

HOUSE BILL NO. 34

INTRODUCED BY KEENAN

BY REQUEST OF THE DEPARTMENT OF REVENUE
AND THE REVENUE OVERSIGHT COMMITTEE

IN THE HOUSE

January 7, 1985	Introduced and referred to Committee on Taxation. Fiscal Note requested.
January 12, 1985	Fiscal Note returned.
January 23, 1985	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
January 25, 1985	Second reading, do pass. Considered correctly engrossed.
January 26, 1985	Third reading, passed. Transmitted to Senate

IN THE SENATE

January 28, 1985	Introduced and referred to Committee on Taxation.
February 8, 1985	Committee recommend bill be concurring in. Report adopted.
February 11, 1985	Second reading, concurring in.
February 13, 1985	Third reading, concurring in. Ayes, 50; Noes, 0. Returned to House.

IN THE HOUSE

February 14, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

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 6 A BILL FOR AN ACT ENTITLED: "AN ACT SETTING THE STANDARD
 7 INCOME TAX DEDUCTION FOR JOINT RETURNS AND HEAD OF HOUSEHOLD
 8 RETURNS AT TWICE THE AMOUNT FOR SINGLE RETURNS; AMENDING
 9 SECTION 15-30-122, MCA; AND PROVIDING AN APPLICABILITY
 10 DATE."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 Section 1. Section 15-30-122, MCA, is amended to read:
 14 "15-30-122. Standard deduction. (1) In the case of a
 15 resident individual, a standard deduction equal to 20% of
 16 adjusted gross income shall be allowed if elected by the
 17 taxpayer on his return. The standard deduction shall be in
 18 lieu of all deductions allowed under 15-30-121. The maximum
 19 standard deduction shall be \$1,500, as adjusted under the
 20 provisions of subsection (2), except that in the case of a
 21 single joint return of husband and wife or in the case of a
 22 single individual who qualifies to file as a head of
 23 household on his federal income tax return, the maximum
 24 standard deduction shall be \$3,000, as adjusted under the
 25 provisions of subsection (2). The standard deduction shall

1 not be allowed to either the husband or the wife if the tax
 2 of one of the spouses is determined without regard to the
 3 standard deduction. For purposes of this section, the
 4 determination of whether an individual is married shall be
 5 made as of the last day of the taxable year; provided,
 6 however, if one of the spouses dies during the taxable year,
 7 the determination shall be made as of the date of death.

8 (2) By November 1 of each year, the department shall
 9 multiply the maximum standard deduction for single returns
 10 ~~and joint returns~~ by the inflation factor for that taxable
 11 year and round the product to the nearest \$10. The standard
 12 deduction for joint returns and qualified head of household
 13 returns shall be twice the amount for single returns. The
 14 resulting adjusted deductions are effective for that taxable
 15 year and shall be used in calculating the tax imposed in
 16 15-30-103."

17 NEW SECTION. Section 2. Extension of authority. Any
 18 existing authority of the department of revenue to make
 19 rules on the subject of the provisions of this act is
 20 extended to the provisions of this act.

21 NEW SECTION. Section 3. Applicability. This act
 22 applies to taxable years beginning after December 31, 1984.

-End-



-2- INTRODUCED BILL
 HB 34

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN008-85

Form BD-15

In compliance with a written request received 1/7, 19 85, there is hereby submitted a Fiscal Note for HB 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 setting the standard income tax deduction for joint returns and head of household returns at twice the amount for single returns; amending section 15-30-122, MCA; and providing an applicability date.

FISCAL IMPACT

The impact of the proposal on individual income tax collections will be insignificant or nonexistent. For example, in tax year 1982 a \$14,800 difference (plus or minus) in collections would have resulted if the married joint standard deduction was not two times the single amount.

David L Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: JAN 12, 1985

APPROVED BY COMMITTEE
ON TAXATION

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SECOND READING
HB 34

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