



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0447 - Provide for exceptions to imposition of income tax on certain nonresidents (Thane, Mark)

Status: As Amended in Senate Committee

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balanc	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

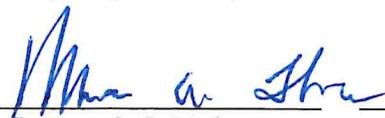
Description of fiscal impact: HB 447, as amended in the Senate Taxation Committee, further clarifies the circumstances when non-residents who receive Montana source income for temporary work in the state can be excluded from making withholding payments. The amendments more clearly defined state of residency and strikes the applicability to non-residents from states with similar exclusions. The bill does not change non-resident tax liability and is anticipated to have a *de minimis* impact on state revenue.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

- HB 447 establishes exemptions to withholding and filing requirements for non-residents performing work while they are in Montana if they meet a set of criteria. The Senate Taxation committee amendments further clarify the bills applicability to residents of other U.S. states and territories and eliminate the requirement that those states have substantially similar non-resident temporary work withholding requirements.
- The proposed bill will result in some taxpayers not having income withheld or from filing a non-resident return. However, the number of taxpayers filing a return, or having income withheld, are not expected to change significantly. HB 447 is not expected to have a significant impact on general fund revenue.


Sponsor's Initials

4-4-23
Date


Budget Director's Initials

4-3-23
Date