

SENATE BILL NO. 53

INTRODUCED BY G. HERTZ

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING TAX LAWS; REVISING INCOME TAX LAWS TO IMPLEMENT CHANGES FROM PRIOR INCOME TAX SIMPLIFICATION LEGISLATION; REVISING MARITAL FILING STATUS REFERENCES; PROVIDING FOR A DEADLINE EXTENSION WHEN A DEADLINE FALLS ON A RECOGNIZED FEDERAL FILING HOLIDAY; PROVIDING A REFERENCE TO THE INTERNAL REVENUE CODE FOR WHAT IS CONSIDERED A QUALIFIED WITHDRAWAL FROM AN EDUCATION SAVINGS ACCOUNT; REMOVING THE REQUIREMENT OF PROVIDING A CERTIFICATE FROM THE DEPARTMENT OF REVENUE TO THE CLERK OF THE COURT REGARDING THE ESTATE TAX IN A PROBATE PROCEEDING; AMENDING SECTIONS 15-30-2120, 15-30-2339, 15-30-2342, 15-30-2538, 15-62-103, 15-62-207, AND 53-25-117, MCA; REPEALING SECTION 72-3-1006, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 15-30-2120, MCA, is amended to read:

"15-30-2120. Adjustments to federal taxable income to determine Montana taxable income. (1)

The items in subsection (2) are added to and the items in subsection (3) are subtracted from federal taxable income to determine Montana taxable income.

(2) The following are added to federal taxable income:

(a) to the extent that it is not exempt from taxation by Montana under federal law, interest from obligations of a territory or another state or any political subdivision of a territory or another state and exempt-interest dividends attributable to that interest except to the extent already included in federal taxable income;

(b) that portion of a shareholder's income under subchapter S. of Chapter 1 of the Internal Revenue Code that has been reduced by any federal taxes paid by the subchapter S. corporation on the income;

Section 2. Section 15-30-2339, MCA, is amended to read:

"15-30-2339. Residential property tax credit for elderly -- filing date. (1) Except as provided in subsection (3), a claim for relief must be submitted at the same time the claimant's individual income tax return is due. For an individual not required to file a tax return, the claim must be submitted on or before April 15 of the year following the year for which relief is sought. If April 15 falls on a holiday that defers a filing date that is recognized by the internal revenue service and that is not observed in Montana, the claim may be made on the first business day after the holiday.

(2) A receipt showing property tax billed or a receipt showing gross rent paid, whichever is appropriate, must be filed with each claim. In addition, each claimant shall, at the request of the department, supply all additional information necessary to support a claim.

(3) The department may grant a reasonable extension for filing a claim whenever, in its judgment, good cause exists.

(4) In the event that an individual who would have a claim under 15-30-2337 through 15-30-2341 dies before filing the claim, the personal representative of the estate of the decedent may file the claim.

(5) The department or an individual may revise a return and make a claim under 15-30-2337 through 15-30-2341 within 3 years from the last day prescribed for filing a claim for relief."

Section 3. Section 15-30-2342, MCA, is amended to read:

"15-30-2342. Credit for preservation of historic buildings. (4) There is allowed as a credit against the taxes imposed by 15-30-2103 a percentage of the credit allowed for qualified rehabilitation expenditures with respect to any certified historic building located in Montana as provided in 15-31-151.

~~(2) The credit may not be allocated between spouses unless the property is used by a small business corporation or a partnership in which they are shareholders or partners."~~

Section 4. Section 15-30-2538, MCA, is amended to read:

"15-30-2538. Withholding required on mineral royalty payments. Except as provided in 15-30-2539, each remitter shall withhold from each royalty payment made to a royalty owner an amount equal to 6% 5.9% the highest marginal tax rate in effect under 15-30-2103 of the net amount payable to the royalty owner."

Amendment - 1st Reading-white - Requested by: Greg Hertz - (S) Taxation

- 2025

69th Legislature 2025

Drafter: Jaret Coles,

SB0053.001.001

1

2 **Section 6.** Section 15-62-207, MCA, is amended to read:

3 **"15-62-207. Deductions for contributions.** An individual who contributes to one or more accounts in
4 a tax year is entitled to reduce the individual's adjusted gross income, in accordance with 15-30-2120, ~~by the~~
5 ~~total amount of the contributions, but not more than \$3,000.~~ The contribution must be made to an account
6 owned by the contributor, the contributor's spouse, or the contributor's child or stepchild if the contributor's child
7 or stepchild is a Montana resident."

8

9 **Section 7.** Section 53-25-117, MCA, is amended to read:

10 **"53-25-117. Deductions for contributions.** An individual who contributes to one or more accounts
11 established pursuant to this chapter in a tax year is entitled to reduce the individual's Montana taxable income,
12 in accordance with 15-30-2120, ~~by the total amount of the contributions, but not more than \$3,000, if the~~
13 individual is:

- 14 (1) the designated beneficiary;
- 15 (2) the spouse of the designated beneficiary; or
- 16 (3) a parent, grandparent, sibling, or child related to the designated beneficiary by blood, marriage,
17 or legal adoption."

18

19 **NEW SECTION. Section 8. Repealer.** The following section of the Montana Code Annotated is
20 repealed:

21 72-3-1006. Certificate.

22

23 **NEW SECTION. Section 9. Effective date.** [This act] is effective on passage and approval.

24

25 **NEW SECTION. Section 10. Retroactive applicability.** [This act] applies retroactively, within the
26 meaning of 1-2-109, to tax years beginning after December 31, ~~2024~~ 2023.

27

- END -