# CHAPTER NO. 706

## HOUSE BILL NO. 398

# INTRODUCED BY HUENNEKENS, PALMER, PISTORIA, FABREGA

# IN THE HOUSE

January 24, 1979	Introduced and referred to Committee on Taxation.
January 31, 1979	On motion by chief sponsor, Senator Bob Palmer added as co-sponsor.
March 24, 1979	Committee recommend bill do pass as amended. Report adopted.
March 26, 1979	Printed and placed on members' desks.
	Second reading, do pass.
March 27, 1979	Considered correctly engrossed.
	Third reading, passed. Transmitted to second house.

#### IN THE SENATE

March 27, 1979	Introduced and referred to Committee on Taxation.
April 18, 1979	Committee recommend bill be concurred in. Report adopted.
April 19, 1979	Second reading, concurred in.
•	On motion rules suspended. Bill placed on Calendar for third reading this day.
	Third reading, concurred in.

## IN THE HOUSE

April 20, 1979	Returned from second house. Concurred in. Sent to enrolling.		
	Reported correctly enrolled.		

INTRODUCED BY Haunden Pistoria Today 1

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.\*

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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 23 children who qualifies under the income limitations of (c) 24 25 of this subsection; or

- (c) a recipient or recipients of retirement or 1 disability benefits whose total adjusted gross income from off-sources, as reported on his latest federal income tax return: is not more than \$7.000 is 2000 for a single person or \$8vee8 \$10.000 for a married couple.
- (2) (a) A person applying for classification of 7 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; 10

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- (ii) his retirement benefits, if applicable; 11
  - (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 applicant's eligibility. 16
- (b) This application must be made before March 1 of 17 the year after the applicant becomes eligible under this 18 19 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

-2- INTRODUCED RILL

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. relating to the criminal offense of false swearing.

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

Adjusted Gross Income Adjusted Gross Income Percentage 11 Single Person Married Couple Multiplier 12 S 0 - S 1.000 102 \_\_1.001 - 2.000 13 1.001 - 2.000 20% 14 2.001 - 2.800 2.001 - 3.000 302 15 2.801 - 3.600 3.001 - 4.000 401 3,601 - 4,400 5.001 - 5.000 16 50% 17 4.401 - 5.200 5.001 - 6.000 603 6.001 - 7.000 70% 18 5.201 - 6.000 19 6.001 ~ 6.800 7.001 - 8.000 80% 90% 20 6.801 - 7.600 8.001 - 9.000 21 100% 7.601 - 8.000 9.001 - 10.000

22 14) 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."

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

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

-End+

#### STATE OF MONTANA

#### FISCAL NOTE

REQUEST NO. 152-79

Form BD-15

In compliance with a written	request received January 26	_ , 19 <u>79</u> , there is hereby su	bmitted a Fiscal Note
for House Bill 398	pursuant to Chapter 53, Laws o	f Montana, 1965 - Thirty-Ninth Leg	islative Assembly.
Background information used in	developing this Fiscal Note is available fro	m the Office of Budget and Program	n 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.
- 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

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

#### 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)

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/30/78

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of this subsection; or

# Approved by Committee on <u>Texation</u>

1	HOUSE BILL NO. 398
2	INTRODUCED BY HUENNEKENS, PALMER, PISTORIA, FABREGA
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 <u> income categories</u> . (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)

1	(c) a recipient or recipients of retirement o
2	disability benefits whose total adjusted gross income fro
3	et-severes.as_reported_on_bis_latestfederal_iocometa
4	return: is not more than \$7,000 far a single perso
5	or \$8,000 <u>\$10,000</u> 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;

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- 11 (ii) his retirement benefits, if applicable;
  - (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.
  - (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

HB 0398/02

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** <u>pultiplied by a percentage</u>
8	figure based on adjusted gross income and determined from
9	the following table:
10	Adjusted Gross Income Adjusted Gross Income Percentage
11	Single_PersonMarried_CoupleMultiplier
12	_\$_0\$1:000\$0\$1:000\$8\$ 0%
13	1:001 - 2:000 1:001 - 2:000 20% 10%
14	2:001 - 2:800 2:001 - 3:000 30% 20%
15	2:801 - 3:600 3:001 - 4:000 40% 302
16	3.601 5.500 5.000 50% 40%
17	<u> </u>
18	
19	6:001 - 6:800 7:001 - 8:000 80* 70%
20	6:801 - 7:600 8:001 - 9:000 98% 803
21	7:601 = 8:000 9:001 = 10:000 ±00% 90%
22	14) The market value in excess of \$35.000 of a
23	dwelling_classified_in_this_class_is_taxed_asclassclexen
24	propertys_under_15-6-112s"
25	Section 2. Effective date. This act is effective on

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

-End-

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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;

(b) a widow or widower of any age with dependent

children who qualifies under the income limitations of (c)

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of this subsection; or

1	(c) a recipient or recipients of retirement or
2	disability benefits whose total adjusted gross income from
3	off-sources. as reported on his latest federal income tax
4	return: is not more than \$7v000 \$8:000 for a single person
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- {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;
- 12 (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.
- 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 paths, and mails the application

HB 0398/02

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9	the_following_table:
10	Adjusted_Gross_Income_Adjusted_Gross_IncomePercentage
11	Single_PersonHarried_CoupleHultiplier
12	5 0 - \$ 1:000 5 0 - \$ 1:000 105 02
13	1.001 - 2.000 1.001 - 2.000 264 101
14	2:001 - 2:800 2:001 - 3:000 30% 20%
15	2:801 - 3:600 3:001 - 4:000 40% 30%
16	3:601 - 4:400 4:001 - 5:000 50% 40%
17	<u> </u>
18	5-201 - 6-000 6-001 - 7-000 70% 603
19	6:001 - 6:800 7:001 - 8:000 60% 70%
20	6.801 - 7.600 8.001 - 9.000 96% 80%
21	7.601 - 8.000 9.001 - 10.000 100 203
22	(4) The market value in excess of \$35,000 of a
23	duelling_classified_in_this_class_is_taxed_asclass_eleven
24	property:_under_15-6-112."
25	Section 2. Effective date. This act is effective on

passage and approval and applies to taxable years beginning

-4-

2 after December 31, 1978.

-End-

-3- HB 398

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HB 0398/03

46th Legislature

HB 0398/03

HOUSE	BILL	NO.	398

INTRODUCED BY HUENNEKENS, PALMER, PISTORIA, FABREGA

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

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

1	(c) a recipient or recipients of retirement or
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4	<u>return:</u> is not more than \$7,000 \$8:000 for a single person
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10	Adjusted Gross Income Adjusted Gross Income Percentage
11	Single Person Herried Couple Hultiplier
12	<u> </u>
13	1:001 - 2:000 1:001 - 2:000 200 103
14	2:001 - 2:800 2:001 - 3:000 366 203
15	2:801 - 3:600 3:001 - 4:000 446 30X
16	3.601 - 6.600
17	4-401 - 5-200 5-001 - 6-000 698 503
18	5-201 - 6-000
19	6:001 - 6:800 7:001 - 8:000 888 703
20	6.801 - 7.606 8.001 - 9.000 988 803
21	7-501 - 8-000 9-001 - 10-000 1008 903
22	(4) The market value in excess of \$35,000 of a
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24	propertye under 15-6-112e"

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- 2 after December 31: 1978:

-End-

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