

1 HOUSE BILL NO. 860  
2 INTRODUCED BY J. FITZPATRICK, J. HAMILTON, K. WALSH, D. LOGE, R. FITZGERALD, M. HOPKINS, P.  
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4

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN INCOME TAX CREDIT FOR THE INSTALLATION  
6 OF FIRE SUPPRESSION EQUIPMENT IN RURAL AREAS; PROVIDING THAT THE CREDIT MAY BE  
7 CLAIMED BY INDIVIDUALS, PASS-THROUGHS, OR CORPORATIONS; AMENDING SECTION 15-30-2303,  
8 MCA; AND PROVIDING AN APPLICABILITY DATE AND A TERMINATION DATE."  
9

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

12 NEW SECTION. **Section 1. Credit for installation of fire suppression equipment in rural areas.**

13 (1) A taxpayer or corporation is allowed a credit against the tax imposed by chapter 31 or this chapter for the  
14 cost of installing fire suppression equipment in a rural area outside of an incorporated city or town.

15 (2) The credit is equal to:

16 (a) 30% of the installed cost of a nonpressurized water storage tank with a capacity of 5,000  
17 gallons or more, a dry hydrant, fire water ponds located in platted subdivisions, and pipelines; or

18 (b) 50% of the installed cost of a pressurized hydrant system.

19 (3) (a) Except as provided in subsection (3)(b), a credit may only be claimed under subsection  
20 (2)(b) for a pressurized hydrant system used exclusively for fire suppression.

21 (b) A credit is allowed for a pressurized hydrant system that is part of a community or public water  
22 supply, but the credit is only available for the additional cost of the hydrant system.

23 (4) A tax credit under this section must be claimed in the year the installation expenses were  
24 incurred.

25 (5) The credit allowed under this section may not exceed the taxpayer's income tax liability but  
26 may be carried forward 2 years.

27 (6) If the credit allowed under this section is claimed by a small business corporation, a pass-  
28 through entity, or a partnership, the credit must be attributed to shareholders, owners, or partners using the

1 same proportion as used to report the entity's income or loss.

2 ~~(7)~~ The fire chief or senior administrative officer for the fire protection jurisdiction where the fire  
3 suppression equipment is located shall certify that the equipment has been installed and is fully functional. The  
4 taxpayer shall include a copy of the certification statement with the Montana income tax return.

5 ~~(7)(8)~~ The aggregate amount of tax credits allowed under this section is \$20 million a year. Credits  
6 must be awarded on a first-come, first-served basis.

7 ~~(8)(9)~~ Pursuant to 5-4-104, the purpose of the credit is to provide a financial incentive to install fire  
8 suppression equipment in the state's rural areas.

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10 **NEW SECTION. Section 2. Credit for installation of fire suppression equipment in rural areas.**

11 There is a credit against tax liability under this chapter for the cost of installing fire suppression equipment in a  
12 rural area outside of an incorporated city or town as provided in [section 1].

13

14 **Section 3.** Section 15-30-2303, MCA, is amended to read:

15 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits  
16 must be reviewed during the biennium commencing July 1, 2019, and during each biennium commencing 10  
17 years thereafter:

- 18 (a) the credit for contractor's gross receipts provided for in 15-50-207; and  
19 (b) the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341.

20 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2021, and  
21 during each biennium commencing 10 years thereafter:

- 22 (a) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-  
23 30-3110, and 15-31-158; and

- 24 (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-  
25 30-3111, and 15-31-159.

26 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2023, and  
27 during each biennium commencing 10 years thereafter:

- 28 (a) the credit for infrastructure use fees provided for in 17-6-316;