

1 SENATE BILL NO. 237

2 INTRODUCED BY A. OLSZEWSKI

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A TAX CREDIT FOR INDIVIDUAL HEALTH
5 INSURANCE PREMIUMS; PROVIDING THAT THE AMOUNT OF THE CREDIT IS BASED ON THE AVERAGE
6 PER-USER MEDICAID EXPENDITURES; PROVIDING THAT THE CREDIT MAY BE REFUNDED IF IT
7 EXCEEDS THE TAXPAYER'S TAX LIABILITY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
8 RETROACTIVE APPLICABILITY DATE."

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

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12 NEW SECTION. **Section 1. Tax credit for individual health insurance premiums.** (1) There is a
13 credit against the tax imposed by 15-30-2103 for premiums paid for individual health insurance coverage.

14 (2) (a) Subject to subsection (2)(b), the credit is equal to the premiums paid by the taxpayer during the
15 tax year for individual health insurance coverage as that term is defined in 33-22-140. The taxpayer may claim
16 the credit for premiums paid for the taxpayer, the taxpayer's spouse if filing jointly, and dependents. Married
17 taxpayers covered on the same insurance policy and who file separate returns may each claim the credit for half
18 of the premiums paid.

19 (b) The credit is equal to the lesser of the amount of premiums paid and the average per-user medicaid
20 expenditures. The average per-user medicaid expenditures must be determined separately for adults under 65
21 years of age and for children and must exclude the average expenditures for the disabled.

22 (3) The tax credit may be refunded if it exceeds the taxpayer's tax liability.

23 (4) A credit may not be claimed for:

24 (a) premiums paid for group health insurance coverage as that term is defined in 33-22-140; or

25 (b) the portion of health insurance premiums paid with a premium tax credit as provided in 26 U.S.C.

26 36B.

27 (5) The credit allowed under this section may not be claimed by a taxpayer if the taxpayer has included
28 the amount of premiums paid as a deduction under 15-30-2131.

29 (6) The department of public health and human services shall report to the department of revenue by
30 December 31 of each year the average per-user medicaid expenditures for adults under 65 years of age and for

1 children for the preceding year. The average amounts reported must exclude the average expenditures for the
2 disabled.

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4 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an
5 integral part of Title 15, chapter 30, part 23, and the provisions of Title 15, chapter 30, part 23, apply to [section
6 1].

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8 **NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

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10 **NEW SECTION. Section 4. Retroactive applicability.** [This act] applies retroactively, within the
11 meaning of 1-2-109, to income tax years beginning after December 31, 2018.

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