



1 HOUSE BILL NO. 398  
 2 INTRODUCED BY Hamilton Patricia Page  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION  
 5 15-6-116, MCA, TO PROVIDE A GRADUATED TAX FOR CLASS FIFTEEN  
 6 PROPERTY, BASED ON THE INCOME OF THE OWNER; PROVIDING AN  
 7 EFFECTIVE DATE."  
 8

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

10 Section 1. Section 15-6-116, MCA, is amended to read:

11 "15-6-116. Class fifteen property -- description --  
 12 taxable percentage -- income categories. (1) Class fifteen  
 13 property includes so much of the market value of any  
 14 improvement on real property, a trailer affixed to land, or  
 15 mobile home and appurtenant land not exceeding 5 acres as  
 16 does not exceed \$35,000, when such dwelling and land are  
 17 owned or under contract for deed and are actually occupied  
 18 for at least 10 months per year as the primary residential  
 19 dwelling of:

20 (a) a widow or widower 62 years of age or older who  
 21 qualifies under the income limitations of (c) of this  
 22 subsection;

23 (b) a widow or widower of any age with dependent  
 24 children who qualifies under the income limitations of (c)  
 25 of this subsection; or

1 (c) a recipient or recipients of retirement or  
 2 disability benefits whose ~~total~~ adjusted gross income from  
 3 ~~all sources, as reported on his latest federal income tax~~  
 4 return, is not more than ~~\$7,000~~ \$8,000 for a single person  
 5 or ~~\$0,000~~ \$10,000 for a married couple.

6 (2) (a) A person applying for classification of  
 7 property under this class must make an affidavit to the  
 8 department of revenue on a form provided by the department  
 9 without cost as to:

10 (i) his income, if applicable;

11 (ii) his retirement benefits, if applicable;

12 (iii) his marital status, if applicable;

13 (iv) the fact that he maintains the land and  
 14 improvements as his primary residential dwellings; and

15 (v) such other information as is relevant to the  
 16 applicant's eligibility.

17 (b) This application must be made before March 1 of  
 18 the year after the applicant becomes eligible under this  
 19 classification.

20 (c) For the purpose of the affidavit required for  
 21 classification of property under this class, it shall be  
 22 sufficient if the applicant signs a statement swearing to or  
 23 affirming the correctness of the information supplied,  
 24 whether or not the statement is signed before a person  
 25 authorized to administer oaths, and mails the application

1 and statement to the department of revenue. This signed  
 2 statement shall be treated as a statement under oath or  
 3 equivalent affirmation for the purposes of 45-7-202,  
 4 relating to the criminal offense of false swearing.

5 (3) Class fifteen property is taxed at 6% of its  
 6 market value or so much of 6% as is determined under  
 7 15-7-121, whichever is less, multiplied by a percentage  
 8 figure based on adjusted gross income and determined from  
 9 the following table:

Adjusted Gross Income	Adjusted Gross Income	Percentage
Single Person	Married Couple	Multiplier
\$ 0 - \$ 1,000	\$ 0 - \$ 1,000	10%
1,001 - 2,000	1,001 - 2,000	20%
2,001 - 2,800	2,001 - 3,000	30%
2,801 - 3,600	3,001 - 4,000	40%
3,601 - 4,400	4,001 - 5,000	50%
4,401 - 5,200	5,001 - 6,000	60%
5,201 - 6,000	6,001 - 7,000	70%
6,001 - 6,800	7,001 - 8,000	80%
6,801 - 7,600	8,001 - 9,000	90%
7,601 - 8,000	9,001 - 10,000	100%

10 (4) The market value in excess of \$35,000 of a  
 11 dwelling classified in this class is taxed as class eleven  
 12 property, under 15-6-112."

13 Section 2. Effective date. This act is effective on

1 passage and approval and applies to taxable years beginning  
 2 after December 31, 1978.

-End-

STATE OF MONTANA

REQUEST NO. 152-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 79, there is hereby submitted a Fiscal Note for House Bill 398 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

This bill amends section 15-6-116, MCA, to provide a graduated tax for class fifteen property, based on the income of the owner; providing an effective date.

ASSUMPTIONS

- 1) The taxable value of class 15 property will increase 4%/year.
- 2) The increase in income limits will allow an additional 20% of households to qualify.
- 3) If incomes are assumed to be fairly equally distributed in each bracket, then it can be reasonably assumed that the percentage multiplier is 50%.
- 4) The state levy is 6 mills for the university system.
- 5) The local government levy is 200 mills for all property.

FISCAL IMPACT

	<u>FY80</u>	<u>FY81</u>
6 mill university levy		
under current law	\$ 55,000	\$ 57,000
under proposed law	<u>23,000</u>	<u>24,000</u>
Estimated Decrease	<u>(\$ 32,000)</u>	<u>(\$ 33,000)</u>

AFFECT ON LOCAL GOVERNMENTS

Local governments would lose approximately \$1.04 M in FY 80 and \$1.08 M in FY 81 if this proposal were to be enacted.

LONG-RANGE EFFECTS

The current impacts should continue into the future.

(Prepared by the Department of Revenue)

*Richard L. Drayton*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/30/79

Approved by Committee  
on Taxation

HOUSE BILL NO. 398

INTRODUCED BY HUENNEKENS, PALMER, PISTORIA, FABREGA

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 15-6-116, MCA, TO PROVIDE A GRADUATED TAX FOR CLASS FIFTEEN PROPERTY, BASED ON THE INCOME OF THE OWNER; PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 15-6-116, MCA, is amended to read:

"15-6-116. Class fifteen property -- description -- taxable percentage == income categories. (1) Class fifteen property includes so much of the market value of any improvement on real property, a trailer affixed to land, or mobile home and appurtenant land not exceeding 5 acres as does not exceed \$35,000, when such dwelling and land are owned or under contract for deed and are actually occupied for at least 10 months per year as the primary residential dwelling of:

(a) a widow or widower 62 years of age or older who qualifies under the income limitations of (c) of this subsection;

(b) a widow or widower of any age with dependent children who qualifies under the income limitations of (c) of this subsection; or

(c) a recipient or recipients of retirement or disability benefits whose total adjusted gross income from all sources, as reported on his latest federal income tax returns is not more than \$7,000 18,000 for a single person or \$8,000 10,000 for a married couple.

(2) (a) A person applying for classification of property under this class must make an affidavit to the department of revenue on a form provided by the department without cost as to:

(i) his income, if applicable;

(ii) his retirement benefits, if applicable;

(iii) his marital status, if applicable;

(iv) the fact that he maintains the land and improvements as his primary residential dwellings; and

(v) such other information as is relevant to the applicant's eligibility.

(b) This application must be made before March 1 of the year after the applicant becomes eligible under this classification.

(c) For the purpose of the affidavit required for classification of property under this class, it shall be sufficient if the applicant signs a statement swearing to or affirming the correctness of the information supplied, whether or not the statement is signed before a person authorized to administer oaths, and mails the application

1 and statement to the department of revenue. This signed  
 2 statement shall be treated as a statement under oath or  
 3 equivalent affirmation for the purposes of 45-7-202,  
 4 relating to the criminal offense of false swearing.

5 (3) Class fifteen property is taxed at 6% ~~12%~~ of its  
 6 market value or so much of 6% ~~12%~~ as is determined under  
 7 15-7-121, whichever is less, ~~multiplied by a percentage~~  
 8 ~~figure based on adjusted gross income and determined from~~  
 9 ~~the following table:~~

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5,201 - 6,000	6,001 - 7,000	70% 60%
6,001 - 6,800	7,001 - 8,000	80% 70%
6,801 - 7,600	8,001 - 9,000	90% 80%
7,601 - 8,000	9,001 - 10,000	100% 90%

22 (4) ~~The market value in excess of \$35,000 of a~~  
 23 ~~dwelling classified in this class is taxed as class eleven~~  
 24 ~~property, under 15-6-112.~~"

25 Section 2. Effective date. This act is effective on

1 passage and approval and applies to taxable years beginning  
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 23 dwelling classified in this class is taxed as class eleven  
 24 property under 15-6-112a."

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