

HB 705 INTRODUCED BY PHILLIPS  
EXEMPT FROM INCOME TAX ARMED FORCES SALARY OF  
RESIDENTS IN REGULAR SERVICE

2/11	INTRODUCED		
2/11	REFERRED TO TAXATION		
2/11	FISCAL NOTE REQUESTED		
2/16	FISCAL NOTE RECEIVED		
2/20	HEARING		
2/23	COMMITTEE REPORT--BILL PASSED		
3/02	2ND READING PASSED	82	9
3/03	3RD READING PASSED	88	11
	TRANSMITTED TO SENATE		
3/04	REFERRED TO TAXATION		
3/21	HEARING		
3/23	COMMITTEE REPORT--BILL CONCURRED		
3/27	2ND READING CONCUR MOTION FAILED	20	24
4/02	2ND READING CONCURRED AS AMENDED	29	20
4/03	3RD READING FAILED	21	29
4/03	RETURNED TO HOUSE NOT CONCURRED AS AMENDED		

1 House BILL NO. 705  
 2 INTRODUCED BY Phillips  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FROM STATE  
 5 INCOME TAX THE SALARY RECEIVED FROM THE ARMED FORCES BY  
 6 RESIDENTS OF MONTANA WHO ARE SERVING ON ACTIVE DUTY IN THE  
 7 REGULAR ARMED FORCES REGARDLESS OF WHETHER THEY ENTERED  
 8 ACTIVE DUTY FROM MONTANA; AMENDING SECTION 15-30-116, MCA;  
 9 AND PROVIDING AN APPLICABILITY DATE."

10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 15-30-116, MCA, is amended to read:

13 "15-30-116. Veterans' bonus or military salary --  
 14 exemptions. (1) All payments made under the World War I  
 15 bonus law, Korean bonus law, and the veterans' bonus law are  
 16 hereby exempt from taxation under the income tax laws of the  
 17 state of Montana, and any income tax which has been or may  
 18 hereafter be paid on income received from this source shall  
 19 be considered an overpayment and shall be refunded upon the  
 20 filing of an amended return and a verified claim for refund  
 21 on forms prescribed by the department in the same manner as  
 22 other income tax refund claims are paid.

23 (2) The salary received from the armed forces by  
 24 residents of Montana who are serving on active duty in the  
 25 regular armed forces ~~and who entered into active duty from~~

1 Montana is exempt from state income tax."  
 2 NEW SECTION. Section 2. Extension of authority. Any  
 3 existing authority of the department of revenue to make  
 4 rules on the subject of the provisions of this act is  
 5 extended to the provisions of this act.  
 6 NEW SECTION. Section 3. Applicability. This act  
 7 applies to tax years beginning after December 31, 1987.

-End-



STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB705, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to exempt from state income tax the salary received from the armed forces by residents of Montana who are serving on active duty in the regular armed forces regardless of whether they entered active duty from Montana; amending section 15-30-116, MCA; and providing an applicability date.

FISCAL IMPACT:

The proposal will modify current section 15-30-116, MCA, and the modification will result in limited losses in individual income taxes. Data are unavailable to determine the amount of loss.

David L. Hunter DATE 2/16/87  
DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

John Phillips DATE Feb 12, 1987  
JOHN PHILLIPS, PRIMARY SPONSOR  
Fiscal Note for HB705, as introduced.

**HB 705**

APPROVED BY COMMITTEE  
ON TAXATION

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-End-

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7 REGULAR ARMED FORCES OUTSIDE MONTANA REGARDLESS OF WHETHER  
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23 (2) The salary received from the armed forces by  
24 residents of Montana who are serving on active duty in the  
25 regular armed forces OUTSIDE MONTANA and--who--entered--into

1 ~~active--duty--from-Montana~~ is exempt from state income tax."

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-End-

4-2-87

DATE

SENATE

2:55

TIME

MR. CHAIRMAN: I MOVE TO AMEND House Bill

No. 705

third

reading copy ( blue ) as follows:

Color

1. Title, line 7.

Following: "FORCES"

Insert: "OUTSIDE MONTANA"

2. Page 1, line 25.

Following: "forces"

Insert: "outside Montana"

10

ADOPT

REJECT

Senator Mazurek