

HOUSE BILL NO. 839

INTRODUCED BY L. SCHUBERT, K. LOVE, T. SHARP, T. MILLETT, B. MITCHELL, D. EMRICH, E. BYRNE,
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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN INCOME TAX CREDIT FOR CERTAIN LONG-
TIME RESIDENTS OF THE STATE; PROVIDING AN INCOME LIMIT; PROVIDING A DEFINITION;
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. Montana 10-year resident credit. (1) (a) A taxpayer who has resided in
the state for the prior 10 years and who has income of less than ~~\$100,000~~ the amounts provided for in
subsection (1)(b) is allowed a credit against the tax imposed by 15-30-2103.

(b) To claim the credit provided for in this section, a taxpayer's income must be less than:

(i) \$100,000 for an individual taxpayer or for a married taxpayer who does not make a joint return;

(ii) \$150,000 for a head of household; and

(iii) \$200,000 for a married taxpayer who makes a joint return or for a surviving spouse.

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

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

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

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

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

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, 2021, and during each biennium commencing 8

1 years thereafter:

2 (a) the credit for donations to innovative educational programs provided for in 15-30-2334, 15-30-
3 3110, and 15-31-158;

4 (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-
5 30-3111, and 15-31-159; and

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

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

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

10 (b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-
11 2329, 15-31-161, and 15-31-162;

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

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

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

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

18 (a) the residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-
19 2341;

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 (4) The following tax credits must be reviewed during the biennium commencing July 1, 2027, and
24 during each biennium commencing 8 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;

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

1 and

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

3 (5) The revenue interim committee shall review the tax credits scheduled for review and make
4 recommendations in accordance with 5-11-210 at the conclusion of the full review to the legislature about
5 whether to eliminate or revise the credits. The committee shall also review any tax credit with an expiration date
6 or termination date that is not listed in this section in the biennium before the credit is scheduled to expire or
7 terminate.

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

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

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

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

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

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

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

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

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

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