

HOUSE BILL 560

Introduced by Connelly, et al.

2/03	Introduced
2/03	Referred to Taxation
2/06	Fiscal Note Requested
2/09	Fiscal Note Received
2/10	Fiscal Note Printed
2/16	Hearing
3/09	Tabled in Committee

1 House BILL NO. 560
2 INTRODUCED BY Connelly Richard Thompson
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A TAX CREDIT
5 FOR ACCOMMODATIONS TAXES PAID BY CERTAIN PERSONS WHEN THE
6 ACCOMMODATION IS FOR A PURPOSE ASSOCIATED WITH MEDICAL
7 TREATMENT; REQUIRING THE DEPARTMENT OF REVENUE TO ADOPT
8 RULES TO IMPLEMENT THE TAX CREDIT; AND PROVIDING A
9 RETROACTIVE APPLICABILITY DATE."

10
11 STATEMENT OF INTENT

12 A statement of intent is required for this bill because
13 [section 2] requires the department of revenue to adopt
14 rules implementing the provisions of the act. Because the
15 bill provides a tax credit for accommodations taxes to a
16 person who needs access to a medical facility or who
17 accompanies a family member who needs access to a medical
18 facility, the legislature intends that the department
19 develop rules that address, at a minimum:

20 (1) forms or methods by which the department may audit
21 a taxpayer's claim for a tax credit under the provisions of
22 this bill;

23 (2) forms or methods by which the department may audit
24 the records of innkeepers to cross-check a claim for a tax
25 credit under the provisions of this bill; and

1 (3) revisions to any forms developed by the department
2 on which a person may file a return for individual income
3 taxes under Title 15, chapter 30, or on which a credit may
4 be claimed under the provisions of this bill.

5
6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

7 NEW SECTION. **Section 1.** Tax credit for accommodations
8 tax incurred as a result of family illness. (1) Subject to
9 the restrictions of subsections (2) through (5), an eligible
10 taxpayer may take as a credit against his tax liability
11 imposed under this chapter the amount paid for accommodation
12 taxes imposed by 15-65-111 that exceeds \$10 for the taxable
13 year.

14 (2) The credit or the sum of the credits claimed under
15 subsection (1) may not exceed the taxpayer's tax liability.

16 (3) There is no carryback or carryforward of the
17 credit permitted under this section, and the credit must be
18 applied in the taxable year in which the expenditure is
19 made, as determined by the taxpayer's accounting method.

20 (4) For the purposes of this section, an eligible
21 taxpayer is a person filing a return under this chapter who
22 is required to rent lodging facilities because access to a
23 medical facility is necessary for:

24 (a) the taxpayer or a family member listed in
25 subsection (5) who accompanies him to the medical facility;

1 or

2 (b) a family member listed in subsection (5) whom the
3 taxpayer accompanies to the medical facility.

4 (5) A family member includes the mother, father,
5 grandmother, grandfather, wife, husband, son, daughter,
6 brother, sister, aunt, uncle, niece, or nephew of the
7 taxpayer.

8 NEW SECTION. **Section 2.** Rulemaking authority. (1) The
9 department shall adopt rules to implement the provisions of
10 [this act].

11 NEW SECTION. **Section 3.** Codification instruction.
12 [Sections 1 and 2] are intended to be codified as an
13 integral part of Title 15, chapter 30, part 1, and the
14 provisions of Title 15, chapter 30, apply to [sections 1 and
15 2].

16 NEW SECTION. **Section 4.** Retroactive applicability.
17 [This act] applies retroactively, within the meaning of
18 1-2-109, to taxable years beginning after December 31, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB560, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act allowing a tax credit for accommodations taxes paid by certain persons when the accommodation is for a purpose associated with medical treatment; requiring the Department of Revenue to adopt rules to implement the tax credit; and providing a retroactive applicability date.

FISCAL IMPACT:

Revenue: The bill would provide an income tax credit for taxpayers required to rent lodging facilities in conjunction with needed medical care. Only accommodations taxes associated with lodging bills in excess of \$250 in a taxable year would be eligible for the credit. Although the Department of Revenue does not have adequate data to assess the revenue loss associated with this bill, the impact is assumed to be small. In this regard, it should be noted that accommodations taxes do not apply to any facility that is rented solely on a monthly basis or for 30 days or more (MCA 15-65-101).

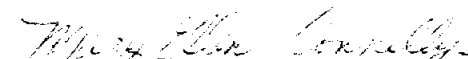
Expenditures: Additional administrative expenditures are expected to be minimal, and will be absorbed using current resources and funding.



RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

2/9/89

DATE



MARY ELLEN CONNELLY, PRIMARY SPONSOR

DATE

2/09/89

Fiscal Note for HB560, as introduced

HB 560