

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



ANGELA MCLEAN
LT. GOVERNOR

April 30, 2015

The Honorable Linda McCulloch
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary McCulloch:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill 154 (HB 154), "AN ACT PROVIDING FOR THE TERMINATION OF INCOME TAX CREDITS; REQUIRING THE REVENUE AND TRANSPORTATION INTERIM COMMITTEE TO REVIEW TERMINATING TAX CREDITS AND MAKE A RECOMMENDATION TO THE LEGISLATURE; PROVIDING CRITERIA FOR THE COMMITTEE TO USE WHEN REVIEWING TAX CREDITS; AND AMENDING SECTIONS 5-5-227, 15-30-2319, 15-30-2320, 15-30-2326, 15-30-2336, 15-30-2342, 15-30-2356, 15-30-2358, 15-30-2364, 15-30-2365, 15-30-2366, 15-30-2367, 15-30-2368, 15-30-2373, 15-30-2381, 15-31-125, 15-31-130, 15-31-131, 15-31-132, 15-31-133, 15-31-134, 15-31-150, 15-31-171, 15-32-109, 15-32-115, 15-32-201, 15-32-402, 15-32-503, 15-32-602, 15-32-701, 15-32-702, 15-32-703, 15-50-207, 17-6-316, AND 53-4-1103, MCA."

HB 154 sets termination dates for 24 personal and corporation income tax credits. The Revenue and Transportation Interim Committee is to review each of the 24 tax credits and make recommendations to the Legislature about whether to extend the termination date. The Legislature may then extend the termination dates by amending the appropriate statutes. Under current law, none of the 24 tax credits have termination dates set.

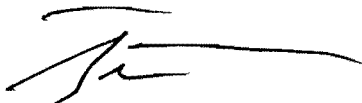
While the policy of periodically reviewing tax credits to see if they are performing as intended and need to be continued is commendable, the bill as amended chooses to only review certain tax credits while deciding other credits do not require a review. This inherently picks winners and losers before any review is done. If there is a need for a review, the review should include all tax credits and deductions not just a select few income tax credits.

In fact, the Legislature already has the ability to review the effectiveness and intent of income tax credits through interim committees and during the regular session. There is not a need to force review or to develop an artificial review process which in fact is a simple way to eliminate selected credits without legislative action.

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For these reasons, I veto HB 154.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Bullock", with a long horizontal flourish extending to the right.

STEVE BULLOCK
Governor

cc: Legislative Services Division
Austin Knudsen, Speaker of the House
Debby Barrett, President of the Senate