

## HOUSE BILL NO. 143

INTRODUCED BY N. SCHWADERER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE LOWEST INDIVIDUAL INCOME TAX BRACKET  
5 AND EXEMPTING CERTAIN INCOME FROM THE INDIVIDUAL INCOME TAX; AMENDING SECTION  
6 15-30-2103, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE  
7 APPLICABILITY DATE."

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

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11 **Section 1.** Section 15-30-2103, MCA, is amended to read:

12 **"15-30-2103. Rate of tax.** (1) Taxable income less than \$2,700 is exempt from the tax provided for in  
13 this chapter.

14 (2) There must be levied, collected, and paid for each tax year upon the taxable income of each taxpayer  
15 subject to this tax, after making allowance for exemptions and deductions as provided in this chapter, a tax on  
16 the brackets of taxable income as follows:

17 (a) ~~on the first \$2,300 of taxable income or any part of that income, 1%;~~

18 (b) ~~on the next \$1,800 of taxable income or any part of that income~~ on taxable income greater than or  
19 equal to \$2,700 and any part of that income not more than \$4,800, 2%;

20 (c) ~~on the next \$2,400~~ \$2,500 of taxable income or any part of that income, 3%;

21 (d) ~~on the next \$2,200~~ \$2,600 of taxable income or any part of that income, 4%;

22 (e) ~~on the next \$2,400~~ \$2,800 of taxable income or any part of that income, 5%;

23 (f) ~~on the next \$3,400~~ \$3,700 of taxable income or any part of that income, 6%;

24 (g) ~~on any taxable income in excess of \$13,900~~ \$16,400 or any part of that income, 6.9%.

25 (2) ~~(3)~~ By November 1 of each year, the department shall multiply the bracket amount contained in  
26 ~~subsection (1)~~ subsections (1) and (2) by the inflation factor for that tax year, BUT USING THE YEAR 2012 CONSUMER  
27 PRICE INDEX, and round the cumulative brackets to the nearest \$100. The resulting adjusted brackets are effective  
28 for that tax year and must be used as the basis for imposition of the tax in ~~subsection (1) of this section~~  
29 subsections (1) and (2).

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