

MINUTES OF THE MEETING OF THE HOUSE TAXATION COMMITTEE
January 20, 1983

The meeting was called to order by acting Chairman Neuman at 8:00 a.m. Roll call was taken and all members were present except Representative Underdal, who was excused.

Testimony was heard on HB 206, HB 227, and HB 242 during this meeting.

The hearings on HB 227 and HB 242 were held in the Scott Hart Building auditorium.

HOUSE BILL 242

REPRESENTATIVE JOE BRAND, District 28, chief sponsor of the bill, said the intent of HB 242 is threefold:

1. To raise the property tax rebate to \$400 from the current level of \$150.
2. To merge this increase with the current legislation which exempts social security as income.
3. To accept and merge this bill with the legislation recommendations coming from the Revenue Oversight Committee. The recommendations would eliminate the discriminatory aspects of our current tax rebate program which does not allow railroaders to participate in the program.

REPRESENTATIVE BRAND said the property tax rebate for homeowners and renters has the capability to financially assist the greatest number of Montana's elderly compared to any other program. With a few minor amendments, this program has the capability of assisting every middle and lower income older person in the state. He asked the committee to accept the following amendments:

1. A provision to change the language in lines 13 through 17 which implies that only one member of a family is eligible for the rebate.
2. The rebate program is not available to persons living in certain types of public housing according to the theory that no property tax is levied in certain types of public housing.

There were no other proponents nor were there any opponents testifying on HB 242.

REPRESENTATIVE ZABROCKI asked what age applies to the classification of "elderly". Representative Brand said the minimum age is 62.

REPRESENTATIVE ASAY asked if people without income can still file for this rebate. Ellen Feaver, Director of the Department of Revenue, said yes.

The hearing on HB 242 was closed.

HOUSE BILL 227

REPRESENTATIVE YARDLEY, District 74, sponsor of HB 227, said the bill will accomplish the following:

1. The inequitable treatment of railroad retirement benefits will be corrected.
2. All elderly persons will be able to subtract a "base level" of income, in the amount of \$4,000, from their household income.
3. Necessary technical changes are made to clarify the treatment of homesteads that are partially owned and partially rented and to disallow the credit for rented property not subject to tax.
4. The maximum benefit is raised to \$400 to insure adequate relief to those persons with the highest property taxes in comparison to their incomes.
5. The estimated cost of the bill, \$2.5 million, is within the amount provided in the executive budget for this program.

REPRESENTATIVE YARDLEY said the purpose of HB 227 is to provide tax benefits to those elderly people on fixed incomes. (See EXHIBIT 2.)

REPRESENTATIVE YARDLEY handed out copies of proposed amendments to HB 227. (See EXHIBIT 3.)

Proponents

ELLEN FEAVER, Director of the Department of Revenue, said the basis of HB 227 is to deal with property tax burdens of low income people. She said the elderly tax credit has worked well in the past.

DOUG CAMPBELL, Missoula County Assessor, said, because of what happened in the last legislature, many property tax bills have gone up considerably. He urged passage of HB 227.

STACY FLAHERTY, representing the Women's Lobbyist Fund, testified in favor of HB 227. (See EXHIBIT 4.)

ED SHEEHY, representing the Montana Association of Retired Federal Employees, said the association is very satisfied with HB 227 as addressing all senior citizens in Montana.

REPRESENTATIVE ASAY said he has received many phone calls from his constituents in support of the passage of HB 227.

There were no opponents testifying on HB 227.

In closing, Representative Yardley said the two major points of HB 227 are the correction of inequalities of the existing law and the increase from \$150 maximum tax credit to \$400. He urged the passage of HB 227.

REPRESENTATIVE NORDTVEDT asked if HB 227 could yield credits in excess of the property tax paid. Ms. Feaver said the credits can never exceed the amount of property tax paid.

REPRESENTATIVE DEVLIN asked if the \$2.5 million included administrative costs. Ms. Feaver said the impact will be less than \$2.5 million and the department has not been appropriated additional money to administer this program.

REPRESENTATIVE DEVLIN asked if the Department of Revenue provides the training, at the senior citizen centers, on filling out these forms. Ms. Feaver said yes, the department provides that service yearly.

REPRESENTATIVE REAM said HB 227 will have to be corrected on page 5, line 11. It should read (5) instead of (4).

The hearing was closed on HB 227.

The committee members went back to the Capitol Building, Room 224K, for the hearing on HB 206.

REPRESENTATIVE YARDLEY took over as chairman.

HOUSE BILL 206

REPRESENTATIVE RAMIREZ, sponsor of the bill, said HB 206 was introduced at the request of the county treasurers. He said the bill affects larger counties more than smaller counties.

At the tax sales, the county treasurer has to take the list

of properties to be sold because of delinquent taxes and verbally read the list off on the day of the sale. The county treasurers suggested the list be printed and made available to the public on the day of the tax sale and the public can then tell the county treasurer which property they are interested in.

Proponents

CHARLES GRAVELEY, representing the county treasurers, said they have no problem with the bill. House Bill 206 will eliminate the requirement that the county treasurer read that list. He urged a do pass.

There were no opponents testifying on HB 206.

REPRESENTATIVE WILLIAMS asked if a person who has submitted a bid on a property could submit a second, higher bid. Mr. Graveley said the sale starts, the property listed is sold, and once all the property has been sold, the sale is over.

REPRESENTATIVE RAMIREZ disagreed and said the sale stays open until 3:00 and a person has all day to submit a bid. He said he reads the bill as saying any bid can be made on any property between 10:00 a.m. and 3:00 p.m. on the day of the sale. The highest bid gets the property.

MR. GRAVELEY suggested getting language for this bill that will eliminate different interpretations. Chairman Yardley said he would not open the hearing on HB 206 again but the committee will accept amendments on HB 206 after Mr. Graveley and Representative Ramirez come to an agreement.

REPRESENTATIVE RAMIREZ informed the committee he would meet with Mr. Graveley and come up with some amendments.

The hearing on HB 206 was closed.

The hearings on HB 227 and HB 242 were reopened to allow testimony from a group of senior citizens who came to testify on the bills.

Vice-Chairman Neuman became acting chairman at this time.

HOUSE BILL 227

REPRESENTATIVE YARDLEY, sponsor of HB 227, went over his testimony given earlier.

Proponents

TOM RYAN, representing the Montana Senior Citizens Association,

testified in favor of HB 227. (See EXHIBIT 5.) Mr. Ryan asked that this same tax credit be extended to the handicapped.

MR. RYAN passed out copies of testimony from Jim Murry, AFL-CIO, who was unable to attend the hearing. (See EXHIBIT 6.)

ROBERT VANDERVERE, a concerned citizen lobbyist, said HB 227 is a good bill and should be passed.

BOB HIRST, Montana Senior Citizens Association, said the handicapped should be extended this rebate regardless of their age. He also said he had a concern with the definition of "elderly". He asked if that meant 62 years of age.

CHAIRMAN NEUMAN read Section 15-30-172, MCA, to the committee members and witnesses and said the statute defines eligibility to make a claim as 62 years of age or older during the claim period.

SAM RYAN, Montana Senior Citizens Association, testified in favor of HB 227.

JIM MULAR, representing the Railroad Brotherhoods, said they support HB 227 and asked for a do pass.

TOM BROPHY, representing himself in connection with the Montana Senior Citizens Association, testified in favor of HB 227. He said people who rent out portions of their dwelling should not be unable to qualify for this tax rebate.

NANCY HARTE, representing the Montana Democratic Party, submitted written testimony in support of HB 227. (See EXHIBIT 7.)

FLORENCE LEFLER, from Livingston, said she supports HB 227.

WADE WILKINSON, representing Low Income Senior Citizens Advocates, said they are in support of HB 227.

CHARLES BRIGGS, the Governor's Aging Coordinator, said HB 227 would join the ranks of progressive social legislation relating to senior citizens to allow senior citizens to keep active, independent, and within their communities.

There were no opponents testifying on HB 227.

REPRESENTATIVE KEENAN asked for information as to what the fiscal impact would be if the rebate were made available to the handicapped.

The hearing on HB 227 was closed.

HOUSE BILL 242

CHAIRMAN NEUMAN said Representative Brand, sponsor of HB 242, had given testimony on his bill during the first hearing. He said Representative Brand was unable to leave his committee meeting to represent his testimony but anyone who wanted to testify on HB 242 was more than welcome to do so.

Proponents


RENE BURK, who works with the Montana Senior Citizens Association, said the main thrust of HB 242 is to increase the rebate.

There were no opponents testifying on HB 242.

The hearing on HB 242 was closed.

Copies of information submitted by Representative Waldron, sponsor of HB 160, was distributed to committee members. (See EXHIBIT 8.)

The meeting was adjourned at 10:00 a.m.


DAN YARDLEY, Chairman


TED NEUMAN, Vice-Chairman


Vicki Lofthouse, Secretary

THE INTENT OF MY BILL WAS THREEFOLD:

1) TO RAISE THE PROPERTY TAX REBATE TO 400 FROM THE
CURRENT LEVEL OF 150;

2) TO MERGE THIS INCREASE WITH THE CURRENT LEGISLATION
WHICH EXEMPTS SOCIAL SECURITY AS INCOME;

3) TO ACCEPT AND MERGE THIS BILL WITH THE LEGISLATION RECOMMENDATIONS COMING FROM THE REVENUE OVERSIGHT COMMITTEE. THE RECOMMENDATIONS WOULD ELIMINATE THE DISCRIMINATORY ASPECTS OF OUR CURRENT TAX REBATE PROGRAM WHICH DOES NOT ALLOW RAILROADERS TO PARTICIPATE IN THE PROGRAM.

THE IMPORTANCE OF A BILL WHICH INCREASES THE TAX REBATE AND ELIMINATES THE DISCRIMINATORY ASPECTS OF THE CURRENT PROGRAM CANNOT
OVERSTATED.

THE PROPERTY TAX REBATE FOR HOMEOWNERS AND RENTERS HAS THE CAPABILITY TO FINANCIALLY ASSIST THE GREATEST NUMBER OF MONTANA'S ELDERLY COMPARED TO ANY OTHER PROGRAM. WITH A FEW MINOR AMENDMENTS, THIS PROGRAM HAS THE CAPABILITY OF ASSISTING EVERY MIDDLE AND LOWER INCOME OLDER PERSON IN THE STATE. THE REBATE SYSTEM IS HIGHLY VISIBLE AND WIDELY ACCEPTED. THE SENIOR CENTERS AROUND THE STATE HAVE ALL BECOME ACCUSTOMED TO HELPING FILL OUT THE TAX REBATE FORMS.

THE INCREASED APPROPRIATION CAN BE JUSTIFIED FOR A NUMBER
OF REASONS:

1) MONTANA'S ELDERLY ARE BASICALLY AGRARIAN IN BACKGROUND. THEREFORE AVAILABILITY OF SECOND PENSIONS TO SUPPLEMENT SOCIAL SECURITY ARE RARE AS COMPARED TO A MORE INDUSTRIALIZED STATE;

2) THE AVERAGE SOCIAL SECURITY PAYMENT IS APPROXIMATELY \$60 PER MONTH, HARDLY SUFFICIENT FOR A QUALITY LIFE;

3) ABOUT 40% OF MONTANA'S ELDERLY ARE AT OR NEAR THE POVERTY LEVEL;

4) PROPERTY TAXES ARE PERCEIVED AS AN OVERHANGING THREAT AND OFTEN CITED AS THE REASON FOR AN OLDER PERSON GIVING UP THEIR HOME;

5) RENTERS ARE INDEED IN A SIMILAR PREDICAMENT TO HOME-OWNERS. THEY HAVE NO HEDGE AGAINST INFLATION AND FREQUENTLY SPEND OVER 50% OF THEIR INCOME ON RENT.

WHILE MY PROPOSAL IS FINANCIALLY MORE LUCRATIVE TO MONTANA'S SENIOR CITIZENS COMPARED TO THE GOVERNOR'S BILL, IN THE NAME OF UNITY I WILL REMOVE MY BILL FROM CONSIDERATION AND SUPPORT THE GOVERNOR'S BILL.

I WOULD HOWEVER URGE THE COMMITTEE TO ACCEPT THE FOLLOWING AMENDMENTS:

1) A PROVISION TO CHANGE THE LANGUAGE IN LINES 13 THROUGH 7 WHICH IMPLIES THAT ONLY ONE MEMBER OF A FAMILY IS ELIGIBLE FOR THE REBATE.

I WOULD OFFER A SUBSTITUTE AMENDMENT WHICH GAVE A MARRIED COUPLE A \$5,500 INCOME EXEMPTION AND MADE THEM ELIGIBLE ACCORDING TO THE SAME TABLE.

2) THE REBATE PROGRAM IS NOT AVAILABLE TO PERSONS LIVING IN CERTAIN TYPES OF PUBLIC HOUSING ACCORDING TO THE THEORY THAT NO PROPERTY TAX IS LEVIED IN CERTAIN TYPES OF PUBLIC HOUSING. I WOULD SUGGEST THE COMMITTEE GIVE SERIOUS THOUGHT TO AMENDING THIS PROVISION. I WOULD ASK THE LEGISLATIVE COUNCIL TO STUDY THIS PROVISION. PERSONS RENTING IN PUBLIC HOUSING UNITS HAVE INCOME WELL BELOW THE POVERTY LINE AND COULD BENEFIT FROM THIS PROGRAM.

THANK YOU FOR YOUR TIME.

COMMENTS ON HB 227 REVISING THE ELDERLY HOMEOWNER AND RENTER CREDIT
AND INCREASING THE MAXIMUM AMOUNT OF THE CREDIT TO \$400.

HB 227 will achieve several desirable results:

1. The inequitable treatment of railroad retirement benefits will be corrected.
2. All elderly persons will be able to subtract a "base level" of income, in the amount of \$4,000, from their household income.
3. Necessary technical changes are made to clarify the treatment of homesteads that are partially owned and partially rented and to disallow the credit for rented property not subject to tax.
4. The maximum benefit is raised to \$400 to insure adequate relief to those persons with the highest property taxes in comparison to their incomes.
5. The estimated cost of the bill, \$2.5 million, is within the amount provided in the executive budget for this program.

The current law does not allow exclusion of railroad retirement benefits even though part of those benefits are comparable to social security. Social security is excluded from household income in the current law, but railroad retirement benefits are included in household income. Consequently, about 8,600 railroad retirees are denied an equal share of the benefits under the program.

HB 227 will eliminate this inequity by treating those who receive social security and railroad retirement benefits in the same way. All income will be totaled to arrive at gross household income. Every elderly person will then be allowed to subtract \$4,000 to arrive at household income, which is the amount used to determine the tax relief under the bill. Essentially all income of all elderly persons will be treated the same.

A "base level" income amount of \$4,000 is preferable to a higher amount, because a higher amount would essentially result in most persons receiving almost identical tax relief. The purpose of the program, which is to give more relief to those in greater need, would be defeated by subtracting a higher figure from gross household income.

The current law is silent on how to treat homesteads that are a combination of rented and owned property. A common example of such homesteads are mobile homes on rented lots. The bill provides that the taxes paid on the owned portion will be added to the "rent-equivalent tax paid" on the rented portion to arrive at the tax burden used to determine the tax relief to be received. The current law is also not clear on the treatment of rented property on which no taxes are paid. The bill would exclude such property from relief under this program just as owned property on which no taxes are paid are excluded from relief.

The maximum benefit is raised to \$400. This change is necessary to achieve the primary purpose of the program which is to give property tax relief to those persons whose residential taxes are highest in comparison to their income. A \$150 limit is too low to guarantee adequate benefits to those in greatest need of tax relief.

The estimated cost of this bill is \$2.5 million annually. The executive budget, in projecting revenues, has allowed slightly more than this amount for the cost of a revised elderly credit program. Adopting this bill will not interfere with the revenue projections for the 1985 biennium.

Page 4, line 13.

Strike: ":"

Page 4, line 14.

Strike: "(a) the amount"

Insert: "the sum"

Page 4, line 15 through 17

Following: "homestead"

Strike: line 15 through "(b)" on line 17

Insert: "and"

SubSection (3) would read

(3) In the case of a claimant who both owns and rents the homestead for which a claim is made, the credit is the sum of property tax paid on the owned portion of the homestead and the amount of rent-equivalent tax paid on the rented portion of the homestead less the deduction specified in subsection (4).

TESTIMONY OF STACY A. FLAHERTY, WOMEN'S LOBBYIST FUND, ON JANUARY 20, 1983,
BEFORE THE HOUSE TAXATION COMMITTEE REGARDING HB 227.

According to the 1980 Census, women 65 and older are not only the fastest growing segment of our population, but also the poorest segment in American society. In Montana, women constitute 56% of the elderly citizens over 65.

One of the concerns of the elderly is the threat of being displaced from their homes, particularly in difficult economic times. For many women this uncertainty is accentuated by the reduction of minimum social security benefits. HB 227 would alleviate this fear by increasing the property tax credit from \$150 to \$400, therefore, increasing the amount of money returned to elderly property owners and enabling the elderly to hold onto their property.

The Women's Lobbyist Fund believes HB 227 fairly addresses the issue of property tax credit for the elderly. We urge the committee to pass House Bill 227.

1/20/83

Montana Senior Citizens Assn., Inc.

WITH AFFILIATED CHAPTERS THROUGHOUT THE STATE

P.O. BOX 423 - HELENA, MONTANA 59624

2



(406) 443-5341

20 January 1983

TESTIMONY OF MR. TOM RYAN, MONTANA SENIOR CITIZENS ASSN., ON HB 227

Mr. Chairman and Members of the Committee,

My name is Tom Ryan and I am a representative of the Montana Senior Citizens Association.

I know that I am not telling anyone anything new when I say that the times in which we live have been difficult on many of our state's people. Few have escaped the unemployment, recession and, in some areas of Montana, depression which we have faced during the last two years. This makes it particularly difficult for one group to ask for help in their needs, when so many are needy.

Still, the situation for some of Montana's senior citizens is critical.

Unlike those who hope for a job if and when the economy improves, senior citizens must place their hopes in their pensions, savings and the programs of the state and federal governments to cover their expenses for the rest of their lives.

This week's announcement that Social Security benefits will probably not be increased on schedule this year and may, in some cases, be taxed for the first time in history, gives seniors all the more reason to place their hopes in the state government. This bill is an excellent opportunity for Montana lawmakers to address those hopes.

Finally, I would also point out a subtle but important aspect of this bill. Some people might look at the expansion of the maximum benefit and conclude that the effect of the bill is merely to increase revenue outlays. On the whole, the Montana Senior Citizens Association views this bill as a moderation of the legislation passed two years ago. In the original legislation, all Social Security benefits were excluded. In the case of those receiving maximum Social Security benefits, this meant an exclusion of around \$7,500 for an individual and over \$11,000 for a couple. While the proposed legislation extends an exemption to all applicants in determining eligibility, it reduces the allowable exemption for those in the upper benefit levels of Social Security. Beyond a doubt, the effect of this bill is to moderate and equitize the Homeowners/Renters Credit rather than just expand it.

The Montana Senior Citizens Association does not believe that the changes proposed in this bill will be a cure for all of the difficulties faced by our state's elderly, but it does believe that the value of this program in the past has been great, and that the extension of the benefits of the credit to more of Montana's elderly, as proposed in HB 227, is necessary and certainly justified.

We would hope and ask that this bill be given committee consideration and committee approval today.

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We would hope and ask that this bill be given committee consideration and committee approval today.



Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

The Honorable Dan Yardley, Chairman
House Taxation Committee

Dear Representative Yardley and Taxation Committee Members,

The Montana State AFL-CIO supports House Bill 227. I am sorry that other commitments keep me from testifying in person in favor of this bill to give a tax break to senior citizens.

The Montana State AFL-CIO has always been in support of good treatment of Montana's senior citizens. With luck, all of us will become senior citizens some day.

With hard economic times upon us, it is not unusual that the elderly suffer most. This bill will provide some relief to Montana seniors, who are often on fixed incomes and are hardest hit by rising prices and increasing taxes.

We realize that taxes are necessary and that they fund essential services. What the labor movement protests is the move to shift the tax burden from the people who are more able to pay, to those who are less able to pay. As tax breaks for the wealthy have been enacted at the national level, state and local governments have been forced to increase taxes to maintain some of the services no longer funded by the federal government. When the state does not provide for the needs of cities, towns and counties, then local taxes are forced higher even when state taxes are held steady or in some cases, reduced.

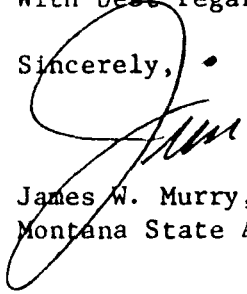
We must once again move toward equitable taxation by charging more to those who can afford to pay more, and less from those who can afford to pay less. That is why we oppose the sales tax. And that is why we favor a break for senior citizens for property taxes. It is time that this state and nation begin to move toward tax fairness, which will provide essential services in the fairest manner.

We urge your committee to give a "do pass" recommendation to House Bill 227.

Thank you.

With best regards, I am

Sincerely,


James W. Murry, Executive Secretary
Montana State AFL-CIO



January 20, 1983

TESTIMONY PRESENTED TO THE HOUSE TAXATION COMMITTEE IN SUPPORT OF HOUSE BILL 227, TO REVISE THE DEFINITION OF INCOME FOR COMPUTING PROPERTY TAX CREDIT FOR THE ELDERLY; INCREASE THE MAXIMUM ALLOWABLE CREDIT FROM \$150 to \$400; etc.

Mr. Chairman and members of the committee, for the record my name is Nancy Harte, representing the Montana Democratic Party.

The Democratic Party supports this bill to help Montana's senior citizens.

In a poll of Montana Democrats last summer, economic issues headed the list as the most important problems facing Montanans. And 73% of those polled felt Montana's economy was doing badly. The significant point to those poll results was that of those responding, almost half were 60 years old or older.

Senior citizens often face the most difficult times of their lives. Just when they should be able to enjoy the fruits of their years of labor, they instead must often come to grips with the prospect of living their retirement years in poverty. And to top it all off, seniors now face the possibility that the social security funds they have depended on are running out.

Montana Democratic Central Committee • Steamboat Block, Room 303 • P.O. Box 802 • Helena, MT 59624 • (406) 442-9520

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House Bill 227 will give senior citizens a financial boost when they need it most. The \$150 tax credit provided previously helped many of Montana's seniors. The \$400 tax credit allowed in House Bill 227, while still just a drop in the bucket, will go far in assuring Montana's senior citizens that they are not forgotten.

Federal cutbacks in vital social programs, an unstable social security program and taxes on social security payments are what seniors are hearing from the federal administration. Senior citizens may be feeling deserted on the federal level. Let's not desert them in Montana.



The Big Sky Country

MONTANA STATE HOUSE OF REPRESENTATIVES

REPRESENTATIVE STEVE WALDRON
District 10

MEMBER

HOUSE GOVERNMENT COMMITTEE
HOUSE APPROPRIATIONS COMMITTEE
HOUSE COMMITTEE ON Institutions

HOME ADDRESS

PO BOX 100
MONTANA 59701-0100
PHONE 406/328-1111

January 18, 1983

To: Members of House Taxation

From: Representative Steve Waldron
Vice Chairman of House Appropriations

SW

Just a note on HB160 which uncouples Montana's depreciation allowance from the federal accelerated allowance. Ellen Feaver's estimates differ from the estimates that were available to me at the time I made the presentation. Both of us agree that it is very difficult to estimate the fiscal impact. No matter which estimates are used (Citizens for Tax Justice or the Department of Revenue), the fiscal impact will be significant.

I neglected to make one very important point during the hearing. Most of the corporate tax breaks under the manner in which the Montana allowance is coupled to the federal law will not go to Montana corporations. Most of that depreciation tax break will go to multi-state and multinational corporations operating in Montana.

Also, an easier way to administer the proposal might be to take a percentage of the federal allowance as some other states have done.

I hope this adds some clarity to the issue.

CC: Ellen Feaver
SW/lt

ELDERLY HOMEOWNER OR RENTER CREDIT

File on or before April 15, 1983 or with your Form 2

Your First Name & Middle Initial	LAST NAME	Your Social Security No.	
Spouse's First Name & Initial		Spouse's Social Security No.	
If married ENTER			
Number and Street or Rural Route	City, Town or Post Office	State	Zip Code

IMPORTANT: If you file a Montana Income tax return, attach this form to the return. If you do not file, mail this form to Income Tax Division, P.O. Box 5805, Montana Department of Revenue, Helena, MT 59604.

PART I

YES

NO

IF THE ANSWER TO ANY OF THESE QUESTIONS IS **NO**, YOU CANNOT TAKE THE CREDIT. DO NOT FILE THIS SCHEDULE.

Were you age 62 or older as of December 31, 1982?

Did you reside in this state for 9 months or more during 1982?

Did you occupy this residence as an owner or renter for at least 6 months during 1982?

Was this residence subject to property tax?

PART II — List Your Household Income (See Instructions)

1. Enter total income received from wages, fees, bonuses, capital gains at 100%, ordinary income, dividends and interest 1. _____
2. Enter total income for business, partnerships, rent, royalties, etc. (do not include any losses) 2. _____
3. Enter all pensions and annuities, including Railroad Retirement, PERS, Veteran's Disability, Social Security, etc. 3. _____
4. Enter any payments and interest on Federal, State, County and Municipal Bonds 4. _____
5. Enter alimony, public assistance, unemployment, tax refunds, and all other income not listed above 5. _____
6. Total — All income (Add lines 1 - 5) 6. _____
7. Subtract: Social Security received 7. _____
8. _____
9. Total: Exclusion (Add lines 7 - 8) 9. (_____)
10. Total Household Income (Subtract Line 9 from line 6) 10. _____

PLEASE FOLLOW INSTRUCTIONS ON THE BACK WHEN COMPLETING THIS FORM**HOMEOWNER — Complete line 11 (Renters — Use line 12)**

11. Property tax paid on residence and land in 1982, (not to exceed 1 acre, and do not include special assessments or fees in Total.) (See Instructions) 11. _____

RENTER — complete form on Reverse Side

12. Rent paid on resident in 1982 12. _____
13. Rent Equivalent — Multiply line 12 by 15% (.15) 13. _____
14. Total of allowable Property Tax and/or allowable rents paid — line 11 and/or line 13 14. _____

PERCENT OF HOUSEHOLD INCOME COMPUTATION

15. Total Household Income from line 10 15. _____
16. Enter Multiplier Figure from Tax table on reverse side 16. _____
17. Net allowable household income — multiply line 15 by line 16 17. _____
18. Subtract line 17 from line 14 (if this is zero or less, you cannot take the credit; do not file this schedule) 18. _____
19. Enter the amount from line 18 or \$150 whichever is smaller (the maximum refund is \$150.) 19. _____

If you file a Montana State Tax Form 2, enter amount from line 19 on line 62, page 2.

If you are not required to file Form 2, mail this claim form to the address stated above to receive your refund.

REFUNDS WILL BE ISSUED THROUGH THE INCOME TAX DIVISION

I declare under penalty of false swearing that the information in this return and attachment is true, correct and complete.

Telephone Number

Your signature and date

Spouse's signature and date

DO NOT USE THIS SPACE

1. Answer all questions. If the answer to any question is no, you are **not** eligible for the credit.

2. **Household Income** means all income received by individuals of a household while they are members of the household except payments received under Federal Social Security.

3. Your household income should include, but is not limited to:

- a. Wages, Fees, Bonuses, Commissions, Dividends, and interest. Capital gains must be included at 100%. Dividend and Interest Income should be the total amount, including the Federal Exclusion.
- b. Business, Partnerships, Rent, Royalties, Small Business Corporations and the full amount of Estates and Trusts.
- c. The Gross amount of all Pensions or annuities received.
- d. Payments and Interest on Federal, State, County Municipal Bonds.

e. Alimony, Support Money, Public Assistance, Strike Benefits, Unemployment, State or Federal Tax Refunds.

f. Subtract: Social Security Received in 1982.

4. **Homeowners:** Enter on line 11 the amount of allowable taxes paid in 1982 on your residence and surrounding land, not in excess of 1 acre. Do not include Special Assessments, penalties or interest. **To figure allowable tax on residence:** Take the total amount of property tax paid and subtract penalties, interest and any of the following special assessments; Transit Fees, City Assessments, Sprinkling, Sanitation, Maintenance Fees, Garbage, Refuse, Land Fill, Storm Sewer, Paving, Lighting, Irrigation, Water System, Sweeping, T.V. District, Predator or Mosquito Control, Livestock, Rural Fire, and any Special Improvement District (S.I.D.) charges. Place this figure on Line 11.

A Copy of Paid Property Tax Receipt Must be Attached

To figure allowable tax on residences over 1 acre: Divide the total land tax by total acres taxed. This is the tax for one acre. From your County Assessor, obtain the Fair Market Value (FMV) of the residence. Multiply this by 8.55% which is the taxable FMV. Take the FMV times the School District Levy. This is the tax on the residence. Add the land tax and residence tax and place figure on Line 11.

A Copy of Paid Property Tax Receipt Must be Attached

Skip Lines 12 and 13, go to Line 14.

5. **Renters:** Enter on line 12 the amount of rent paid. Multiply this amount by 15%. (.15). Enter the result on line 13 and 14. A copy of a receipt showing gross rent paid must be attached.

6. **Homeowners and Renters:** Enter the amount from line 10 on line 15. Enter on line 16 the decimal figure from the Household Income Reduction Table for the income reported on line 15. Multiply line 15 by line 16 and enter result on line 17. Subtract line 17 from line 14 and enter result on line 18 (not less than zero). Enter on line 19 the amount from line 18 or \$150, whichever is smaller. This is the amount of your credit.

If you are required to file a Montana individual income tax return Form 2, enter this amount on line 62, page 2. If you are not required to file Form 2, mail this claim to Income Tax Division, P.O. Box 5805, Montana Department of Revenue, Helena, MT 59604.

The 1981 Montana legislature passed an act to provide property tax relief to persons 62 years old or over. A credit for a portion of the property taxes or rent paid may be allowable against your state income tax liability or as a direct refund if you are not required to file a Montana State return.

Please read the instructions and complete the form to see if you qualify for the credit.

Additional help is available by calling 1-800-332-6103 toll free January 1st-April 15th or 406-449-2837 after April 15th.

HOUSEHOLD INCOME REDUCTION TABLE

If your HOUSEHOLD INCOME on line 10 is:		Your Multiplier for line 16 is:
at least	but not more than	
\$ 0	\$ 1,999	0
2,000	2,999	.006
3,000	3,999	.016
4,000	4,999	.024
5,000	5,999	.028
6,000	6,999	.032
7,000	7,999	.035
8,000	8,999	.039
9,000	9,999	.042
10,000	10,999	.045
11,000	11,999	.048
12,000 & over		.050

RENTER
COMPLETE LINES A THROUGH G.

- A. Is your Rental Property subject to Property Tax? ☐ yes ☐ no
Check with your landlord. If your answer is no you are not eligible for the credit.
- B. Name of Landlord _____
- C. Address of Landlord _____
- D. Is your Landlord a Relative?
☐ Yes: Relationship _____
☐ No
- E. Telephone number of Landlord _____
- F. How many months did you rent in 1982? _____
- G. Enter here and on line 12 the total amount of rent paid in 1982.

\$

WITNESS STATEMENT

NAME Nancy J. Harte BILL No. 227
ADDRESS P.O. Box 802, Helena DATE 1-20-83
WHOM DO YOU REPRESENT Mont. Democratic Party
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

WITNESS STATEMENT

NAME M. G. Shaughnessy BILL No. 227
ADDRESS 2009 Aberdeen St DATE 1/20/83
WHOM DO YOU REPRESENT _____
SUPPORT ✓ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

M. S. C. A. Butte Mont.

VISITOR'S REGISTER

HOUSE

Tayata

COMMITTEE

BILL

227

DATE

SPONSOR

Yardley

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Thomas Murphy	241 So. Argonne Butte	Senior Citizens		
Ellen Feiber	Helena	Gov. Governor Schunk	✓	
Charles Guss	Helena	Flying Coordinator	✓	
WADE WILKINSON	HELENA	DISCA	✓	
Joan Mason	Livingston	S.C.		
Ernest P. P. P.	Butte			
Violet Brown	Butte			
Florence Loeffler	Livingston	M.S.C.A.		
M. Collins	Helena			
Bertha Rauls	Helena	M.S.C.A.		
Marquette Mason	Livingston	S.C.		
Alma Terhion	Livingston	M.S.C.A.		
Carl Lusk	Livingston			
Edith H. H.	Helena	M.S.C.A.		
Fred J. Balkovec	Butte M	M.S.C.A.		
Marce Drapke	Butte "	M.S.C.A.		
Evelyn Shangkman	Butte	M.S.C.A.		
M. G. Shangkman	Butte	M.S.C.A.		
Helen McKnight	Helena	M.S.C.A.		
EARL KELLY	HELENA	M.S.C.A.	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE TAXATION COMMITTEE

IL 227

Date January 20, 1983

PONSOR Yardley

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE Taxation

COMMITTEE

BILL 227

DATE 1-20-83

SPONSOR LARLEY

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE COMMITTEE

BILL _____ DATE _____

SPONSOR _____

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

STANDING COMMITTEE REPORT

January 26,

19 83

MR. **SPEAKER:**

We, your committee on **TAXATION**

having had under consideration **HOUSE** Bill No. **206**

First reading (**White**)
(color)

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE LAWS RELATING TO TAX SALE PROCEDURE; PROVIDING THAT THE DELINQUENT PROPERTY LIST BE MADE AVAILABLE FOR BID AT A FIXED TIME IN THE COUNTY TREASURER'S OFFICE; PROVIDING THAT THE TAX SALE CERTIFICATE INDICATE THAT IT IS SUBJECT TO A RIGHT OF REDEMPTION; AMENDING SECTIONS 15-17-101, 15-17-201, AND 15-17-204, MCA."

Respectfully report as follows: That **HOUSE** Bill No. **206**

~~DO PASS~~ DO NOT PASS

STANDING COMMITTEE REPORT

January 26, 1983

MR. SPEAKER:

We, your committee on TAXATION

having had under consideration HOUSE Bill No. 227

First reading copy (White)
Color

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DEFINITION OF INCOME FOR PURPOSES OF COMPUTING THE RESIDENTIAL PROPERTY TAX CREDIT FOR THE ELDERLY; INCREASING THE MAXIMUM ALLOWABLE CREDIT FROM \$150 TO \$400; CLARIFYING THE APPLICATION OF THE CREDIT WHEN PROPERTY IS BOTH OWNED AND RENTED; REQUIRING THAT PROPERTY ELIGIBLE FOR THE CREDIT BE SUBJECT TO AD VALOREM TAX; AMENDING SECTIONS 15-30-171, 15-30-176, AND 15-30-177, MCA; PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

Respectfully report as follows: That HOUSE Bill No. 227

DO PASS