

HOUSE BILL NO. 268

INTRODUCED BY J. KASSMIER, B. MERCER, L. JONES

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A CHILD TAX CREDIT FOR MONTANA
RESIDENT TAXPAYERS; PROVIDING A MAXIMUM REFUNDABLE CREDIT AMOUNT FOR A CHILD 5
YEARS OF AGE OR YOUNGER; AMENDING SECTION 15-30-2303, MCA; AND PROVIDING AN
APPLICABILITY DATE."

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

NEW SECTION. Section 1. Child tax credit. (1) Except as provided in subsection (3), a resident
taxpayer who is permitted a child tax credit under section 24 of the Internal Revenue Code, 26 U.S.C. 24, is
allowed a credit against the taxes imposed by this chapter for each qualifying child of the taxpayer.

(2) ~~The Subject to subsection (5), the~~ amount of the credit is \$1,200 for each qualifying child.

(3) The credit is not allowed if the taxpayer's federal adjusted gross income exceeds the threshold
amount.

(4) The taxpayer is entitled to a refund equal to the amount by which the credit exceeds the
taxpayer's tax liability or, if the taxpayer has no tax liability under this chapter, a refund equal to the amount of
the credit. The credit may be claimed by filing a Montana income tax return.

~~(5) The credit in subsection (2) is reduced at a rate of \$90 for each \$1,000 of the taxpayer's federal
adjusted gross income in excess of \$50,000.~~

~~(5)(6)~~ For the purposes of this section, the following definitions apply:

(a) "Qualifying child" means a child of the taxpayer who is 5 years of age or younger as of the
close of the calendar year in which the taxpayer's tax year begins.

(b) "Threshold amount" is ~~\$50,000~~ \$56,000, regardless of the individual taxpayer's filing status.

Section 2. Section 15-30-2303, MCA, is amended to read:

"15-30-2303. Tax credits subject to review by interim committee. (1) The following tax credits