and retain the best personnel. The act could also defray some of the additional costs that employers have to shoulder while their employees serve the state and the nation.

3. Fiscal Impact by Fund Type: *This impact should be as specific as possible.*
 This could cause an approximate reduction in general fund revenue of \$1.2 million per year. This is based on a tax credit of \$500 per employee. The department of revenue estimated that 67% of all guard and reserve members were employed or self-employed. 10% of those employers would not use the credit as they would not have a tax liability. 60% of 4000 (100% strength) members or 2,400 X \$500 = \$1,200,000.00.

4. Summary Checklist [Check & complete all that apply]--

Housekeeping Only Federal Requirement Audit Recommendation (Audit No.) Major Legislation

Anticipated to be Controversial Legislation Bill Draft has been included in Legislation Submittal (if available)

Supports Submitted EPP Item Number: Local Government Fiscal Impact

Increases FTE, or Decreases FTE by

List FTE amount and program

Increases Existing Revenue Tax Fee Penalty [amount in #3]

Decreases Existing Revenue Tax Fee Penalty [amount in #3]

Establishes New Revenue Tax Fee Penalty [amount in #3]

Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):

Legislation would affect other state agencies (list):
 Dept. of Revenue

Special Interest Groups Affected (list):

Other: