

The Tax Cut and Jobs Act Impact on Montana

Prepared for
Senators Steve Daines &
Jon Tester

“The Tax Cuts and Jobs Act is a growth bill —achieving faster economic growth, encouraging job creation, and getting more money in Americans’ pockets each year.” —U.S. Chamber of Commerce

National Impact

The Tax Cuts and Jobs Act will —

- Lead to the creation of an additional 925,000 jobs.
- Raise after-tax income for middle class families by \$2,598.
- Generate economic growth sufficient to increase federal tax receipts by \$1.26 trillion.

Benefits for Montana

The Tax Cuts and Jobs Act will —

- Lead to the creation of an additional 2,992 jobs in Montana.
- Raise after-tax income for middle class families in Montana by \$2,511.

Larger Child Tax Credit: 69,582 taxpayers in Montana claim the child tax credit. The Tax Cuts and Jobs Act increases the child tax credit from \$1,000 per child to \$2,000.

Tax Relief for Small Businesses: 77,358 taxpayers in Montana have small business income (a business that the taxpayer operated). ^ The Tax Cuts and Jobs Act allows qualifying small business owners to deduct 17.4% of their qualified business income from their taxes, significantly lowering their tax bill.

Elimination of the Alternative Minimum Tax (AMT): 9,435 taxpayers in Montana are impacted by the AMT. ^ The Tax Cuts and Jobs Act repeals the AMT.

Simpler Taxes: 138,655 taxpayers in Montana itemize their taxes. ^ As a result of the near doubling of the standard deduction and other simplifications, many taxpayers will have much simpler returns. It is estimated that 9 out of 10 Americans will be able to file their taxes on a postcard.



U.S. CHAMBER OF COMMERCE

For more information <https://www.taxreformforamerica.com/>

*Tax Foundation, <https://taxfoundation.org/senate-tax-cuts-and-jobs-act-state-impact/>

^Internal Revenue Service, <https://www.irs.gov/advocate/reports-to-congress>