

HOUSE BILL NO. 325

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISABLED VETERAN PROPERTY TAX
ASSISTANCE PROGRAM; ~~EXEMPTING RETIREMENT INCOME WHEN CONSIDERING PROGRAM~~
~~ELIGIBILITY; PROVIDING FOR CONTINUED ELIGIBILITY WHEN UNUSUAL INCREASES IN INCOME~~
~~OCCUR; REVISING A DEFINITION; AMENDING SECTIONS 15-6-301 AND SECTION 15-6-302, MCA; AND~~
PROVIDING AN APPLICABILITY DATE."

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

Section 1. ~~Section 15-6-301, MCA, is amended to read:~~

~~"15-6-301. Definitions. As used in this part, the following definitions apply:~~

~~(1) "Annual verification" means the use of a process to:~~

~~(a) verify an applicant's income;~~

~~(b) approve, renew, or deny benefits for the current year based upon the applicant's eligibility; and~~

~~(c) terminate participation based upon death or loss of status as a qualified veteran or veteran's~~

~~spouse.~~

~~(2) "PCE" means the implicit price deflator (price index) for personal consumption expenditures as
published in the national income and product accounts by the bureau of economic analysis of the U.S.~~

~~department of commerce.~~

~~(3) "PCE inflation factor" for a tax year means the PCE price index value for the first quarter of the
prior tax year before the tax year divided by the PCE price index value for the first quarter of 2015.~~

~~(4) (a) "Primary residence" is, subject to the provisions of subsection (4)(b), a dwelling:~~

~~(i) in which a taxpayer can demonstrate the taxpayer lived for at least 7 months of the year for~~

~~which benefits are claimed;~~

1 (ii) ~~that is the only residence for which property tax assistance is claimed; and~~

2 (iii) ~~determined using the indicators provided for in the rules authorized by 15-6-302 (2).~~

3 (b) ~~A primary residence may include more than one dwelling when the taxpayer's combined~~
4 ~~residence in the dwellings is at least 7 months of the tax year.~~

5 (5) ~~"Qualified veteran" means a veteran:~~

6 (a) ~~who was killed while on active duty or died as a result of a service-connected disability; or~~

7 (b) ~~if living:~~

8 (i) ~~was honorably discharged from active service in any branch of the armed services; and~~

9 (ii) ~~is currently rated 100% disabled or is paid at the 100% disabled rate by the U.S. department of~~
10 ~~veterans affairs for a service-connected disability, as verified by official documentation from the U.S.~~
11 ~~department of veterans affairs.~~

12 (6) ~~"Qualifying income" means:~~

13 (a) ~~the federal adjusted gross income excluding capital and income losses of an applicant and the~~
14 ~~applicant's spouse as calculated on the Montana income tax return for the prior year;~~

15 (b) ~~for assistance under 15-6-311, the federal adjusted gross income excluding income from~~
16 ~~individual retirement account distributions, annuities, pensions, and other retirement benefits, social security~~
17 ~~benefits, and capital and income losses of an applicant as calculated on the Montana income tax return for the~~
18 ~~prior tax year; or~~

19 (c) ~~for an applicant who is not required to file a Montana income tax return, the income determined~~
20 ~~using available income information.~~

21 (7) ~~"Qualifying property" means a primary residence that a qualified applicant owned and occupied~~
22 ~~for at least 7 months during the tax year.~~

23 (8) ~~"Residential real property" means the land and improvements of a taxpayer's primary~~
24 ~~residence."~~

25

26 **Section 1.** Section 15-6-302, MCA, is amended to read:

27 **"15-6-302. Property tax assistance -- rulemaking.** (1) The requirements of this section must be met
28 for a taxpayer to qualify for property tax assistance under 15-6-305 or 15-6-311.

1 (2) For the property tax assistance programs provided for in 15-6-305 and 15-6-311, the residential
2 real property must be owned by the applicant or under contract for deed and be the primary residence as
3 defined in 15-6-301. The department shall make rules specifying the indicators used for determining whether a
4 residence is a primary residence for purposes of property tax assistance programs.

5 (3) An applicant's qualifying income, as defined in 15-6-301, may not exceed the threshold
6 established in 15-6-305 or 15-6-311 or in rules established pursuant to those sections.

7 (4) (a) A claim for assistance must be submitted on a form prescribed by the department.

8 (b) The form must contain:

9 (i) the qualifying income of the applicant and the applicant's spouse;

10 (ii) an affirmation that the applicant owns and maintains the land and improvements as the primary
11 residence as defined in 15-6-301;

12 (iii) the social security number of the applicant and of the applicant's spouse; and

13 (iv) any other information required by the department that is relevant to the applicant's eligibility.

14 (5) (a) An application must be filed by April 15 of the year for which assistance is first claimed.

15 (b) Once assistance is approved, the applicant remains eligible for property tax assistance in
16 subsequent years through the annual verification process defined in 15-6-301 without the need to reapply.

17 (c) A taxpayer shall inform the department of any change in eligibility occurring from one year to
18 the next.

19 (6) The department may verify an applicant's and an applicant's spouse's social security number
20 and benefits with the social security administration and the U.S. department of veterans affairs.

21 (7) The department must annually verify an applicant's eligibility, including the applicant's and
22 spouse's income, and approve, renew, or deny benefits for the current year based upon the findings.

23 (8) (a) When providing information for property tax assistance under 15-6-305 or 15-6-311,
24 applicants are subject to the false swearing penalties established in 45-7-202.

25 (b) The department may investigate the information provided in an application and an applicant's
26 continued eligibility.

27 (c) The department may request applicant verification of the primary residence.

28 (9) The department may address unusual circumstances of ownership and income that arise in

1 administering taxpayer assistance programs provided for in 15-6-305 and 15-6-311. For the disabled veteran
2 program provided for in 15-6-311, "unusual circumstances" of income may include INCLUDES:

3 (a) living expenses and income above normal and typical annual income used for funeral
4 expenses or medical expenses, including medical expenses related to rehabilitation expenses, nontypical
5 medical expenses, or major medical expenses of an immediate family member; and

6 (b) unusual expenditures for necessary home and living expenses, such as major home repairs,
7 vehicle replacement, and education or career training; AND

8 (c) ANY OTHER UNUSUAL FACTUAL CIRCUMSTANCES REGARDING OWNERSHIP AND INCOME.

9 (10) A temporary stay in a nursing home or similar facility does not change a taxpayer's primary
10 residence for the purposes of taxpayer assistance programs provided for in 15-6-305 and 15-6-311.

11 (11) The department shall award property assistance under the property tax assistance program
12 that provides the greatest benefit to the taxpayer by reviewing applications and eligibility requirements, and
13 notify the applicant of the department's decision."
14

15 NEW SECTION. Section 2. Applicability. [This act] applies to property tax years beginning after
16 December 31, 2023.

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