

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_

3 BY REQUEST OF THE REVENUE INTERIM COMMITTEE

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING TERMINATION DATES ON CERTAIN LEGISLATION  
6 ENACTING OR EXTENDING REAL PROPERTY EXEMPTIONS; AND AMENDING SECTION 5-4-104, MCA."

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9  
10 **Section 1.** Section 5-4-104, MCA, is amended to read:

11 **"5-4-104. Tax expenditure criteria -- legislation.** (1) The legislature recognizes the value of relevant  
12 information when making determinations regarding tax policy and tax expenditures. The legislature also  
13 recognizes the need to reevaluate tax expenditures after enactment. In consideration of these policy goals, the  
14 legislature encourages a policy of providing an explicit purpose of a tax expenditure and, except as provided in  
15 subsection (2), a termination dates date of no more than 6 years in any legislation creating, expanding, or  
16 continuing a tax expenditure.

17 (2) The following legislation must include a termination date:

18 (a) legislation implementing a real property exemption enacted after [the effective date of this act];  
19 and

20 (b) legislation to extend the termination date of a real property exemption following evaluation of  
21 the exemption by the revenue interim committee.

22 (2) (3) As used in this section, the term "tax expenditures" means those revenue losses attributable to  
23 provisions of Montana tax laws that allow a special exclusion, exemption, or deduction from gross income or  
24 that provide a special credit, a preferential rate of tax, or a deferral of tax liability including:

25 (a) personal income and corporate income tax exemptions;

26 (b) property tax exemptions for which application to the department is necessary;

27 (c) deferral of income;

28 (d) credits allowed against Montana personal income tax or Montana corporate income tax;

- 3 - END -