

1 SENATE BILL NO. 549

2 INTRODUCED BY J. TREBAS, M. NOLAND, D. EMRICH, K. BOGNER, D. ZOLNIKOV, M. REGIER, G.
3 HERTZ, S. VINTON, M. YAKAWICH, B. BEARD, K. ZOLNIKOV, B. MERCER, G. NIKOLAKAKOS, M.
4 NIKOLAKAKOS, C. SCHOMER, L. SCHUBERT, E. TILLEMAN

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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. THE CREDIT ALLOWED BY THIS SECTION MAY NOT BE REFUNDED IF THE TAXPAYER HAS A~~
20 ~~TAX LIABILITY LESS THAN THE AMOUNT OF THE CREDIT.~~

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

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

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

27 (i) ~~school tuition charged by an education provider, SCHOOL TUITION CHARGED BY AN EDUCATION~~
28 PROVIDER, fees, textbooks, software, or other instructional materials or services;

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

6 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits
7 must be reviewed during the biennium commencing July 1, 2021, and during each biennium commencing 8
8 years thereafter:

11 (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-
12 30-3111, and 15-31-159; and

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

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

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

18 (b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-
19 2329, 15-31-161, and 15-31-162;

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

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

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

25 (a) the residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-
26 2341;

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

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

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

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