

# Grow Montana Jobs Credit

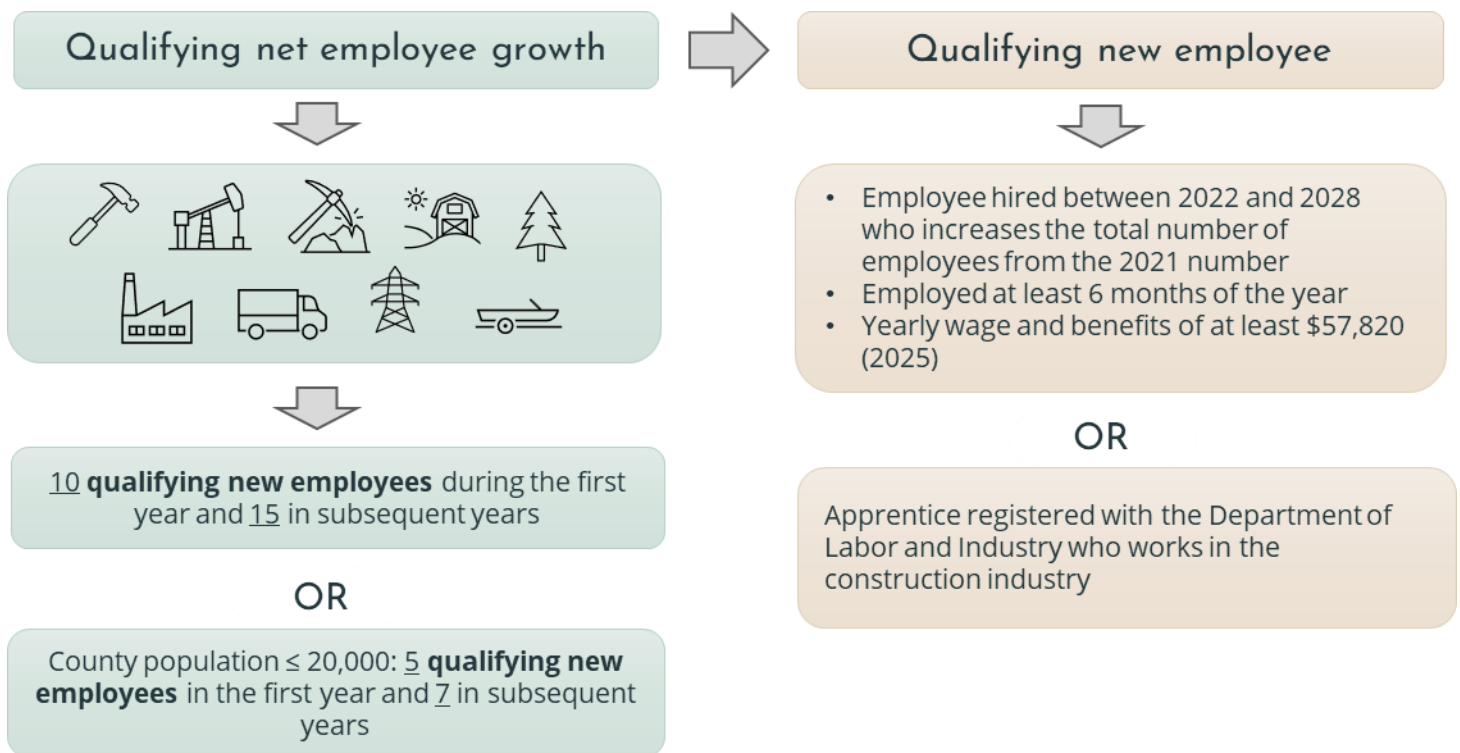
REVENUE INTERIM COMMITTEE  
MEGAN MOORE – MAY 2026

<b>Tax Type</b>	Individual/Corporate	<b>Refundable</b>	No
<b>Enacted</b>	2021	<b>Carry forward</b>	10 years
<b>Terminates</b>	2028	<b>4-Year Revenue Impact - Individual</b>	\$43,641
<b>MCA Sections</b>	<u>15-30-2361, 15-31-175, 39-11-404</u>	<b>4-Year Revenue Impact - Corporate</b>	\$207,077

## EXPLANATION OF CREDIT

The Grow Montana Jobs credit is an individual income and corporate income credit for **qualifying net employee growth** associated with a project in the state that promotes economic development in the sectors of construction, natural resources, mining, agriculture, forestry, manufacturing, transportation, utilities, or outdoor recreation.

**Qualifying net employee growth** is based on the number of **qualifying new employees**.<sup>1</sup>



<sup>1</sup> The term excludes an employee of the employer or a predecessor in the preceding 12 months, and an employee hired to replace an employee of a predecessor.

## CREDIT EQUAL TO HALF OF FICA TAXES PAID FOR QUALIFYING NEW EMPLOYEES

The credit is equal to 50% of the Federal Insurance Contributions Act (FICA) tax collected on Montana source wages of **qualifying new employees**.<sup>2</sup> The credit is not refundable but may be carried forward 10 years.

### Example credit calculation:

$$10 \text{ qualifying new employees} * \$57,820 = \$578,200 * 7.65\%/2 = \$22,116$$

## DLI CONDUCTS APPLICATION PROCESS AND PROVIDES DETAILS TO DOR

An employer that wishes to claim the credit must apply for the **credit certificate** to the Department of Labor and Industry (DLI) by January 31 of the year the tax credit is to be claimed. The application must include:

- Information to determine the number of employees employed in Montana in 2021 and in the most recent calendar year;<sup>3</sup>
- a list of employees claimed as **qualifying new employees** hired after 2022 and the date of hire and separation, records of Montana-source wages paid, and an attestation that the benefits provided are the same as those typically paid to other employees; and
- a statement indicating how the job growth is associated with a project in Montana that promotes economic growth in one of the required sectors.<sup>4</sup>

Upon credit approval, DLI provides a **credit certificate** to the employer that must be included with the tax return. If denying the credit, DLI must provide the reason for the denial and provide an opportunity to resolve deficiencies in the application.

DLI must also provide the Department of Revenue (DOR) a list of employers that received a **credit certificate**, the **qualifying new employees** included in the credit certificate, and the **qualified net employee growth**.

An employer may claim the credit for up to 7 years if certified each year.

## PURPOSE

The bill enacting the credit did not contain a purpose statement but bill sponsor, then-Rep. Dave Fern, stated the intent was to incentivize high paying jobs in Montana.<sup>5</sup>

<sup>2</sup> The federal government collects FICA taxes equal to 7.65% of employee wages to fund Social Security and Medicare benefits.

<sup>3</sup> The number of employees is determined using the average monthly number of employees reported on the employer's unemployment insurance tax filings. MAR [24.23.301](#), Administrative Rules of Montana.

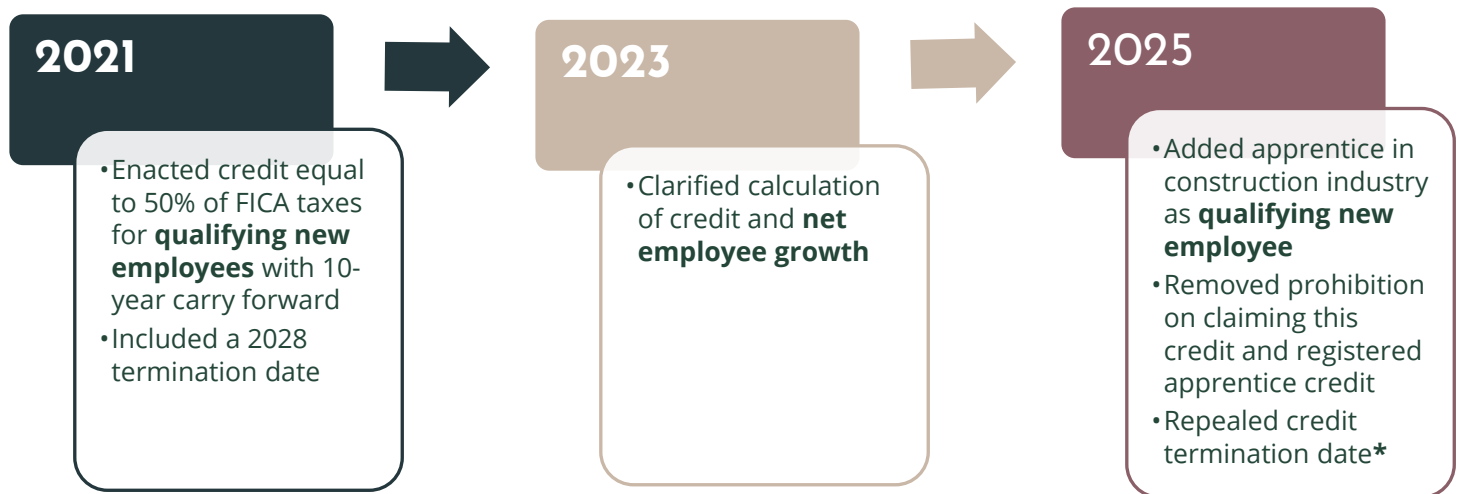
<sup>4</sup> MAR [24.23.304](#), Administrative Rules of Montana.

<sup>5</sup> Minutes of House Taxation Committee, March 18, 2021.

## LEGISLATIVE HISTORY

Since the Legislature enacted the Grow Montana Jobs credit in [House Bill 629](#) in 2021, the Legislature clarified calculations in 2023 and revised how the credit interacts with the apprenticeship credit in 2025.

The Department of Revenue recommended the 2023 changes. [House Bill 601](#) clarified the credit calculation and the determination of **net employee growth**.



### 2025 LAW AFFECTS APPRENTICES, ATTEMPTS TO REPEAL CREDIT TERMINATION

[House Bill 908](#) in 2025 allowed employers with certain registered apprentices to also claim the Grow Montana Jobs credit.

Under the original legislation, an employer with an apprentice who met the wage and 6-month employment requirements could include the apprentice as a **qualifying new employee**. However, the employer was prohibited from claiming the [registered apprentice credit](#) and the Grow Montana Jobs credit in the same year (but could use a Grow Montana Jobs credit carryover in the same year as claiming the registered apprentice credit).<sup>6</sup>

The bill also revised the definition of **qualifying new employee** to include a registered apprentice in the construction industry with no wage or period of employment requirement.

Another provision amended into the bill in the House Business and Labor Committee aimed to remove the termination date of the credit. While the amendment removed the termination date from session law, it did not amend the definitions of **credit certificate**, **net employee growth**, or **qualifying new employee**. Each of those defined terms provides that the credit is available between 2022 and 2028.

<sup>6</sup> At \$50,000 of wages and benefits, the Grow Montana Jobs credit value per employee was \$1,913 compared with a \$750 credit for a registered apprentice or a \$1,500 credit for a registered apprentice who is a veteran.

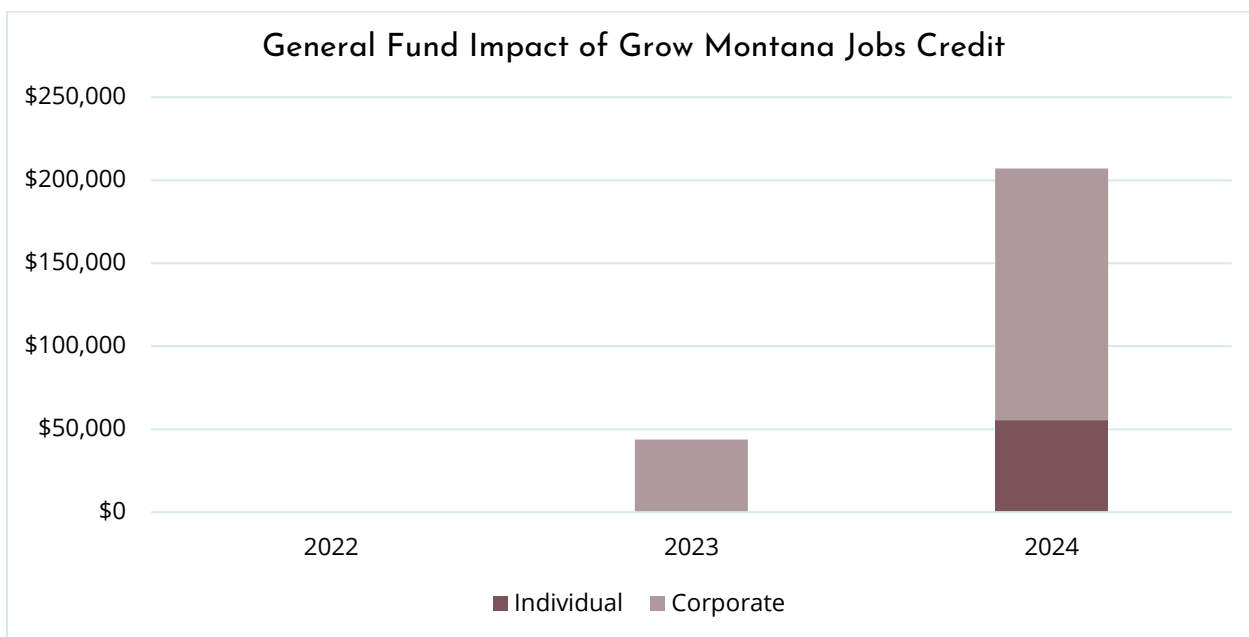
## TAXPAYER USE OF CREDIT

The Grow Montana Jobs credit was first available in tax year 2022. No employers claimed the credit until 2023 when corporate income taxpayers claimed \$43,641 in credits.<sup>7</sup>

Credit claims increased to about \$207,000 in 2024 with corporate income taxpayers claiming more than \$150,000 and individual income taxpayers claiming about \$55,000.

As of April 10, 2026, no processed 2025 tax returns claimed the Grow Montana Jobs credit.

For confidentiality reasons, the Department of Revenue does not provide the number of credits issued when fewer than 10 credits are claimed.



Section [15-30-2361](#) requires the Department of Revenue to report to the Revenue Interim Committee each biennium on the Grow Montana Jobs credit. The reporting provision includes an exemption from confidentiality provisions and requires reporting the names of employers qualified to claim the credit.

The table below shows the employers included in the DOR report and adds information about the industry and location of each employer.

<sup>7</sup> Information in this section from Aaron McNay, “Annual Report on the Job Growth Incentive Credit” (official memorandum, Department of Revenue, April 10, 2026).

## EMPLOYERS ISSUED GROW MONTANA JOBS CREDIT CERTIFICATES

Employer Name	Industry Sector	County	Years Issued Credit Certificate
Montana Frontier Sandstone LLC	Construction	Musselshell	2024
Montana Knife Company	Manufacturing	Missoula	2023, 2024
Mountain West Holding	Transportation	Multiple <sup>8</sup>	2024
TDS Metrocom LLC	Utilities	Multiple <sup>9</sup>	2023, 2024
Transco Railcar Repair Inc.	Transportation	Custer	2024

## CREDIT ADMINISTRATION

The Department of Labor and Industry and the Department of Revenue each have roles administering the Grow Montana Jobs credit. The DLI administers the application process for the credit certificate and shares information with DOR so it can confirm credits are appropriately claimed.

The Department of Labor and Industry does not have any significant administrative concerns.<sup>10</sup>

The Department of Revenue does not have any administrative concerns with the credit. There are few credits claimed and the agency can review each credit.<sup>11</sup>

<sup>8</sup> Mountain West Holding Company has divisions in Gallatin, Missoula, Silver Bow, and Yellowstone counties. Mountain West Holding Company, Inc. "Contact Us." Accessed April 29, 2026. <https://mountainwestholding.com/contact-us>.

<sup>9</sup> TDS Telecom has retail stores in Cascade, Lewis and Clark, Missoula, and Yellowstone counties. TDS Telecom, "Montana Retail Stores." Accessed April 29, 2026. <https://tdstelecom.com/local/montana/retail-office-locations.html>.

<sup>10</sup> Email from Chris Bradley, Department of Labor and Industry, May 18, 2026.

<sup>11</sup> Email from Jake Ford, Department of Revenue, April 7, 2026.