

HOUSE BILL NO. 337

INTRODUCED BY B. LER, W. GALT, L. SCHUBERT, R. GREGG, M. THIEL, E. TILLEMANN, E. BUTTREY, S. GIST, C. HINKLE, L. JONES, C. SPRUNGER, S. FITZPATRICK, G. OBLANDER, K. ZOLNIKOV, J. ETCHART, L. DEMING, B. BARKER, L. BREWSTER, G. HERTZ, B. MITCHELL, K. SEEKINS-CROWE, Z. WIRTH

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING INCOME TAXES; REVISING BRACKETS TO LOWER INCOME TAXES; INCREASING THE AMOUNT OF MONTANA TAXABLE INCOME BEFORE APPLICATION OF A HIGHER RATE OF TAX; REDUCING THE HIGHEST INCOME TAX RATE; INCREASING THE EARNED INCOME TAX CREDIT; AMENDING ~~SECTION SECTIONS~~ 15-30-2103 AND 15-30-2318, MCA; AND PROVIDING EFFECTIVE DATES, APPLICABILITY DATES, AND ~~A-TERMINATION~~ DATE DATES."

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

**Section 1.** Section 15-30-2103, MCA, is amended to read:

**"15-30-2103. Rate of tax -- net long-term capital gains -- definitions.** (1) Except as provided in ~~subsections (2) and (3)~~ subsection (2), there must be levied, collected, and paid for each tax year on the Montana taxable income of each taxpayer subject to this chapter a tax on the brackets of taxable income as follows:

(a) for every married individual who files a joint return and for every surviving spouse:

(i) on the first ~~\$41,000~~ \$140,000 ~~\$95,000~~ of Montana taxable income or any part of that income, 4.7%;

(ii) on any Montana taxable income in excess of ~~\$41,000~~ \$140,000 ~~\$95,000~~ or any part of that income, ~~5.9%~~ 5.65%;

(b) for every head of household:

(i) on the first ~~\$30,750~~ \$105,000 ~~\$71,250~~ of Montana taxable income or any part of that income, 4.7%;

(ii) on any Montana taxable income in excess of ~~\$30,750~~ \$105,000 ~~\$71,250~~ or any part of that income, ~~5.9%~~ 5.65%;

1 that is disallowed under subsection (3) by the total amount of earned income."

2

3 NEW SECTION. Section 4. Transition. The modified inflation factor provided for in 15-30-2103(3)

4 does not apply until tax year 2028.

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6 NEW SECTION. Section 5. Effective dates. (1) Except as provided in subsections (2) and (3), [this  
7 act] is effective on October 1, 2025.

8 (2) [~~Section SECTIONS 1 AND 3~~] is ARE effective January 1, 2026.

9 (3) [Section 2] is effective January 1, 2027.

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11 NEW SECTION. Section 6. Applicability. (1) [~~Section SECTIONS 1 AND 3~~] applies APPLY to the  
12 income tax year beginning January 1, 2026.

13 (2) [Section 2] applies to income tax years beginning after December 31, 2026.

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15 NEW SECTION. Section 7. Termination. (1) [Section 1] terminates December 31, 2026.

16 (2) [Section 2] terminates December 31, 2028.

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