



Other Taxes

Contents

172	Overview	193	Medical Marijuana Tax
173	911 Emergency Telephone System Fee	196	Nursing Facility Utilization Fee
176	Cigarette License Fee	198	Public Contractor's Gross Receipts Tax
177	Cigarette Tax	200	Public Service Commission Fee
181	Consumer Counsel Fee	202	Rail Car Tax
183	Electrical Energy Producers' License Tax	204	Retail Telecommunications Excise Tax
184	Hospital Facility Utilization Fee	205	Sales Tax - Rental Vehicles
186	Inheritance and Estate Tax	207	TDD Telecommunications Service Fee
187	Intermediate Care Facility Utilization Fee	208	Tobacco Products Tax
188	Invasive Species Fee	213	Unclaimed Property
189	Lodging Facility Use Tax	214	Wholesale Energy Transaction Tax
192	Lodging Sales Tax		

Overview

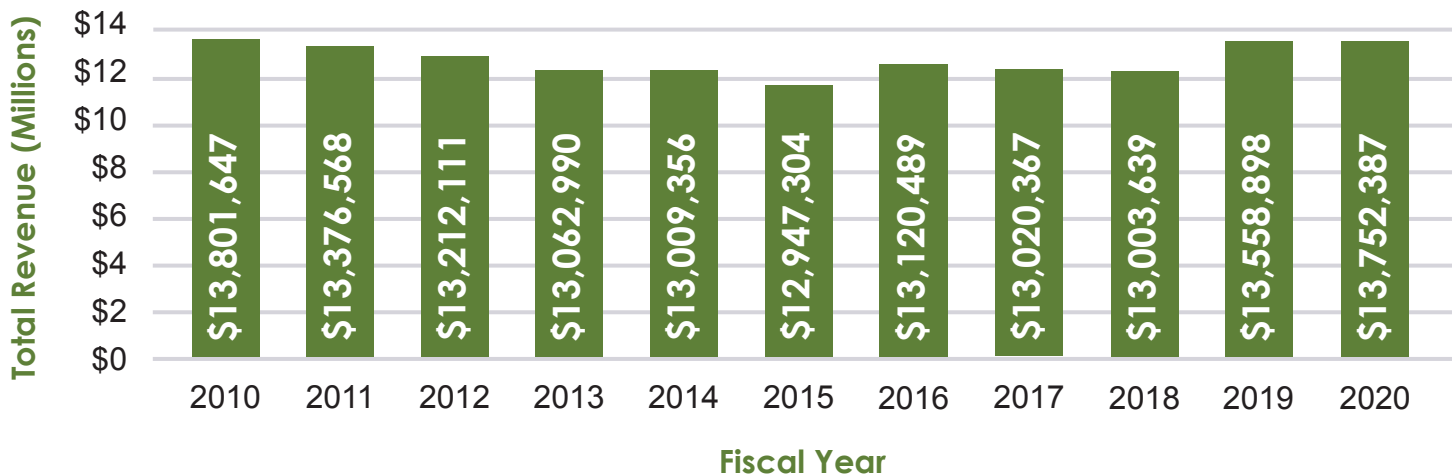
Other Tax Collections - Fiscal Years 2017-2020

State Other Tax Revenue	FY 2017	FY 2018	FY 2019	FY 2020
911 Emergency Telephone System Fee	\$13,020,367	\$13,003,639	\$13,558,898	\$13,752,387
Cigarette License Fee	\$16,450	\$16,115	\$34,097	\$20,445
Cigarette Tax	\$71,872,218	\$65,495,811	\$64,496,884	\$63,447,053
Consumer Counsel Fee	\$1,365,518	\$919,347	\$768,265	\$1,736,461
Electrical Energy Producers' License Tax	\$4,313,577	\$4,301,551	\$4,184,978	\$3,910,294
Hospital Facility Utilization Fee	\$22,282,214	\$22,619,596	\$22,578,403	\$32,681,387
Inheritance and Estate Tax	\$0	\$0	\$0	\$735
Intermediate Care Facility Utilization Fee	\$743,617	\$614,244	\$397,440	\$323,293
Invasive Species Fee	\$0	\$3,695,798	\$3,688,075	\$2,581,134
Lodging Facility Use Tax	\$29,539,381	\$32,805,856	\$36,297,514	\$33,679,511
Lodging Sales Tax	\$21,780,133	\$24,091,089	\$26,703,268	\$28,110,048
Medical Marijuana Tax	\$0	\$1,836,085	\$1,626,805	\$3,871,936
Nursing Facility Utilization Fee	\$13,109,763	\$16,959,437	\$23,200,576	\$22,088,780
Public Contractor's Gross Receipts Fees and Taxes	\$3,078,111	\$4,266,687	\$3,597,205	\$6,728,555
Public Service Commission Fee	\$4,745,981	\$3,936,916	\$2,460,333	\$5,239,599
Rail Car Tax	\$3,790,195	\$3,648,993	\$3,593,860	\$4,293,652
Retail Telecommunication's Excise Tax	\$15,602,798	\$13,725,924	\$13,223,885	\$11,788,418
Sales Tax - Rental Vehicles	\$4,536,234	\$4,958,598	\$5,907,633	\$5,572,444
TDD Telecommunications Service Fee	\$1,352,174	\$1,365,782	\$1,386,037	\$1,421,675
Tobacco Products Tax	\$13,268,717	\$12,864,522	\$12,702,208	\$12,185,252
Wholesales Energy Transaction Tax	\$3,463,834	\$3,628,180	\$3,490,244	\$3,350,982
Total Collections	\$227,881,282	\$234,754,169	\$243,896,608	\$256,784,041

911 Emergency Telephone System Fee

Statute: Title 10, Chapter 4

911 Emergency Telephone Service Fee



Fee Rate

Montana imposes monthly fees totaling \$1.00 per telephone access line to pay for 911 services. The 2017 Legislature changed the structure and use of these fees, beginning in Fiscal Year 2019. Through Fiscal Year 2018, the fee was in three parts: \$0.25 to support basic 911 services, \$0.25 to support enhanced 911 services, and \$0.50 to support wireless enhanced 911 services. Beginning in Fiscal Year 2019, the fee is in two parts: \$0.75 for distribution to local governments that host 911 answering services, and \$0.25 to fund a competitive grant program open to telecommunications providers and local governments.

The department cannot collect the fee on prepaid wireless cellular telephone services sold through third parties, such as retail and grocery stores, because providers successfully argued in court that they can not determine where pre-paid cards will be used.

Filing and Payment

The subscriber paying for exchange access line services is liable for the fees, but providers collect the fees and remit them to the state on a quarterly basis. The provider collecting the fee must file a return by the last day of the month following the end of each calendar quarter.

Distribution

The 2017 Legislature changed the distribution of 911 fees, beginning in Fiscal Year 2019. Through Fiscal Year 2018, the department deposited each of the three fees in a separate account, and 2.74 percent of total collections was statutorily appropriated to the Department of Administration to cover its costs of administering the program. Starting in Fiscal Year 2019, the department deposits all the fees in a single account and the Department of Administration allocates funds to the individual programs. The Department of Administration is appropriated a fixed amount from collections to cover its costs.

Distribution of 911 Fees

Fund	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Emergency System Acct. (2.74%)	\$359,501	\$356,758	\$356,300	\$0	\$0
Basic 911 Emergency Program (24.315%)	\$3,190,248	\$3,165,902	\$3,161,835	(\$164)	\$0
Enhanced 911 Phone Program (24.315%)	\$3,190,248	\$3,165,902	\$3,161,835	(\$164)	\$0
Wireless Enhanced 911 Phone Program					
911 Jurisdictions (24.315%)	\$3,190,245	\$3,165,903	\$3,161,835	\$164	\$0
Wireless Providers (24.315%)	\$3,190,245	\$3,165,903	\$3,161,835	\$164	\$0
911 Distribution	\$0	\$0	\$0	\$10,169,174	\$10,314,290
911 Grants	\$0	\$0	\$0	\$3,389,725	\$3,438,097

State Comparison

911 services typically are provided by local governments with the cooperation of telecommunications providers. Funding for 911 services comes from fees imposed by state governments, local governments, or both. The following table is based on information from the National Emergency Number Association and shows fees for each state. Where a range of fees is shown, it generally indicates that there are varying local fees, sometimes combined with a statewide fee.

911 Emergency Telephone System Fees

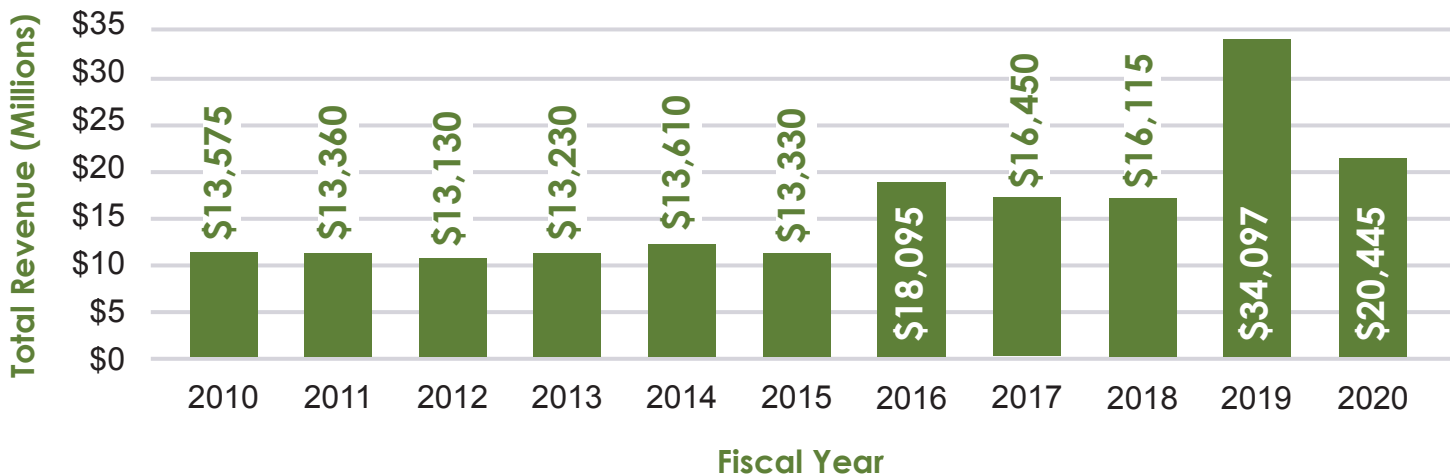
State	Landline	Wireless	Prepaid Wireless	Voice over Internet Protocol
Alabama	\$1.75	\$1.75	\$1.75	\$1.75
Alaska	\$0.00 to \$2.00	\$0.00 to \$2.00	N/A	N/A
Arizona	\$0.20	\$0.20	0.8%	\$0.20
Arkansas	5% to 12%	\$0.65	\$0.65	\$0.65
California	0.75%	0.75%	0.75%	0.75%
Colorado	\$0.45 to \$1.75	\$0.45 to \$1.75	1.4%	\$0.45 to \$1.75
Connecticut	\$0.57	\$0.57	\$0.57	\$0.57
Delaware	\$0.60	\$0.60	\$0.60	\$0.60
District of Columbia	\$0.76	\$0.76	2.0%	\$0.76
Florida	\$0.40	\$0.40 to \$0.44	\$0.40	\$0.40
Georgia	\$1.50	\$1.50	\$1.50	\$1.50
Hawaii	\$0.27	\$0.66	N/A	\$0.66
Idaho	\$1.00 to \$1.25	\$1.00 to \$1.25	2.5%	\$1.00 to \$1.25
Illinois	\$1.50	\$1.50	3%	\$1.50

State	Landline	Wireless	Prepaid Wireless	Voice over Internet Protocol
Indiana	\$1.00	\$1.00	\$1.00	\$1.00
Iowa	\$1.00	\$1.00	\$0.51	\$1.00
Kansas	\$0.53	\$0.53	1.06%	\$0.53
Kentucky	\$0.32 to \$4.00	\$0.70	\$0.93	\$0.32 to \$4.00
Louisiana	Residential: \$0.38 to \$1.25 Business: \$0.99 to \$6.00	\$0.85 to \$1.25	4%	\$0.38 to \$1.25
Maine	\$0.45	\$0.45	\$0.45	\$0.45
Maryland	\$1.00	\$1.00	\$0.60	\$1.00
Massachusetts	\$1.00	\$1.00	\$1.00	\$1.00
Michigan	\$0.19 to \$3.19	\$0.19 to \$3.19	1.92%	\$0.19 to \$3.19
Minnesota	\$0.95	\$0.95	\$0.95	\$0.95
Mississippi	Residential: \$1.05 Commercial: \$2.05	\$1.00	\$1.00	\$1.00
Missouri	Varies by County	N/A	N/A	N/A
Montana	\$1.00	\$1.00	N/A	\$1.00
Nebraska	\$0.50 to \$1.00	\$0.45 to \$0.70	1.1%	N/A
Nevada	Varies by Jurisdiction	Varies by Jurisdiction	N/A	N/A
New Hampshire	\$0.75	\$0.75	\$0.75	\$0.75
New Jersey	\$0.90	\$0.90	N/A	\$0.90
New Mexico	\$0.51	\$0.51	N/A	N/A
New York	\$0.35 to \$1.00	\$1.20 to \$1.50	N/A	\$0.35
North Carolina	\$0.65	\$0.65	\$0.65	\$0.65
North Dakota	\$1.00 to \$1.50	\$1.00 to \$1.50	2.5%	\$1.00 to \$1.50
Ohio	\$0.00 to \$0.50	\$0.25	0.5%	N/A
Oklahoma	3% to 15%	\$0.75	\$0.75	\$0.50
Oregon	\$0.75	\$0.75	\$0.75	\$0.75
Pennsylvania	\$1.65	\$1.65	\$1.65	\$1.65
Rhode Island	\$1.00	\$1.26	2.5%	\$1.26
South Carolina	\$0.45 to \$1.00	\$0.62	\$0.62	\$0.45 to \$1.00
South Dakota	\$1.25	\$1.25	2%	\$1.25
Tennessee	\$1.16	\$1.16	\$1.16	\$1.16
Texas	\$0.50 state plus varying local	\$0.50	2%	\$1.25
Utah	\$0.80	\$0.80	1.78%	\$0.80
Vermont	Funded through universal service fund			
Virginia	\$0.75	\$0.75	\$0.50	\$0.75
Washington	\$0.95	\$0.95	\$0.95	\$0.95
West Virginia	\$0.98 to \$6.40	\$3.00	6%	\$0.98 to \$6.40
Wisconsin	\$0.16 to \$0.43	N/A	N/A	N/A
Wyoming	\$0.25 to \$0.75	\$0.25 to \$0.75	1.5%	\$0.25 to \$0.75

Cigarette License Fee

Statute: 16-11-122, MCA

Cigarette Income Tax



Fee Rate

Sellers of tobacco, alternative nicotine, and vapor products in Montana must have a license from the state and renew the license annually. The fee is \$50 for wholesalers, who buy products from manufacturers and attach tax stamps; sub-jobbers, who buy tax-stamped products for resale; and vendors who operate 10 or more vending machines. For retailers and vendors with nine or fewer vending machines, the fee is \$5. The sale of alternative nicotine and vapor products requires a separate license with an annual fee of \$5.

Cigarette License Fee Schedule

Status	Annual Renewal Fee
Wholesalers and Sub-Jobbers	\$50
Vendors (10 or More Machines)	\$50
Vendors (9 or Fewer Machines)	\$5
Retailers	\$5
Alternative Tobacco or Vaping Products	\$5

Filing and Payment

Licenses must be renewed annually by the anniversary date. License fees are due at the time of renewal.

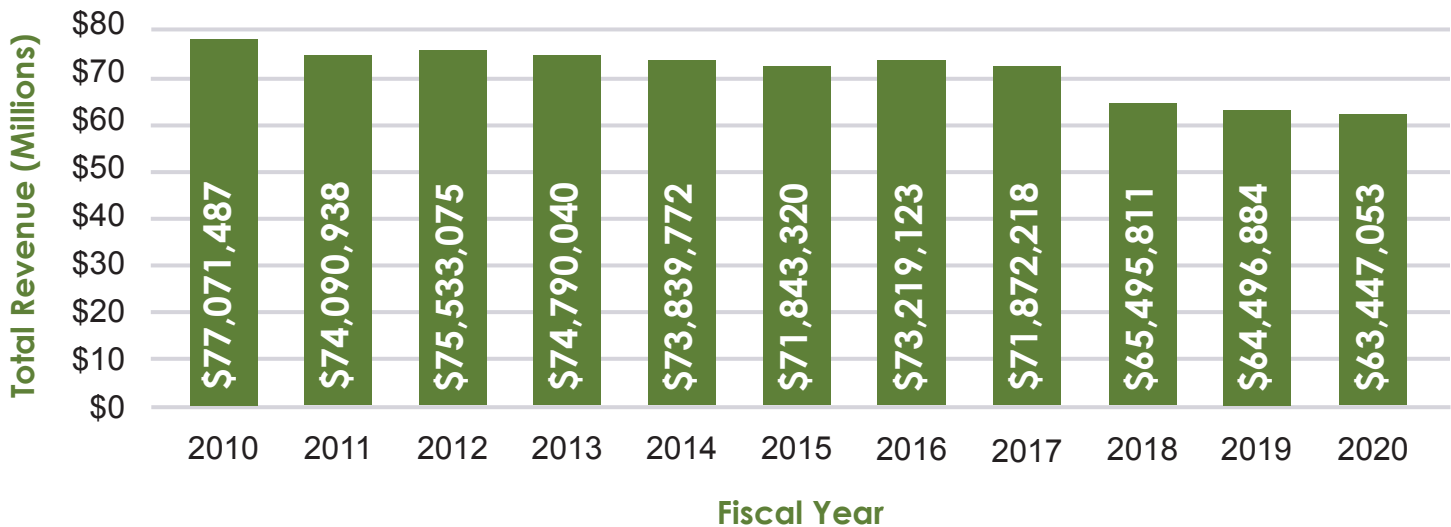
Distribution

Revenues from the license fees are deposited in the state general fund (16-11-124, MCA). Cigarette enforcement activities are funded by an appropriation from the general fund, rather than directly by fees.

Cigarette Tax

Statute: 16-11-111, MCA and 16-11-119, MCA

Cigarette Tax



Tax Rate

Cigarettes and small cigars that resemble cigarettes are subject to a tax of \$1.70 per a pack of 20. If they are sold in a different size package, the tax is \$0.085 per cigarette.

The 2003 Legislature increased the rate from \$0.18 to \$0.70 effective May 1, 2003. In 2004, voters approved Initiative 149, which increased the rate to its current level.

Filing and Payment

The department pre-collects the tax by selling tax insignias to wholesalers, who must affix them to each package of cigarettes to indicate the tax has been paid. Only a licensed wholesaler may purchase the insignias. The department sells the insignias at face value minus an allowance for the costs of affixing the decals and collecting the tax on behalf of the department.

Distribution

Cigarette tax revenues are distributed to the following entities:

- Tribes, pursuant to revenue-sharing agreements.
- Department of Public Health and Human Services, for maintenance and operation of state veterans' nursing homes. The larger of:
 - 8.3 percent of revenues, or
 - \$2 million
- Long-Range Building Program Account
 - 2.6 percent of revenues
- State special revenue fund for Health and Medicaid initiatives
 - 44 percent of revenues
- State general fund (16-11-119, MCA)
 - Remaining revenues

Distribution of Cigarette Tax

Fund	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Tobacco and Cig. Tribal Agreements	\$4,254,158	\$4,115,751	\$3,929,686	\$3,490,777	\$3,584,285
Remainder	\$68,964,965	\$67,756,467	\$61,566,125	\$61,006,107	\$59,862,768
State Veterans Home (8.3%)	\$5,724,092	\$5,623,787	\$5,107,968	\$5,060,928	\$4,965,768
Long Range Building Program (2.6%)	\$1,793,089	\$1,761,668	\$1,600,087	\$1,585,351	\$1,555,542
DPHHS-Medicaid Initiatives (44%)	\$30,344,584	\$29,812,846	\$27,078,385	\$26,829,016	\$26,324,556
General Fund (Remainder)	\$31,103,199	\$30,558,167	\$27,755,344	\$27,499,742	\$26,982,669
Total Revenue	\$73,219,123	\$71,872,218	\$65,495,811	\$64,496,884	\$63,447,053

Taxation of Cigarettes on Indian Reservations

Under federal law, tribal governments reserve the right to tax cigarettes sales to tribal members on their reservations. To avoid problems with non-members trying to avoid the tax by buying cigarettes on reservations, Montana has entered into revenue-sharing agreements with the tribal governments of each reservation. These agreements provide for a refund of the tax on a fixed number of cigarettes sold to retailers on each reservation, and for each tribe to receive a share of revenue from the tax.

State Comparison

Every states has a state cigarette tax. Five states allow local jurisdictions to impose an additional tax. The following table shows state, local, and combined cigarette taxes as of January 1, 2018.

There is a wide range of taxes, from \$0.21 in parts of Missouri to over \$7 in parts of Illinois. Twenty-three states and Washington, D.C., have taxes that are higher than Montana's rate of \$1.70 per pack, 25 states have taxes that are lower than Montana's, and one has the same tax rate as Montana.

Cigarette Excise Tax Rates

State	State Tax Per Pack	Local Tax Per Pack	Total
Alabama	\$0.68	\$0.01 to \$0.25	\$0.69 to \$0.93
Alaska	\$2.00		\$2.00
Arizona	\$2.00		\$2.00
Arkansas	\$1.15		\$1.15
California	\$2.87		\$2.87
Colorado	\$0.84		\$0.84
Connecticut	\$4.35		\$4.35
Delaware	\$2.10		\$2.10
District of Columbia	\$4.98		\$4.98
Florida	\$1.34		\$1.34
Georgia	\$0.37		\$0.37
Hawaii	\$3.20		\$3.20
Idaho	\$0.57		\$0.57
Illinois	\$2.98	\$0.10 to \$4.18	\$3.08 to \$7.16
Indiana	\$1.00		\$1.00
Iowa	\$1.36		\$1.36
Kansas	\$1.29		\$1.29
Kentucky	\$1.10		\$1.10
Louisiana	\$1.08		\$1.08
Maine	\$2.00		\$2.00
Maryland	\$2.00		\$2.00
Massachusetts	\$3.51		\$3.51
Michigan	\$2.00		\$2.00
Minnesota	\$3.65		\$3.65
Mississippi	\$0.68		\$0.68
Missouri	\$0.17	\$0.04 to \$0.07	\$0.21 to \$0.24
Montana	\$1.70		\$1.70
Nebraska	\$0.64		\$0.64
Nevada	\$1.80		\$1.80
New Hampshire	\$1.78		\$1.78
New Jersey	\$2.70		\$2.70

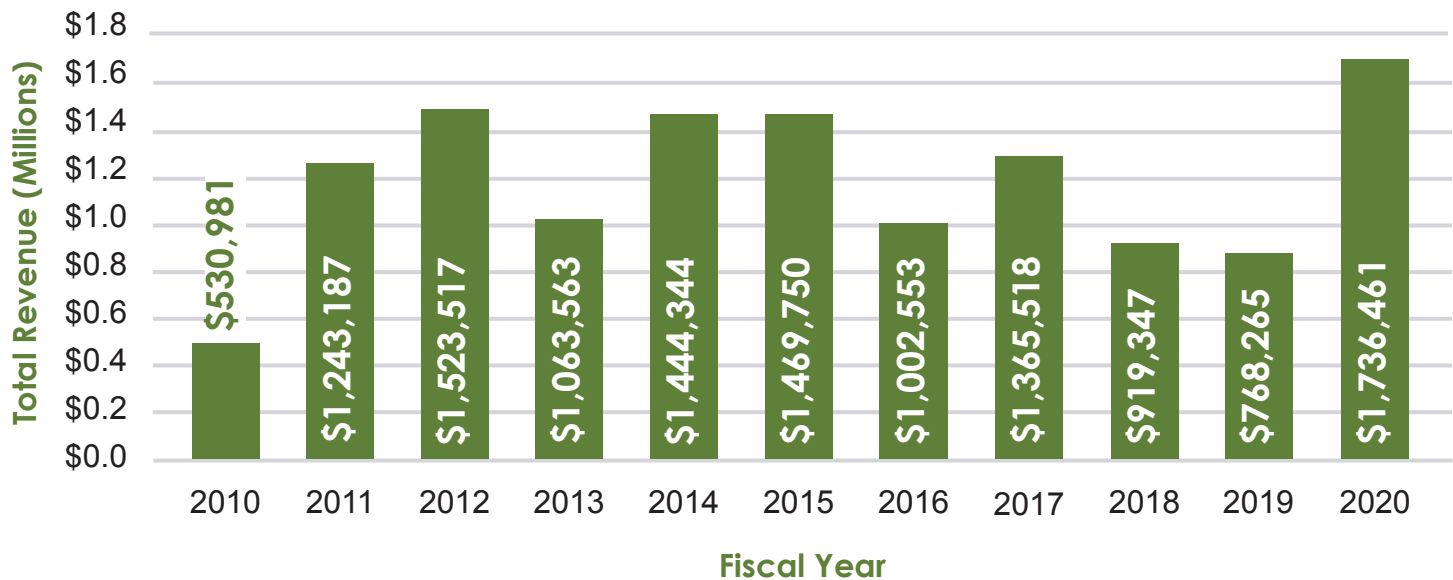
State	State Tax Per Pack	Local Tax Per Pack	Total
New Mexico	\$2.00		\$2.00
New York	\$4.35	\$0 to \$1.50	\$4.35 to \$5.85
North Carolina	\$0.45		\$0.45
North Dakota	\$0.44		\$0.44
Ohio	\$1.60		\$1.60
Oklahoma	\$2.03		\$2.03
Oregon	\$1.33		\$1.33
Pennsylvania	\$2.60		\$2.60
Rhode Island	\$4.25		\$4.25
South Carolina	\$0.57		\$0.57
South Dakota	\$1.53		\$1.53
Tennessee	\$0.67	\$0.01	\$0.68
Texas	\$1.41		\$1.41
Utah	\$1.70		\$1.70
Vermont	\$3.08		\$3.08
Virginia	\$0.30	\$0.02 to \$0.15	\$0.32 to \$0.45
Washington	\$3.03		\$3.03
West Virginia	\$1.20		\$1.20
Wisconsin	\$2.52		\$2.52
Wyoming	\$0.60		\$0.60

Source: Federation of Tax Administrators

Consumer Counsel Fee

Statute: Title 69, Chapter 1, Part 2, MCA

Consumer Counsel Fee



Fee Rate

All companies regulated by the Public Service Commission (PSC) are assessed a fee to cover the operation of the Consumer Counsel, which represents consumers in proceedings before the PSC. The fee is a percentage of gross revenue from regulated activities. The rate is set annually for the following fiscal year.

Consumer Counsel Fee Rates

Tax Year	Rate
10/1/2009 - 9/30/2010	0.030%
10/1/2010 - 9/30/2011	0.110%
10/1/2011 - 9/30/2012	0.120%
10/1/2012 - 9/30/2013	0.070%
10/1/2013 - 9/30/2014	0.110%
10/1/2014 - 9/30/2015	0.100%
10/1/2015 - 9/30/2016	0.060%
10/1/2016 - 9/30/2017	0.100%
10/1/2017 - 9/30/2018	0.046%
10/1/2018 - 9/30/2019	0.051%
10/1/2019 - 9/30/2020	0.127%

Filing and Payment

All companies regulated by the Public Service Commission are subject to the fee. The fee is due within 30 days after the end of each quarter.

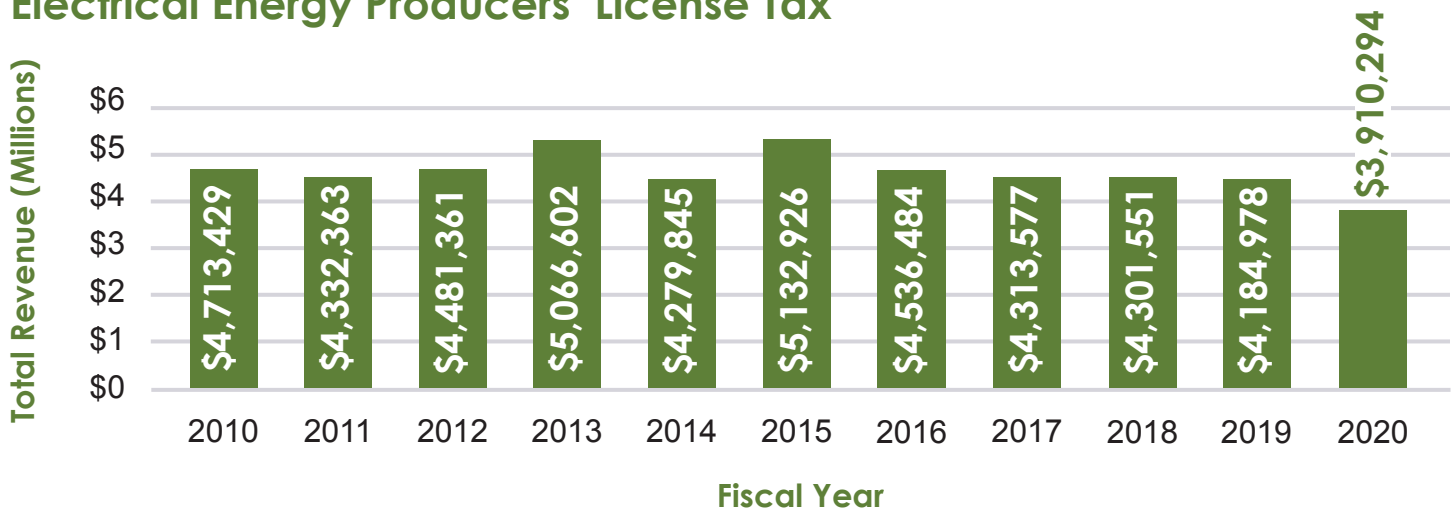
Distribution

Revenues are deposited in a state special revenue account for the operation of the Office of Consumer Counsel (69-1-201; 223; 224, MCA).

Electrical Energy Producers' License Tax

Statute: Title 15, Chapter 51, MCA

Electrical Energy Producers' License Tax



Tax Rate

The tax was first enacted in 1933 and is \$.0002 per kilowatt hour (\$0.20 per MWh) of electrical energy generated, manufactured, or produced in the state for barter, sale, or exchange, other than for plant use.

Filing and Payment

Businesses that produce electrical energy pay the license tax. The license tax is due within 30 days after the end of each quarter.

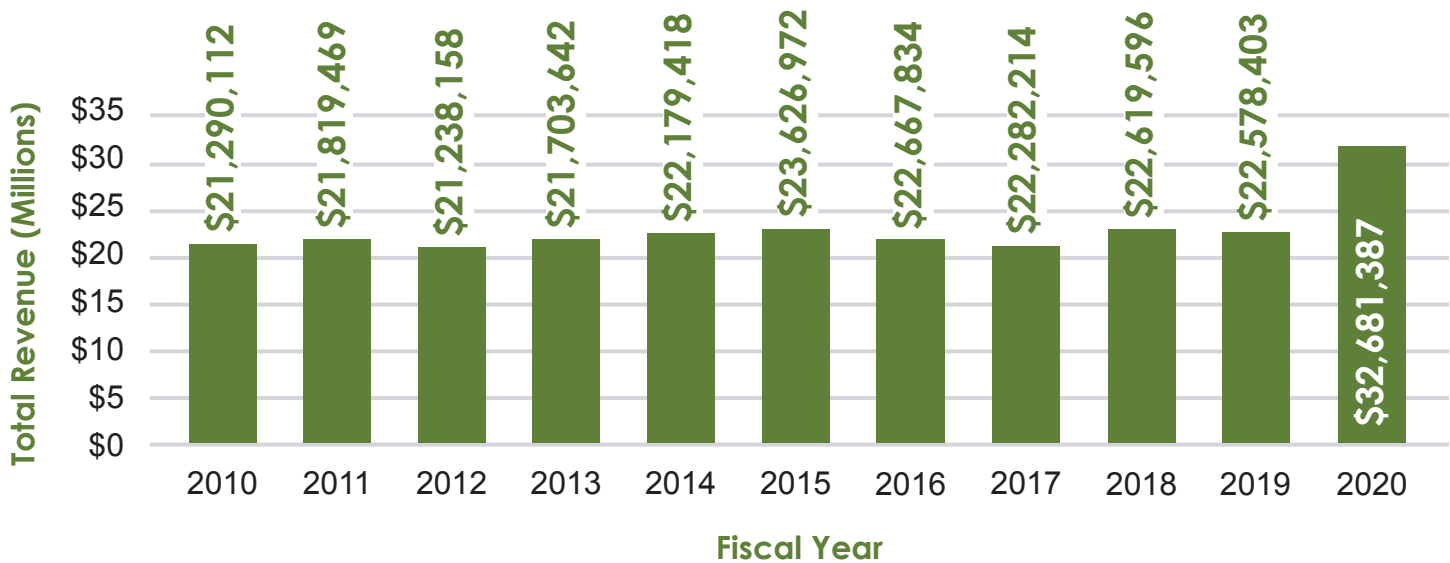
Distribution

Revenues are deposited in the state general fund (15-51-103, MCA).

Hospital Facility Utilization Fee

Statute: Title 15, Chapter 66, MCA

Hospital Facility Utilization Fee



Fee Rate

Beginning in 2019, all hospitals licensed by the state, except for the Montana State Hospital, are required to pay a \$70 utilization fee for each inpatient bed day. A utilization fee of 0.90 percent of outpatient revenue was added in 2019.

Filing and Payment

The hospital must pay the fees for the preceding calendar year on all taxable inpatient bed days. The table below lists the fee per inpatient bed day since the fee was instituted.

Hospital Facility Utilization Fee Schedule

Period Over Which Fee Applies	Fee Per Inpatient Bed Day
January 1, 2004 through June 30, 2005	\$19.43
July 1, 2005 through December 31, 2005	\$29.75
January 1, 2006 through June 30, 2007	\$27.70
July 1, 2007 through December 31, 2007	\$47.00
January 1, 2008 through December 31, 2008	\$43.00
January 1, 2009 through December 31, 2009	\$48.00
January 1, 2010 through December 31, 2018	\$50.00
Beginning January 1, 2019	\$70.00

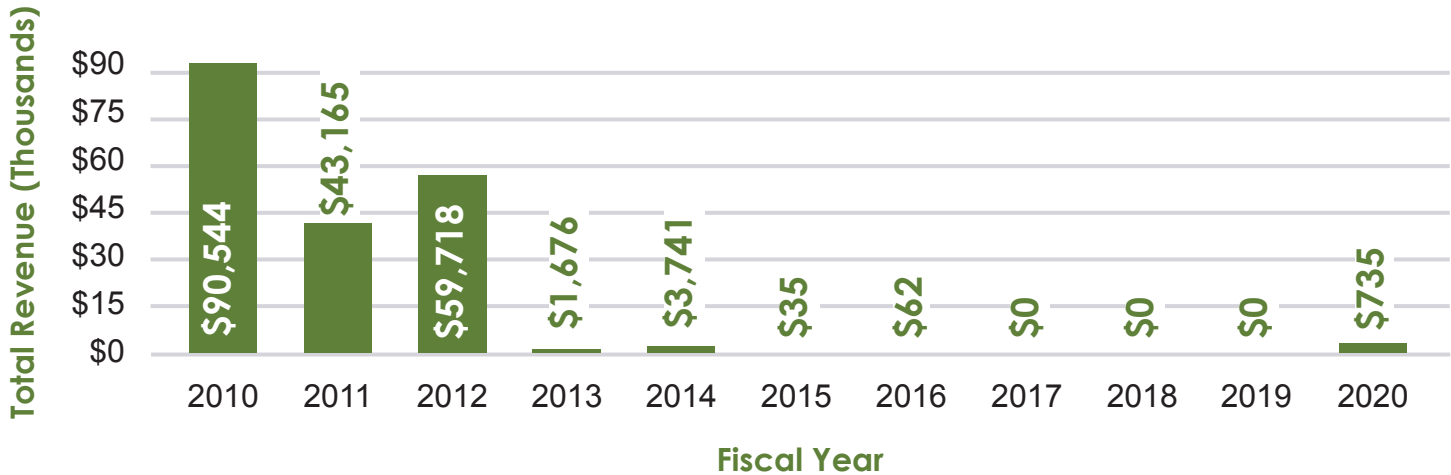
Distribution

54 percent of the outpatient utilization fee revenue is deposited in the Montana HELP Act special revenue account (53-6-1315, MCA). The remaining proceeds from the outpatient utilization fee, and all the proceeds from the inpatient utilization fee, are deposited in a special revenue account for use by the Department of Public Health and Human Services to reimburse hospitals serving Medicaid patients (15-66-102, MCA).

Inheritance and Estate Tax

Statute: Title 72, Chapter 16, MCA

Inheritance and Estate Taxes



Tax Rate

An estate tax is a tax on the value of the estate a person leaves when they die. The estate tax is paid by the estate of the deceased. An inheritance tax is a tax on the value of the bequest each heir receives.

Before 2001, Montana had an inheritance tax with rates that varied according to the heir's relationship to the decedent. Montana's inheritance tax was repealed by the passage of Legislative Referendum 116 in November 2000, and does not apply to bequests made on or after January 1, 2001.

Montana also has an estate tax equal to the difference between the state inheritance tax and amount of credit that the federal estate tax law allows for state taxes. This way, the estate tax allows the state to receive a share of the federal tax on Montana estates, with that share determined by federal law. With repeal of the inheritance tax, the estate tax became a standalone tax.

Federal legislation passed in 2001 and 2010 changed the federal estate tax law. It phased out the credit for state taxes between 2002 and 2004 and replaced it with a deduction beginning in 2005. With no federal credit, Montana has an estate tax with an effective rate of zero.

No Montana tax applies to the estates of people who died after January 1, 2005. All revenue received in Fiscal Years 2006 through 2020 is from the estates of people who died before the end of 2004. The state continues to receive small amounts of revenue because it can take years for final settlement of all issues pertaining to an estate.

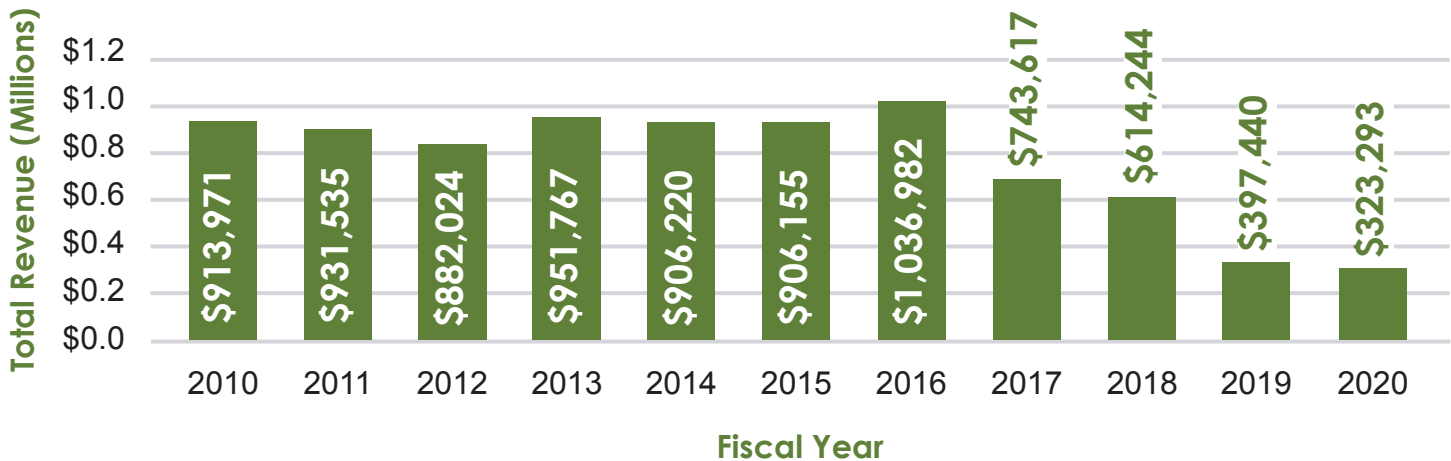
Distribution

Revenues are deposited in the state general fund.

Intermediate Care Facility Utilization Fee

Statute: Title 15, Chapter 67, MCA

Intermediate Care Facility Utilization Fee



Fee Rate

The Intermediate Care Facility Utilization Fee is 6 percent of the revenue of intermediate care facilities for the developmentally disabled. The fee was first implemented by the 2003 Legislature at a rate of 5 percent. The 2005 Legislature changed the fee per bed-day to a quarterly payment of 6 percent of the intermediate care facility's quarterly revenue divided by the resident bed days for the same period. For facilities operated by the state, the fee is calculated on total quarterly expenditures.

Filing and Payment

Reports and payments are due within 30 days of the end of each quarter.

Distribution

Of the revenue generated by this fee, 30 percent is deposited into the state general fund and 70 percent into the prevention and stabilization account in the state special revenue fund for the Department of Public Health and Human Services to administer (15-67-102, MCA).

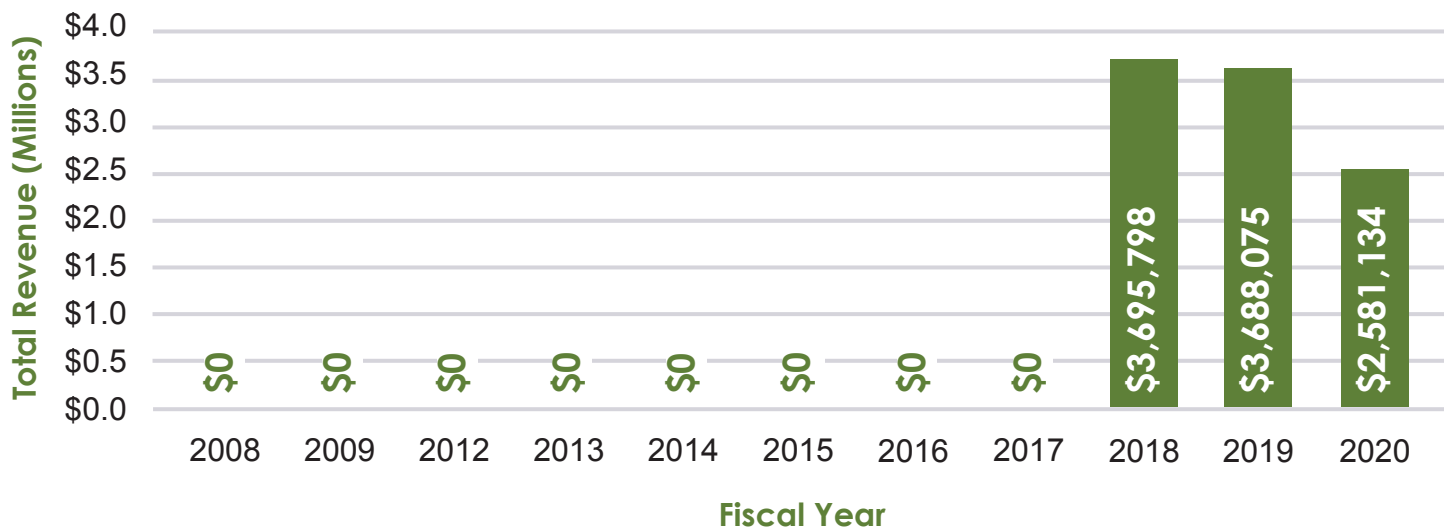
Distribution of Intermediate Care Facility Utilization Fees

Fund	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
General Fund (30%)	\$311,095	\$223,085	\$184,273	\$119,232	\$96,988
Prevention and Stabilization (70%)	\$725,888	\$520,532	\$429,971	\$278,208	\$226,305

Invasive Species Fee

Statute: Title 15, Chapter 72, Part 6, MCA

Invasive Species Fee



Fee Rate

The 2017 Legislature created temporary fees on hydroelectric power to fund programs to prevent the spread of invasive aquatic species. These fees apply from July 1, 2017, through June 30, 2019.

Owners of hydroelectric generating facilities of more than 1.5 megawatt capacity paid a quarterly fee of \$795.76 per megawatt of nameplate capacity.

The 2019 Legislature changed the fee structure of the program and made the fees permanent. Beginning July 1, 2019, these facilities pay based on a tiered fee structure. Facilities with capacity between 1.5 and 25 megawatts pay \$274.95 per megawatt. Facilities with capacity between 25 and 100 megawatts pay \$549.90 per megawatt. Facilities with capacity greater than 100 megawatts pay \$824.85 per megawatt.

Filing and Payment

Reports and payment are due within 30 days of the end of each quarter.

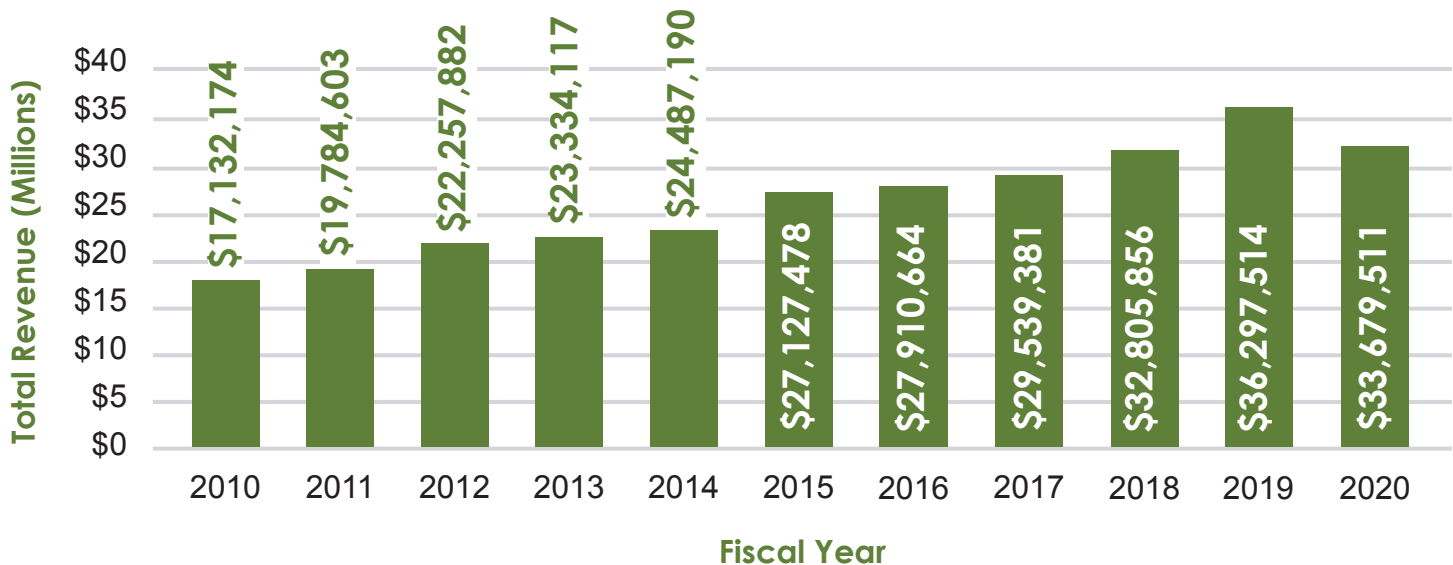
Distribution

Revenues are deposited in the invasive species state special revenue account (80-7-1004, MCA).

Lodging Facility Use Tax

Statute: Title 15, Chapter 65, MCA

Lodging Facility Use Tax



Tax Rate

The 1987 Legislature enacted a tax on short-term lodging, with the proceeds to be used primarily to fund tourism promotion. The tax is imposed on users of short-term, overnight lodging facilities and is 4 percent of the lodging charge. This rate is addition to, and applies to the same facilities as, the Lodging Sales Tax (15-65-131, MCA), which was enacted in 2003 at a rate of 3 percent and raised in 2020 to 4 percent, for an effective total of 8 percent for both taxes.

Filing and Payment

The owner or operator of a facility collects the tax from customers and must pay the tax to the department quarterly. The tax is due on, or before, the last day of the month immediately following the end of the quarter. To simplify compliance, the department has lodging operators file a single return combining the lodging facility use tax and the lodging sales tax.

Distribution

The department's costs of administering the Lodging Facility Use Tax are paid out of receipts from the tax. This process differs from most taxes, where the department's costs are paid from the state general fund. For each fiscal year, the Legislature appropriates an amount to the department to cover its costs, and this amount is deducted from tax collections.

The Legislature originally chose not to tax business travel by state employees. However, rather than exempting state travel from the tax, the Legislature required the department to reimburse state agencies for the tax they paid.

Agencies reported the amount they spent on lodging from each of their funding sources, and the department reimbursed each of the funds.

This system was cumbersome to administer and difficult to track, so in 2011 the Legislature simplified the process (HB 111). Beginning in Fiscal Year 2012, 30 percent of tax collected from state agencies is deposited in the general fund. Tax on state agency travel paid with federal funds is given to the Department of Administration to be returned to the federal government through its normal process for returning unspent federal funds. The rest of the tax paid by state agencies is included in the normal distribution.

A fixed allocation of \$400,000 is deposited in the Montana Heritage Preservation Account to pay for preservation of historic properties at Virginia City and Nevada City. The remaining revenue is distributed to the following accounts:

- Department of Commerce, for statewide tourism promotion
 - 63 percent of revenues
- Invasive species state special revenue account
 - 1.4 percent of revenues
- State-Tribal Economic Development Commission, for tourism promotion
 - 0.5 percent of revenues
- Montana Historical Society, for roadside historical signs and historic sites
 - 1 percent of revenues
- Montana University System, for the Montana Travel Research Program
 - 2.5 percent of revenues
- Montana Historical Society, to cover costs of the state museum and the Robert Sriver sculpture collection
 - 2.6 percent of revenues
- Department of Fish, Wildlife and Parks, to maintain facilities in state parks
 - 6.5 percent of revenues
- Regional nonprofit tourism corporations and local convention and visitors bureaus, for local tourism promotion
 - 22.5 percent of revenues
 - Each of the state's six tourism promotion regions receives revenue proportional to the tax collected in its region. If the share of this allocation due to taxes collected in a city or resort area is more than \$35,000, half of that amount goes to the local convention and visitors bureau.

The 2011 Legislature (HB 477) created the 2.6 percent allocation to the Historical Society, the 2017 Legislature (SB 309) created the 0.5 percent allocation to the State-Tribal Economic Development Commission, and the 2019 Legislature (HB 411) created the 1.4 percent allocation to the invasive species account. In all three cases, the Legislature reduced the Department of Commerce's allocation by the same percentage.

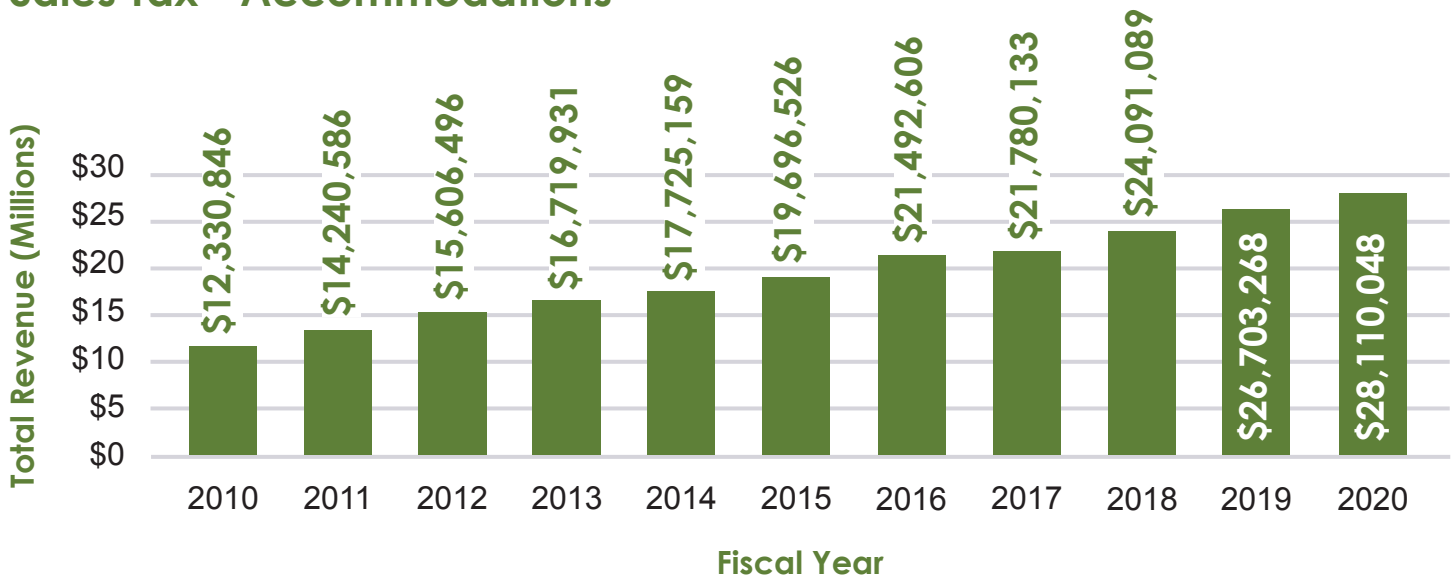
Distribution of Lodging Facility Use Tax

Fund	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
DOR Administration	\$147,821	\$147,821	\$127,958	\$128,574	\$130,716
Travel Reimbursements	\$113,724	\$150,713	\$144,524	\$126,280	\$112,665
MT Heritage Preservation Acct.	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Remainder	\$27,249,119	\$28,840,846	\$32,133,373	\$35,642,660	\$33,036,130
Department of Commerce	\$17,684,678	\$18,717,710	\$20,692,675	\$22,953,424	\$20,810,585
Aquatic Invasive Species	\$0	\$0	\$0	\$0	\$463,890
MT Historical Soc. Sites and Signs	\$272,491	\$288,409	\$321,326	\$356,418	\$330,350
MT University System	\$681,228	\$721,019	\$803,311	\$891,053	\$825,874
MT Historical Soc. Interpret. Acct.	\$708,477	\$749,863	\$835,444	\$926,692	\$858,909
Fish, Wildlife, and Parks	\$1,771,193	\$1,874,655	\$2,088,605	\$2,316,718	\$2,147,258
Regional Tourism	\$6,131,052	\$6,489,191	\$7,229,801	\$8,019,443	\$7,432,853
State/Tribal Economic Development	\$0	\$0	\$161,278	\$178,211	\$165,176
Total Revenue	\$27,910,664	\$29,539,381	\$32,805,856	\$36,297,514	\$33,679,511

Lodging Sales Tax

Statute: Title 15, Chapter 68, MCA

Sales Tax - Accommodations



Tax Rate

In 2003, the Montana Legislature enacted a 3 percent selective sales and use tax on accommodations and campgrounds. The tax rate increased to 4 percent on January 1, 2020. This 4 percent tax is levied in addition to, and applies to the same facilities as, the Lodging Facilities Use Tax (15-68-102, MCA) for an effective total of 8 percent for both taxes.

Filing and Payment

The sales tax is imposed on the purchaser, and collected and paid by the seller to the department. The tax is due by the last day of the month immediately following the end of the quarter. Sellers who file a return and pay the tax on time may keep 5 percent of the tax collected as compensation for collecting the tax. Prior to 2020, the vendor allowance was capped at \$1,000 per location. To simplify compliance, the department has the seller file a single return combining the Lodging Facility Use Tax and the Lodging Sales Tax.

Distribution

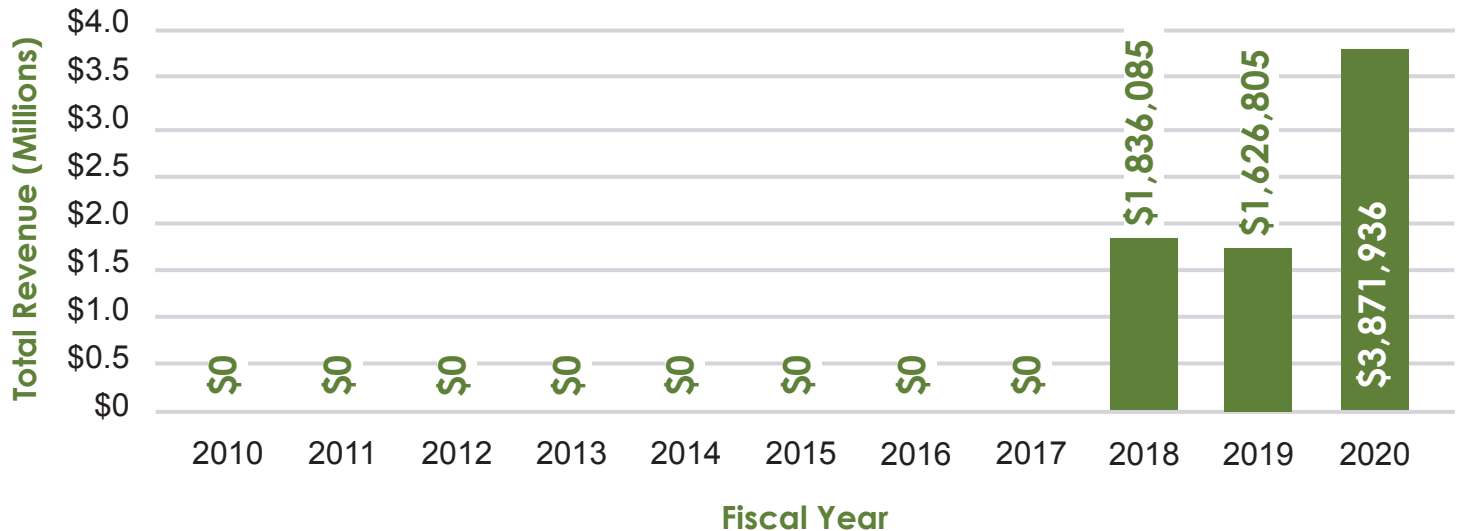
Prior to 2020, all accommodations and campground sales and use tax revenue went to the state general fund. Beginning with calendar year 2020, the revenue from the accommodations and campground sales and use tax is distributed as follows (15-68-820, MCA):

- General fund – 75 percent
- Montana Heritage Center and Montana Historic Preservation Grant Program – 25 percent

Medical Marijuana Tax

Statute: Title 15, Chapter 64, MCA

Medical Marijuana Tax



Tax Rate

The 2017 Legislature enacted a tax on medical marijuana sales as part of a revision of the regulation of medical marijuana. From July 1, 2017, through June 30, 2018, the tax was 4 percent of gross sales. Beginning July 1, 2018, the tax is 2 percent of gross sales. From October 1, 2019, through September 30, 2021, the tax is 4 percent. The tax then drops back to 2 percent on October 1, 2021.

Filing Requirements

The tax is due quarterly. Returns and payment are due within 15 days of the end of each quarter.

Distribution

Revenues from the medical marijuana tax are deposited in the medical marijuana account to be used by the Department of Public Health and Human Services to pay its costs of regulating medical marijuana.

Comparison of State Marijuana Taxes

States Where Marijuana is Legal for Medical Use Only

Arkansas	Subject to 6.5% sales tax and 4% tax on gross receipts.
Connecticut	Subject to general sales tax of 6.35%. Dealers pay \$3.50 per gram on all cannabis products.
Delaware	None.
Florida	None.
Hawaii	Subject to 4% excise tax; 4.5% on Oahu.
Louisiana	Legalized in 2015, no access to products or finalized taxing structure.
Maryland	None.
Minnesota	None.
Missouri	Legalized in 2020, subject to 4% tax.
Mississippi	Legalized with 2020 ballot initiative.
New Hampshire	None.
New Mexico	Subject to general sales tax.
New York	Subject to excise tax of 7%.
North Dakota	Legalized 2020, no tax.
Ohio	Subject to general sales tax of 5.75%.
Oklahoma	Subject to excise tax of 7% and general sales tax of 4.1-8.6% by region.
Pennsylvania	Growers subject to 5% gross receipts tax.
Utah	Legalized 2018, no tax.
Rhode Island	Subject to general sales tax of 7% and 4% surcharge on providers.
West Virginia	Gross receipts tax of 10% on sales by grower or processor.

States Where Marijuana is Legal for Medical and Non-Medical Use

Alaska	Tax on sales by grower to retailer or manufacturer. Rate \$50 per ounce for buds and flowers, \$15 per ounce for other parts of plant.
Arizona	Medical subject to 6.6% sales tax with local option for additional 2-3%. Recreational legalized with 2020 ballot initiative.
California	Non-medical use subject to general sales tax. Medical use exempt. Excise tax of 15% on retail sales, and tax on sales by grower to distributor or manufacturer of \$9.25 per ounce of flowers and \$2.75 per ounce of leaves.
Colorado	Non-medical use subject to 15% excise tax on retail sales and 15% grower tax on sales to retailer or manufacturer. Medical use subject to general sales tax.
Illinois	7% excise tax on growers; 10% on flowers under 35%THC; 20% on cannabis infused products under 35% THC; 25% on products above 35% THC; Medical subject to 1% sales tax.
Maine	Non-medical use subject to effective tax rate of 20%. Most medical use subject to sales tax of 5.5%. Edibles subject to sales tax of 8%.

States Where Marijuana is Legal for Medical and Non-Medical Use

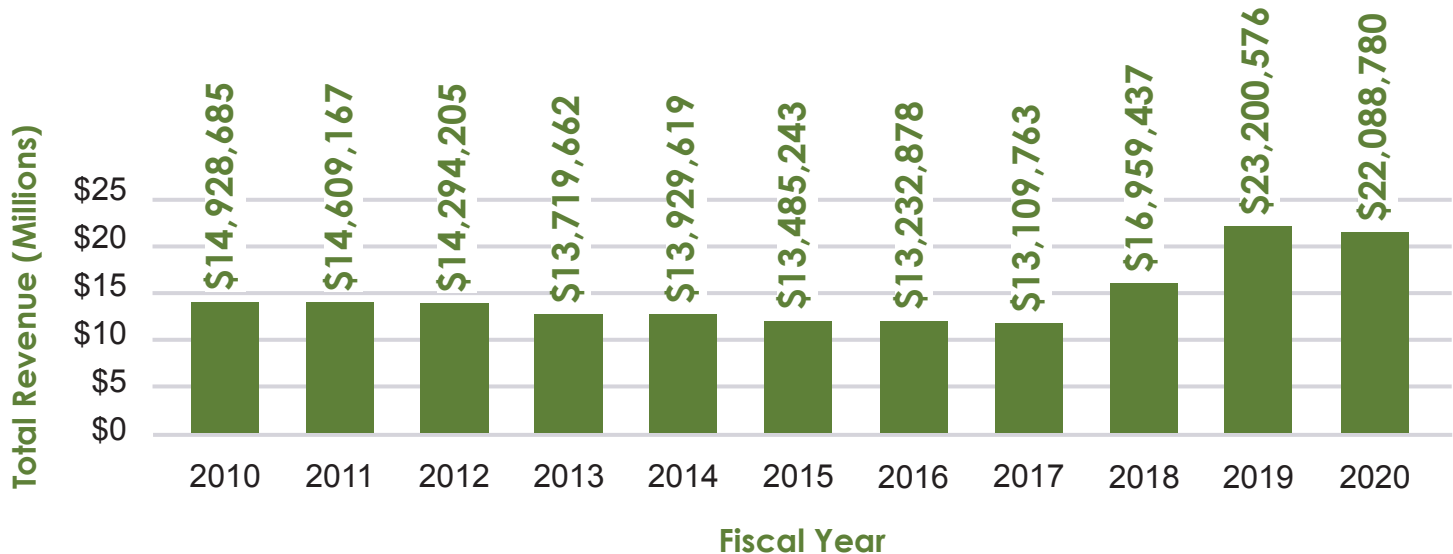
Massachusetts	Non-medical use subject to 10.75% excise tax and general sales tax. Medical use exempt.
Michigan	Non-medical use subject to 10% sales tax. Medical subject to general sales tax and 3% tax on grower's gross receipts.
Montana	Excise tax of 4% on medical. Recreational legalized with 2020 ballot initiative at 20% tax rate.
Nevada	Non-medical use is subject to 10% excise tax. Growers pay 15% excise tax on wholesale sales.
New Jersey	Medical subject to 6.625% sales tax. Recreational legalized with 2020 ballot initiative.
Oregon	Non-medical use is subject to 17% excise tax. Medical use exempt.
South Dakota	Medical and recreational legalized with 2020 ballot initiative.
Vermont	No tax system in place, possession of marijuana is legal.
Washington	Subject to general sales tax and excise tax of 37%.
Washington D.C.	Legal to grow and consume but not to sell. Medical subject to 5.75% general sales tax.

Sources: Tax Foundation, Gordon Law and Tax Admin

Nursing Facility Utilization Fee

Statute: Title 15, Chapter 60, MCA

Nursing Facility Utilization Fee



Tax Rate

All nursing homes licensed by the Department of Public Health and Human Services and the Montana Mental Health Nursing Care Center must pay a fee for each bed-day of services provided to a resident. For Fiscal Years 2007 through 2017, the fee was \$8.30. The 2017 Legislature (HB 618) increased the fee to \$11.30 for Fiscal Year 2018 and to \$15.30 beginning in Fiscal Year 2019.

Filing and Payment

The fee is due quarterly. Reports and payments are due on or before the last day of the month following the end of each quarter.

Distribution

Revenues are to be used to fund the state share of Medicaid payments to nursing homes.

For all facilities, other than the Montana Mental Health Nursing Care Center, \$2.80 is distributed to the general fund and the remainder is distributed to the nursing facility utilization fee account (15-60-102, MCA).

Utilization fees paid by the Montana Mental Health Nursing Care Center are distributed 30 percent to the state general fund and 70 percent to the prevention and stabilization account administered by DPHHS to finance, administer, and provide health and human services (53-6-1101, MCA).

Distribution of Nursing Facility Utilization Fees

Non-Montana Mental Health Nursing Care Center Facilities

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
General Fund	\$4,370,397	\$4,328,823	\$4,114,818	\$4,165,533	\$3,965,650
Nursing Facility Util. Acct. Fee	\$8,586,606	\$8,504,924	\$12,491,167	\$18,597,188	\$17,704,568

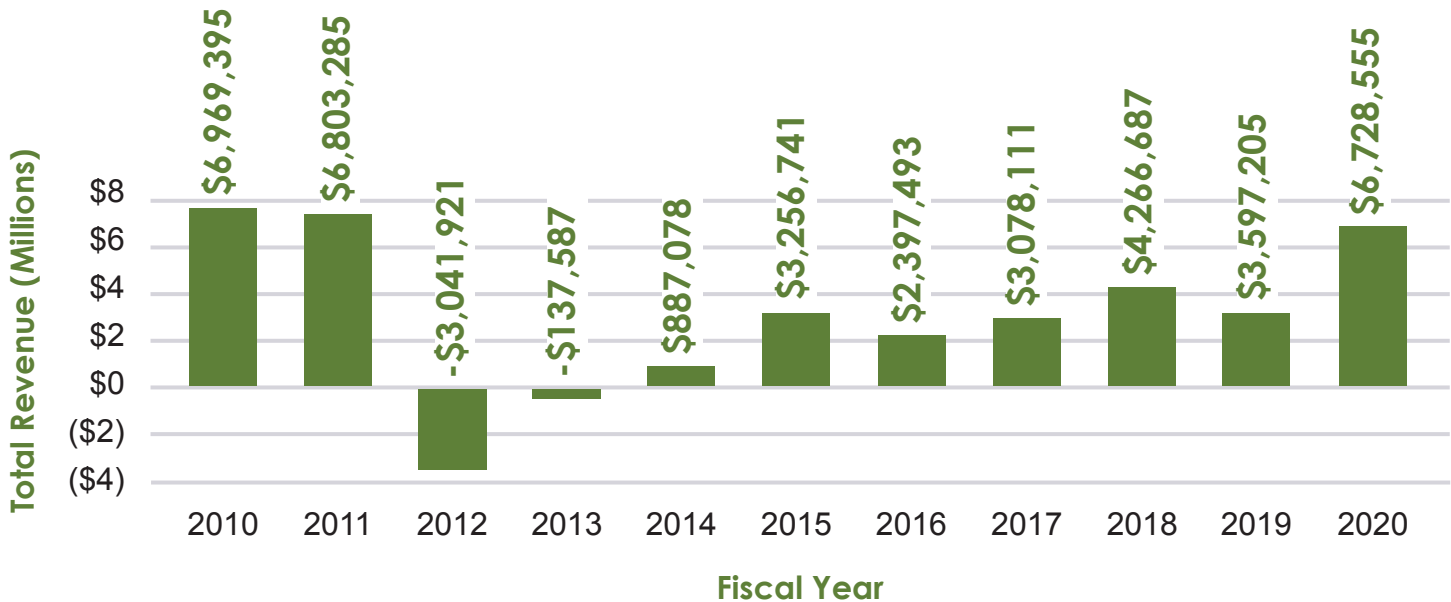
Montana Mental Health Nursing Care Center Facilities

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
General Fund (30%)	\$82,763	\$82,805	\$106,036	\$131,357	\$125,569
Prevention and Stabilization Fee (70%)	\$193,113	\$193,212	\$247,417	\$306,499	\$292,993

Public Contractor's Gross Receipts Tax

Statute: Title 15, Chapter 50, MCA

Public Contractor's Gross Receipts Fees and Tax



Tax Rate

The Public Contractor's Gross Receipts Tax equals 1 percent of the gross receipts from state, local government or federal construction contracts, other than construction of a federal research facility. The tax applies both to prime contractors and subcontractors. Contracts with a value of \$5,000 or less are exempt.

Filing and Payment

Contractors are required to file a registration form with the department at the time they are awarded a contract. The agency awarding the contract is required to withhold the tax and submit it to the department within 30 days of any payment to the contractor. The prime contractor is required to withhold the tax from payments to subcontractors and file a report with the department within 30 days.

Refunds of the Tax

The purpose of the Public Contractor's Gross Receipts Tax is to provide an incentive for out-of-state contractors to pay other taxes they owe, not to raise revenue directly. Contractors who pay corporate or individual income tax, property taxes on their equipment, and motor vehicle fees on their business vehicles may use their contractor's gross receipts tax payments as credits against those taxes.

Contractors who have paid property taxes and vehicle fees may request a refund of their contractor's gross receipts tax payments up to the amount of these taxes and fees. Alternatively, a contractor may

use their contractor's gross receipts tax payments as a credit against individual or corporate income tax. A contractor may also claim a refund for property taxes and vehicle fees and use any contractor's gross receipts tax payments over this amount as an income tax credit.

Refunds for property taxes and vehicle fees must be for the same year that the contractor's gross receipts tax was paid. Corporate and individual income tax credits can be carried forward for up to five years.

In most years, tax payments are greater than refunds and credits, resulting in net revenue from the tax. In Fiscal Years 2012 and 2013, total refunds exceeded total payments and as a result, total contractor's gross receipts revenue was negative. There were two reasons for this. In those years, contractors were claiming credits from work on federal Reinvestment and Recovery projects in earlier years while new contracts had returned to a normal level. At the same time, upgrades to the department's data processing systems allowed the department to clear a backlog of pending refunds.

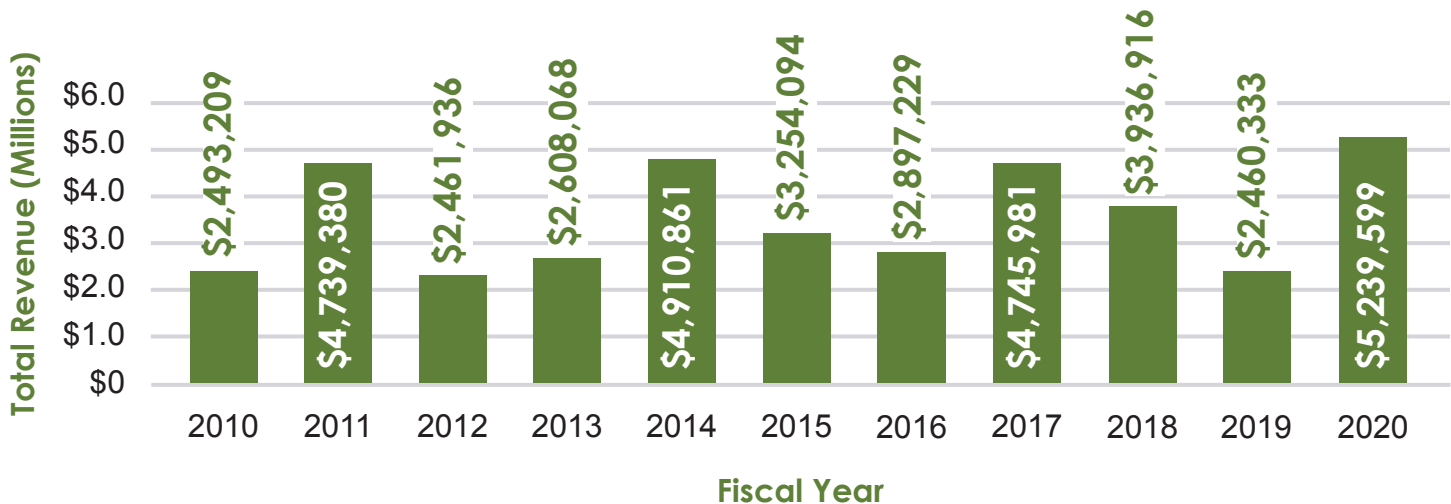
Distribution

Revenues are deposited in the state general fund (15-50-311, MCA).

Public Service Commission Fee

Statute: Title 69, Chapter 1, Part 4, MCA

Public Service Commission Fee



Tax Rate

All companies providing services that are regulated by the Public Service Commission, other than motor carriers, are subject to a tax on gross operating revenue from final sales. Revenues from sales for resale to other regulated companies are not subject to the tax. The tax rate is set annually for the succeeding fiscal year to cover appropriations for the operation of the Department of Public Service Regulation.

Public Service Commission Fee Rates

Effective Dates	Rate
10/1/2008 - 9/30/2009	0.260%
10/1/2009 - 6/30/2010	0.210%
07/1/2010 - 9/30/2010	0.370%
10/1/2010 - 9/30/2011	0.420%
10/1/2011 - 9/30/2012	0.200%
10/1/2012 - 9/30/2013	0.230%
10/1/2013 - 9/30/2014	0.420%
10/1/2014 - 9/30/2015	0.200%
10/1/2015 - 9/30/2016	0.230%
10/1/2016 - 9/30/2017	0.390%
10/1/2017 - 9/30/2018	0.240%
10/1/2018 - 9/30/2019	0.162%
10/1/2019 - 9/30/2020	0.439%

Filing Requirements

Taxpayers must file and pay the tax within 30 days of the end of each calendar quarter.

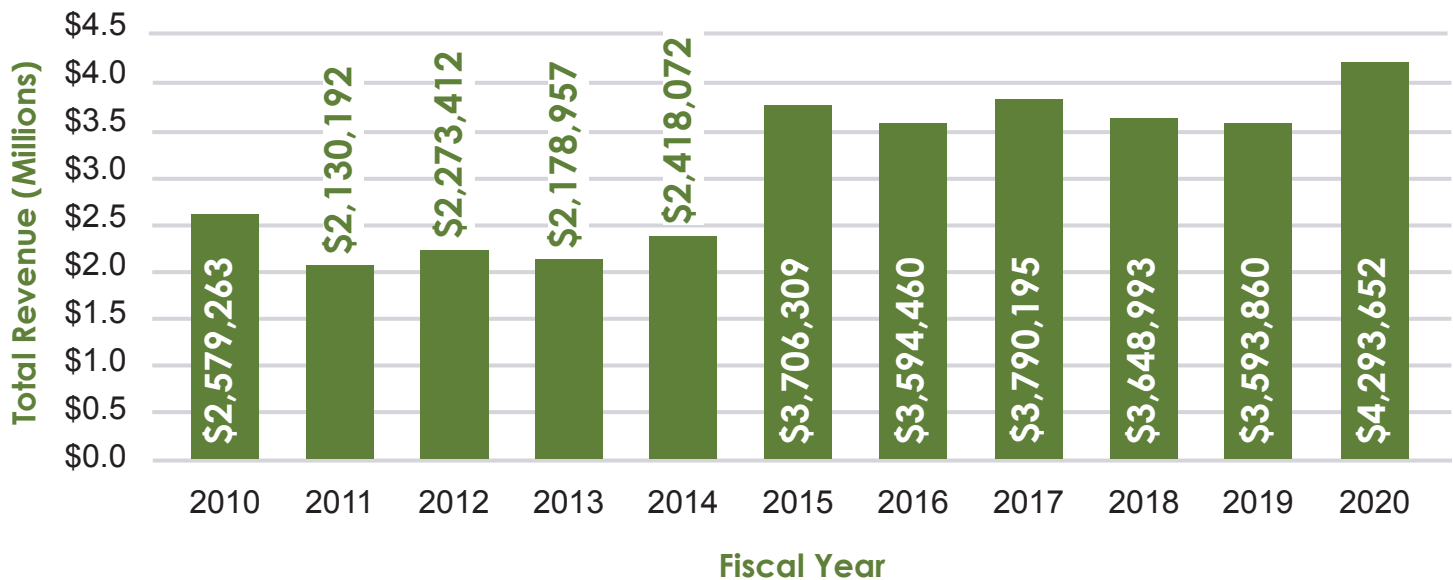
Distribution

Revenues are deposited in a state special revenue account for the administration of the Public Service Commission (69-1-402, MCA).

Rail Car Tax

Statute: Title 15, Chapter 23, Part 2, MCA

Rail Car Tax



Tax Rate

A railroad car company owns, operates or furnishes rail cars but does not own or operate tracks. Since rail cars have no fixed location, property tax on rail car companies is collected by the state rather than at the local level.

The market value of rail car property is centrally assessed by the department. It is based on the value of the company's rolling stock and the fraction of its car-miles traveled in Montana. The taxable value is calculated using the rate for railroad property, which is calculated annually as the average rate applied to non-railroad commercial and industrial property. Tax is calculated by multiplying the taxable value by the average of mill levies applied to commercial and industrial property.

The Legislature changed taxation of rail car companies from a gross receipts tax to an *ad valorem* tax in the 1992 Special Session. The 1997 Legislature temporarily lowered the mill levy applied to rail car companies to 95 percent of the average mill levy. This change expired at the end of 2002.

Filing Requirements

Rail car companies are required to file a report by April 15 of each year, providing the number and cost of rail cars owned at the end of the previous year, and the number of car miles traveled inside and outside Montana.

The department computes the Rail Car Tax and sends the railroad car company a written notice with the amount of taxes due. This notice must include the taxable value of the property and the average levy used (15-23-214, MCA). One half of the tax is due by November 30 of each year. The other half of the tax is due by May 31 of each year.

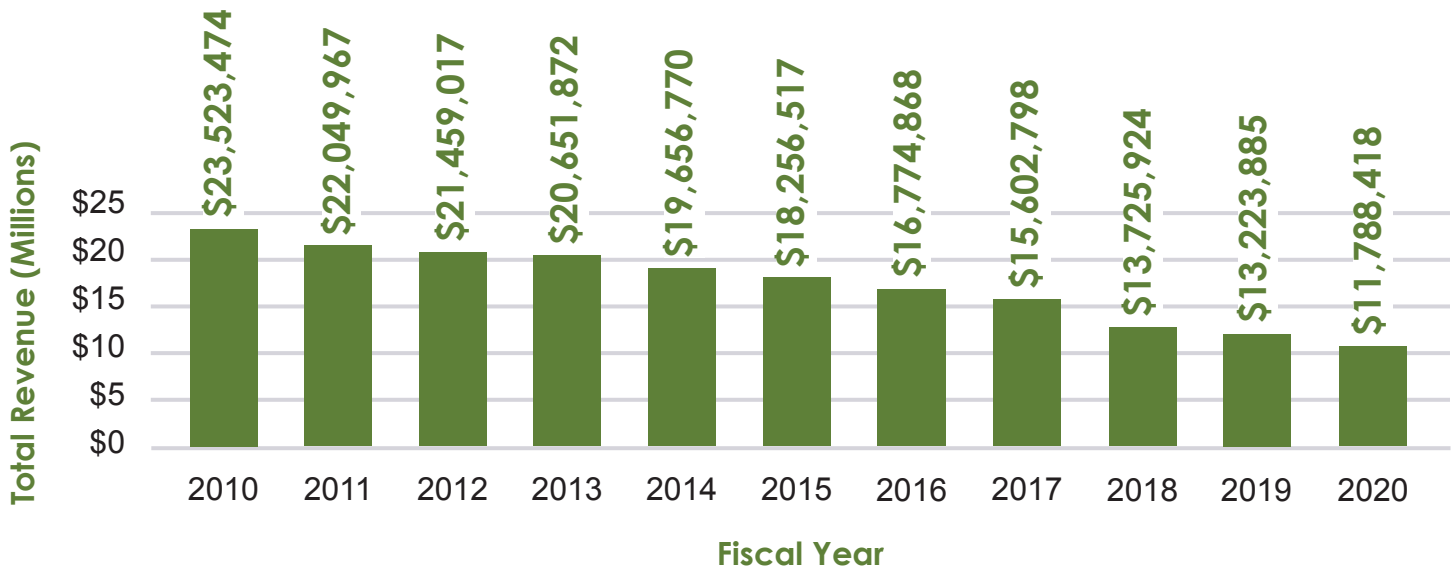
Distribution

Revenues are deposited in the state general fund (15-23-215, MCA).

Retail Telecommunications Excise Tax

Statute: Title 15, Chapter 53, MCA

Retail Telecommunications Excise Tax



Tax Rate

The Retail Telecommunications Excise Tax is 3.75 percent on retail sales of telecommunications service when the transmission either originates or terminates in Montana.

The tax applies to both landline and traditional mobile service, but does not apply to prepaid wireless service purchased through a third party, such as pre-paid phone cards purchased at a grocery store or other retailer.

Prior to 2000, Montana levied a telephone company license tax of 1.8 percent on the gross revenue telephone companies earned from in-state telephone calls. The 1999 Legislature replaced it with the current tax as part of legislation that also reduced property taxes on telecommunication company property.

Filing Requirements

Each retail telecommunication service provider must file a quarterly return due 60 days after the end of the quarter.

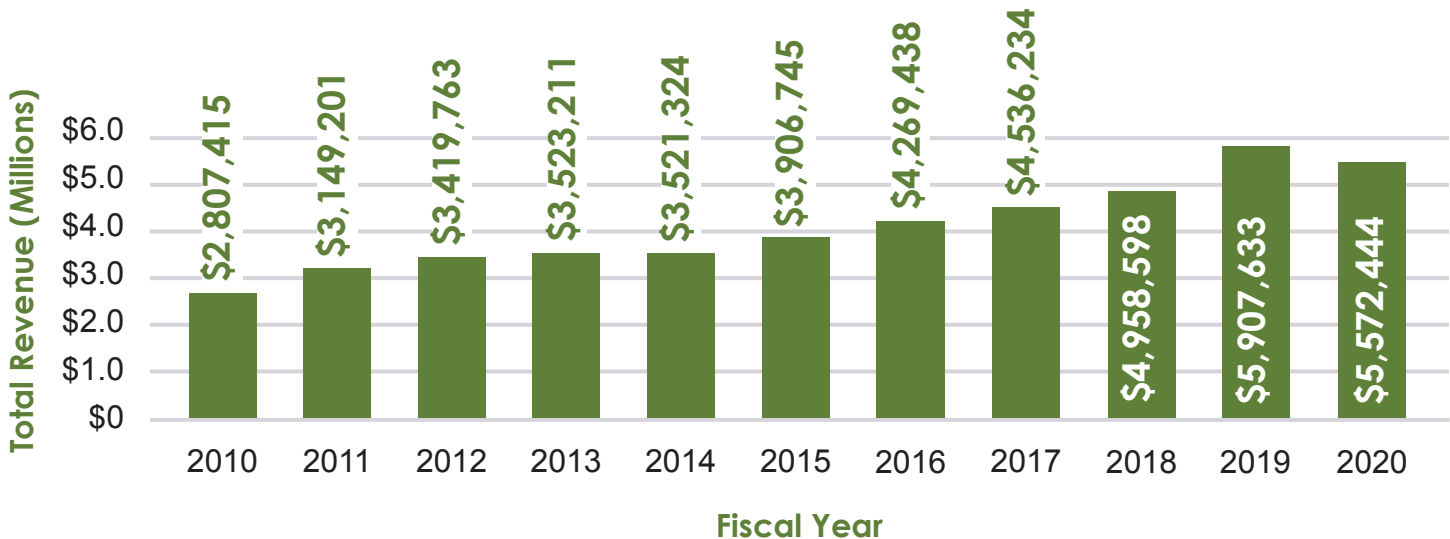
Distribution

Revenues are deposited in the state general fund (15-53-156, MCA).

Sales Tax - Rental Vehicles

Statute: Title 15, Chapter 68, MCA

Sales - Rental Vehicles



Tax Rate

The 2003 Legislature enacted a 4 percent sales and use tax on the base rental charge for vehicles rented for 30 days or less (15-68-102, MCA). The base rental charge includes charges based on time of use or mileage, charges for personal accident insurance, charges for additional or underage drivers, and charges for certain accessory equipment. Rental vehicles subject to the tax include automobiles, vans and SUVs; trucks rated at one ton or less; motorcycles and quadracycles; off-highway vehicles; motorboats and sailboats; and trucks, trailers and semis with GVW less than 22,000 pounds. Vehicles designed to carry more than 15 passengers, farm vehicles, machinery, equipment, and vehicles rented with a driver are not subject to the tax.

Filing and Payment

The sales tax is imposed on the purchaser, and collected and paid by the seller to the department. The tax is due by the last of the month immediately following the end of each quarter. A rental vehicle business that files a return and pays the tax on time may keep 5 percent of the tax collected as compensation for collecting the tax. Prior to 2020, the vendor allowance was capped at \$1,000 per location.

Distribution

Before 2016, all rental vehicle sales tax revenue was deposited into the state's general fund. Beginning with calendar year 2016, rental vehicle sales tax revenue is distributed as follows (15-68-820, MCA):

- State general fund – 75 percent
- Senior citizen and persons with disabilities transportation services – 25 percent

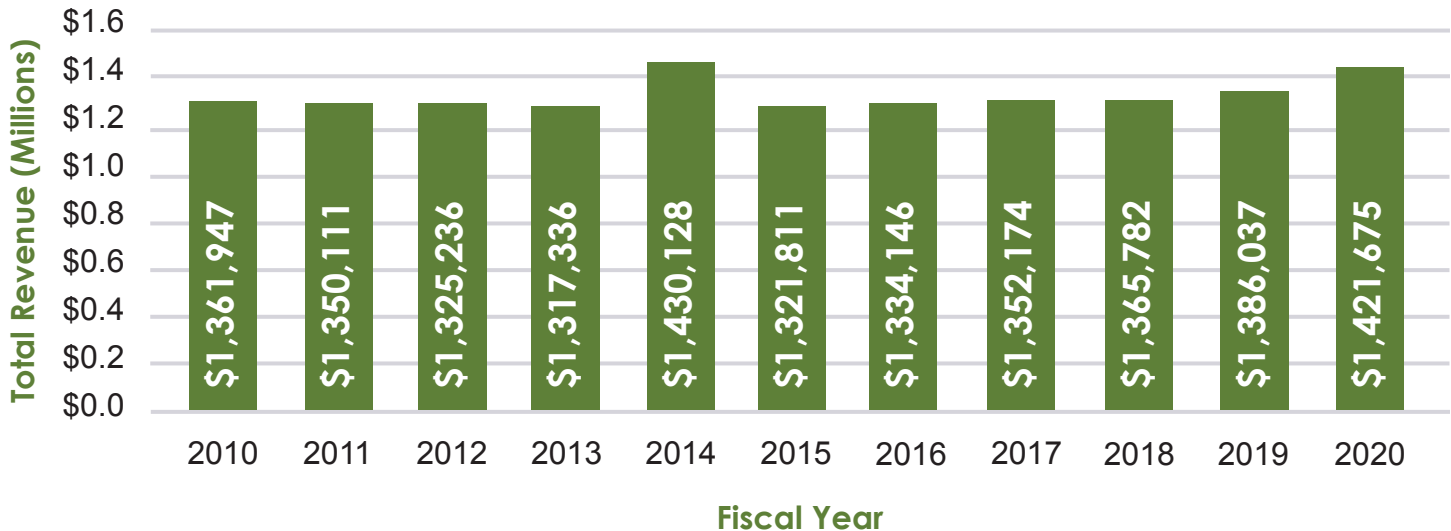
Distribution of Rental Car Sales Tax

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
General Fund (75%)	\$3,877,685	\$3,402,175	\$3,718,948	\$4,430,725	\$4,179,333
Senior Citizen/Disabilities Trans. (25%)	\$391,753	\$1,134,058	\$1,239,650	\$1,476,908	\$1,393,111

TDD Telecommunications Service Fee

Statute: Title 53, Chapter 19, Part 3, MCA

TDD Telecommunications Service Fee



Fee Rate

A monthly fee of \$0.10 is assessed on each access line in the state to fund telecommunications services for individuals with disabilities that prevent them from using regular telecommunications services. Service providers are to include the fee in customers' bills or in the price charged for pre-paid service. A service provider may deduct and keep 0.75 percent of the total fees collected each month to cover its administrative expenses. Legislation in 2007 clarified that all telecommunications providers, including those using newer technologies or formats such as Voice over Internet Protocol (VoIP) or prepaid wireless service, must collect the fee and remit the revenue to the state.

Filing and Payment

The fee is paid by the subscriber, but is collected and paid to the state by the service provider on a quarterly basis. Returns and payments are due on the last day of the month immediately following the end of each quarter.

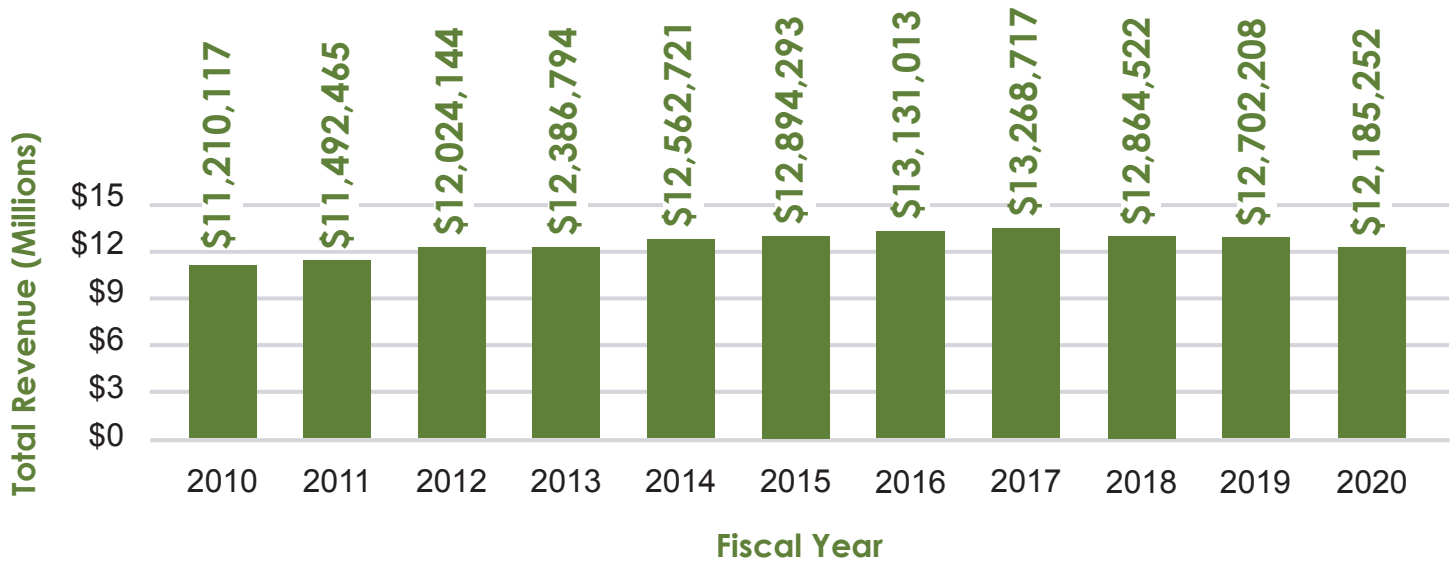
Distribution

Revenues are deposited in a special revenue account to provide telecommunications devices for persons with disabilities (53-19-310, MCA)

Tobacco Products Tax

Statute: Title 16, Chapter 11, MCA

Tobacco Products Tax



Tax Rate

All tobacco products, excluding cigarettes and moist snuff, are subject to a tax of 50 percent of their wholesale price. Before May 1, 2003, the tax rate on these products was 12.5 percent. The 2003 Legislature increased the tax to 25 percent of the wholesale price. Initiative 149, effective January 1, 2005, increased the taxes on these products to 50 percent of the wholesale price, and the tax on moist snuff to \$0.85 per ounce, with the taxpayer allowed a 1.5 percent reduction for administrative expenses.

Cigarettes are subject to the Cigarette License Fee and the Cigarette Tax.

Tobacco Products Tax Rate

Product	Tax Rate
Moist Snuff	\$0.85 per ounce
All Other Tobacco*	50% of wholesale price
*Excludes Cigarettes	

Filing Requirements

The tax is collected monthly from the wholesaler. Wholesalers must submit returns to the department on or before the 15th day of the month.

Distribution

After tribal revenue-sharing agreements, 50 percent of the revenues are distributed to the state general fund and 50 percent to the Department of Public Health and Human Services for health and Medicaid initiatives (16-11-119, MCA).

Distribution of Tobacco Products Tax

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Tobacco and Cig. Tribal Agreement	\$763,547	\$775,495	\$749,454	\$963,658	\$676,775
Remainder	\$12,367,466	\$12,493,223	\$12,115,068	\$11,738,550	\$11,508,477
General Fund (50%)	\$6,183,734	\$6,246,612	\$6,057,534	\$5,869,275	\$5,754,238
DPHHS (50%)	\$6,183,732	\$6,246,611	\$6,057,534	\$5,869,275	\$5,754,238
Total Revenue	\$13,131,013	\$13,268,717	\$12,864,522	\$12,702,208	\$12,185,252

State Comparison

All states place a tax on non-cigarette tobacco products. In most states, the tax is based on the wholesale price. Twelve states base the tax on another price, usually the manufacturer's price. Four states base their tax on the quantity of product, rather than its value, and 20 states, including Montana, have separate quantity-based taxes on at least one product, most often snuff.

Tax rates vary significantly across the United States, ranging from 6.6 percent of the wholesale price in Tennessee to 210 percent on snuff and chewing tobacco in Massachusetts. The average of state rates is 47.5 percent.

Tobacco Products Tax Rates

State	Snuff	Chewing and Smoking Tobacco	Cigars	E-Cigarettes
Alabama	1¢-12¢/oz.	Chewing: 1.5¢/oz. Smoking: 4¢-6¢/oz.	4¢-40.5¢/10 cigars	
Alaska	75% wholesale price	75% wholesale price	75% wholesale price	
Arizona	22.25¢/oz.	5.45-22.25¢/oz.	44.1¢/10 cigars -21.8¢/cigar	
Arkansas	68% mfr. price	68% mfr. price	68% mfr. price	
California	56.93% wholesale price	56.93% wholesale price	56.93% wholesale price	56.93% wholesale price
Colorado	40% mfr. price	40% mfr. price	40% mfr. price	
Connecticut	300¢/oz.	50% wholesale price	50% wholesale price, 50¢ cap	LC Closed system: 40¢/mL Open: 10% wholesale price
Delaware	92¢/oz.	30% wholesale price	30% wholesale price	5¢/mL

State	Snuff	Chewing and Smoking Tobacco	Cigars	E-Cigarettes
District of Columbia	91% wholesale price	91% wholesale price	91% wholesale price	91% wholesale price
Florida	85% wholesale price	85% wholesale price		
Georgia	10% wholesale price	10% wholesale price	2.5¢/10 cigars; 23% wholesale price	Closed system: 5¢/mL Open & disposables: 7% wholesale price
Hawaii	70% wholesale price	70% wholesale price	50% wholesale price; LC	
Idaho	40% wholesale price	40% wholesale price	40% wholesale price	
Illinois	30¢/oz.	36% wholesale price	36% wholesale price; LC	15% wholesale price
Indiana	40¢/oz.	24% wholesale price	24% wholesale price	
Iowa	119¢/oz.	50% wholesale price	50% w/s price, 50¢ cap;	
Kansas	10% wholesale price	10% wholesale price	10% wholesale price	\$0.05/mL
Kentucky	19¢/unit	15% wholesale price	15% wholesale price	Open: 15% wholesale price; Closed: \$1.50/cartridge
Louisiana	20% mfr. price	Chewing: 20% mfr. price Smoking: 33% mfr price	8%-20% mfr. price	5¢/mL
Maine	\$2.02/oz. (with min. tax)	Chewing: \$2.02¢/oz. Smoking: 43% wholesale price	43% wholesale price	43% wholesale price
Maryland	30% wholesale price	30% wholesale price	Non-premium: 70% wholesale price Premium: 15% wholesale price	
Massachusetts	210% wholesale price	Chewing: 210% wholesale price Smoking: 40% wholesale price	40% wholesale price	75% wholesale price
Michigan	32% wholesale price	32% wholesale price	32% wholesale price	
Minnesota	95% wholesale price	95% wholesale price	95% wholesale price	95% wholesale price
Mississippi	15% mfr. price	15% mfr. price	15% mfr. price	
Missouri	10% mfr. price	10% mfr. price	10% mfr. price	

State	Snuff	Chewing and Smoking Tobacco	Cigars	E-Cigarettes
Nebraska	44¢/oz.	20% wholesale price	20% wholesale price	
Nevada	30% wholesale price	30% wholesale price	30% wholesale price	30% wholesale price
New Hampshire	65.03% wholesale price	65.03% wholesale price	65.03% wholesale price	Open: 8% wholesale price Closed: 30¢/mL
New Jersey	75¢/oz.	30% wholesale price	30% wholesale price	Liquid nicotine: 10¢/mL Container e-liquid: 10% retail price
New Mexico	25% mfr. price	25% mfr. price	25% mfr. price; 50¢ cap	Open: 12.5% mfr price Closed: 50¢/cartridge
New York	200¢/oz. (with min. tax)	75% wholesale price	75% wholesale price	20% retail price
North Carolina	12.8% wholesale price	12.8% wholesale price	12.8% wholesale price	5¢/mL
North Dakota	60¢/oz.	Chewing: 16¢/oz Smoking: 28% wholesale price	28% wholesale price	
Ohio	17% wholesale price	17% wholesale price	LC: 37% wholesale price Others: 17% wholesale price	10¢/mL
Oklahoma	60% mfr. price	Chewing: 60% mfr. price Smoking: 80% mfr price	3.6-120¢/10 cigars	
Oregon	\$1.78/oz. (with min. tax)	65% wholesale price	65% wholesale price; 50¢ cap	
Pennsylvania	55¢/oz	55¢/oz	same as cigarettes	40% wholesale price
Rhode Island	\$1/oz.	80% wholesale price	80% wholesale price, 50¢ cap; LC	
South Carolina	5% mfr. price	5% mfr. price	5% mfr. price	
South Dakota	35% wholesale price	35% wholesale price	35% wholesale price	
Tennessee	6.6% wholesale price	6.6% wholesale price	6.6% wholesale price	

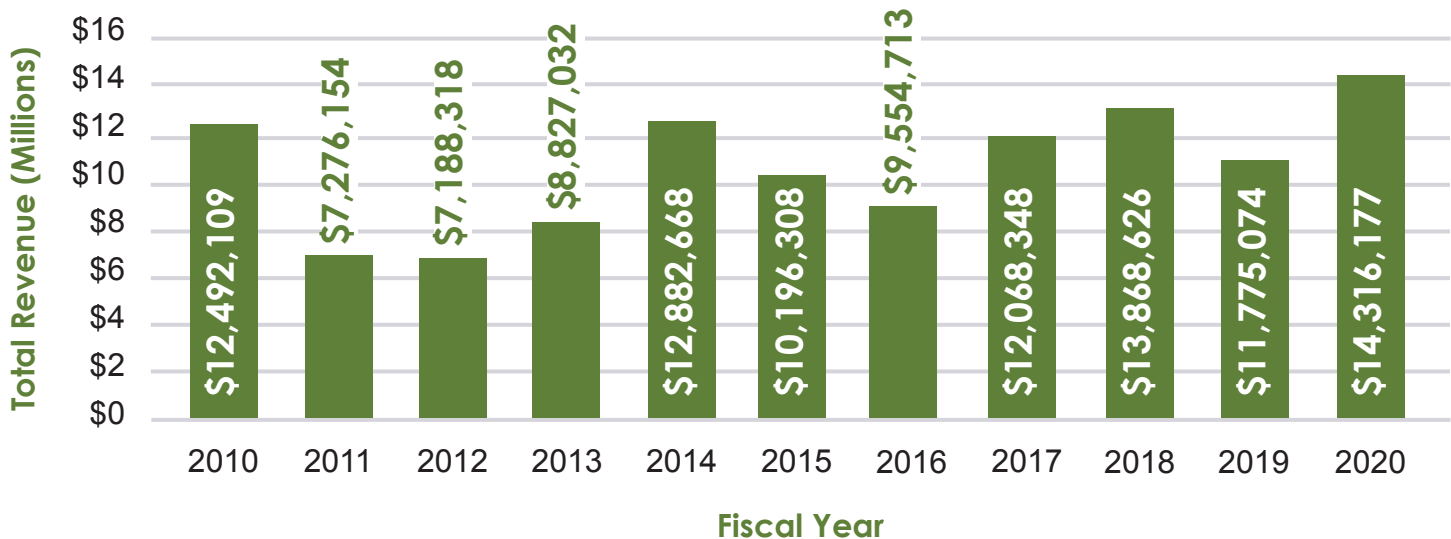
State	Snuff	Chewing and Smoking Tobacco	Cigars	E-Cigarettes
Texas	\$1.22/oz. (with min. tax)	\$1.22/oz. (with min. tax)	1¢-15¢/10 cigars	
Utah	183¢/oz.	10 86% mfr. price	86% mfr. price; LC	56% mfr. price
Vermont	\$2.57/oz. or \$3.08/pack if less than 1.2oz.	92% wholesale price 15-10-420, MCA,	92% wholesale price under \$2.17; \$2/cigar \$2.17 to \$10; \$4/cigar \$10+ LC	92% wholesale price
Virginia	36¢/oz.	Chewing: 42¢-140¢/unit RYO: 10% mfr. price Other: 20% mfr price	20% mfr. price	6.6¢/mL
Washington	\$2.53 per 1.2oz. min.	95% taxable sales price	95% taxable sales price, 75¢ cap; LC	≤5mL container: 27¢/mL >5mL container: 9¢/mL
West Virginia	12% wholesale price	12% wholesale price	12% wholesale price	7.5¢/mL
Wisconsin	100% mfr. price	71% mfr. price	71% mfr. price, 50¢ cap	5¢/mL
Wyoming	60¢/oz. (with min. tax)	20% wholesale price	20% wholesale price	15% wholesale price

Little Cigars (LC): State taxes little cigars the same as cigarettes.

Unclaimed Property

Statute: Title 70, Chapter 9, Part 8, MCA

Unclaimed Property



Montana is considered a “custodial state,” which means the state holds any abandoned property on behalf of its rightful owners until the owner claims the property. Under Montana’s Uniform Unclaimed Property Act, any intangible and certain tangible property unclaimed by its owner must be turned over to the Department of Revenue. Intangible and tangible property covered by the act includes such items as money, uncashed checks, uncashed payroll checks, utility deposits, interest dividends or income, savings and checking accounts, safe deposit box contents, gift certificates, stocks, bonds, and uncashed coupons. The department maintains records on all abandoned property reported in Montana.

Reports filed by holders of abandoned property (such as banks and insurance companies) may be examined by the public. If the tangible abandoned property is not claimed within three years after the receipt of the property, the State of Montana shall sell the property to the highest bidder at a public sale within the state, with the proceeds from the sale being held on behalf of the owner in the state general fund.

Since 1963, there has been approximately \$135 million worth of unclaimed property turned over to the state. During that time, the department has returned nearly \$48 million of the unclaimed property to its rightful owners.

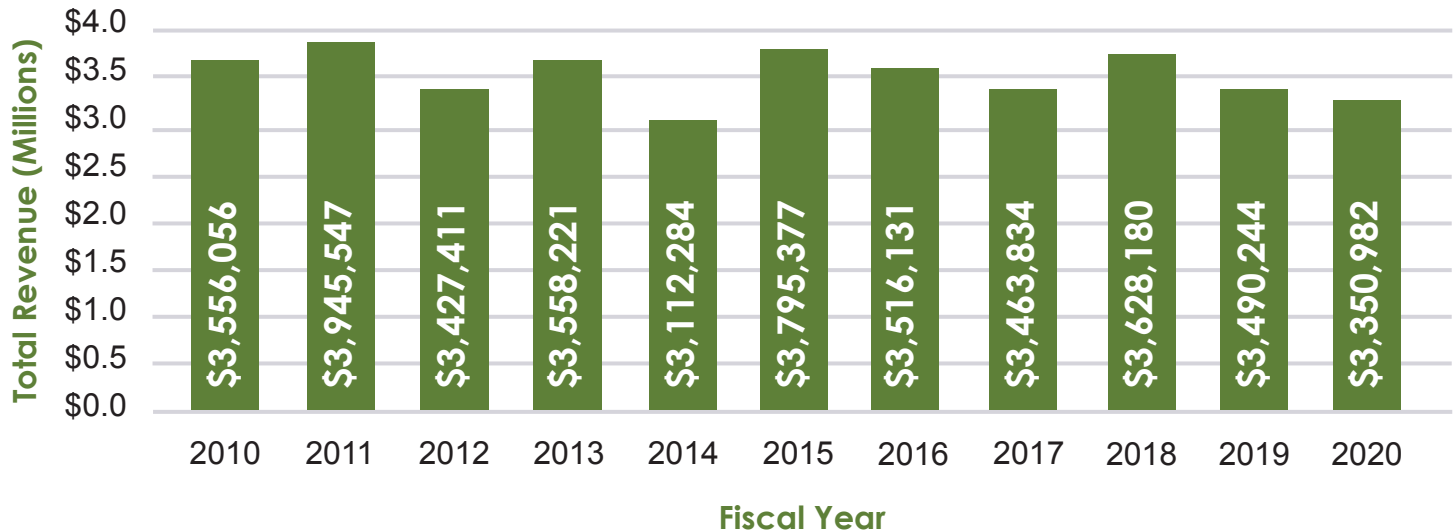
Distribution

Revenues up to \$100,000 are allocated to the agency refund account, with the remainder deposited into the state general fund. The refund period for items valued at more than \$50 is unlimited. (70-9-813, MCA).

Wholesale Energy Transaction Tax

Statute: Title 15, Chapter 72, MCA

Wholesale Energy Transaction Tax



Tax Rate

The Wholesale Energy Transaction Tax is \$0.00015 per kilowatt hour (\$0.15 per MWh) on all electricity transmitted by a transmission service provider in the state. There is also a 5 percent exemption for electricity produced in the state to compensate for transmission line losses.

Filing and Payment

The tax went into effect on January 1, 2000, and is paid on a calendar quarter basis. Payment is due to the state within 30 days after the close of the quarter.

Distribution

Revenues are deposited into the state general fund (15-72-106, MCA).