

SENATE BILL NO. 461

Introduced: 02/17/83

Referred to Committee on Taxation: 02/17/83

Hearing: 3/2/83

Report: 03/03/83, Do Not Pass. Report Adopted.

Bill Killed.

1 *Senate* BILL NO. 461
 2 INTRODUCED BY Blaylock
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REDEFINE THE
 5 INFLATION FACTOR FOR THE PURPOSE OF INDEXING INCOME TAXES TO
 6 REFLECT ONE-HALF THE INFLATION THAT OCCURS EACH TAX YEAR;
 7 AMENDING SECTION 15-30-101, MCA."
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 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 15-30-101, MCA, is amended to read:
 11 "15-30-101. Definitions. For the purpose of this
 12 chapter, unless otherwise required by the context, the
 13 following definitions apply:
 14 (1) "Base year structure" means the following elements
 15 of the income tax structure:
 16 (a) the tax brackets established in 15-30-103, but
 17 unadjusted by subsection (2) of 15-30-103, in effect on June
 18 30 of the taxable year;
 19 (b) the exemptions contained in 15-30-112, but
 20 unadjusted by subsections (7) and (8) of 15-30-112, in
 21 effect on June 30 of the taxable year;
 22 (c) the maximum standard deduction provided in
 23 15-30-122, but unadjusted by subsection (2) of 15-30-122, in
 24 effect on June 30 of the taxable year.
 25 (2) "Consumer price index" or "CPI" means the consumer

1 price index, United States city average, for all items,
 2 using the 1967 base of 100 as published by the bureau of
 3 labor statistics of the U.S. department of labor.
 4 (3) "Department" means the department of revenue.
 5 (4) "Dividend" means any distribution made by a
 6 corporation out of its earnings or profits to its
 7 shareholders or members, whether in cash or in other
 8 property or in stock of the corporation, other than stock
 9 dividends as herein defined. "Stock dividends" means new
 10 stock issued, for surplus or profits capitalized, to
 11 shareholders in proportion to their previous holdings.
 12 (5) "Fiduciary" means a guardian, trustee, executor,
 13 administrator, receiver, conservator, or any person, whether
 14 individual or corporate, acting in any fiduciary capacity
 15 for any person, trust, or estate.
 16 (6) "Foreign country" or "foreign government" means
 17 any jurisdiction other than the one embraced within the
 18 United States, its territories and possessions.
 19 (7) "Gross income" means the taxpayer's gross income
 20 for federal income tax purposes as defined in section 61 of
 21 the Internal Revenue Code of 1954 or as that section may be
 22 labeled or amended, excluding unemployment compensation
 23 included in federal gross income under the provisions of
 24 section 85 of the Internal Revenue Code of 1954 as amended.
 25 (8) "Inflation factor" means a number determined--for

each taxable year by dividing the consumer price index for
 June of the taxable year by the consumer price index for
 June 1980 that takes into account one-half of the
 inflation that occurs each year, determined by the following
 formula:

$$\frac{1/2 (\text{Current Year CPI} - 1980 \text{ CPI}) + 1980 \text{ CPI}}{1980 \text{ CPI}}$$

1980 CPI

(9) "Information agents" includes all individuals, corporations, associations, and partnerships, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, employers, and all officers and employees of the state or of any municipal corporation or political subdivision of the state, having the control, receipt, custody, disposal, or payment of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income with respect to which any person or fiduciary is taxable under this chapter.

(10) "Knowingly" is as defined in 45-2-101.

(11) "Net income" means the adjusted gross income of a taxpayer less the deductions allowed by this chapter.

(12) "Paid", for the purposes of the deductions and credits under this chapter, means paid or accrued or paid or

incurred, and the terms "paid or incurred" and "paid or accrued" shall be construed according to the method of accounting upon the basis of which the taxable income is computed under this chapter.

(13) "Purposely" is as defined in 45-2-101.

(14) "Received", for the purpose of computation of taxable income under this chapter, means received or accrued and the term "received or accrued" shall be construed according to the method of accounting upon the basis of which the taxable income is computed under this chapter.

(15) "Resident" applies only to natural persons and includes, for the purpose of determining liability to the tax imposed by this chapter with reference to the income of any taxable year, any person domiciled in the state of Montana and any other person who maintains a permanent place of abode within the state even though temporarily absent from the state and has not established a residence elsewhere.

(16) "Taxable income" means the adjusted gross income of a taxpayer less the deductions and exemptions provided for in this chapter.

(17) "Taxable year" means the taxpayer's taxable year for federal income tax purposes.

(18) "Taxpayer" includes any person or fiduciary, resident or nonresident, subject to a tax imposed by this

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1 chapter and does not include corporations."

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