

1 HOUSE BILL NO. 839

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5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN INCOME TAX CREDIT FOR CERTAIN LONG-
6 TIME RESIDENTS OF THE STATE; PROVIDING AN INCOME LIMIT; PROVIDING A DEFINITION;
7 AMENDING SECTION 15-30-2303, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

10
11 NEW SECTION. **Section 1. Montana 10-year resident credit.** (1) A taxpayer who has resided in the
12 state for the prior 10 years and who has income of less than \$100,000 is allowed a credit against the tax
13 imposed by 15-30-2103.

14 (2) A taxpayer is considered to have resided in Montana each year that the taxpayer resided in the
15 state for at least 7 months of the year.

16 (3) The amount of the credit allowed under this section is \$500.

17 (4) The credit may not be refunded and may not be carried to another tax year.

18 (5) Pursuant to 5-4-104, the legislature finds that the purpose of the tax credit provided for in this
19 section is to reduce the tax burden of long-time Montana residents.

20 (6) For the purposes of this section, "income" has the same meaning as provided in 15-30-2337.

21
22 **Section 2.** Section 15-30-2303, MCA, is amended to read:

23 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits
24 must be reviewed during the biennium commencing July 1, 2021, and during each biennium commencing 8
25 years thereafter:

26 (a) the credit for donations to innovative educational programs provided for in 15-30-2334, 15-30-
27 3110, and 15-31-158;

28 (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-

1 30-3111, and 15-31-159; and

2 (c) the adoption tax credit provided for in 15-30-2321.

3 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2023, and
4 during each biennium commencing 8 years thereafter:

5 (a) the credit for infrastructure use fees provided for in 17-6-316;

6 (b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-
7 2329, 15-31-161, and 15-31-162;

8 (c) the credit for property to recycle or manufacture using recycled material provided for in Title 15,
9 chapter 32, part 6; and

10 (d) the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151; and

11 (e) the Montana 10-year resident credit provided for in [section 1].

12 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2025, and
13 during each biennium commencing 8 years thereafter:

14 (a) the residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-
15 2341;

16 (b) the credit for unlocking state lands provided for in 15-30-2380;

17 (c) the job growth incentive tax credit provided for in 15-30-2361 and 15-31-175; and

18 (d) the credit for trades education and training provided for in 15-30-2359 and 15-31-174.

19 (4) The following tax credits must be reviewed during the biennium commencing July 1, 2027, and
20 during each biennium commencing 8 years thereafter:

21 (a) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357
22 and 15-31-173;

23 (b) the earned income tax credit provided for in 15-30-2318;

24 (c) the media production and postproduction credits provided for in 15-31-1007 and 15-31-1009;
25 and

26 (d) the credit for contractor's gross receipts provided for in 15-50-207.

27 (5) The revenue interim committee shall review the tax credits scheduled for review and make
28 recommendations in accordance with 5-11-210 at the conclusion of the full review to the legislature about

whether to eliminate or revise the credits. The committee shall also review any tax credit with an expiration date or termination date that is not listed in this section in the biennium before the credit is scheduled to expire or terminate.

(6) The revenue interim committee shall review the credits using the following criteria:

(a) whether the credit changes taxpayer decisions, including whether the credit rewards decisions that may have been made regardless of the existence of the tax credit;

(b) to what extent the credit benefits some taxpayers at the expense of other taxpayers;

(c) whether the credit has out-of-state beneficiaries;

(d) the timing of costs and benefits of the credit and how long the credit is effective;

(e) any adverse impacts of the credit or its elimination and whether the benefits of continuance or elimination outweigh adverse impacts; and

(f) the extent to which benefits of the credit affect the larger economy. (Subsection (3)(c) terminates December 31, 2028--sec. 4, Ch. 391, L. 2023; subsection (3)(d) terminates December 31, 2028--sec. 2, Ch. 576, L. 2023; subsection (1)(c) terminates December 31, 2031--sec. 6, Ch. 493, L. 2023.)"

NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [section 1].

NEW SECTION. Section 4. Applicability. [This act] applies to income tax years beginning after December 31, 2025.

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