

## 1 HOUSE BILL NO. 605

2 INTRODUCED BY W. MCKAMEY

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A DEDUCTION FROM INCOME FOR INVESTMENT  
5 IN MEASURES TO PREVENT DEPREDATION; PROVIDING THAT THE DEDUCTION IS AVAILABLE TO  
6 CORPORATE INCOME TAXPAYERS AND INDIVIDUAL INCOME TAXPAYERS WHO ITEMIZE DEDUCTIONS;  
7 DEFINING "QUALIFYING PROACTIVE PREVENTIVE MEASURE"; ALLOWING THE DEPARTMENT OF  
8 REVENUE TO REFER A DEDUCTION TO THE LIVESTOCK LOSS BOARD OR THE DEPARTMENT OF FISH,  
9 WILDLIFE, AND PARKS FOR THEIR ADVICE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A  
10 RETROACTIVE APPLICABILITY DATE."

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

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14 **NEW SECTION. Section 1. Deduction for investment in measures to prevent depredation.** (1) In  
15 addition to all other deductions from gross corporate income allowed in computing net income under this part,  
16 a taxpayer who owns domestic livestock, poultry, or apiaries or produces crops is allowed a deduction from net  
17 income equal to the amount of expenditures on qualifying proactive preventative measures made for the primary  
18 purpose of preventing depredation.

19 (2) A deduction under this section must be claimed in the tax year in which the expenditure is made and  
20 may not exceed \$20,000 per tax year.

21 (3) The department shall provide forms on which a taxpayer may apply for a deduction under this section.  
22 The department shall approve a deduction under this section for applicants that demonstrate that the  
23 expenditures were made on qualifying proactive preventative measures for the primary purpose of preventing  
24 depredation. The department may refer a deduction to the livestock loss board or the department of fish, wildlife,  
25 and parks for their advice, and those agencies shall respond within 60 days. The department may deny a  
26 deduction that does not meet the requirements of this section.

27 (4) As used in this section, the following definitions apply:

28 (a) "Depredation" means a physical attack by wildlife upon domestic livestock, poultry, or apiaries or the  
29 consumption or destruction by a black bear or grizzly bear of crops owned by the taxpayer claiming a deduction  
30 under this section.

- 1 (b) "Qualifying proactive preventive measure" means:
- 2 (i) products certified as bear-resistant by the interagency grizzly bear committee; and
- 3 (ii) other nonlethal measures approved by the livestock loss board or department of fish, wildlife, and
- 4 parks and used for the primary purpose of preventing depredation.

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6 **NEW SECTION. Section 2. Deduction for investment in measures to prevent depredation.** (1) A

7 taxpayer who itemizes deductions and owns domestic livestock, poultry, or apiaries or produces crops is allowed

8 a deduction from net income equal to the amount of expenditures on qualifying proactive preventive measures

9 made for the primary purpose of preventing depredation.

10 (2) The deduction must be computed and administered as provided in [section 1(2) through (4)].

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12 **NEW SECTION. Section 3. Codification instruction.** (1) [Section 1] is intended to be codified as an

13 integral part of Title 15, chapter 31, part 1, and the provisions of Title 15, chapter 31, part 1, apply to [section 1].

14 (2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 30, part 21, and the

15 provisions of Title 15, chapter 30, part 21, apply to [section 2].

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17 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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19 **NEW SECTION. Section 5. Retroactive applicability.** [This act] applies retroactively, within the

20 meaning of 1-2-109, to tax years beginning after December 31, 2014.

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