HOUSE BILL NO. 845

INTRODUCED BY J. DARLING, M. NIKOLAKAKOS, E. TILLEMAN

A BILL FOR AN ACT ENTITLED: “AN ACT INCREASING THE INCOME TAX DEDUCTION FOR CONTRIBUTIONS TO A FAMILY EDUCATION SAVINGS ACCOUNT; PROVIDING FOR INFLATIONARY INCREASES; AMENDING SECTION 15-62-207, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.”

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

Section 1. Section 15-62-207, MCA, is amended to read:

"**15-62-207. Deductions for contributions -- inflation factor.** (1) ~~An~~ Subject to subsection (3), an individual who contributes to one or more accounts in a tax year is entitled to reduce the individual's adjusted gross income, in accordance with 15-30-2120, by the total amount of the contributions, but not more than ~~$3,000~~ $4,500 in tax year 2025.

(2) The contribution must be made to an account owned by the contributor, the contributor's spouse, or the contributor's child or stepchild if the contributor's child or stepchild is a Montana resident.

(3) The total amount of the contributions for each subsequent tax year is determined by multiplying the amount in subsection (1) by an inflation factor determined by dividing the consumer price index fund for June of the previous tax year by the consumer price index for June 2024 and rounding the resulting figure to the nearest $100 increment."

NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 2024.

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