MONTANA
DEPARTMENT OF
REVENUE

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Fiscal Year 2026 Annual Performance Report

October 2026

To be the nation's most citizen-oriented, efficiently administered state tax agency.

The Department of Revenue administers approximately 40 Montana taxes and fees to achieve equity and integrity in taxation. Additionally, the department:

- Values all property as accurately as possible and supervises Montana's property tax system
- Administers alcohol and cannabis laws to protect public health and safety
- Receives abandoned property and seeks to return it to its rightful Montana owners
- Administers unlocatable mineral trusts
- Informs and advises the governor, the legislature, and the public on tax trends and issues; and
- Cooperates with local, state, tribal, and federal governments to advance the public interest under the law

DIRECTOR'S OFFICE

The Director's Office supports the agency's director and the other department divisions and is comprised of the Executive, Financial Services, Citizen Outreach, Taxpayer Advocate, Human Resources, Legal Services, Dispute Resolution, Procurement, Contracts, Facilities, Tax Policy and Research offices, and the Professional Development Program.

TECHNOLOGY SERVICES DIVISION

The Technology Services Division serves as the technological foundation for the department's business units, leveraging IT systems and services to increase internal business operations efficiencies and optimize citizen services.

CANNABIS & ALCOHOL REGULATION DIVISION

The Cannabis and Alcohol Regulation Division ensures the health, safety, and welfare of all Montanans through fair administration, education, regulation, and enforcement of alcoholic beverages and cannabis laws.

INFORMATION MANAGEMENT & COLLECTIONS DIVISION

The Information Management and Collections Division provides consistent service to Montana citizens, businesses, and nonresident taxpayers through electronic data and records management, account registration, collection of delinquent accounts, and data and remittance processing operations.

BUSINESS & INCOME TAXES DIVISION

The Business and Income Taxes Division is responsible for the administration and collection of approximately 40 Montana taxes and fees. The division also determines the valuation of all centrally assessed property in the state.

PROPERTY ASSESSMENT DIVISION

The Property Assessment Division administers Montana's property tax laws, which includes the valuation and classification of all taxable property. The division ensures all classes of property are valued uniformly and equally throughout the state. These classifications include, but are not limited to agricultural and forest land, residential and commercial property, industrial facilities, exempt properties, and business equipment personal property.

Department Goal

The department's primary objective in the coming year is improving its citizen service in order to administer the department's statutory requirements more effectively.

Director's Office Division

GOAL: Improve Citizen Service to More Effectively Administer the Department's Statutory Requirements

OBJECTIVE: **Improve citizen interactions**

Strategy	Initiatives	Key Measures	Initiatives
Administer efficient services to increase compliance with reporting and filing taxes while reducing gaps	Track the number of cases the Taxpayer Assistance Office has resolved	Total resolved cases per year	☑ Resolved 2,625 cases in FY 2026
Provide excellent customer service to all stakeholders	Create Public Information Request Guide to provide information and instruction for submitting a PIR to employees and citizens.	Total cases submitted under Office of Public Information Requests vs in-house	☑ 149 OPIR cases vs 198 in-house cases
Ensure citizens and stakeholders understand new property tax laws	Develop comprehensive citizen and stakeholder education plan to implement new property tax legislation	September 2025	☐ In process

OBJECTIVE: **Alcoholic beverage and cannabis control regulation/efficiency**

Strategy	Initiatives	Key Measures	Initiatives
Optimize the efficient administration of alcohol and cannabis control regulation	Consolidate the two regulatory divisions into one	Completed by September 1, 2025	☑ Completed

OBJECTIVE: **Provide a simple and seamless process for business registration and licensing through the eStop Program**

Strategy	Initiatives	Key Measures	Initiatives
Modernize eStop Program	Replace current antiquated system by transitioning to Department of Labor and Industry's licensing system	October 2025	☑ Completed

OBJECTIVE: **Hire and retain qualified and competent employees**

Strategy	Initiatives	Key Measures	Initiatives
Train, guide, and empower employees	Town hall meeting with all staff	Quarterly	☑ Completed for FY 2026
	Continual refinement formal professional development processes	Annual update of professional development strategic plan	☑ Completed for FY 2026
	All managers meeting-yearly	October	☑ Completed for FY 2026
Hire and retain competent employees	Review all job descriptions and update as necessary	25% of job descriptions reviewed each year	☑ Completed for FY 2026
	Mastering Management Series-yearly	June	☑ Completed for FY 2026
	Mentorship Program-yearly	March	☐ On hold due to workload and interest
	Implement a formal onboarding guide	December 2025	In process
	Executive leadership personal welcome of all new staff	100%	☑ Completed for FY 2026

Technology Services Division

GOAL: Improve Citizen Service to More Effectively Administer the Department's Statutory Requirements

OBJECTIVE: **Secure confidential information**

Strategy	Initiatives	Key Measures	Initiatives
Protect confidential and privileged materials	Annual disclosure awareness and security awareness trainings	100% employee completion	☑ Completed
	Annual signing of confidentiality and disclosure of information form	100% employee completion	☑ Completed
	Dual approval on all security access and audit access regularly	100% reporting	☑ Completed
	Monitor all systems and perform vulnerability scans	Weekly	☐ Ongoing
	Resolve vulnerabilities within guidelines set by SITSD	100% within required standards	☐ Ongoing

Cannabis & Alcohol Regulation Division

GOAL: Improve Citizen Service to More Effectively Administer the Department's Statutory Requirements

OBJECTIVE: **Improve citizen interaction**

Strategy	Initiatives	Key Measures	Initiatives
Provide accurate and timely information that is easy to access	Respond to cannabis licensee inquiries timely	Respond to all licensee contacts within two business days	☐ Ongoing
Provide clear guidance to support Montanans' understanding of their obligations	Update the division's webpage with necessary resources including Enterprise Fund reports, fact sheets and maps	Monthly	☐ On track
	Update the division's webpage with necessary resources including tutorials for worker training and packaging and labeling submissions	Completed by December 31 annually	☑ Completed

OBJECTIVE: **Alcoholic beverage and cannabis control regulation/efficiency**

Strategy	Initiatives	Key Measures	Initiatives
Administer alcoholic beverages regulations equitably and efficiently to promote public health and safety	Pursue efforts to streamline licensee approval processes through collaboration with Department of Justice	Reduce time it takes to process licenses	☐ Ongoing
Administer the distribution of alcoholic beverages efficiently	Liquor warehouse expansion to improve the efficient operation of the warehouse	Increase capacity of the warehouse to keep up with demand	☑ Completed

OBJECTIVE: **Develop electronic filing and payment services**

Strategy	Initiatives	Key Measures	Initiatives
Increase and enhance electronic filing and payment services	Update and enhance user experience for license applications and renewals	Track service requests for annual review to ensure we are meeting this objective	☐ On track

Information Management & Collections Division

GOAL: Improve Citizen Service to More Effectively Administer the Department's Statutory Requirements

OBJECTIVE: **Improve citizen interactions**

Strategy	Initiatives	Key Measures	Initiatives
Provide clear guidance to support Montanans' understanding of their obligations	Update the Livestock Per Capita Fee Webpage	Annually	☑ Completed
	Help ensure customers of our offsets program are familiar with the details of the program, especially as turnover occurs in those agencies.	Host quarterly webinars for clients of our SABHRS Offset and Bad Debts programs.	☐ Ongoing
Administer efficient services to increase compliance with reporting and filing taxes while reducing gaps	Increase the electronic correspondence options under HB91 to enhance taxpayer communication and reduce mailing costs	Complete electronic correspondence option for Statement of Accounts by December 31, 2025	☐ Ongoing SR submitted

OBJECTIVE: **Efficient processing of data and revenue**

Strategy	Initiatives	Key Measures	Initiatives
Process data and revenue accurately and timely	Timely processing of paper returns	Open paper returns within 5 days of receipt	☑ Completed
	Timely processing of money	All money is processed within 2 days of receipt	☑ Completed
	Implement mandatory electronic payment for tax liabilities of $50,000 or more, as required under SB 54	Completed by December 31, 2025	☑ Completed
	Increase the data accuracy by 25% for W2's and 1099's using AI for OCR read rates.	Complete for Tax Year 2025 (CY26)	Ongoing

OBJECTIVE: **Develop electronic filing and payment services**

Strategy	Initiatives	Key Measures	Initiatives
Increase and enhance electronic filing and payment services	Increase the use of the Federal/State Employment Taxes Application Program	Track the number of enhanced or added services and number of users each tax year	☐ Ongoing
	Enhance user experience on the TransAction Portal	Measure number of enhancements/user experience surveys	☐ Ongoing

OBJECTIVE: **Equitable collection practices**

Strategy	Initiatives	Key Measures	Initiatives
Administer collection practices that foster equity and uniformity	Implement customer level collections to leverage core products, system updates/ enhancements, and provide more customer centric tools/options.	Decrease the number of payment plans required for a single citizen with multiple delinquent accounts by 5%	☑ Completed
	Contract and implement a new third-party vendor with legal presence in every state.	Increase third-party vendor collection recoveries by 5%	☐ Ongoing
	Implement Financial Institution Data Matching (FIDM) files to increase delinquent debt recoveries.	"Increase recoveries on delinquent collection accounts by 5%"	☐ Ongoing

Business & Income Taxes Division

GOAL: Improve Citizen Service to More Effectively Administer the Department's Statutory Requirements

OBJECTIVE: **Improve citizen interaction**

Strategy	Initiatives	Key Measures	Initiatives
Provide accurate and timely information that is easy to access	Improve written communications with citizens	Review letters on a two-year basis; develop a new, standardized process for annual form/instructions.	☐ Ongoing
Provide clear guidance to support Montanans' understanding of their obligations	Update the division's webpage with current information related to taxes	Review information to ensure it migrates to new website; create and manage webpage for rebates and income tax simplification	☑ Completed/ ☐ Ongoing
	Provide taxpayer outreach by presenting at ABC clinics, webinars & tax forums, and via educational videos about filing requirements.	Complete 20 outreach activities per year	☑ Completed
Administer efficient services to increase compliance with reporting and filing taxes while reducing gaps	Continue compliance efforts on residency matters by effectively utilizing drivers license data, voting records, and FWP information.	Monthly updates to dashboard charting progress	☑ Completed/ Ongoing
	Reduce tax gap for trust taxes (withholding; cannabis, etc.)	Complete project scope by December 31, 2025.	☑ Completed
Ensure all property in the state is valued at market value and valuation is completed by the statutory deadlines	Central Assessed property appraisals completed by Department deadline	Completed by June 1 annually	☑ Completed

Property Assessment Division

GOAL: Improve Citizen Service to More Effectively Administer the Department's Statutory Requirements

OBJECTIVE: **Improve citizen interaction**

Strategy	Initiatives	Key Measures	Initiatives
Provide accurate and timely information that is easy to access	Mail assessment notices to all property owners for both years of the biennium as required by recent legislation	100% of notices mailed by statutorily required deadline	☑ Completed
Provide excellent customer service to all stakeholders	Meet with county treasurers to strengthen relationships and identify how PAD staff can support their needs	Develop a contract to be used during meetings to establish clear expectations for both PAD staff and treasurers. Complete by March 1 every reappraisal year	☑ Completed
	Open additional offices in Gallatin County	Goal to open by December 31, 2026	☒ Not completed and no longer an initiative
Provide additional training to our staff to ensure meeting the requirements of 15-8-111, MCA	Develop and provide 5-day training in addition to the IAAO and Ag certifications for in-depth training on daily work.	Goal to complete by Dec. 31, 2026	☐ Ongoing
	Track appraiser certifications and ensure all statutorily required courses are completed	A tracking spreadsheet has been created and checked monthly to ensure certifications are completed	☐ Ongoing
Ensure all property in the state is valued at market value and valuation is completed by the statutory deadlines	Appraisals of all residential, commercial, industrial, and agricultural/forest land properties in Montana are completed by the statutory deadline	Complete by June 30 every reappraisal year	☑ Completed
	Provide accurate and timely certified taxable values to all taxing jurisdictions	Provided to counties no later than the first Monday in August	☑ Completed

OBJECTIVE: **Develop electronic filing and payment services**

Strategy	Initiatives	Key Measures	Initiatives
Increase and enhance electronic filing and payment services	Develop exemption, homestead, and long-term rental online application through Smart File	Goal to complete by December 1, 2025	☑ Completed