

1 SENATE BILL NO. 549

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6 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN INCOME TAX BENEFIT FOR PRIMARY AND
7 SECONDARY EDUCATION EXPENSES; ESTABLISHING AN INCOME TAX CREDIT FOR CERTAIN
8 PRIMARY AND SECONDARY EDUCATION EXPENSES FOR A PUBLIC EDUCATION; PROVIDING
9 DEFINITIONS; AMENDING SECTION 15-30-2303, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

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13 **NEW SECTION. Section 1. Primary and secondary education expenses credit -- definitions.** (1)

14 There is allowed a credit against the tax imposed by 15-30-2103 for education expenses that are paid by a
15 parent, guardian, or teacher as provided in this section.

16 (2) The credit is equal to the lesser of the amount paid for education expenses or \$1,250.

17 (3) If the amount of the credit exceeds the claimant's liability under this chapter, the amount of the
18 excess must be refunded to the claimant. The credit may be claimed even if the claimant has no taxable
19 income under this chapter.

20 (4) Pursuant to 5-4-104, the legislature finds that the purpose of the tax credit provided for in this
21 section is to assist parents, guardians, and teachers with the increasing costs of providing a primary and
22 secondary education to a child IN PUBLIC SCHOOL.

23 (5) As used in this section, the following definitions apply:

24 (a) "Education expenses" means the following expenses for the benefit of an individual to receive
25 an education from an education provider:

26 (i) ~~school tuition charged by an education provider~~, fees, textbooks, software, or other
27 instructional materials or services;

28 (ii) an educational program or course using electronic or offsite delivery methods, including but not

1 limited to tutoring, distance learning programs, online programs, and technology delivered learning programs;

2 (iii) curriculum, including supplemental materials necessary for the curriculum;

3 (iv) tutoring;

4 (v) educational therapies or services, including but not limited to occupational, behavioral,

5 physical, speech-language, and audiology therapies from licensed or certified practitioners or providers,

6 including licensed or certified paraprofessionals or educational aides;

7 (vi) state or nationally recognized assessment tests, advanced placement exams, entrance

8 examinations at an eligible postsecondary institution, or other assessment instruments;

9 (vii) services provided by a public school in the state, including individual classes and

10 extracurricular activities;

11 (viii) consumable education supplies, such as paper, pens, and markers;

12 (ix) transportation required for another allowable educational service; and

13 (x) fees paid to a cooperative educational program.

14 (b) "Education provider" means an education provider for individuals in kindergarten through 12th

15 grade in the state that is:

16 (i) a public school;

17 (ii) accredited, has applied for accreditation, or is provisionally accredited by a state, regional, or

18 national accreditation organization;

19 (iii) a nonaccredited provider or tutor and has informed the child's parents or legal guardian in

20 writing at the time of enrollment that the provider or tutor is not accredited and is not seeking accreditation; or

21 (iv) a home school that complies with the provisions of 20-5-109.

22 (c) "Teacher" means a person that provides instruction to students that is employed by an

23 education provider. The term includes licensed or certified paraprofessionals or educational aides that are

24 employed by an education provider.

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27 Section 2. Section 15-30-2303, MCA, is amended to read:

28 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits

1 must be reviewed during the biennium commencing July 1, 2021, and during each biennium commencing 8
2 years thereafter:

3 (a) the credit for donations to innovative educational programs provided for in 15-30-2334, 15-30-
4 3110, and 15-31-158;

5 (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-
6 30-3111, and 15-31-159; and

7 (c) the adoption tax credit provided for in 15-30-2321; and

8 (d) the primary and secondary education expenses credit provided for in [section 1].

9 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2023, and
10 during each biennium commencing 8 years thereafter:

11 (a) the credit for infrastructure use fees provided for in 17-6-316;

12 (b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-
13 2329, 15-31-161, and 15-31-162;

14 (c) the credit for property to recycle or manufacture using recycled material provided for in Title 15,
15 chapter 32, part 6; and

16 (d) the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151.

17 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2025, and
18 during each biennium commencing 8 years thereafter:

19 (a) the residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-
20 2341;

21 (b) the credit for unlocking state lands provided for in 15-30-2380;

22 (c) the job growth incentive tax credit provided for in 15-30-2361 and 15-31-175; and

23 (d) the credit for trades education and training provided for in 15-30-2359 and 15-31-174.

24 (4) The following tax credits must be reviewed during the biennium commencing July 1, 2027, and
25 during each biennium commencing 8 years thereafter:

26 (a) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357
27 and 15-31-173;

28 (b) the earned income tax credit provided for in 15-30-2318;

21 **NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an
22 integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [section 1].

24 **NEW SECTION. Section 4. Applicability.** [This act] applies to income tax years beginning on or after
25 January 1, 2026.

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