

HOUSE BILL NO. 21

INTRODUCED BY L. BREWSTER

BY REQUEST OF THE LOCAL GOVERNMENT INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR WORKFORCE HOUSING TAX CREDITS;  
PROVIDING THAT THE CREDITS MAY BE TAKEN AGAINST THE INCOME TAX OR INSURANCE  
PREMIUM TAXES; AMENDING SECTION 15-30-2303, MCA; AND PROVIDING AN APPLICABILITY DATE  
AND A TERMINATION DATE."

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

NEW SECTION. **Section 1. Workforce housing tax credit.** (1) In tax years beginning on or after  
January 1, 2026, a taxpayer owning an interest in a qualified project that is issued an eligibility statement by the  
board of housing may claim a credit against the taxes imposed by Title 15, chapter 31, 33-2-705, 33-2-709, 50-  
3-109, and this chapter.

(2) The board of housing shall allocate workforce housing tax credits using the qualified allocation  
plan process. The board of housing shall issue eligibility statements for qualified projects on approval of a final  
cost certification. If the credit is claimed by a small business corporation as defined in 15-30-3301, a pass-  
through entity, or a partnership, the credit may be allocated to some or all shareholders, owners, members, or  
partners, regardless of whether the shareholder, owner, member, or partner is a partner for federal income tax  
purposes. The eligibility statement must specify the total amount of the credit that may be claimed in each year  
the qualified project is eligible to claim a credit.

(3) The credit may be claimed for each year of a 6-year period beginning with the tax year in which  
a qualified project is placed in service.

(4) The total amount of credits allocated by the board of housing to qualified projects for any  
allocation year may not exceed \$1.5 million plus the total amount of all unallocated credits from previous  
calendar years and the total amount of all previously allocated credits that have been revoked or otherwise  
recovered by the board of housing.

# Amendment - 1st Reading-white - Requested by: Terry Falk - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0021.001.003

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 6. Codification instruction.** (1) [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].

(2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 31, and the provisions of Title 15, chapter 31, apply to [section 2].

(3) [Section 3] is intended to be codified as an integral part of Title 33, chapter 2, part 7, and the provisions of Title 33, chapter 2, part 7, apply to [section 3].

(4) [Section 4] is intended to be codified as an integral part of Title 50, chapter 3, part 1, and the provisions of Title 50, chapter 3, part 1, apply to [section 4].

**NEW SECTION. Section 7. Applicability.** [This act] applies to tax years beginning after December 31, 2025.

**NEW SECTION. Section 8. Termination.** [This act] terminates June 30, 2028.

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