

FACT SHEET FOR SB 96

Lower the business equipment tax

Introduced by Sen. Bruce Tutvedt, passed in the 2013 Legislative Session, and signed into law by Governor Steve Bullock on May 5, SB 96 took effect on January 1, 2014.

Raises level of tax exemption and lowers tax rates

- SB 96 exempts businesses with a statewide aggregate market value of \$100,000 or less worth of class-8 business equipment from paying taxes on and reporting that equipment. Previously, only businesses that had less than \$20,000 in equipment were exempt.
- Businesses that own equipment with a total statewide aggregate market value of more than \$100,000 will be exempt from paying taxes on the first \$100,000 in equipment value. (Those businesses will still need to report their equipment.)
- Businesses that have equipment with a statewide aggregate market value between \$100,000 and \$6 million in equipment will now pay a business equipment tax rate of 1.5%, reduced from 2%. At \$6 million, the tax rate increases to 3%.
- This change amounts to an \$11 million a year savings to Montana businesses.

Good news for small businesses coming this week

Many Montana businesses that paid taxes on their business equipment in previous years will receive letters informing them that they owe no business equipment tax for tax year 2014, unless they acquired additional equipment during 2013 that put them over the \$100,000 mark.

17,000 businesses, not counting each location of a chain store, will be exempt from paying business equipment tax. If you count all of the individual locations of the chain stores, the number of exempt businesses amounts to over 50,000.

These businesses whose equipment totals a statewide aggregate market value of under \$100,000 also no longer have to report their equipment to the state Department of Revenue.

People with questions are encouraged to call toll free at (866) 859-2254, or in Helena at 444-6900, or visit the Montana Department of Revenue's website at revenue.mt.gov.

To access SB 96 visit laws.leg.mt.gov

SB 96 makes Montana's strong business tax climate even stronger

60% of all businesses in Montana that would have had to pay a business equipment tax under the old law now do not. All businesses above the \$100,000 threshold will see a reduction in their taxes.

This law cuts taxes for every single Montana business and completely eliminates the business equipment tax for 2/3^{rds} of Montana businesses.

Contact:

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