



68th Montana Legislative UPDATE #6 February 24, 2023

Status of the Governor's tax package:

1. [SB 121](#)—Income tax rate cut--passed House Tax, waiting for action in House Appropriations
2. [HB 189](#)—Property Tax Assistance—waiting for 3rd reading in House.
3. [HB 212](#)—Business Equipment exemption—Passed Senate Finance and Claims waiting for 3rd reading in Senate.
4. [HB 221](#)—Establish a capital gains tax rate—Passed Senate Finance and Claims waiting for 3rd reading in Senate.
5. [HB 222](#)—Rebate to property owners—passed Senate Finance and Claims waiting for 2nd reading in Senate.
6. [HB 225](#)—Adoption Tax Credit—Passed Senate Finance and Claims waiting 2nd reading in Senate.
7. [HB 251](#)—Debt payment—Passes Senate Finance and Claims waiting 2nd reading in Senate.
8. [HB 267](#)—Create and fund an account to match federal highway funds—passed Senate Finance and Claims waiting 2nd reading in Senate.
9. [HB 268](#)—Child tax Credit—Tabled in House Appropriations.

It appears that the goal is to move all of the Governor's tax bills through the Legislature and to the Governor by the transmittal break that begins March 2nd.

OTHER TAX BILLS

There several important tax bills that are moving through the process as well as some bills that are of interest.

1. [SB 124](#)—Change corporate income tax apportionment to a single sales factor from the current 3 factor apportionment system. Currently corporate income tax is apportioned by a formula based on the percentage of property, payroll, and sales in Montana compared to those three factors in their total operations. The goal of this change is to incentivize companies to build business and employ people in Montana and export their products. It also would generate more income from out of state corporations who sell into Montana and do not have significant property and payroll in Montana.
2. [HB 454](#)—Create a new tax on electricity from renewable sources and distribute that revenue to a variety of entities, counties, and the state general fund. Montax opposed the bill, and it is tabled in House Taxation.
3. [HB 481](#)—Increase the inflation rate local governments can use to set their budgets. This bill was amended in House Tax to sunset in 4 years and passed out of committee.
4. [HB 508](#)—Allow Montana property owners who do not live in a school district to vote on levies. This bill is tabled in House Tax Committee.
5. [HB 526](#)—Repeal income tax on Social Security—Hearing in House Tax on Feb. 27th.
6. [SB 291](#)—Require certain numbers of voters to participate and vote affirmatively for a property tax levy to pass—Heard in Senate Tax waiting for action.
7. [SB 246](#)—Repeal tax haven list applied to corporations that take the water's edge election. Waiting for 2nd reading in Senate.
8. [SB 408](#)—Revise tax credit for allowing access to public lands. This bill would have expanded who could be eligible for the tax credit. Heard in Senate Tax waiting for action.
9. [SB 442](#)—Allow use of a portion of the marijuana tax for use on county roads. Heard in Senate Tax waiting for action.

All general bills must be approved by the house they originated in before March 2nd. Any bills that affect revenue or appropriate money, have until April 3rd to pass the first house.