

1 HOUSE BILL NO. 47
 2 INTRODUCED BY BRADLEY
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
 5 84-4906, R.C.M. 1947, TO ALLOW A DEDUCTION FOR CHILD AND
 6 DEPENDENT CARE EXPENSES."
 7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 9 Section 1. Section 84-4906, R.C.M. 1947, is amended to
 10 read as follows:
 11 "84-4906. Deductions allowed in computing net income.
 12 In computing net income, there shall be allowed as
 13 deductions:
 14 ~~(1) The~~ the items referred to in sections 161 and
 15 211 of the Internal Revenue Code of 1954, or as sections 161
 16 and 211 shall be labeled or amended, except that state
 17 income tax paid shall not be deductible and also subject to
 18 the exceptions provided in section 84-4909, relating to
 19 items not deductible;
 20 ~~(2) Federal~~ federal income tax paid within the
 21 taxable year;
 22 (3) child and dependent care expenses allowed as a
 23 deduction under the provisions of section 214 of the
 24 Internal Revenue Code of 1954 in effect for taxable years
 25 beginning January 1, 1972, and ending March 29, 1973."

1 Section 2. Effective date. This act is effective upon
 2 passage and approval, and the amendment provided for shall
 3 apply to taxable years beginning after December 31, 1975.

-End-

INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 8-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 5, 19 77, there is hereby submitted a Fiscal Note for House Bill 47 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:

The proposed bill would allow a deduction for child and dependent care expenses when claimed on a joint return. This allowance currently exists within the Montana Administrative Codes. The procedures for allowance are taken from former laws within the Internal Revenue Code.

ASSUMPTIONS:

The proposed law appears to be placing in the Montana Code a provision which is already embodied in 42-2.8(1)-S8300 of the Montana Administrative Code. Thus, there should be no change in projected income tax revenues if this bill were enacted, and no change in administrative costs.

TECHNICAL NOTE:

1. The bill would read more smoothly if the phrase "which was" were inserted after "1954" and before "in effect" in line 24.
2. It should be noted that IRC ¹⁹⁵⁴ ~~257~~ Section 214(e) requires joint returns from married couples who utilize this deduction - a requirement which is carried through by the Administrative Code Provision. If this bill were amended to extend this deduction to all taxpayers, the impact on individual income tax collections would be significant.

PREPARED BY: Department of Revenue

Richard L. Tracy for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-10-76

Approved by Committee
on Taxation

HOUSE BILL NO. 47

INTRODUCED BY BRADLEY

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 84-4906, R.C.M. 1947, TO ALLOW A DEDUCTION FOR CHILD AND DEPENDENT CARE EXPENSES."

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

Section 1. Section 84-4906, R.C.M. 1947, is amended to read as follows:

"84-4906. Deductions allowed in computing net income. In computing net income, there shall be allowed as deductions:

(a) (1) ~~the~~ the items referred to in sections 161 and 211 of the Internal Revenue Code of 1954, or as sections 161 and 211 shall be labeled or amended, except that state income tax paid shall not be deductible and also subject to the exceptions provided in ~~section~~ 84-4909, relating to items not deductible;

(b) (2) ~~Federal~~ federal income tax paid within the taxable year;

~~(3) child and dependent care expenses allowed as a deduction under the provisions of section 214 of the Internal Revenue Code of 1954 in effect for taxable years beginning January 1, 1972, and ending March 29, 1975~~

DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 214 OF THE INTERNAL REVENUE CODE OF 1954 THAT WERE IN EFFECT FOR THE TAXABLE YEAR THAT BEGAN JANUARY 1, 1974."

Section 2. Effective date. This act is effective upon passage and approval, and the amendment provided for shall apply to taxable years beginning after December 31, 1975.

-End-

HOUSE BILL NO. 47

INTRODUCED BY BRADLEY

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 84-4906, R.C.M. 1947, TO ALLOW A DEDUCTION FOR CHILD AND DEPENDENT CARE EXPENSES; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 84-4906, R.C.M. 1947, is amended to read as follows:

"84-4906. Deductions allowed in computing net income.

In computing net income, there shall be allowed as deductions:

(1) The items referred to in sections 161 and 211 of the Internal Revenue Code of 1954, or as sections 161 and 211 shall be labeled or amended, except that state income tax paid shall not be deductible and also subject to the exceptions provided in section 84-4909, relating to items not deductible;

(2) Federal federal income tax paid within the taxable year;

(3) ~~child and dependent care expenses allowed as a deduction under the provisions of section 214 of the Internal Revenue Code of 1954 in effect for taxable years beginning January 1, 1973, and ending March 29, 1975~~

DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 214 OF THE INTERNAL REVENUE CODE OF 1954 THAT WERE IN EFFECT FOR THE TAXABLE YEAR THAT BEGAN JANUARY 1, 1974."

Section 2. Effective date. This act is effective upon passage and approval, and the amendment provided for shall apply to taxable years beginning after December 31, 1975.

-End-

1 HOUSE BILL NO. 47
 2 INTRODUCED BY BRADLEY
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
 5 84-4906, R.C.M. 1947, TO ALLOW A DEDUCTION FOR CHILD AND
 6 DEPENDENT CARE EXPENSES; AND PROVIDING AN EFFECTIVE DATE."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 9 Section 1. Section 84-4906, R.C.M. 1947, is amended to
 10 read as follows:

11 "84-4906. Deductions allowed in computing net income.
 12 In computing net income, there shall be allowed as
 13 deductions:

14 ~~(a)(1)~~ The ~~the~~ items referred to in sections 161 and
 15 211 of the Internal Revenue Code of 1954~~y~~ or as sections 161
 16 and 211 shall be labeled or amended, except that state
 17 income tax paid shall not be deductible and also subject to
 18 the exceptions provided in ~~section~~ 84-4909, relating to
 19 items not deductible;

20 ~~(b)(2)~~ Federal ~~federal~~ income tax paid within the
 21 taxable year;

22 ~~(3) child and dependent care expenses allowed as a~~
 23 ~~deduction under the provisions of section 213 of the~~
 24 ~~Internal Revenue Code of 1954 in effect for taxable years~~
 25 ~~beginning January 1, 1972, and ending March 29, 1975~~

1 DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 213
 2 OF THE INTERNAL REVENUE CODE OF 1954 THAT WERE IN EFFECT FOR
 3 THE TAXABLE YEAR THAT BEGAN JANUARY 1, 1974."

4 Section 2. Effective date. This act is effective upon
 5 passage and approval, and the amendment provided for shall
 6 apply to taxable years beginning after December 31, 1975.

-End-