

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 (4), 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)(3)~~ 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.

~~(4) The credit in subsection (2) is reduced at a rate of \$100 for each \$1,000 of the taxpayer's federal adjusted gross income in excess of \$46,000.~~

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

~~(a) "Qualifying "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, 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