

HOUSE BILL NO. 242

Introduced: 01/14/83

Referred to Committee on Taxation: 01/14/83

Hearing: 1/20/83

Died in Committee

1 *House* BILL NO. *242*
 2 INTRODUCED BY *Brand Jensen Orville Arnold*
 3 *Marko*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE TO \$400 THE
 5 MAXIMUM CREDIT ALLOWED IN COMPUTING THE RESIDENTIAL PROPERTY
 6 TAX CREDIT FOR THE ELDERLY; AMENDING SECTION 15-30-176,
 7 MCA."
 8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 15-30-176, MCA, is amended to read:
 11 "15-30-176. Residential property tax credit for
 12 elderly -- computation of relief. The amount of the tax
 13 credit granted under the provisions of 15-30-171 through
 14 15-30-179 is computed as follows:
 15 (1) In the case of a claimant who owns the homestead
 16 for which a claim is made, the credit is the amount of
 17 property tax paid less the deduction specified in subsection
 18 (3).
 19 (2) In the case of a claimant who rents the homestead
 20 for which a claim is made, the credit is the amount of
 21 rent-equivalent tax paid less the deduction specified in
 22 subsection (3).
 23 (3) Property tax paid and rent-equivalent tax paid are
 24 reduced according to the following schedule:
 25 Household income Amount of reduction

1	\$	0-999	\$0
2		1,000-1,999	\$0
3		2,000-2,999	the product of .006 times the household income
4		3,000-3,999	the product of .016 times the household income
5		4,000-4,999	the product of .024 times the household income
6		5,000-5,999	the product of .028 times the household income
7		6,000-6,999	the product of .032 times the household income
8		7,000-7,999	the product of .035 times the household income
9		8,000-8,999	the product of .039 times the household income
10		9,000-9,999	the product of .042 times the household income
11		10,000-10,999	the product of .045 times the household income
12		11,000-11,999	the product of .048 times the household income
13		12,000 & over	the product of .050 times the household income
14		(4) In no case may the credit granted exceed	\$150
15		\$400."	

-End-

INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 129-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 17, 19 83, there is hereby submitted a Fiscal Note for House Bill 242 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 OF PROPOSED LEGISLATION:

House Bill 242 increases to \$400 the maximum credit allowed in computing the residential property tax credit for the elderly.

ASSUMPTIONS:

- 1) Information from a sample of 1981 individual income tax returns claiming the Elderly Homeowner Credit applies to future returns.
- 2) Adjustments made in property tax burdens to reflect the introduction of graduated class 4 tax rates are correct.
- 3) Mill levies, elderly income, and other factors affecting credits are assumed constant.

FISCAL IMPACT:

	<u>FY 1984</u>	<u>FY 1985</u>
Individual Income Tax		
Under Current Law	\$166,426,563	\$175,459,375
Under Proposed Law	165,626,563	174,659,375
Estimated Decrease	<u>\$ (800,000)</u>	<u>\$ (800,000)</u>
General Fund		
Under Current Law	\$106,513,000	\$112,294,000
Under Proposed Law	106,001,000	111,782,000
Estimated Decrease	<u>\$ (512,000)</u>	<u>\$ (512,000)</u>
Earmarked Revenue Fund		
Under Current Law	\$ 41,606,641	\$ 43,864,844
Under Proposed Law	41,406,641	43,664,844
Estimated Decrease	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>
Sinking Fund		
Under Current Law	\$ 18,306,922	\$ 19,300,531
Under Proposed Law	18,218,922	19,212,531
Estimated Decrease	<u>\$ (88,000)</u>	<u>\$ (88,000)</u>

FISCAL NOTE 5:L/1


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-20-83