## HOUSE BILL 37

## Introduced by Molnar

12/01	Introduced
12/01	Fiscal Note Requested
12/01	Referred to Taxation
12/01	First Reading
12/06	Hearing
12/07	Fiscal Note Received
	Died in Committee

1 House BILL NO. 37
2 INTRODUCED BY BOM Mornan

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN INCOME TAX CREDIT FOR CERTAIN PROPERTY TAX INCREASES ON A PRIMARY RESIDENCE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

NEW SECTION. Section 1. Tax credit for primary residence property taxes. (1) It is the policy of the state to allow an income tax credit for the dollar amount of general property tax increase that exceeds 10% on an individual's primary residence, as assessed in 1992, and that results from reappraisal or the imposition of additional nonvoted millage.

- (2) In order to implement the policy, the department of revenue shall determine the amount of eligible income tax credit on each primary residence. The department shall:
- (a) compare the actual dollar amount of mill levies assessed for the primary residence in the 1993 tax year to the mill levies assessed in the 1992 tax year; and
- 23 (b) if the dollar amount of mill levies assessed in the 24 1993 tax year is greater than the dollar amount of mill 25 levies assessed in the 1992 tax year, exclude the amount of

mill levies assessed in the 1993 tax year that is attributable to voted mill levies imposed for the first time in the taxing jurisdiction in which the primary residence is

located.

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- 5 (3) If the amount determined under subsection (2)(b) 6 exceeds the amount of mill levies assessed in the 1992 tax 7 year by 10% or more, the property taxpayer is eligible for a 8 credit in the amount equal to the amount in excess of 10%.
  - (4) In order to be eligible for a credit, the property taxpayer must be the same taxpayer against whom property taxes for the property were assessed in the 1992 tax year. A property taxpayer is eligible for a credit only after payment of the property taxes assessed against the primary residence. Payment of delinquent taxes does not make a property taxpayer eligible for a credit. If a taxpayer has paid taxes under protest, a credit may not be claimed until there has been a final determination.
- 18 (5) As used in this section, "primary residence" means
  19 class four property, as provided in 15-6-134, that the
  20 taxpayer occupies as the taxpayer's dwelling for at least 6
  21 months a year. A taxpayer may claim only one primary
  22 residence.
- (6) The credit provided in this section may be claimedon individual income tax returns for either 1994 or 1995.
- 25 <u>NEW SECTION.</u> Section 2. Codification instruction.

[Section 1] is intended to be codified as an integral part of Title 15, chapter 30, part 1, and the provisions of Title 15, chapter 30, part 1, apply to [section 1].

MEW SECTION. Section 3. Effective date --
applicability. [This act] is effective on passage and approval and applies to tax years commencing after December 31, 1993.

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