

1 HOUSE BILL NO. 223  
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7  
 8 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISABLED VETERAN PROPERTY TAX  
 9 ASSISTANCE PROGRAM; REMOVING THE INCOME LIMIT FOR THE PROGRAM; PROVIDING  
 10 ASSISTANCE FOR DISABLED VETERANS WHO ARE RATED 60% TO 90% DISABLED; AMENDING  
 11 SECTIONS 15-6-301, 15-6-302, AND 15-6-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE  
 12 AND ~~A RETROACTIVE AN~~ APPLICABILITY DATE."  
 13

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

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

17 **"15-6-301. Definitions.** As used in this part, the following definitions apply:

- 18 (1) "Annual verification" means the use of a process to:
  - 19 (a) verify an applicant's income;
  - 20 (b) approve, renew, or deny benefits for the current year based ~~upon~~on the applicant's eligibility;
  - 21 and
  - 22 (c) terminate participation based ~~upon~~on death or loss of status as a qualified veteran or veteran's
  - 23 spouse.
- 24 (2) "PCE" means the implicit price deflator (price index) for personal consumption expenditures as
- 25 published in the national income and product accounts by the bureau of economic analysis of the U.S.
- 26 department of commerce.
- 27 (3) "PCE inflation factor" for a tax year means the PCE price index value for the first quarter of the
- 28 prior tax year before the tax year divided by the PCE price index value for the first quarter of 2015.

**Amendment - 1st Reading-white – (H) Taxation**

- 2023

68th Legislature 2023

Drafter: Megan Moore, 406-444-4496

HB0223.001.003

1 (9) The department may address unusual circumstances of ownership and income that arise in  
 2 administering taxpayer assistance programs provided for in 15-6-305 and 15-6-311.

3 (10) A temporary stay in a nursing home or similar facility does not change a taxpayer's primary  
 4 residence for the purposes of taxpayer assistance programs provided for in 15-6-305 and 15-6-311.

5 (11) The department shall award property assistance under the property tax assistance program  
 6 that provides the greatest benefit to the taxpayer by reviewing applications and eligibility requirements, and  
 7 notify the applicant of the department's decision."  
 8

9 **Section 3.** Section 15-6-311, MCA, is amended to read:

10 **"15-6-311. Disabled veteran program.** (1) The residential real property of a qualified veteran or a  
 11 qualified veteran's spouse is eligible to receive a tax rate reduction as provided in 15-6-302 and this section.

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

| Income              | Income              | Percentage |
|---------------------|---------------------|------------|
| Single Person       | Married Couple      | Multiplier |
|                     | Head of Household   |            |
| \$0 — \$37,404      | \$0 — \$44,885      | 0%         |
| \$37,405 — \$41,145 | \$44,886 — \$48,626 | 20%        |
| \$41,146 — \$44,885 | \$48,627 — \$52,366 | 30%        |
| \$44,886 — \$48,626 | \$52,367 — \$56,107 | 50%        |

| <u>Income - Single Person</u> | <u>Income - Married Couple or</u><br><u>Head of Household</u> | <u>Percentage</u><br><u>Multiplier - 100%</u><br><u>Disabled</u> | <u>Percentage</u><br><u>Multiplier - 60% to</u><br><u>90% Disabled</u> |
|-------------------------------|---|--|--|
| <u>\$0 - \$37,404</u>         | <u>\$0 - \$44,885</u>   | <u>0%</u>  | <u>50%</u>   |
| <u>\$37,405 - \$41,145</u>    | <u>\$44,886 - \$48,626</u>                                    | <u>20%</u>   | <u>60%</u>   |
| <u>\$41,146 - \$44,885</u>    | <u>\$48,627 - \$52,366</u>                                    | <u>30%</u>   | <u>65%</u>   |

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|  |  |            |            |
|--|--|------------|------------|
| <del>\$44,886 or more to</del><br><u>\$150,000</u> | <del>\$52,367 or more to \$150,000</del> | <u>50%</u> | <u>70%</u> |
|--|--|------------|------------|

1

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 and the veteran's disability rating determined from the following table:

| Income                         | Percentage |
|--------------------------------|------------|
| Surviving Spouse               | Multiplier |
| <del>\$0 – \$31,170</del>      | 0%         |
| <del>\$31,171 – \$34,911</del> | 20%        |
| <del>\$34,912 – \$38,651</del> | 30%        |
| <del>\$38,652 – \$42,392</del> | 50%        |

| <u>Income - Surviving Spouse</u>     | <u>Percentage Multiplier -</u> |                            |
|--------------------------------------|--------------------------------|----------------------------|
|                                      | <u>100% Disabled</u>           | <u>60% to 90% Disabled</u> |
| <u>\$0 - \$31,170</u>                | <u>0%</u>                      | <u>50%</u>                 |
| <u>\$31,171 - \$34,911</u>           | <u>20%</u>                     | <u>60%</u>                 |
| <u>\$34,912 - \$38,651</u>           | <u>30%</u>                     | <u>65%</u>                 |
| <u>\$38,652 or more to \$150,000</u> | <u>50%</u>                     | <u>70%</u>                 |

5

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

- 9 (a) is the owner and occupant of the house;
- 10 (b) is unmarried; and
- 11 (c) has obtained from the U.S. department of veterans affairs a letter indicating that the veteran  
 12 was rated ~~400%~~ 60% disabled or higher or was paid at the ~~400%~~ 60% disabled rate or higher by the U.S.  
 13 department of veterans affairs for a service-connected disability at the time of death or that the veteran died

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1 while on active duty or as a result of a service-connected disability.

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

6

7 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

8

9 ~~NEW SECTION. Section 5. Retroactive applicability. [This act] applies retroactively, within the~~  
10 ~~meaning of 1-2-109, to property tax years beginning on January 1, 2023.~~

11

12 NEW SECTION. Section 5. Applicability. [This act] applies to property tax years beginning after

13 December 31, 2023.

14

- END -