

1 HOUSE BILL NO. 223
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6
 7 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISABLED VETERAN PROPERTY TAX
 8 ASSISTANCE PROGRAM; REMOVING THE INCOME LIMIT FOR THE PROGRAM; PROVIDING
 9 ASSISTANCE FOR DISABLED VETERANS WHO ARE RATED ~~60% TO 80%~~ 80% OR 90% DISABLED;
 10 AMENDING SECTIONS 15-6-301, 15-6-302, AND 15-6-311, MCA; AND PROVIDING AN IMMEDIATE
 11 EFFECTIVE DATE AND A ~~RETROACTIVE AN~~ APPLICABILITY DATE."

12
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14
 15 **Section 1.** Section 15-6-301, MCA, is amended to read:

16 **"15-6-301. Definitions.** As used in this part, the following definitions apply:

- 17 (1) "Annual verification" means the use of a process to:
 - 18 (a) verify an applicant's income;
 - 19 (b) approve, renew, or deny benefits for the current year based ~~upon~~ on the applicant's eligibility;
 - 20 and
 - 21 (c) terminate participation based ~~upon~~ on death or loss of status as a qualified veteran or veteran's
 - 22 spouse.
- 23 (2) "PCE" means the implicit price deflator (price index) for personal consumption expenditures as
- 24 published in the national income and product accounts by the bureau of economic analysis of the U.S.
- 25 department of commerce.
- 26 (3) "PCE inflation factor" for a tax year means the PCE price index value for the first quarter of the
- 27 prior tax year before the tax year divided by the PCE price index value for the first quarter of 2015.
- 28 (4) (a) "Primary residence" is, subject to the provisions of subsection (4)(b), a dwelling:

1 U.S. department of veterans affairs for a service-connected disability at the time of death or that the veteran
2 died while on active duty or as a result of a service-connected disability.

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

7

8 COORDINATION SECTION. Section 4. Coordination instruction. If both House Bill No. 189 and
9 [this act] are passed and approved and if both contain a section that amends 15-6-311, then the sections
10 amending 15-6-311 are void and 15-6-311 must be amended as follows:

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

13 (2) Property qualifying under subsection (1) and owned by a qualified veteran is taxed at the rate
14 provided in 15-6-134 multiplied by a percentage figure based on the applicant's qualifying income and disability
15 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>	<u>Percentage</u>
	<u>Head of Household</u>	<u>Multiplier - 100%</u>
		<u>Disabled</u>
<u>\$0 - \$45,803</u>	<u>\$0 - \$54,963</u>	<u>0%</u>
<u>\$45-804 - \$50,384</u>	<u>\$54,964 - \$59,544</u>	<u>20%</u>
		<u>Multiplier - 80% or</u>
		<u>90% Disabled</u>
		<u>50%</u>
		<u>60%</u>

Amendment - 1st Reading/2nd House-blue Requested by: Greg Hertz – (S) Taxation

- 2023

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Drafter: Jaret Coles, 406-444-4022

HB0223.003.001

~~\$50,385 - \$54,963~~

~~\$59,545 - \$64,124~~

~~30%~~

~~65%~~

~~\$54,964 - \$73,470~~

~~\$64,125 - \$91,838~~

~~50%~~

~~70%~~

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

<u>Income</u>	<u>Percentage Multiplier</u>
\$0 — \$31,170	0%
\$31,171 — \$34,911	20%
\$34,912 — \$38,651	30%
\$38,652 — \$42,392	50%
<u>Income - Surviving Spouse</u>	<u>Percentage Multiplier - 100%</u>
	<u>Disabled</u>
	<u>Percentage Multiplier - 80%</u>
	<u>or 90% Disabled</u>

~~\$0 - \$38,169~~

~~0%~~

~~50%~~

~~\$38,170 - \$42,750~~

~~20%~~

~~60%~~

~~\$42,751 - \$47,330~~

~~30%~~

~~65%~~

~~\$47,331 - \$73,470~~

~~50%~~

~~70%~~

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

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

13 (5) The qualifying income levels contained in subsections (2) and (3) must be adjusted annually by

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1 using the PCE inflation factor defined in 15-6-301, rounded to the nearest whole dollar amount. If the
2 adjustment results in a decrease in qualifying income levels from the previous year, the qualifying income levels
3 must remain the same for that year."
4

5 NEW SECTION. Section 5. Effective date. [This act] is effective on passage and approval.
6

7 NEW SECTION. Section 5. — Retroactive applicability. [This act] applies retroactively, within the
8 meaning of 1-2-109, to property tax years beginning on January 1, 2023.
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10 NEW SECTION. Section 6. APPLICABILITY. [THIS ACT] APPLIES TO PROPERTY TAX YEARS BEGINNING
11 AFTER DECEMBER 31, 2023.
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