

SENATE BILL NO. 419

INTRODUCED BY

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BY REQUEST OF THE SENATE TAXATION COMMITTEE

[Handwritten signatures: Gustafson, Van Valkenburg, Eck, Foster, Cole, Stang]

A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING FROM TAXATION, UNDER CERTAIN CONDITIONS, INCOME EARNED ON AN INDIAN RESERVATION BY AN ENROLLED MEMBER OF ANY FEDERALLY RECOGNIZED AMERICAN INDIAN TRIBE; REQUIRING A MEMBER WHO RESIDES ON AND DERIVES INCOME FROM AN INDIAN RESERVATION OTHER THAN THE INDIAN RESERVATION OF THE AMERICAN INDIAN TRIBE IN WHICH THE MEMBER IS ENROLLED TO FILE A RETURN; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

NEW SECTION. Section 1. Exemption of income derived from sources within federally recognized Indian reservation. (1) Income derived from sources within the boundaries of an Indian reservation in Montana by an enrolled member of any federally recognized American Indian tribe who resides on the reservation at the time that the income is earned is exempt from taxation under this chapter.

(2) Notwithstanding the provisions of subsection (1), an enrolled member of an American Indian tribe who resides on an Indian reservation other than the Indian reservation of the tribe in which the member is enrolled and who derives income from sources within the boundaries of that Indian reservation shall file a return for the tax year in which the income was earned. Certification of enrollment in a federally recognized American Indian tribe and proof that the income was earned within the boundaries of the Indian reservation must be attached to the return.

NEW SECTION. 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].

NEW SECTION. Section 3. Effective date -- retroactive applicability. [This act] is effective on passage and approval and applies retroactively, within the meaning of 1-2-109, to tax years beginning after

1 December 31, 1994.

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-END-

STATE OF MONTANA - FISCAL NOTE

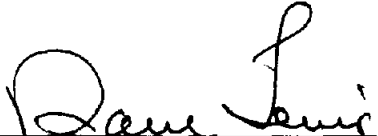
Fiscal Note for SB0419, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

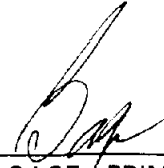
An act exempting from taxation, under certain conditions, income earned on an Indian reservation by an enrolled member of any federally recognized American Indian tribe; requiring a member who resides on and derives income from an Indian reservation other than the Indian reservation of the American Indian tribe in which the member is enrolled to file a return; and providing an immediate effective date and a retroactive applicability date.

FISCAL IMPACT:

There are no department expenditures associated with this proposal. There would be an indeterminate revenue decrease in each year of the biennium.

 3-13-95

DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 3-14-95

DELWYN GAGE, PRIMARY SPONSOR DATE
Fiscal Note for SB0419, as introduced
SB 419

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Conrad *Van Valkenburg* *Eck* *Foster* *Cole* *Stang*

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Indian reservation. (1) Income derived from sources within the boundaries of an Indian reservation in Montana by an enrolled member of any federally recognized American Indian tribe who resides on the reservation at the time that the income is earned is exempt from taxation under this chapter.

(2) Notwithstanding the provisions of subsection (1), an enrolled member of an American Indian tribe who resides on an Indian reservation other than the Indian reservation of the tribe in which the member is enrolled and who derives income from sources within the boundaries of that Indian reservation shall file a return for the tax year in which the income was earned. Certification of enrollment in a federally recognized American Indian tribe and proof that the income was earned within the boundaries of the Indian reservation must be attached to the return.

NEW SECTION. 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].

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passage and approval and applies retroactively, within the meaning of 1-2-109, to tax years beginning after

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Castro *V. Valdebenito* *Eck* *Foster* *Cole* *Stang*

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