HOUSE BILL 859

Introduced by Dowell, et al.

2/14	Introduced
2/14	Referred to Taxation
2/15	First Reading
2/15	Fiscal Note Requested
2/19	Fiscal Note Received
2/21	Fiscal Note Printed
3/15	Hearing
3/27	Tabled in Committee

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1	TICUSE BILL NO. 159
2	INTRODUCED BY WILL Hariahar france
3	I Melantly formation melallock son. XTVX
4	A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A CREVIT
5	AGAINST INDIVIDUAL INCOME TAX LIABILITY OF CERTIFIED
6	TEACHERS FOR DONATING THE USE OF COMPUTER EQUIPMENT IN
7	CLASSROOMS; REQUIRING THE BOARD OF TRUSTEES OF SCHOOL
8	DISTRICTS TO ADOPT POLICIES REGARDING THE PURCHASE,
9	DEVELOPMENT, USE, AND OPERATION OF COMPUTERS AND COMPUTER
10	SYSTEMS, INCLUDING SOFTWARE; PROVIDING A PROCESS FOR
11	CLAIMING THE CREDIT; AND PROVIDING AN IMMEDIATE EFFECTIVE
12	DATE AND A RETROACTIVE APPLICABILITY DATE."
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14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
15	NEW SECTION. Section 1. Trustees' policies for school
16	computers. The board of trustees of each school district
17	shall adopt policies necessary for standardizing and
18	regulating the purchase, development, use, and operation of
19	computers and computer systems, including software, in the
20	district. If there is more than one school within the
21	board's jurisdiction, the board may adopt a separate policy
22	for each school within its jurisdiction.
23	NEW SECTION. Section 2. Credit for computers dedicated
24	to classroom use. (1) Subject to the requirements of
25	subsection (2) there is a credit against the taxes

1	otherwise	due	under	this	chapter	allowable	to a teacher
2	certified	under	Title	20, ch	apter 4,	part 1, who	o was under
3	contract	as p	rovideo	in 2	0-4-201	for at least	t 3 months of
4	the taxab	le year	r in wh	nich th	e credit	is claimed.	

- 5 (2) The credit allowable under this section must be claimed in three equal parts over 3 consecutive taxable years and is limited in each of the 3 taxable years to the lesser of one-third of the value of the donation as stated under subsection (2)(b)(i), \$800, or 10% of the taxpayer's 10 net income for the dedicated use in a classroom of a 11 computer, software, or related equipment or 12 intended for use with the computer dedicated for use in the 13 elementary or secondary school located in Montana if:
 - (a) the property is not dedicated in exchange for money, other property, or services; and
 - (b) the teacher receives annually and furnishes to the department annually a written statement from the teacher's principal, supervising principal, or superintendent in which the principal or superintendent states:
- 20 (i) the value of the computer, software, or related 21 equipment;
- 22 (ii) that the computer, software, or related equipment 23 is or will be used primarily in the classroom during the 24 school day;
- 25 (iii) that the use and disposition of the property will

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- be in accordance with the provisions of the policies of the
- 2 board of trustees of the teacher's school district required
- 3 in [section 1]; and
- 4 (iv) that during the first taxable year in which the
- 5 credit is claimed the teacher has or had a teaching contract
- with the district and will be, is, or was serving as a
- classroom teacher for at least 3 months of the taxable year.
- 8 (3) The credit allowable under this section may be
- 9 claimed only once during any period of 5 consecutive taxable
- 10 years.

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- 11 (4) A teacher who teaches in a school that does not
- 12 have a principal, supervising principal, or superintendent
- 13 must obtain the statement required in (2)(b) from the
- 14 chairman of the board of trustees of the school in which the
- 15 teacher teaches.
- 16 NEW SECTION. Section 3. Codification instruction. (1)
- 17 [Section 1] is intended to be codified as an integral part
- 18 of Title 20, chapter 7, and the provisions of Title 20,
- 19 chapter 7, apply to [section 1].
- 20 (2) [Section 2] is intended to be codified as an
- 21 integral part of Title 15, chapter 30, part 1, and the
- 22 provisions of Title 15, chapter 30, part 1, apply to
- 23 [section 2].
- 24 NEW SECTION. Section 4. Effective date -- retroactive
- 25 applicability. (1) [This act] is effective on passage and

- 1 approval.
- 2 (2) The credit allowed under [section 2] against taxes
- due applies retroactively, within the meaning of 1-2-109, to
- 4 taxable years beginning on or after January 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0859, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act establishing a credit against individual income tax liability of certified teachers for donating the use of computer equipment in classrooms; requiring the Board of Trustees of school districts to adopt policies regarding the purchase, development, use, and operation of computers and computer systems, including software; providing a process for claiming the credit; and providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

- 1. There are 9500 teachers employed in Montana. Approximately 10% of the teachers would take advantage of this program in the first year, and an additional 5% in the second year (Office of Public Instruction).
- 2. The average tax credit would be approximately \$600 each year (Office of Public Instruction).
- 3. Individual income tax receipts are \$311,176,000 and \$327,201,000 in FY92 and FY93, respectively (OBPP).
- 4. Under current law all income tax receipts are deposited in the general fund in FY92 and FY93.

FISCAL IMPACT:

		FI 92				
Revenues: Individual Income Tax (01)	Current Law 311,176,000	Proposed Law 310,606,000	Difference (570,000)	Current Law 327,201,000	Proposed Law 326,346,000	Difference (855,000)
Impact to General Fund			(570,000)			(855,000)

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The loss in individual income tax revenue would be approximately \$855,000 a year if 5% of the teachers claimed the tax credit each year. From a school district perspective, the long-range impact would be to reduce expenditures for automation, while making teaching staff more efficient and effective.

ROD SUNDSTED, BUDGET DIRECTOR

Office of Budget and Program Planning

DATE

TIM DOWELL, PRIMARY SPONSOR

DATE

Fiscal Note for HB0859, as introduced

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