

HOUSE BILL NO. 949

INTRODUCED BY TUNBY
BY REQUEST OF THE DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES

IN THE HOUSE

FEBRUARY 19, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FEBRUARY 20, 1991 FIRST READING.

MARCH 28, 1991 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

APRIL 1, 1991 PRINTING REPORT.

APRIL 3, 1991 SECOND READING, DO PASS.

 ON MOTION, RULES SUSPENDED. BILL
 PLACED ON THIRD READING THIS DAY.

 THIRD READING, PASSED.
 AYES, 95; NOES, 5.

APRIL 4, 1991 ENGROSSING REPORT.

 TRANSMITTED TO SENATE.

IN THE SENATE

APRIL 4, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

 FIRST READING.

APRIL 9, 1991 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

APRIL 15, 1991 SECOND READING, CONCURRED IN.

APRIL 16, 1991 THIRD READING, CONCURRED IN.
AYES, 49; NOES, 0.

 RETURNED TO HOUSE.

IN THE HOUSE

APRIL 17, 1991 RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 949
 2 INTRODUCED BY Robert Farchy
 3 BY REQUEST OF THE DEPARTMENT OF
 4 SOCIAL AND REHABILITATION SERVICES

5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A STATE INCOME
 7 TAX DEDUCTION FOR THE COST OF PURCHASING LONG-TERM CARE
 8 INSURANCE; AMENDING SECTION 15-30-121, MCA; AND PROVIDING AN
 9 IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY
 10 DATE."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 15-30-121, MCA, is amended to read:

14 "15-30-121. Deductions allowed in computing net income.

15 In computing net income, there are allowed as deductions:

16 (1) the items referred to in sections 161 and 211 of
 17 the Internal Revenue Code of 1954, or as sections 161 and
 18 211 shall be labeled or amended, subject to the following
 19 exceptions which are not deductible:

- 20 (a) items provided for in 15-30-123;
- 21 (b) state income tax paid;
- 22 (2) federal income tax paid within the taxable year;
- 23 (3) expenses of household and dependent care services
- 24 as outlined in subsections (3)(a) through (3)(c) and subject
- 25 to the limitations and rules as set out in subsections

1 (3)(d) through (3)(f) as follows:

2 (a) expenses for household and dependent care services
 3 necessary for gainful employment incurred for:

4 (i) a dependent under 15 years of age for whom an
 5 exemption can be claimed;

6 (ii) a dependent as allowable under 15-30-112(5), except
 7 that the limitations for age and gross income do not apply,
 8 who is unable to care for himself because of physical or
 9 mental illness; and

10 (iii) a spouse who is unable to care for himself because
 11 of physical or mental illness;

12 (b) employment-related expenses incurred for the
 13 following services, but only if such expenses are incurred
 14 to enable the taxpayer to be gainfully employed:

15 (i) household services which are attributable to the
 16 care of the qualifying individual; and

17 (ii) care of an individual who qualifies under
 18 subsection (3)(a);

19 (c) expenses incurred in maintaining a household if
 20 over half of the cost of maintaining the household is
 21 furnished by an individual or, if the individual is married
 22 during the applicable period, is furnished by the individual
 23 and his spouse;

24 (d) the amounts deductible in subsection (3)(a) through
 25 (3)(c) are subject to the following limitations:



1 (i) a deduction is allowed under subsection (3)(a) for
2 employment-related expenses incurred during the year only to
3 the extent such expenses do not exceed \$4,800;

4 (ii) expenses for services in the household are
5 deductible under subsection (3)(a) for employment-related
6 expenses only if they are incurred for services in the
7 taxpayer's household, except that employment-related
8 expenses incurred for services outside the taxpayer's
9 household are deductible, but only if incurred for the care
10 of a qualifying individual described in subsection (3)(a)(i)
11 and only to the extent such expenses incurred during the
12 year do not exceed:

13 (A) \$2,400 in the case of one qualifying individual;
14 (B) \$3,600 in the case of two qualifying individuals;
15 and

16 (C) \$4,800 in the case of three or more qualifying
17 individuals;

18 (e) if the combined adjusted gross income of the
19 taxpayers exceeds \$18,000 for the taxable year during which
20 the expenses are incurred, the amount of the
21 employment-related expenses incurred must be reduced by
22 one-half of the excess of the combined adjusted gross income
23 over \$18,000;

24 (f) for purposes of this subsection (3):

25 (i) married couples shall file a joint return or file

1 separately on the same form;

2 (ii) if the taxpayer is married during any period of the
3 taxable year, employment-related expenses incurred are
4 deductible only if:

5 (A) both spouses are gainfully employed, in which case
6 the expenses are deductible only to the extent that they are
7 a direct result of the employment; or

8 (B) the spouse is a qualifying individual described in
9 subsection (3)(a)(iii);

10 (iii) an individual legally separated from his spouse
11 under a decree of divorce or of separate maintenance may not
12 be considered as married;

13 (iv) the deduction for employment-related expenses must
14 be divided equally between the spouses when filing
15 separately on the same form;

16 (v) payment made to a child of the taxpayer who is
17 under 19 years of age at the close of the taxable year and
18 payments made to an individual with respect to whom a
19 deduction is allowable under 15-30-112(5) are not deductible
20 as employment-related expenses;

21 (4) in the case of an individual, political
22 contributions determined in accordance with the provisions
23 of section 218(a) and (b) of the Internal Revenue Code that
24 were in effect for the taxable year ended December 31, 1978;

25 (5) that portion of expenses for organic fertilizer

1 allowed as a deduction under 15-32-303 which was not
2 otherwise deducted in computing taxable income; and

3 (6) contributions to the child abuse and neglect
4 prevention program provided for in 41-3-701, subject to the
5 conditions set forth in 15-30-156; and

6 (7) premium payments for long-term care insurance with
7 benefits that meet or exceed the minimum standards as
8 established by the state insurance commissioner."

9 NEW SECTION. Section 2. Effective date -- retroactive
10 applicability. [This act] is effective on passage and
11 approval and applies retroactively, within the meaning of
12 1-2-109, to taxable years beginning after December 31, 1990.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0949, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to allow a state income tax deduction for the cost of purchasing long-term care insurance; providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

1. Long-term care (LTC) policies are sold only to individuals between the ages of 50 and 79.
2. The annual cost of an average LTC plan per age group are as follows; A) 50-55 years, \$363; B) 55-64, \$535; C) 65-74, \$1,413; and D) 75-79, \$2,480.
3. Approximately 1% of all eligible persons have purchased a long-term care policy (Health Insurance Association of America, 1990).
4. Of all eligible taxpayers, approximately 0.5% in FY92 and 1.0% in FY93 will utilize the credit.
5. Utilization rates of long-term care policies are distributed evenly across age and income strata.
6. Per current law, 100% of income tax revenues are deposited in the general fund.

FISCAL IMPACT:

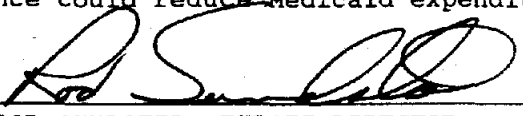
Expenditures:

Under the proposed legislation, there would be minimal expenditure impact to the department.

	<u>FY '92</u>			<u>FY '93</u>		
<u>Revenues:</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Individual Income Tax (01)	311,176,000	311,118,000	(58,000)	327,201,000	327,086,000	(115,000)
Impact to General Fund			(58,000)			(115,000)

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Widespread use of long-term care insurance has the potential to reduce state Medicaid expenditures. However, the income groups which are primarily responsible for the majority of Medicaid expenditures will probably not be able to afford the insurance. Hence, a national study conducted by the Brookings Institution concluded that widespread use of long-term care insurance could reduce Medicaid expenditures by no more than 5% by the year 2016.

 2-22-91
 ROD SUNDSTED, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

 ROLPH TUNBY, PRIMARY SPONSOR DATE

Fiscal Note for HB0949, as introduced

HB 949

APPROVED BY COMMITTEE
ON TAXATION

1 House BILL NO. 949
2 INTRODUCED BY Ralph Jacoby
3 BY REQUEST OF THE DEPARTMENT OF
4 SOCIAL AND REHABILITATION SERVICES

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A STATE INCOME
7 TAX DEDUCTION FOR THE COST OF PURCHASING LONG-TERM CARE
8 INSURANCE; AMENDING SECTION 15-30-121, MCA; AND PROVIDING AN
9 IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY
10 DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 15-30-121, MCA, is amended to read:

14 "15-30-121. Deductions allowed in computing net income.

15 In computing net income, there are allowed as deductions:

16 (1) the items referred to in sections 161 and 211 of
17 the Internal Revenue Code of 1954, or as sections 161 and
18 211 shall be labeled or amended, subject to the following
19 exceptions which are not deductible:

- 20 (a) items provided for in 15-30-123;
- 21 (b) state income tax paid;
- 22 (2) federal income tax paid within the taxable year;
- 23 (3) expenses of household and dependent care services
24 as outlined in subsections (3)(a) through (3)(c) and subject
25 to the limitations and rules as set out in subsections

1 (3)(d) through (3)(f) as follows:

2 (a) expenses for household and dependent care services
3 necessary for gainful employment incurred for:

4 (i) a dependent under 15 years of age for whom an
5 exemption can be claimed;

6 (ii) a dependent as allowable under 15-30-112(5), except
7 that the limitations for age and gross income do not apply,
8 who is unable to care for himself because of physical or
9 mental illness; and

10 (iii) a spouse who is unable to care for himself because
11 of physical or mental illness;

12 (b) employment-related expenses incurred for the
13 following services, but only if such expenses are incurred
14 to enable the taxpayer to be gainfully employed:

15 (i) household services which are attributable to the
16 care of the qualifying individual; and

17 (ii) care of an individual who qualifies under
18 subsection (3)(a);

19 (c) expenses incurred in maintaining a household if
20 over half of the cost of maintaining the household is
21 furnished by an individual or, if the individual is married
22 during the applicable period, is furnished by the individual
23 and his spouse;

24 (d) the amounts deductible in subsection (3)(a) through
25 (3)(c) are subject to the following limitations:



1 (i) a deduction is allowed under subsection (3)(a) for
 2 employment-related expenses incurred during the year only to
 3 the extent such expenses do not exceed \$4,800;

4 (ii) expenses for services in the household are
 5 deductible under subsection (3)(a) for employment-related
 6 expenses only if they are incurred for services in the
 7 taxpayer's household, except that employment-related
 8 expenses incurred for services outside the taxpayer's
 9 household are deductible, but only if incurred for the care
 10 of a qualifying individual described in subsection (3)(a)(i)
 11 and only to the extent such expenses incurred during the
 12 year do not exceed:

13 (A) \$2,400 in the case of one qualifying individual;

14 (B) \$3,600 in the case of two qualifying individuals;

15 and

16 (C) \$4,800 in the case of three or more qualifying
 17 individuals;

18 (e) if the combined adjusted gross income of the
 19 taxpayers exceeds \$18,000 for the taxable year during which
 20 the expenses are incurred, the amount of the
 21 employment-related expenses incurred must be reduced by
 22 one-half of the excess of the combined adjusted gross income
 23 over \$18,000;

24 (f) for purposes of this subsection (3):

25 (i) married couples shall file a joint return or file

1 separately on the same form;

2 (ii) if the taxpayer is married during any period of the
 3 taxable year, employment-related expenses incurred are
 4 deductible only if:

5 (A) both spouses are gainfully employed, in which case
 6 the expenses are deductible only to the extent that they are
 7 a direct result of the employment; or

8 (B) the spouse is a qualifying individual described in
 9 subsection (3)(a)(iii);

10 (iii) an individual legally separated from his spouse
 11 under a decree of divorce or of separate maintenance may not
 12 be considered as married;

13 (iv) the deduction for employment-related expenses must
 14 be divided equally between the spouses when filing
 15 separately on the same form;

16 (v) payment made to a child of the taxpayer who is
 17 under 19 years of age at the close of the taxable year and
 18 payments made to an individual with respect to whom a
 19 deduction is allowable under 15-30-112(5) are not deductible
 20 as employment-related expenses;

21 (4) in the case of an individual, political
 22 contributions determined in accordance with the provisions
 23 of section 218(a) and (b) of the Internal Revenue Code that
 24 were in effect for the taxable year ended December 31, 1978;

25 (5) that portion of expenses for organic fertilizer

1 allowed as a deduction under 15-32-303 which was not
2 otherwise deducted in computing taxable income; and

3 (6) contributions to the child abuse and neglect
4 prevention program provided for in 41-3-701, subject to the
5 conditions set forth in 15-30-156; and

6 (7) premium payments for long-term care insurance with
7 benefits that meet or exceed the minimum standards as
8 established by the state insurance commissioner."

9 NEW SECTION. Section 2. Effective date -- retroactive
10 applicability. [This act] is effective on passage and
11 approval and applies retroactively, within the meaning of
12 1-2-109, to taxable years beginning after December 31, 1990.

-End-

1 House BILL NO. 949
 2 INTRODUCED BY Ralph Steady
 3 BY REQUEST OF THE DEPARTMENT OF
 4 SOCIAL AND REHABILITATION SERVICES

5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A STATE INCOME
 7 TAX DEDUCTION FOR THE COST OF PURCHASING LONG-TERM CARE
 8 INSURANCE; AMENDING SECTION 15-30-121, MCA; AND PROVIDING AN
 9 IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY
 10 DATE."
 11

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

13 **Section 1.** Section 15-30-121, MCA, is amended to read:

14 "15-30-121. Deductions allowed in computing net income.

15 In computing net income, there are allowed as deductions:

16 (1) the items referred to in sections 161 and 211 of
 17 the Internal Revenue Code of 1954, or as sections 161 and
 18 211 shall be labeled or amended, subject to the following
 19 exceptions which are not deductible:

- 20 (a) items provided for in 15-30-123;
- 21 (b) state income tax paid;
- 22 (2) federal income tax paid within the taxable year;
- 23 (3) expenses of household and dependent care services
- 24 as outlined in subsections (3)(a) through (3)(c) and subject
- 25 to the limitations and rules as set out in subsections

- 1 (3)(d) through (3)(f) as follows:
- 2 (a) expenses for household and dependent care services
- 3 necessary for gainful employment incurred for:
- 4 (i) a dependent under 15 years of age for whom an
- 5 exemption can be claimed;
- 6 (ii) a dependent as allowable under 15-30-112(5), except
- 7 that the limitations for age and gross income do not apply,
- 8 who is unable to care for himself because of physical or
- 9 mental illness; and
- 10 (iii) a spouse who is unable to care for himself because
- 11 of physical or mental illness;
- 12 (b) employment-related expenses incurred for the
- 13 following services, but only if such expenses are incurred
- 14 to enable the taxpayer to be gainfully employed:
- 15 (i) household services which are attributable to the
- 16 care of the qualifying individual; and
- 17 (ii) care of an individual who qualifies under
- 18 subsection (3)(a);
- 19 (c) expenses incurred in maintaining a household if
- 20 over half of the cost of maintaining the household is
- 21 furnished by an individual or, if the individual is married
- 22 during the applicable period, is furnished by the individual
- 23 and his spouse;
- 24 (d) the amounts deductible in subsection (3)(a) through
- 25 (3)(c) are subject to the following limitations:



1 (i) a deduction is allowed under subsection (3)(a) for
2 employment-related expenses incurred during the year only to
3 the extent such expenses do not exceed \$4,800;

4 (ii) expenses for services in the household are
5 deductible under subsection (3)(a) for employment-related
6 expenses only if they are incurred for services in the
7 taxpayer's household, except that employment-related
8 expenses incurred for services outside the taxpayer's
9 household are deductible, but only if incurred for the care
10 of a qualifying individual described in subsection (3)(a)(i)
11 and only to the extent such expenses incurred during the
12 year do not exceed:

13 (A) \$2,400 in the case of one qualifying individual;

14 (B) \$3,600 in the case of two qualifying individuals;
15 and

16 (C) \$4,800 in the case of three or more qualifying
17 individuals;

18 (e) if the combined adjusted gross income of the
19 taxpayers exceeds \$18,000 for the taxable year during which
20 the expenses are incurred, the amount of the
21 employment-related expenses incurred must be reduced by
22 one-half of the excess of the combined adjusted gross income
23 over \$18,000;

24 (f) for purposes of this subsection (3):

25 (i) married couples shall file a joint return or file

1 separately on the same form;

2 (ii) if the taxpayer is married during any period of the
3 taxable year, employment-related expenses incurred are
4 deductible only if:

5 (A) both spouses are gainfully employed, in which case
6 the expenses are deductible only to the extent that they are
7 a direct result of the employment; or

8 (B) the spouse is a qualifying individual described in
9 subsection (3)(a)(iii);

10 (iii) an individual legally separated from his spouse
11 under a decree of divorce or of separate maintenance may not
12 be considered as married;

13 (iv) the deduction for employment-related expenses must
14 be divided equally between the spouses when filing
15 separately on the same form;

16 (v) payment made to a child of the taxpayer who is
17 under 19 years of age at the close of the taxable year and
18 payments made to an individual with respect to whom a
19 deduction is allowable under 15-30-112(5) are not deductible
20 as employment-related expenses;

21 (4) in the case of an individual, political
22 contributions determined in accordance with the provisions
23 of section 218(a) and (b) of the Internal Revenue Code that
24 were in effect for the taxable year ended December 31, 1978;

25 (5) that portion of expenses for organic fertilizer

1 allowed as a deduction under 15-32-303 which was not
2 otherwise deducted in computing taxable income; and

3 (6) contributions to the child abuse and neglect
4 prevention program provided for in 41-3-701, subject to the
5 conditions set forth in 15-30-156; and

6 (7) premium payments for long-term care insurance with
7 benefits that meet or exceed the minimum standards as
8 established by the state insurance commissioner."

9 NEW SECTION. Section 2. Effective date -- retroactive
10 applicability. [This act] is effective on passage and
11 approval and applies retroactively, within the meaning of
12 1-2-109, to taxable years beginning after December 31, 1990.

-End-

1 HOUSE BILL NO. 949
 2 INTRODUCED BY TUNBY
 3 BY REQUEST OF THE DEPARTMENT OF
 4 SOCIAL AND REHABILITATION SERVICES
 5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A STATE INCOME
 7 TAX DEDUCTION FOR THE COST OF PURCHASING LONG-TERM CARE
 8 INSURANCE; AMENDING SECTION 15-30-121, MCA; AND PROVIDING AN
 9 IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY
 10 DATE."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 15-30-121, MCA, is amended to read:
 14 "15-30-121. Deductions allowed in computing net income.
 15 In computing net income, there are allowed as deductions:
 16 (1) the items referred to in sections 161 and 211 of
 17 the Internal Revenue Code of 1954, or as sections 161 and
 18 211 shall be labeled or amended, subject to the following
 19 exceptions which are not deductible:
 20 (a) items provided for in 15-30-123;
 21 (b) state income tax paid;
 22 (2) federal income tax paid within the taxable year;
 23 (3) expenses of household and dependent care services
 24 as outlined in subsections (3)(a) through (3)(c) and subject
 25 to the limitations and rules as set out in subsections

1 (3)(d) through (3)(f) as follows:

2 (a) expenses for household and dependent care services
 3 necessary for gainful employment incurred for:
 4 (i) a dependent under 15 years of age for whom an
 5 exemption can be claimed;
 6 (ii) a dependent as allowable under 15-30-112(5), except
 7 that the limitations for age and gross income do not apply,
 8 who is unable to care for himself because of physical or
 9 mental illness; and
 10 (iii) a spouse who is unable to care for himself because
 11 of physical or mental illness;
 12 (b) employment-related expenses incurred for the
 13 following services, but only if such expenses are incurred
 14 to enable the taxpayer to be gainfully employed:
 15 (i) household services which are attributable to the
 16 care of the qualifying individual; and
 17 (ii) care of an individual who qualifies under
 18 subsection (3)(a);
 19 (c) expenses incurred in maintaining a household if
 20 over half of the cost of maintaining the household is
 21 furnished by an individual or, if the individual is married
 22 during the applicable period, is furnished by the individual
 23 and his spouse;
 24 (d) the amounts deductible in subsection (3)(a) through
 25 (3)(c) are subject to the following limitations:

1 (i) a deduction is allowed under subsection (3)(a) for
2 employment-related expenses incurred during the year only to
3 the extent such expenses do not exceed \$4,800;

4 (ii) expenses for services in the household are
5 deductible under subsection (3)(a) for employment-related
6 expenses only if they are incurred for services in the
7 taxpayer's household, except that employment-related
8 expenses incurred for services outside the taxpayer's
9 household are deductible, but only if incurred for the care
10 of a qualifying individual described in subsection (3)(a)(i)
11 and only to the extent such expenses incurred during the
12 year do not exceed:

13 (A) \$2,400 in the case of one qualifying individual;
14 (B) \$3,600 in the case of two qualifying individuals;
15 and

16 (C) \$4,800 in the case of three or more qualifying
17 individuals;

18 (e) if the combined adjusted gross income of the
19 taxpayers exceeds \$18,000 for the taxable year during which
20 the expenses are incurred, the amount of the
21 employment-related expenses incurred must be reduced by
22 one-half of the excess of the combined adjusted gross income
23 over \$18,000;

24 (f) for purposes of this subsection (3):

25 (i) married couples shall file a joint return or file

1 separately on the same form;

2 (ii) if the taxpayer is married during any period of the
3 taxable year, employment-related expenses incurred are
4 deductible only if:

5 (A) both spouses are gainfully employed, in which case
6 the expenses are deductible only to the extent that they are
7 a direct result of the employment; or

8 (B) the spouse is a qualifying individual described in
9 subsection (3)(a)(iii);

10 (iii) an individual legally separated from his spouse
11 under a decree of divorce or of separate maintenance may not
12 be considered as married;

13 (iv) the deduction for employment-related expenses must
14 be divided equally between the spouses when filing
15 separately on the same form;

16 (v) payment made to a child of the taxpayer who is
17 under 19 years of age at the close of the taxable year and
18 payments made to an individual with respect to whom a
19 deduction is allowable under 15-30-112(5) are not deductible
20 as employment-related expenses;

21 (4) in the case of an individual, political
22 contributions determined in accordance with the provisions
23 of section 218(a) and (b) of the Internal Revenue Code that
24 were in effect for the taxable year ended December 31, 1978;

25 (5) that portion of expenses for organic fertilizer

1 allowed as a deduction under 15-32-303 which was not
2 otherwise deducted in computing taxable income; and

3 (6) contributions to the child abuse and neglect
4 prevention program provided for in 41-3-701, subject to the
5 conditions set forth in 15-30-156; and

6 (7) premium payments for long-term care insurance with
7 benefits that meet or exceed the minimum standards as
8 established by the state insurance commissioner."

9 NEW SECTION. Section 2. Effective date -- retroactive
10 applicability. [This act] is effective on passage and
11 approval and applies retroactively, within the meaning of
12 1-2-109, to taxable years beginning after December 31, 1990.

-End-