

YMCA YOUTH LEGISLATURE OF THE STATE OF MONTANA

House Bill Number 390

Legislative Action:

Introduced by: Tyler Johnston

House Committee: _____

Authored by: Tyler Johnston

House: _____

Senate Committee: _____

Senate: _____

Delegation: Darby High School

Governor: _____

Referred to Committee: House Business & Taxation Committee

1 A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE A FAIR SALES TAX ACROSS
2 THE STATE OF MONTANA AND ELIMINATE RESIDENTAL PROPRETY TAXES."

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4 BE IT ENACTED BY THE MONTANA YMCA YOUTH LEGISLATURE:

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6 **Section 1. Definitions.** (1) Tax Holiday: a short period of time when sales tax is not in
7 effect.

8 (2) Homestead Guarantee: residents owning a piece of property that is not taxed.

9 **Section 2.** A statewide 4% sales tax is established.

10 **Section 3. Exemptions.** The following items are exempted from the sale tax: food
11 stamps, medical pharmaceuticals, real estate, vehicles, non-profit organizations, and school
12 authorized organizations.

13 **Section 4.** A tax holiday will take place in the last two weeks of August. Tax holiday
14 includes clothing up to \$100 amount and school supplies up to \$20 amount. This is to relive
15 school supply spending.

16 **Section 5. Homestead Guarantee.** All permanent Montana residents are allowed one
17 piece of property free of taxation, regardless of size.

18 **Section 6.** Residents who fall below the poverty line will receive a 75% refund of their
19 monetary amount spent toward the sales tax.

20 **Section 7. Businesses.** Property taxes are reduced by 50% if the business owner is a
21 Montana resident.

22 **Section 8.** Out-of-state non-residents will continue to be taxed at the current property tax
23 rate unless (1) Out-of-state property owner becomes a full time resident of Montana.

24 (2) Out-of-state property owner files and pays current Income tax.

25 (3) Out-of-state property owner operates a business in Montana that employs at least 6
26 full time residents of Montana.

27 **Section 9.** The sales tax is handled through the Department of Revenue, where
28 distribution of funds will be decided.

29 **Section 10.** Bill will be enacted the first day of the next fiscal year.

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