

1 HOUSE BILL NO. 598

2 INTRODUCED BY J. HAMILTON

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE CAPITAL GAINS CREDIT ALLOWED AGAINST
5 INDIVIDUAL INCOME TAXES IMPOSED; RETAINING A CREDIT FOR CERTAIN INCOME LEVELS;
6 AMENDING SECTION 15-30-2301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
7 RETROACTIVE APPLICABILITY DATE."

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

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11 **Section 1.** Section 15-30-2301, MCA, is amended to read:

12 **"15-30-2301. Capital gains credit.** (1) An individual taxpayer with adjusted gross income, as provided
13 for in 15-30-2110, of less than \$1 million is allowed a credit against the taxes imposed by 15-30-2103 in an
14 amount equal to ~~4% of the taxpayer's net capital gains for tax years 2005 and 2006~~ and 2% of the lesser of the
15 taxpayer's net capital gains or taxable income for tax years beginning after 2006, as shown on the taxpayer's
16 individual income tax return filed pursuant to 15-30-2602. The credit allowed under this section may not exceed
17 the taxpayer's income tax liability.

18 (2) By November 1 of each year, the department shall multiply the adjusted gross income number
19 contained in subsection (1) by the inflation factor for the following tax year and round the result to the nearest
20 \$1,000. The resulting amount is in effect for the following tax year for determining under subsection (1) whether
21 an individual taxpayer qualifies for the credit."

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23 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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25 NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the
26 meaning of 1-2-109, to tax years beginning after December 31, 2016.

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