

10 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A CHILD TAX CREDIT FOR MONTANA
11 RESIDENT TAXPAYERS; PROVIDING A MAXIMUM REFUNDABLE CREDIT AMOUNT FOR A CHILD 5
12 YEARS OF AGE OR YOUNGER; AMENDING SECTION 15-30-2303, MCA; AND PROVIDING AN
13 APPLICABILITY DATE."

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

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17 **NEW SECTION.** **Section 1. Child tax credit.** (1) Except as provided in subsection (3), a resident
18 taxpayer who is permitted a child tax credit under section 24 of the Internal Revenue Code, 26 U.S.C. 24, is
19 allowed a credit against the taxes imposed by this chapter for each qualifying child of the taxpayer.

20 (2) Subject to subsection (5), the amount of the credit is \$1,200 for each qualifying child.

21 (3) The credit is not allowed if the taxpayer's federal adjusted gross income exceeds the threshold
22 amount.

23 (4) The taxpayer is entitled to a refund equal to the amount by which the credit exceeds the
24 taxpayer's tax liability or, if the taxpayer has no tax liability under this chapter, a refund equal to the amount of
25 the credit. The credit may be claimed by filing a Montana income tax return.

26 (5) The credit in subsection (2) is reduced at a rate of \$90 for each \$1,000 of the taxpayer's federal
27 adjusted gross income in excess of \$50,000.

28 (6) For the purposes of this section, the following definitions apply:

(a) "Qualifying child" means a child of the taxpayer who is 5 years of age or younger as of the close of the calendar year in which the taxpayer's tax year begins.

3 (b) "Threshold amount" means \$56,000, regardless of the individual taxpayer's filing status.

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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:

9 (a) the credit for donations to innovative educational programs provided for in 15-30-2334, 15-30-
10 3110, and 15-31-158:

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 child tax 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

69th Legislature 2025

HB 220.1

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2 **NEW SECTION. Section 4. Applicability.** [This act] applies to income tax years beginning after
3 December 31, 2025.

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