

HOUSE BILL NO. 87  
INTRODUCED BY DEVLIN

IN THE HOUSE

JANUARY 6, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON TAXATION.

JANUARY 14, 1987                   COMMITTEE RECOMMEND BILL  
DO PASS AS AMENDED. REPORT ADOPTED.

JANUARY 15, 1987                   PRINTING REPORT.

JANUARY 16, 1987                   SECOND READING, DO PASS.

JANUARY 17, 1987                   ENGROSSING REPORT.

                                  THIRD READING, PASSED.

                                  TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 21, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON TAXATION.

FEBRUARY 6, 1987                   COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.

FEBRUARY 10, 1987                   SECOND READING, CONCURRED IN.

FEBRUARY 12, 1987                   THIRD READING, CONCURRED IN.  
AYES, 50; NOES, 0.

                                  RETURNED TO HOUSE.

IN THE HOUSE

FEBRUARY 17, 1987                   RECEIVED FROM SENATE.

                                  SENT TO ENROLLING.

1 H.B. BILL NO. 87  
2 INTRODUCED BY DeWine

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING THE  
5 RESIDENTIAL PROPERTY TAX CREDIT FOR THE ELDERLY TO ELDERLY  
6 PERSONS CHANGING RESIDENCE WITHIN MONTANA; AND AMENDING  
7 SECTIONS 15-30-171 AND 15-30-172, MCA."  
8

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

10 Section 1. Section 15-30-171, MCA, is amended to read:

11 "15-30-171. Residential property tax credit for  
12 elderly -- definitions. As used in 15-30-171 through  
13 15-30-179, the following definitions apply:

14 (1) "Income" means federal adjusted gross income,  
15 without regard to loss, as that quantity is defined in the  
16 Internal Revenue Code of the United States, plus all  
17 nontaxable income, including but not limited to:

18 (a) the gross amount of any pension or annuity  
19 (including Railroad Retirement Act benefits and veterans'  
20 disability benefits);

21 (b) the amount of capital gains excluded from adjusted  
22 gross income;

23 (c) alimony;

24 (d) support money;

25 (e) nontaxable strike benefits;

1 (f) cash public assistance and relief;  
2 (g) payments and interest on federal, state, county,  
3 and municipal bonds; and

4 (h) all payments under federal social security.

5 (2) "Claim period" means the tax year for individuals  
6 required to file Montana individual income tax returns and  
7 the calendar year for individuals not required to file  
8 returns.

9 (3) "Claimant" means an individual natural person who  
10 is eligible to file a claim under 15-30-172.

11 (4) "Household" means an association of persons who  
12 live in the same dwelling, sharing its furnishings,  
13 facilities, accommodations, and expenses. The term does not  
14 include bona fide lessees, tenants, or roomers and boarders  
15 on contract.

16 (5) "Gross household income" means all income received  
17 by all individuals of a household while they are members of  
18 the household.

19 (6) "Household income" means \$0 or the amount obtained  
20 by subtracting \$4,000 from gross household income, whichever  
21 is greater.

22 (7) "Homestead" means a single-family dwelling or unit  
23 of a multiple-unit dwelling that is subject to ad valorem  
24 taxes in Montana-owned-and-occupied-as-a-residence-by-the  
25 owner-for-at-least-6-months-of-the-claim-period-or-occupied



1 ~~as a dwelling of a renter or lessee for at least 6 months of~~  
 2 ~~the claim period,~~ and as much of the surrounding land, but  
 3 not in excess of 1 acre, as is reasonably necessary for its  
 4 use as a dwelling.

5 (8) "Department" means the department of revenue.

6 (9) "Gross rent" means the total rent in cash or its  
 7 equivalent actually paid during the claim period by the  
 8 renter or lessee for the right of occupancy of the homestead  
 9 pursuant to an arm's length transaction with the landlord.

10 (10) "Property tax paid" means general ad valorem taxes  
 11 levied against the homestead, exclusive of special  
 12 assessments, penalties, or interest and paid during the  
 13 claim period.

14 (11) "Rent-equivalent tax paid" means 15% of the gross  
 15 rent."

16 Section 2. Section 15-30-172, MCA, is amended to read:

17 "15-30-172. Residential property tax credit for  
 18 elderly -- eligibility. (1) In order to be eligible to make  
 19 a claim under 15-30-171 through 15-30-179, an individual:

20 (a) must have reached age 62 or older during the claim  
 21 period for which relief is sought; and

22 (b) must have resided in Montana for at least 9 months  
 23 of that period; and

24 (c) must have occupied one or more dwellings in  
 25 Montana as an owner, renter, or lessee for at least 6 months

1 of the claim period.

2 (2) A person is not disqualified as a claimant if the  
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7 NEW SECTION. Section 3. Extension of authority. Any  
 8 existing authority of the department of revenue to make  
 9 rules on the subject of the provisions of this act is  
 10 extended to the provisions of this act.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB087, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act extending the residential property tax credit for the elderly to elderly persons changing residence within Montana.

ASSUMPTIONS:

N/A

FISCAL IMPACT:

The proposal should have a minimal effect on the amount of elderly credits granted. Some current claimants would receive additional credits for property taxes or rent paid for dwellings occupied less than 6 months. New claimants would have to occupy multiple residences, none of which are occupied for a 6 month period.

Some increase in credits is expected, but data does not exist to estimate the amount of additional credits.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

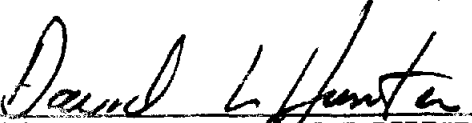
N/A

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

N/A

 DATE 1/12/87  
DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

 DATE Jan 12, 1987  
GERRY DEVLIN, PRIMARY SPONSOR

Fiscal Note for HB087, as introduced.

APPROVED BY COMMITTEE  
ON TAXATION

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16 without regard to loss, as that quantity is defined in the  
17 Internal Revenue Code of the United States, plus all  
18 nontaxable income, including but not limited to:

19 (a) the gross amount of any pension or annuity  
20 (including Railroad Retirement Act benefits and veterans'  
21 disability benefits);

22 (b) the amount of capital gains excluded from adjusted  
23 gross income;

24 (c) alimony;

25 (d) support money;

1 (e) nontaxable strike benefits;  
2 (f) cash public assistance and relief;  
3 (g) payments and interest on federal, state, county,  
4 and municipal bonds; and

5 (h) all payments under federal social security.

6 (2) "Claim period" means the tax year for individuals  
7 required to file Montana individual income tax returns and  
8 the calendar year for individuals not required to file  
9 returns.

10 (3) "Claimant" means an individual natural person who  
11 is eligible to file a claim under 15-30-172.

12 (4) "Household" means an association of persons who  
13 live in the same dwelling, sharing its furnishings,  
14 facilities, accommodations, and expenses. The term does not  
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17 (5) "Gross household income" means all income received  
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23 (7) "Homestead" means a single-family dwelling or unit  
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 not in excess of 1 acre, as is reasonably necessary for its  
 use as a dwelling.

(8) "Department" means the department of revenue.

(9) "Gross rent" means the total rent in cash or its  
 equivalent actually paid during the claim period by the  
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(10) "Property tax paid" means general ad valorem taxes  
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(11) "Rent-equivalent tax paid" means 15% of the gross  
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Section 2. Section 15-30-172, MCA, is amended to read:

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 claim period."

NEW SECTION. Section 3. Extension of authority. Any  
 existing authority of the department of revenue to make  
 rules on the subject of the provisions of this act is  
 extended to the provisions of this act.

NEW SECTION. SECTION 4. APPLICABILITY. THIS ACT IS  
 APPLICABLE RETROACTIVELY, WITHIN THE MEANING OF 1-2-109, TO  
 TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1986.

-End-

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