

1 HOUSE BILL NO. 268  
2 INTRODUCED BY J. KASSMIER, B. MERCER, L. JONES

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

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

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

14 (2) The amount of the credit is \$1,200 for each qualifying child.

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

17 (4) To claim the credit, a taxpayer must have:

18 (a) proof of earned income;

19 (b) investment income of less than \$10,300; and

20 (c) a valid social security number for each child claimed.

21 ~~(4)~~(5) The taxpayer is entitled to a refund equal to the amount by which the credit exceeds the  
22 taxpayer's tax liability or, if the taxpayer has no tax liability under this chapter, a refund equal to the amount of  
23 the credit. The credit may be claimed by filing a Montana income tax return.

24 ~~(5)~~(6) For the purposes of this section, the following definitions apply:

25 (a) "Earned income" means earned income as defined in section 32 of the Internal Revenue Code,  
26 26 U.S.C. 32.

27 (b) "Investment income" means disqualified income as defined in section 32 of the Internal  
28 Revenue Code, 26 U.S.C. 32.

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

3           (b)(d) "Threshold amount" is \$50,000, regardless of the individual taxpayer's filing status.  
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5           **Section 2.** Section 15-30-2303, MCA, is amended to read:

6           **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits  
7 must be reviewed during the biennium commencing July 1, 2019, and during each biennium commencing 10  
8 years thereafter:

9           (a) the credit for contractor's gross receipts provided for in 15-50-207; and

10           (b) the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341.

11           (2) The following tax credits must be reviewed during the biennium commencing July 1, 2021, and  
12 during each biennium commencing 10 years thereafter:

13           (a) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-  
14 30-3110, and 15-31-158; ~~and~~

15           (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-  
16 30-3111, and 15-31-159; and

17           (c) the child tax credit provided for in [section 1].

18           (3) The following tax credits must be reviewed during the biennium commencing July 1, 2023, and  
19 during each biennium commencing 10 years thereafter:

20           (a) the credit for infrastructure use fees provided for in 17-6-316;

21           (b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-  
22 2329, 15-31-161, and 15-31-162; and

23           (c) the credit for property to recycle or manufacture using recycled material provided for in Title 15,  
24 chapter 32, part 6.

25           (4) The following tax credits must be reviewed during the biennium commencing July 1, 2025, and  
26 during each biennium commencing 10 years thereafter:

27           (a) the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151;

28           (b) the credit for unlocking state lands provided for in 15-30-2380;