

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

3
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."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10
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 Subject to subsection (4), 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)(3)~~ The taxpayer is entitled to a refund equal to the amount by which the credit exceeds the
18 taxpayer's tax liability or, if the taxpayer has no tax liability under this chapter, a refund equal to the amount of
19 the credit. The credit may be claimed by filing a Montana income tax return.

20 ~~(4) The credit in subsection (2) is reduced at a rate of \$75 for each \$1,000 of the taxpayer's federal~~
21 ~~adjusted gross income in excess of \$42,000.~~

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

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

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

26
27 **Section 2.** Section 15-30-2303, MCA, is amended to read:

28 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits