

SENATE BILL NO. 424

INTRODUCED BY E. BOLDMAN

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISABLED VETERAN PROPERTY TAX ASSISTANCE PROGRAM; PROVIDING ASSISTANCE FOR DISABLED VETERANS WHO ARE RATED 60% 80% TO 90% DISABLED; AMENDING SECTIONS 15-6-301 AND 15-6-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 15-6-301, MCA, is amended to read:

"15-6-301. Definitions. As used in this part, the following definitions apply:

(1) "Annual verification" means the use of a process to:

(a) verify an applicant's income;

(b) approve, renew, or deny benefits for the current year based upon the applicant's eligibility; and

(c) terminate participation based upon death or loss of status as a qualified veteran or veteran's spouse.

(2) "PCE" means the implicit price deflator (price index) for personal consumption expenditures as published in the national income and product accounts by the bureau of economic analysis of the U.S. department of commerce.

(3) "PCE inflation factor" for a tax year means the PCE price index value for the first quarter of the prior tax year before the tax year divided by the PCE price index value for the first quarter of 2023.

(4) (a) "Primary residence" is, subject to the provisions of subsection (4)(b), a dwelling:

(i) in which a taxpayer can demonstrate the taxpayer lived for at least 7 months of the year for which benefits are claimed;

(ii) that is the only residence for which property tax assistance is claimed; and

(iii) determined using the indicators provided for in the rules authorized by 15-6-302(2).

(b) A primary residence may include more than one dwelling when the taxpayer's combined

residence in the dwellings is at least 7 months of the tax year.

(5) "Qualified veteran" means a veteran:

(a) who was killed while on active duty or died as a result of a service-connected disability; or

(b) if living:

(i) was honorably discharged from active service in any branch of the armed services; and

(ii) is currently rated ~~100% 60% 80%~~ disabled or higher or is paid at the ~~100% 60% 80%~~ disabled rate or higher by the U.S. department of veterans affairs for a service-connected disability, as verified by official documentation from the U.S. department of veterans affairs.

(6) "Qualifying income" means:

(a) the federal adjusted gross income excluding capital and income losses of an applicant and the applicant's spouse as calculated on the Montana income tax return for the prior year;

(b) for assistance under 15-6-311, the federal adjusted gross income excluding capital and income losses of an applicant as calculated on the Montana income tax return for the prior tax year; or

(c) for an applicant who is not required to file a Montana income tax return, the income determined using available income information.

(7) "Qualifying property" means a primary residence that a qualified applicant owned and occupied for at least 7 months during the tax year.

(8) "Residential real property" means the land and improvements of a taxpayer's primary residence."

Section 2. Section 15-6-311, MCA, is amended to read:

"15-6-311. Disabled veteran program. (1) The residential real property of a qualified veteran or a qualified veteran's spouse is eligible to receive a tax rate reduction as provided in 15-6-302 and this section.

(2) Property qualifying under subsection (1) and owned by a qualified veteran is taxed at the rate provided in 15-6-134 multiplied by a percentage figure based on the applicant's qualifying income determined from the following table:

Income	Income	Percentage
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Single Person	Married Couple Head of Household	Multiplier
\$0 – \$45,803	\$0 – \$54,963	0%
\$45,804 – \$50,384	\$54,964 – \$59,544	20%
\$50,385 – \$54,963	\$59,545 – \$64,124	30%
\$54,964 – \$59,554	\$64,125 – \$68,705	50%

<u>Income</u>	<u>Income</u>	<u>Percentage Multiplier -</u>	<u>Percentage Multiplier -</u>
<u>Single Person</u>	<u>Married Couple or</u>	<u>100% Disabled</u>	<u>60% 80% to 90%</u>
	<u>Head of Household</u>		<u>Disabled</u>
<u>\$0 - \$45,803</u>	<u>\$0 - \$54,963</u>	<u>0%</u>	<u>50% 70%</u>
<u>\$45,804 - \$50,384</u>	<u>\$54,964 - \$59,544</u>	<u>20%</u>	<u>60% 80%</u>
<u>\$50,385 - \$54,963</u>	<u>\$59,545 - \$64,124</u>	<u>30%</u>	<u>65% 85%</u>
<u>\$54,964 - \$59,554</u>	<u>\$64,125 - \$68,705</u>	<u>50%</u>	<u>70% 90%</u>

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2 (3) For a surviving spouse who owns property qualifying under subsection (4), the property is
3 taxed at the rate established by 15-6-134 multiplied by a percentage figure based on the spouse's qualifying
4 income determined from the following table:

Income	Percentage
Surviving Spouse	Multiplier
\$0 – \$38,169	0%
\$38,170 – \$42,750	20%
\$42,751 – \$47,330	30%
\$47,331 – \$51,911	50%

<u>Income</u>	<u>Percentage Multiplier - 100%</u>	<u>Percentage Multiplier - 60% 80%</u>
<u>Surviving Spouse</u>	<u>Disabled</u>	<u>to 90% Disabled</u>
<u>\$0 - \$38,169</u>	<u>0%</u>	<u>50% 70%</u>
<u>\$38,170 - \$42,750</u>	<u>20%</u>	<u>60% 80%</u>

(4) The property tax exemption under this section remains in effect as long as the qualifying income requirements are met and the property is the primary residence owned and occupied by the veteran or, if the veteran is deceased, by the veteran's spouse and the spouse:

- (a) is the owner and occupant of the house;
- (b) is unmarried; and
- (c) has obtained from the U.S. department of veterans affairs a letter indicating that the veteran was rated ~~100%-60%~~ 80% disabled or higher or was paid at the ~~100%-60%~~ 80% disabled rate or higher by the U.S. department of veterans affairs for a service-connected disability at the time of death or that the veteran died while on active duty or as a result of a service-connected disability.

(5) The qualifying income levels contained in subsections (2) and (3) must be adjusted annually by using the PCE inflation factor defined in 15-6-301, rounded to the nearest whole dollar amount. If the adjustment results in a decrease in qualifying income levels from the previous year, the qualifying income levels must remain the same for that year."

NEW SECTION. Section 4. Applicability. [This act] applies to property tax years beginning after
ber 31, 2025.

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