



ADMINISTRATIVE RULES OF MONTANA



42.31.2143 STATE INCOME TAX CREDIT

- (1) A resident or a nonresident individual is allowed a credit against his Montana income tax liability for "public contractor's gross receipts tax" paid pursuant to the provisions of 15-50-205 and 15-50-206, MCA. The credit is allowed with respect to the taxpayer's Montana income tax liability determined for the taxable year within which the net income from contracts subject to the gross receipts tax is reported. If the taxpayer reports his income from contracts on a percentage of completion basis, the credit must be allocated accordingly. The amount of credit allowable is the net public contractor's gross receipts tax (after personal property tax credit) actually imposed and paid by the taxpayer but not in excess of his Montana income tax liability. The credit is allowed without regard to the fact that the public contractor's gross receipts tax is an allowable deduction in determining Montana income tax taxable income.
- (2) In the event the public contractor's gross receipts tax is paid by a joint venture or a partnership, the members thereof shall be entitled to the credit for the tax as their respective interests appear.

Authorizing statute(s): Sec. 15-1-201, MCA

Implementing statute(s): Sec. 15-50-201, 15-50-205, 15-50-207, and 39-9-204, MCA

History: Eff. 12/31/72; AMD, 1995 MAR p. 2854, Eff. 12/22/95; AMD, 2000 MAR p. 3569, Eff. 12/22/00.