_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: “AN ACT REVISING THE DEFINITION OF "QUALIFYING INCOME" FOR PROPERTY TAX ASSISTANCE PROGRAMS; AMENDING SECTION 15-6-301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.”

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

Section 1. Section 15-6-301, MCA, is amended to read:

"**15-6-301. Definitions.** As used in this part, the following definitions apply:

(1) "Annual verification" means the use of a process to:

(a) verify an applicant's income;

(b) approve, renew, or deny benefits for the current year based upon the applicant's eligibility; and

(c) terminate participation based upon death or loss of status as a qualified veteran or veteran's spouse.

(2) "Firefighter" means a firefighter qualified under 7-33-4107 who receives full or partial pay or a volunteer firefighter as defined in 19-17-102.

(3) "First responder" means a law enforcement officer, firefighter, or volunteer emergency care provider.

(4) "Injured in the line of duty" means an injury directly related to an individual's required employment duties.

(5) "Law enforcement officer" means a police officer, sheriff, deputy sheriff, undersheriff, highway patrol officer, investigator appointed by the department of justice, fish and game warden, park ranger, or other public safety officer certified by the public safety officer standards and training council.

(6) "PCE" means the implicit price deflator (price index) for personal consumption expenditures as published in the national income and product accounts by the bureau of economic analysis of the U.S.

department of commerce.

(7) "PCE inflation factor" for a tax year means the PCE price index value for the first quarter of the prior tax year before the tax year divided by the PCE price index value for the first quarter of 2023.

(8) (a) "Primary residence" is, subject to the provisions of subsection (8)(b), a dwelling:

(i) in which a taxpayer can demonstrate the taxpayer lived for at least 7 months of the year for which benefits are claimed;

(ii) that is the only residence for which property tax assistance is claimed; and

(iii) determined using the indicators provided for in the rules authorized by 15-6-302(2).

(b) A primary residence may include more than one dwelling when the taxpayer's combined residence in the dwellings is at least 7 months of the tax year.

(9) "Qualified first responder" means a first responder:

(a) who was killed in the line of duty or died from a disability resulting from an injury in the line of duty; or

(b) who, if living:

(i) receives a disability retirement benefit pursuant to 19-6-601, 19-7-601, 19-8-701, 19-9-902, 19-13-802, 19-17-601, or 19-18-604; or

(ii) for an injured volunteer emergency care provider, receives compensation for permanent total disability under 39-71-702 or for permanent partial disability under 39-71-703.

(10) "Qualified veteran" means a veteran:

(a) who was killed while on active duty or died as a result of a service-connected disability; or

(b) if living:

(i) was honorably discharged from active service in any branch of the armed services; and

(ii) is currently rated 100% disabled or is paid at the 100% disabled rate by the U.S. department of veterans affairs for a service-connected disability, as verified by official documentation from the U.S. department of veterans affairs.

(11) "Qualifying income" means:

(a) the federal adjusted gross income ~~excluding capital and income losses~~ of an applicant and the applicant's spouse as calculated on the Montana income tax return for the prior year;

(b) for assistance under 15-6-311, the federal adjusted gross income ~~excluding capital and income losses~~ of an applicant as calculated on the Montana income tax return for the prior tax year; or

(c) for an applicant who is not required to file a Montana income tax return, the income determined using available income information.

(12) "Qualifying property" means a primary residence that a qualified applicant owned and occupied for at least 7 months during the tax year.

(13) "Residential real property" means the land and improvements of a taxpayer's primary residence.

(14) "Volunteer emergency care provider" has the same meaning as provided in 50-6-202."

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

NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to property tax years beginning after December 31, 2026.

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