

STATE OF MONTANA

REQUEST NO. 54-75

FISCAL NOTE

Form BD-15

In compliance with a written request received Jan. 20, 19 75, there is hereby submitted a Fiscal Note for House Bill 152 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.


Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to exempt salaries of resident military persons from state income tax.

FISCAL IMPACT:

Approximately 3,500 Montana residents are enlisted persons in the military service and living out of state. It is difficult to identify how many military persons are currently filing Montana income tax returns as no records are kept on occupation of taxpayers. Assuming 25% file returns with an average taxable income in the 4% bracket the loss of revenue to the state would be approximately \$100,000 per year. Assuming 75% file returns, the loss in revenue to the state would be approximately \$315,000 per year.


BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 1/25/75

Approved by Committee
on Taxation

1 HOUSE BILL NO. 152
2 INTRODUCED BY JOHNSTON, MULAR, MENAHAN, TRAVIS,
3 HAGER, LUND, JACK MOORE
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT SALARIES OF
6 RESIDENT MILITARY PERSONS FROM THE STATE INCOME TAX; AND
7 PROVIDING AN EFFECTIVE DATE."
8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10 Section 1. Special military exemption. The salary
11 received for serving in the military by those residents of
12 Montana, who have been enlisted or drafted from this state,
13 serving outside the state is exempt from state income tax.
14 SECTION 2. THIS ACT IS EFFECTIVE FOR ALL TAXABLE YEARS
15 AFTER DECEMBER 31, 1974.

-End-

HB 152

1 HOUSE BILL NO. 152

2 INTRODUCED BY JOHNSTON, MULAR, MENAHAN, TRAVIS,

3 HAGER, LUND, JACK MOORE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT SALARIES OF
6 RESIDENT MILITARY PERSONS FROM THE STATE INCOME TAX; AND
7 PROVIDING AN EFFECTIVE DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 ~~Section 1. Special military exemption. The salary~~
11 ~~received for serving in the military by those residents of~~
12 ~~Montana, who have been enlisted or drafted from this state,~~
13 ~~servng outside the state is exempt from state income tax.~~

14 SECTION 1. THE SALARY RECEIVED BY RESIDENTS OF
15 MONTANA, WHO ARE SERVING IN AN ENLISTED STATUS IN THE
16 REGULAR ARMED FORCES, AND WHO ENTERED INTO ACTIVE DUTY FROM
17 MONTANA, IS EXEMPT FROM STATE INCOME TAX.

18 SECTION 2. THIS ACT IS EFFECTIVE FOR ALL TAXABLE YEARS
19 AFTER DECEMBER 31, 1974.

-End-

March 11, 1975

SENATE COMMITTEE ON TAXATION

AMENDMENTS TO HOUSE BILL NO. 152

That House Bill No. 152, third reading, be amended as follows:

1. Amend page 1, section 1, line 14.
Following: "RECEIVED"
Insert: "from the armed forces"
2. Amend page 1, section 1, line 15.
Following: "SERVING"
Strike: "IN AN ENLISTED STATUS"
Insert: "on active duty"

HOUSE BILL NO. 152

INTRODUCED BY JOHNSTON, MULAR, MELNAHAN, TRAVIS,

HAGER, LUND, JACK MOORE

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT SALARIES OF
RESIDENT MILITARY PERSONS FROM THE STATE INCOME TAX; AND
PROVIDING AN EFFECTIVE DATE."

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

~~Section 1. Special military exemption. The salary
received for serving in the military by those residents of
Montana, who have been enlisted or drafted from this state,
serving outside the state is exempt from state income tax.~~

SECTION 1. THE SALARY RECEIVED FROM THE ARMED FORCES
BY RESIDENTS OF MONTANA, WHO ARE SERVING IN AN ENLISTED
STATUS ON ACTIVE DUTY IN THE REGULAR ARMED FORCES, AND WHO
ENTERED INTO ACTIVE DUTY FROM MONTANA, IS EXEMPT FROM STATE
INCOME TAX.

SECTION 2. THIS ACT IS EFFECTIVE FOR ALL TAXABLE YEARS
AFTER DECEMBER 31, 1974.

-End-

HB 152

REFERENCE BILL