

House Bill 842

In The House

March 16, 1981

Introduced and referred
to Committee on Taxation.

April 23, 1981

Died in Committee.

HOUSE BILL NO. 842

INTRODUCED BY *Menahan Hoffer-Healy Stimola Jackson*
Johnson Harungta Parovich Rinduch

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE CORPORATE LICENSE TAX CREDITS FOR GRANTS TO BUSINESSES IN A SEVERELY ECONOMICALLY IMPACTED LOCALITY; ESTABLISHING LIMITS FOR THE GRANTS AND CREDITS; AND PROVIDING CRITERIA FOR DECLARING A LOCALITY SEVERELY ECONOMICALLY IMPACTED."

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

Section 1. Economic disaster credits -- grants. (1)

There is allowed a credit against the license taxes imposed by this chapter in an amount equal to any direct grant in money or property, other than securities, to any individual or corporation engaged in business for profit for expansion, relocation, discharge of indebtedness, or other business purpose, except for the payment of dividends, in an area declared by the governor as severely economically impacted, as provided in subsection (5).

(2) The limitations on the credits and grants are as follows:

(a) The maximum amount of credits allowed by subsection (1) for the taxable year may not exceed \$5,000,000 in the aggregate total, and the maximum allowed to any one corporation may not exceed \$1,500,000.

(b) The maximum creditable grant allowed by subsection (1) for the taxable year may not exceed:

(i) to a corporation, the lesser of \$1,500,000, or the amount of gross income from the business operations of the grantee corporation for the 3 years prior to the tax year of the declaration of severe economic impact; and

(ii) to an individual, the lesser of \$150,000 or the amount of earned income from the business of the individual for 3 tax years prior to the tax year of the declaration of severe economic impact.

(3) For the purposes of the license tax imposed by this chapter, the gross income of any corporation does not include the amount of any creditable grant received under this section.

(4) All applications for credits and grants under this section shall be made to the department of revenue.

(5) Within 1 year after the closure of an industrial plant in the state of Montana, the governing body of the county or municipality where the closed plant is located may petition to have the governor declare the jurisdictional area of the local government severely economically impacted. The governor shall declare the area severely economically impacted if he finds that:

(a) the local government lost 10% or more of the employment opportunities in the community due to the plant

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1 closure; or

2 (b) the closed plant constituted 20% or more of the
3 taxable valuation of the jurisdictional area of the local
4 government.

5 Section 2. Codification instruction. Section 1 is
6 intended to be codified as an integral part of Title 15,
7 chapter 31.

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