

Amendment - 1st Reading/2nd House-blue - Requested by: Ryan Lynch - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Megan Moore, 406-444-4496

HB0192.002.002

1 HOUSE BILL NO. 192
2 INTRODUCED BY B. MERCER, S. FITZPATRICK, G. HERTZ, M. REGIER, D. BARTEL, S. VINTON, J.
3 ELLSWORTH, R. KNUDSEN, K. BOGNER
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE DISTRIBUTION OF SURPLUS REVENUE;
6 ~~USING DISTRIBUTING SURPLUS REVENUE TO MONTANANS BASED ON CERTAIN INDIVIDUAL INCOME~~
7 ~~LIABILITY FOR INDIVIDUAL INCOME TAX SURPLUS REBATES, PROPERTY TAX REFUNDS, AND TO~~
8 ~~OFFSET GENERAL OBLIGATION BOND PAYMENTS; PROVIDING RESIDENT TAXPAYERS INDIVIDUAL~~
9 ~~INCOME TAX SURPLUS REBATES FOR INDIVIDUAL INCOME TAXES PAID; PROVIDING FOR PROPERTY~~
10 ~~TAX REFUNDS FOR PRIMARY RESIDENCES; PROVIDING AN APPROPRIATION; PROVIDING A~~
11 ~~STATUTORY APPROPRIATION; PROVIDING DEFINITIONS; AMENDING SECTIONS 15-30-2110, 15-30-~~
12 ~~2420, AND 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION~~
13 ~~DATE."~~

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16
17 NEW SECTION. Section 1. Montana tax SURPLUS rebate account. (1) There is a Montana tax
18 SURPLUS rebate account in the state special revenue fund PROVIDED FOR IN 17-2-102.

19 (2) The state treasurer shall transfer ~~\$900~~ \$480 million FROM THE GENERAL FUND to the account ~~by~~
20 July 1, 2023 within 10 days of [the effective date of this act].

21 (3) Money in the account must be used ~~as follows:~~

22 ~~(a) \$650 million, less administrative costs, for individual income tax rebates provided for in [section~~
23 ~~2] AND ASSOCIATED ADMINISTRATIVE COSTS; and~~

24 ~~(b) \$250 million, less administrative costs, for residential property tax refunds provided for in~~
25 ~~[sections 3 through 5].~~

26 (4) The ~~amounts~~ AMOUNT provided for in subsection (3) ~~are~~ IS statutorily appropriated, as provided
27 in 17-7-502, to the department of revenue.

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1 (5) The state treasurer shall transfer to the general fund money remaining in the account after
2 June 30, 2025.

3
4 **NEW SECTION. Section 2. Individual income tax rebate.** (1) By ~~December 31~~ May 1, 2023, the
5 department of revenue shall issue, to a qualified taxpayer who incurred individual income tax liability in
6 Montana in 2021, a one-time income tax rebate in an amount equal to the lesser of:

7 (a) the qualified taxpayer's 2021 individual income tax liability as properly reported on line 20 of the
8 2021 Montana individual income tax return; or

9 (b) an amount based on the taxpayer's 2021 filing status, equal to:

10 (i) for a single taxpayer, A HEAD OF HOUSEHOLD, or a married taxpayer filing a separate return,
11 \$1,250; or

12 (ii) for a married couple filing a joint return, \$2,500.

13 (2) The department may not issue a rebate pursuant to this section that exceeds the taxpayer's
14 individual income tax liability as properly reported on line 20 of the 2021 Montana individual income tax return.

15 (3) (a) Except as provided in subsection (3)(b), the department shall issue rebates provided for in
16 this section electronically or by mailing a check to the taxpayer's mailing address based on the taxpayer's
17 refund instructions.

18 (b) A rebate provided for in this section must first be credited against any outstanding liability for
19 which the department withholds a tax refund existing at the time the refund is issued.

20 (4) As provided in 15-30-2110(2)(u), a rebate provided for in this section is not taxable income.

21 (5) (a) As used in this section, the term "qualified taxpayer" means an individual who was a
22 resident as defined in 15-30-2101 for the entire income tax year beginning January 1, 2021, and who filed a
23 Montana individual income tax return for income tax years 2020 and 2021 by the due date for filing the return
24 for income tax year 2021, including any extensions that have been granted.

25 (b) The term does not include:

26 (i) a taxpayer who is a nonresident, as defined in 15-30-2101, who filed tax returns in 2020 or
27 2021 pursuant to 15-30-2104;

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1 (ii) an individual who was claimed as a dependent by another taxpayer for federal or Montana
2 income tax purposes for the 2021 tax year; or

3 (iii) a trust.
4

5 NEW SECTION. Section 3. — Property tax refund -- definitions. As used in [sections 3 through 5],
6 the following definitions apply:

7 (1) — "Owned" means the taxpayer is the person or entity whose ownership of the real property at
8 issue is reflected in a county's real property records for 2022.

9 (2) — "Primary residence" means a single-family dwelling unit, unit of a multiple - unit dwelling, trailer,
10 manufactured home, or mobile home subject to Montana property taxes and as much of the surrounding land,
11 not exceeding 1 acre, as is reasonably necessary for its use as a dwelling and that was owned and occupied by
12 the taxpayer for at least 7 months of the year for which a refund is claimed.

13 (3) — (a) "Property tax" means taxes levied against a primary residence, including special
14 assessments and fees.

15 (b) — The term does not include penalties or interest.
16

17 NEW SECTION. Section 4. — Property tax refund -- manner of claiming -- limitations. (1)(a) A
18 taxpayer may claim a refund of up to \$1,000 for property taxes paid in 2021 and 2022 as provided in this
19 section.

20 (b) — A taxpayer who paid property taxes of \$1,000 or more in 2022 may claim a refund of \$1,000.

21 (c) — A taxpayer who paid property taxes of more than \$0 and less than \$1,000 in 2022 may claim a
22 total refund of up to \$1,000 for property taxes paid in 2021 and 2022.

23 (2) — (a) Subject to subsection (2)(b), the claim for a refund must:

24 (i) — be in the form that the department prescribes;

25 (ii) — be executed by each taxpayer under penalty of false swearing; and

26 (iii) — include the information that the department requires, including but not limited to information to
27 demonstrate that the taxpayer is entitled to the rebate provided for in this section.

