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

SECTION 1. SECTION 15-30-2357, MCA, IS AMENDED TO READ:

"15-30-2357. Tax credit for hiring registered apprentice or veteran apprentice. (1) Subject to the provisions of [15-30-2361 (8) and] 39-6-109, a taxpayer is allowed a credit against the tax imposed by chapter this chapter for employing a registered apprentice or registered veteran apprentice who works in a

(2) The credit may not exceed the taxpayer's tax liability and may not be carried forward or carried back.

(3) The credit may be claimed only in the tax year in which the department of labor and industry approved the credit as provided in 39-6-109(4). If a taxpayer claims the credit but was not approved by the department of labor and industry, the taxpayer's return must be processed without regard to the credit.

(4) For fiscal year filers, the credit available to claim in the current fiscal year is the credit allowed for the calendar year that ends within the taxpayer's fiscal period.

(5) Subject to the probationary period provided for in 39-6-109, if an employer employs an apprentice for less than the full preceding calendar year, the employer may apply for the full credit for the year in which the apprentice was employed.

1 (6) — The department shall, after consultation with the department of labor and industry, prescribe a
2 form for a taxpayer to claim the tax credit. The form must provide the department with sufficient information for
3 the proper administration of the credit.

4 (7) — The department shall provide the department of labor and industry an annual report detailing
5 the tax credit provided to employers for the previous year. The information provided to the department of labor
6 and industry is subject to the provisions of 15-30-2618 and 15-31-511.

7 (8) — The department may adopt rules, prepare forms, and maintain records that are necessary to
8 implement this credit. (Bracketed language terminates December 31, 2028—sec. 4, Ch. 391, L. 2023.)"

9

10 **Section 1. SECTION 15-30-2361, MCA, IS AMENDED TO READ:**

11 **"15-30-2361. (Temporary) Grow Montana jobs — annual job growth incentive tax credit. (1)**

12 Subject to the provisions of 39-11-404, a taxpayer is allowed an annual job growth incentive tax credit against
13 the tax imposed by chapter 31 of this chapter for creating qualifying net employee growth in the state.

14 (2) — The amount of the credit is equal to 50% of the taxpayer's total estimated taxes imposed on the
15 taxpayer each year for the Montana source wages paid to qualifying new employees in the credit certificate
16 under the Federal Insurance Contributions Act, 26 U.S.C. 3111(a) and (b).

17 (3) — The credit allowed by this section may not be refunded if the taxpayer has a tax liability less
18 than the amount of the credit. If the sum of credit carryovers from the credit, if any, and the amount of credit
19 allowed by this section for the tax year exceeds the taxpayer's tax liability for the current tax year, the excess
20 attributable to the current tax year's credit is a credit carryover to succeeding tax years for a period not to
21 exceed 10 years from the tax year the credit was claimed. The entire amount of unused credit must be carried
22 forward to the earliest of the succeeding years, and the oldest available unused credit must be used first. Any
23 credit remaining 10 years after the tax year for which the credit is based may not be refunded or credited to the
24 taxpayer.

25 (4) — The credit may be claimed for up to 7 years, but only in a tax year in which the department of
26 labor and industry approved the credit by issuing the taxpayer with a credit certificate as provided in 39-11-404.
27 If a taxpayer claims the credit but was not approved by the department of labor and industry, the taxpayer's

1 ~~return will be processed without regard to the credit.~~

2 (5) ~~For fiscal year filers, the credit available to claim in the current fiscal year is the credit allowed~~
3 ~~for the calendar year that ends within the taxpayer's fiscal period.~~

4 (6) ~~The department shall, after consultation with the department of labor and industry, prescribe a~~
5 ~~form for a taxpayer to claim the tax credit. The form must provide the department with sufficient information for~~
6 ~~the proper administration of the credit.~~

7 (7) ~~The department shall provide the department of labor and industry with an annual report~~
8 ~~detailing the tax credit provided to taxpayers for the previous year. The information provided to the department~~
9 ~~of labor and industry is subject to the provisions of 15-30-2618 and 15-31-511.~~

10 (8) ~~A taxpayer claiming this credit may not claim the apprenticeship tax credit pursuant to sections~~
11 ~~15-30-2357, 15-31-173, and 39-6-109 in the same tax year that this credit is claimed. This subsection does not~~
12 ~~prevent a credit carryover from this credit from being used in a tax year in which the apprenticeship tax credit is~~
13 ~~claimed.~~

14 (9)(8) ~~Each biennium, the department shall provide to the revenue interim committee information~~
15 ~~regarding all approvals granted and credit certificates issued, including the credits claimed, the names of the~~
16 ~~qualifying employers of the credits, and the amount of tax credits claimed. This information is not subject to the~~
17 ~~confidentiality requirements of 15-30-2618 or 15-31-511.~~

18 (10)(9) ~~For the purposes of this section, the terms "credit certificate", "qualifying employer", "qualifying~~
19 ~~net employee growth", and "qualifying new employee" have the same meaning as those terms are defined in~~
20 ~~39-11-404. (Terminates December 31, 2028--sec. 4, Ch. 391, L. 2023.)"~~

22 **Section 1.** Section 15-31-175, MCA, is amended to read:

23 **"15-31-175. (Temporary) Grow Montana jobs -- annual job growth incentive tax credit.** (1) There
24 is an annual job growth incentive tax credit against the taxes otherwise due under 15-31-121 or 15-31-122 that
25 is allowable in the amount established pursuant to 15-30-2361 when a taxpayer hires qualifying new employees
26 as defined in 39-11-404 in the state. The credit is administered as provided in 15-30-2361, 39-11-404, and this
27 section.

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7 **"39-11-404. (Temporary) Employer job growth incentive tax credit -- administration.** (1) An
8 employer that hires qualifying new employees is eligible for an annual job growth incentive tax credit against
9 income taxes imposed pursuant to Title 15, chapter 30 or 31.

10 (2) The amount and duration of the credit is administered by the department of revenue as
11 provided in 15-30-2361 and 15-31-175.

12 (3) A qualifying employer seeking approval to claim a credit shall apply for a credit certificate with
13 the department for the preceding calendar year. The application must be submitted on a form prescribed by the
14 department on which the employer:

15 (a) identifies and describes the number of qualifying new employees hired;

16 (b) provides necessary details to calculate the net employee growth and qualifying net employee
17 growth;

(c) provides documentation necessary to calculate the job growth incentive tax credit, including but not limited to the average yearly wage of each qualifying new employee; and

20 (d) submits any other information the department considers necessary for auditing purposes and to
21 determine whether the employer qualifies for a credit certificate.

22 (4) After receiving an application, the department shall:

23 (a) provide the employer with a credit certificate, which must accompany the employer's tax return
24 that is filed with the department of revenue; or

25 (b) deny an application for a credit certificate and provide the employer with the reasoning for the
26 denial. Prior to issuing a denial, the department shall provide the employer with an opportunity to resolve
27 deficiencies in the application.

7 (6) The identity and social security number or federal tax identification number of individuals
8 employed by the employer are subject to the provisions of 15-30-2618 and 15-31-511.

15 (9) The department may adopt rules necessary to administer this section.

16 (10) For the purposes of this section, the following definitions apply:

17 (a) "Business transfer" means any change in ownership or transfer of all or a material portion of
18 the business to another entity or individual by entity merger, combination, reorganization, asset acquisition,
19 transfer, or other similar business transaction in which an existing business is continued under new ownership
20 or a different entity.

21 (b) "Credit certificate" means a statement issued by the department to a qualifying employer that
22 provides the number of qualifying new employees hired or retained by the qualifying employer starting with
23 calendar year 2022 and ending in calendar year 2028.

24 (c) "Department" means the department of labor and industry provided for in 2-15-1701.

25 (d) "Employer" includes any person, entity, or fiduciary, resident or nonresident, subject to a tax or
26 other obligation imposed by Title 15, chapters 30 and 31.

27 (e) "Inflation factor" means a number determined for each tax year by dividing the consumer price

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1 index as defined in 15-30-2101 for June of the previous tax year by the consumer price index for June 2021.

2 (f) "Net employee growth" means the total number of qualifying new employees employed by the
3 employer in the state during any calendar year starting with calendar year 2022 and ending in calendar year
4 2028.

5 (g) "Predecessor" means any entity or individual that operated a business prior to a business
6 transfer to the employer.

7 (h) "Qualifying employer" means an employer with qualifying net employee growth.

8 (i) (i) "Qualifying net employee growth" means:

9 (A) unless subsection (10)(i)(B) applies, net employee growth equal to at least 10 qualifying new
10 employees during the first year the credit is claimed and at least 15 total qualifying new employees during any
11 subsequent calendar year;

12 (B) for a county with a population of 20,000 or less, net employee growth equal to at least 5
13 qualifying new employees during the first year the credit is claimed and at least 7 total qualifying new
14 employees during any subsequent calendar year.

15 (ii) In order to qualify, the net employee growth must be associated with a project in the state that
16 encourages, promotes, and stimulates economic development in the sectors of construction, natural resources,
17 mining, agriculture, forestry, manufacturing, transportation, utilities, or outdoor recreation.

18 (j) (i) "Qualifying new employee" means:

19 (A) an employee of a qualifying employer;

20 (A)(I) who is hired in any calendar year starting with calendar year 2022 and ending in calendar year
21 2028;

22 (B)(II) who is employed for at least 6 months during the year for which the credit is granted;

23 (C)(III) with a yearly wage of at least \$50,000, plus any benefits paid to other employees of the
24 employer; and

25 (D)(IV) who increases the number of total employees that are employed by the employer from the
26 number of employees employed by the employer in calendar year 2021; or

27 (B) an apprentice as defined in 39-6-101 who is in the construction industry.

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NEW SECTION. SECTION 3. REPEALER. SECTION 24, CHAPTER 550, LAWS OF 2021, AND SECTION 4,

7 CHAPTER 391, LAWS OF 2023, ARE REPEALED.

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