

HOUSE BILL NO. 34

INTRODUCED BY ERNST, LUND, D. BROWN, McLANE

IN THE HOUSE

January 6, 1981	Introduced and referred to Committee on Taxation.
	On motion by chief sponsor Representatives Brown and McLane were added as authors to the prefiled bill.
January 7, 1981	Fiscal note requested.
January 12, 1981	Fiscal note returned.
January 15, 1981	Committee recommend bill do pass as amended. Report adopted.
January 16, 1981	Bill printed and placed on members' desks.
January 17, 1981	Second reading, do pass.
January 19, 1981	Correctly engrossed. Third reading, passed. Transmitted to Senate.

IN THE SENATE

January 20, 1981	Introduced and referred to Committee on Taxation.
April 1, 1981	Committee recommend bill be concurred in. Report adopted.
April 3, 1981	Second reading, concurred in.
April 6, 1981	Third reading, concurred in. Ayes, 47; Noes, 0.

IN THE HOUSE

April 7, 1981                      Returned from Senate.  
Concurred in. Sent to  
enrolling.

April 9, 1981                      Correctly enrolled.

April 10, 1981                     Signed by Speaker.

April 11, 1981                     Signed by President.  
  
Delivered to Governor.

April 17, 1981                     Returned from Governor with  
recommended amendments.

April 21, 1981                     Second reading, Governor's  
amendments concurred in.  
  
On motion rules suspended  
and Governor's amendments  
placed on third reading this  
day.  
  
Third reading, Governor's  
amendments concurred in.  
Ayes, 93; Noes, 3.

IN THE SENATE

April 22, 1981                     Second reading, Governor's  
amendments concurred.

On motion rules suspended.  
Governor's amendments placed  
on calendar for third reading  
this day.

Third reading, Governor's  
amendments concurred in.  
Ayes, 47; Noes, 0.

IN THE HOUSE

April 23, 1981                     Returned from Senate.  
Sent to enrolling.  
  
Reported correctly enrolled.

1                    HOUSE    BILL NO.    34  
 2    INTRODUCED BY   ERNST/LUND  
 3  
 4    A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE INCOME  
 5    LIMITATIONS APPLICABLE TO PROPERTY TAX EXEMPTION FOR 100%  
 6    DISABLED VETERANS; AMENDING SECTION 15-6-211, MCA; AND  
 7    PROVIDING A RETROACTIVE APPLICABILITY DATE."  
 8  
 9    BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 10        Section 1. Section 15-6-211, MCA, is amended to read:  
 11        "15-6-211. Certain disabled veterans' residences  
 12        exempt. (1) A residence, including the lot on which it is  
 13        built, owned and occupied by a disabled veteran is exempt  
 14        from property taxation under the following conditions. The  
 15        owner must:  
 16            (a) have been honorably discharged from active service  
 17            in any branch of the armed services;  
 18            (b) be rated 100% disabled due to a service-connected  
 19            disability by the United States veterans administration or  
 20            its successor; and  
 21            (c) have an annual adjusted gross income, from all  
 22        sources as reported on the latest federal income tax return,  
 23        of not more than ~~\$7,000~~ \$15,000 for a single person and  
 24        ~~\$8,000~~ \$18,000 for a married couple.  
 25        (2) If a veteran whose property has been eligible for

1    this exemption dies, the property shall continue to be  
 2    exempt so long as the surviving spouse:  
 3            (a) remains unmarried;  
 4            (b) is the owner and occupant of the house; and  
 5            (c) has ~~a total~~ an annual adjusted gross income, from  
 6        all sources as reported on the latest federal income tax  
 7        return, of not more than ~~\$7,000~~ \$15,000."  
 8        Section 2. Retroactive applicability. The provisions  
 9        of 15-6-211 are applicable for taxable years beginning after  
 10        December 31, 1978.

-End-

STATE OF MONTANA

REQUEST NO. 34-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 7, 19 81, there is hereby submitted a Fiscal Note for House Bill 34 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

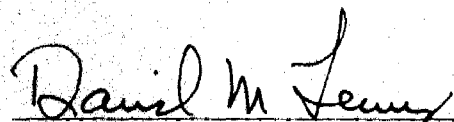
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

An act to revise the income limitations applicable to property tax exemption for 100% disabled veterans, and making a retroactive applicability date.

FISCAL IMPACT

No data are available to estimate the fiscal impact of this proposal. All that is known is that there are roughly 500 veterans in the state who could potentially benefit from this proposal (Veteran's Affairs, S.R.S.). It is felt that a significant number of these individuals would qualify for the tax exempt status given the use of Federal Adjusted Gross Income as the criterion. No information is available on the property taxes currently paid by these individuals.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-10-81

Approved by Committee  
on Taxation

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

Section 1. Section 15-6-211, MCA, is amended to read:

"15-6-211. Certain disabled veterans' residences exempt. (1) A residence, including the lot on which it is built, owned and occupied by a disabled veteran is exempt from property taxation under the following conditions. The owner must:

(a) have been honorably discharged from active service in any branch of the armed services;

(b) be rated 100% disabled due to a service-connected disability by the United States veterans administration or its successor; and

(c) have an annual adjusted gross income, from--all sources as reported on the latest federal income tax return, of not more than ~~\$7,000~~ \$15,000 for a single person and ~~\$8,000~~ \$18,000 for a married couple.

(2) If a veteran whose property has been eligible for

this exemption dies, the property shall continue to be exempt so long as the surviving spouse:

(a) remains unmarried;

(b) is the owner and occupant of the house; and

(c) has ~~a total~~ an annual adjusted gross income, from all--sources as reported on the latest federal income tax return, of not more than ~~\$7,000~~ \$15,000."

Section 2. ~~Retrospective--applicability~~ APPLICABILITY.

The provisions of 15-6-211 are applicable for taxable years beginning after December 31, ~~1978~~ 1980.

-End-

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8 Section 2. ~~Retroactive--applicability~~ APPLICABILITY.

9 The provisions of 15-6-211 are applicable for taxable years  
10 beginning after December 31, ~~1978~~ 1980.

-End-

THIRD READING

## HOUSE BILL NO. 34

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Section 2. ~~Retroactive--applicability~~ APPLICABILITY.

The provisions of 15-6-211 are applicable for taxable years beginning after December 31, ~~1978~~ 1980.

-End-

1                   STATEMENT OF INTENT

2                   HOUSE BILL 34

3  
4  
5  
6  
7  
8  
9

In the event that an individual or married couple, otherwise entitled to the exemption provided by this act, are not required to file a federal income tax return, the department of revenue may adopt rules to enable these taxpayers to demonstrate that they meet the income limitations.



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9 The provisions of 15-6-211 are applicable for taxable years  
10 beginning after December 31, ~~1978~~ 1980.

-End-

April 16, 1981

PROPOSED GOVERNOR'S AMENDMENTS TO HOUSE BILL NO. 34;  
REFERENCE COPY, AS FOLLOWS:

1. Insert: "STATEMENT OF INTENT"

"In the event that an individual or married couple, otherwise entitled to the exemption provided by this act, are not required to file a federal income tax return, the department of revenue may adopt rules to enable these taxpayers to demonstrate that they meet the income limitations."



TED SCHWINDEN  
GOVERNOR

State of Montana  
Office of the Governor  
Helena 59620

April 16, 1981

The Honorable Jean A. Turnage  
President of the Senate  
State Capitol  
Helena, Montana 59620

The Honorable Robert L. Marks  
Speaker of the House  
State Capitol  
Helena, Montana 59620

Dear Senator Turnage and Representative Marks:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby return House Bill No. 34, "AN ACT TO REVISE THE INCOME LIMITATIONS APPLICABLE TO PROPERTY TAX EXEMPTION FOR 100 PERCENT DISABLED VETERANS; AMENDING SECTION 15-6-211, MCA; AND PROVIDING AN APPLICABILITY DATE," without my signature and recommend the attached amendments for the following reasons.

House Bill No. 34 as passed requires a taxpayer to show no more than a certain income level as reported on his federal income tax return. It is possible that some otherwise qualified applicant may not be required to file a federal return.

The "Statement of Intent" that I am proposing makes it clear that the Department of Revenue may adopt rules to permit such an applicant to receive the benefits of the exemption provided in Section 15-6-211, MCA, even though he was not required to file a federal return.

I urge your concurrence in these amendments.

Sincerely,

A handwritten signature in cursive script that reads "Ted Schwinden".

TED SCHWINDEN  
Governor