

1 Senate BILL NO. 289
2 INTRODUCED BY Thiessen, Robert

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A CREDIT
5 AGAINST INCOME TAXES FOR CONTRIBUTIONS TO PRIVATE COLLEGES
6 AND UNIVERSITIES."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Definitions. As used in section [2 of this
10 act], (1) private post-secondary educational institution
11 means a college or university accredited by a national or
12 regional accrediting agency, the administration and control
13 of which is not vested in an agency of any local, state, or
14 national government, and

15 (2) contribute means to make a gift eligible to be
16 deducted as a charitable contribution from federal income
17 tax.

18 Section 2. Credit for contributions to private
19 colleges and universities. (1) A taxpayer may offset, as a
20 credit against his income tax liability for a year, the
21 actual amount which he has contributed to a private
22 post-secondary educational institution during that year.
23 This credit may not exceed the amount of his income and
24 property tax liability, computed before the credit is taken,
25 which would be allocated for the support of the Montana

1 university system.
2 (2) The department of revenue shall furnish each
3 taxpayer a statement of the percentage of total individual
4 income tax collections which can be attributed to the
5 support of the Montana university system and a community
6 college. Property taxes attributable to the support of the
7 Montana university system and a community college may be
8 calculated by applying the levy authorized under section
9 84-3804, or under any other provision authorizing a levy for
10 the support of the university system or a community college,
11 to the taxpayer's taxable property. Instructions for such
12 calculations shall be furnished by the county assessor's
13 office upon request.

-End-

SB 289

SECOND READING

MISSING

STATE OF MONTANA

REQUEST NO. 127-75

FISCAL NOTE

Form BD-15

In compliance with a written request received January 29, 19 75, there is hereby submitted a Fiscal Note for Senate Bill 289 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:

Senate Bill 289 allows a credit against income taxes for contributions to private colleges and universities.

ASSUMPTIONS:

1. Senate Bill 289 allows taxpayers a credit against their income tax liability for contributions to private colleges and universities. Since the bill does not stipulate Montana private colleges and universities it is presumed contributions to any accredited private college or university would be eligible. Information reflecting the magnitude of such contributions is not presently available.
2. Information regarding each taxpayer's maximum allowable tax credit could be attached to the present income tax form at negligible cost.
3. Contributions to private colleges are presently allowed as an itemized deduction for Montana Income Tax purposes.

CONCLUSIONS:

Enactment of Senate Bill 289 would increase contributions to private colleges and universities, and directly reduce Montana Income Tax collections. It is presently not possible to accurately quantify the impact on income tax collections.

NOTE:

Enactment of Senate Bill 289 would allow dual use of private post-secondary school contributions in reducing Montana Income Tax liabilities. Such contributions are presently deductible for income tax purposes.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: January 31, 1975

1 SENATE BILL NO. 289

2 INTRODUCED BY THIESSEN, ETCHART

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A CREDIT
5 AGAINST INCOME TAXES FOR CONTRIBUTIONS TO PRIVATE COLLEGES
6 AND UNIVERSITIES; ELIMINATING THE DEDUCTIBILITY OF
7 CONTRIBUTIONS FOR WHICH SUCH CREDIT IS CLAIMED; AMENDING
8 SECTION 84-4909, R.C.M. 1947."

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

11 Section 1. Definitions. As used in section [2 of this
12 act], (1) private post-secondary educational institution
13 means a college or university accredited by a national or
14 regional accrediting agency, the administration and control
15 of which is not vested in an agency of any local, state, or
16 national government, and

17 (2) contribute means to make a gift eligible to be
18 deducted as a charitable contribution from federal income
19 tax.

20 Section 2. Credit for contributions to private
21 colleges and universities. (1) A taxpayer may offset, as a
22 credit against his income tax liability for a year, the
23 actual amount which he has contributed to a private
24 post-secondary educational institution during that year.
25 This credit may not exceed the amount of his income and

1 property tax liability, computed before the credit is taken,
2 which would be EQUAL THE AVERAGE AMOUNT OF INCOME TAX
3 PAYMENTS allocated for the support of the Montana university
4 system.

5 (2) The department of revenue shall furnish each
6 taxpayer a statement of the percentage of total individual
7 income tax collections which can be attributed to the
8 support of the Montana university system and a community
9 college. Property taxes attributable to the support of the
10 Montana university system and a community college may be
11 calculated by applying the levy authorized under section
12 84-3804, or under any other provision authorizing a levy for
13 the support of the university system or a community college,
14 to the taxpayer's taxable property. Instructions for such
15 calculations shall be furnished by the county assessor's
16 office upon request.

17 SECTION 3. SECTION 84-4909, R.C.M. 1947, IS AMENDED TO
18 READ AS FOLLOWS:

19 "84-4909. Nondeductible items in computing net income.
20 In computing net income no deductions shall in any case be
21 allowed in respect of:

22 (1) Personal, living, or family expenses;
23 (2) Any amount paid out for new buildings or for
24 permanent improvements or betterments made to increase the
25 value of any property or estate;

- 1 (3) Any amount expended in restoring property or in
2 making good the exhaustion thereof for which an allowance is
3 or has been made; ~~or~~
- 4 (4) Premiums paid on any life insurance policy
5 covering the life of any officer or employee, or of any
6 person financially interested in any trade or business
7 carried on by the taxpayer, when the taxpayer is directly or
8 indirectly a beneficiary under such policy; or
- 9 (5) Contributions to private post-secondary
10 educational institutions which are claimed as credits
11 against state income tax liability."

-End-