

BEFORE THE DEPARTMENT OF REVENUE
OF THE STATE OF MONTANA

In the matter of the amendment of) NOTICE OF AMENDMENT
ARM 42.4.301 and 42.4.302)
pertaining to calculating the elderly)
homeowner/renter tax credit)

TO: All Concerned Persons

1. On September 8, 2017, the Department of Revenue published MAR Notice No. 42-2-978 pertaining to the public hearing on the proposed amendment of the above-stated rules at page 1494 of the 2017 Montana Administrative Register, Issue Number 17.

2. On September 28, 2017, a public hearing was held to consider the proposed amendment. Claudia Clifford, Advocacy Director for AARP Montana, appeared and testified at the hearing. Written comments were received from Edward Houser, a taxpayer representative, and a phone-in comment was received from Clayton Schenck, an interested party.

3. The department amends the above-stated rules as proposed.

4. The department has considered the comments received. A summary of the comments received and the department's responses are as follows:

COMMENT 1: Ms. Clifford, Mr. Houser, and Mr. Schenck all expressed support for the rules as proposed.

Ms. Clifford commented that the elderly homeowner/renter tax credit is a popular form of tax relief for Montana's low income seniors and the department's proposed amendments provide a fairer and simpler methodology for calculating the credit for filers who live in senior living and long-term care residential settings. Some face challenges calculating the credit if the facility they reside in provides other services in addition to housing and does not itemize the monthly fee to specify the portion that covers rent. AARP Montana appreciates the department's initiative to address this problem with a reasonable solution.

Mr. Houser commented that he is very pleased with the efforts made by the department in drafting the proposed changes to the rules to address this important issue. Over the last few years he has been frustrated when working on this issue for an individual who resided in an assisted living facility. The process was confusing and did not meet the rigor required to validate the full tax credit the individual was entitled to receive. He stated that the proposed changes are an excellent solution to the problems he experienced and the examples provide clear guidance to the taxpayer on how to determine their credit category and he hopes the department will include these examples in the published instructions for claiming the credit.

Mr. Schenck commented that he is pleased the department is taking this action with the elderly homeowner/renter credit rules.

RESPONSE 1: The department appreciates these comments in support of the proposed rulemaking, and is considering Mr. Houser's suggestion to include the examples in future instructions or communications about the credit.

/s/ Laurie Logan
Laurie Logan
Rule Reviewer

/s/ Eugene Walborn
Eugene Walborn
Deputy Director of Revenue

Certified to the Secretary of State October 30, 2017.