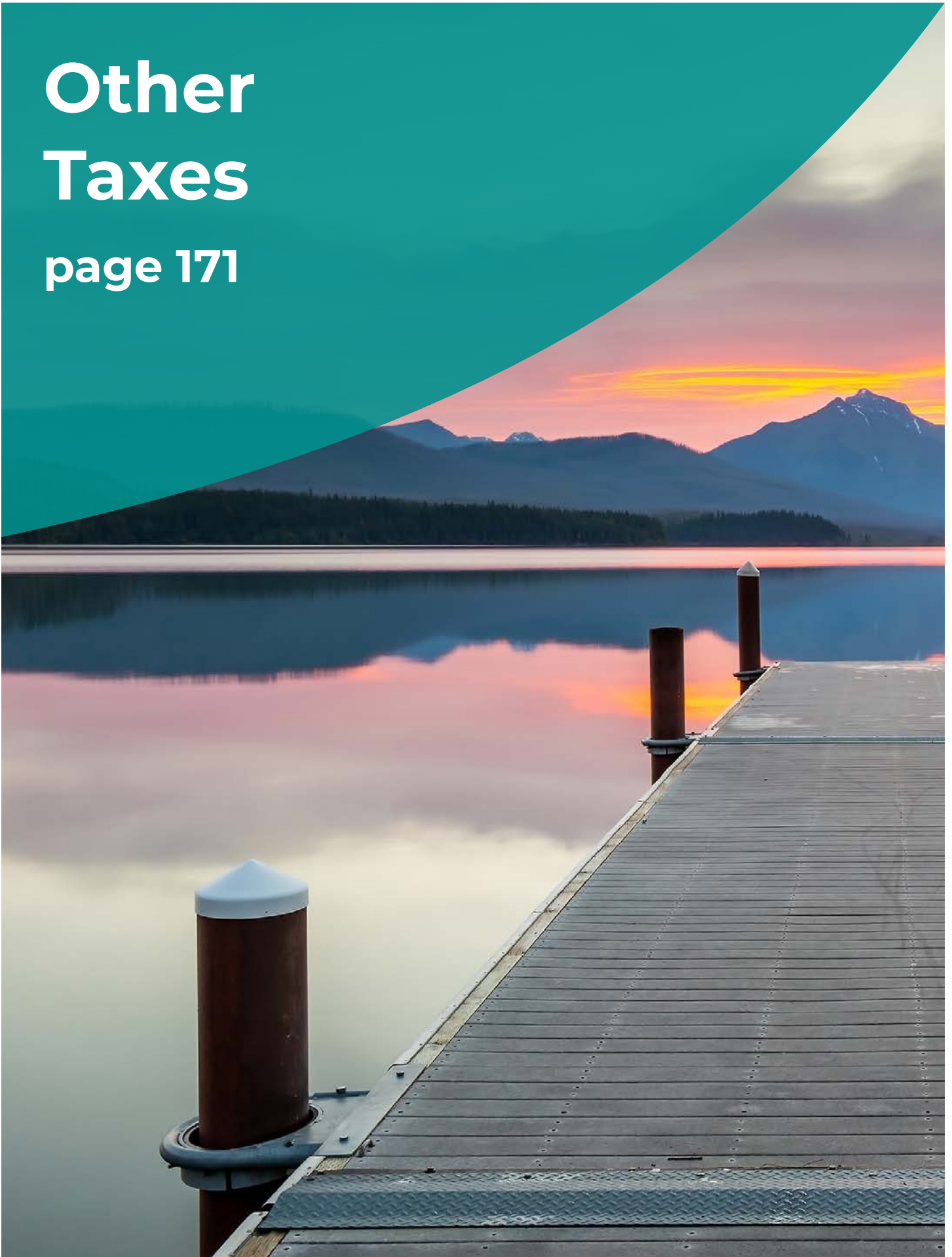


Other Taxes

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Overview

Other Tax Collections - Fiscal Years (FY) 2021-2024

Table 5.1 Other Tax Collections Overview

| Tax | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|---|----------------------|----------------------|----------------------|----------------------|
| 911 Emergency Telephone System Fee | \$14,140,568 | \$14,408,215 | \$13,838,168 | \$14,469,578 |
| Cigarette License Fee | \$26,080 | \$108,975 | \$110,440 | \$122,525 |
| Cigarette Tax | \$65,291,417 | \$65,508,116 | \$49,078,065 | \$49,224,138 |
| Consumer Counsel Fee | \$1,093,101 | \$1,170,580 | \$1,061,084 | \$1,131,725 |
| Hospital Facility Utilization Fee | \$31,937,500 | \$35,016,050 | \$33,501,091 | \$32,293,240 |
| Inheritance and Estate Tax | \$24 | \$0 | \$0 | \$0 |
| Intermediate Care Facility Utilization Fee | \$311,860 | \$313,407 | \$527,716 | \$492,630 |
| Invasive Species Fee | \$2,565,289 | \$1,531,836 | \$1,537,288 | \$1,552,559 |
| Lodging Facility Use Tax | \$35,058,060 | \$61,624,239 | \$58,520,125 | \$62,408,137 |
| Lodging Sales Tax | \$34,498,312 | \$60,427,465 | \$55,568,932 | \$58,370,068 |
| Nursing Facility Utilization Fee | \$17,800,928 | \$18,061,814 | \$18,250,318 | \$18,280,740 |
| Public Contractor's Gross Receipts Fees and Taxes | \$3,897,240 | \$2,840,073 | \$6,733,045 | \$9,124,961 |
| Public Service Commission Fee | \$5,331,686 | \$4,056,719 | \$5,133,381 | \$6,296,170 |
| Rail Car Tax | \$5,186,537 | \$4,019,546 | \$4,012,330 | \$3,644,552 |
| Retail Telecommunication's Excise Tax | \$8,814,228 | \$8,570,714 | \$8,435,920 | \$8,138,595 |
| Sales Tax - Rental Vehicles | \$5,220,765 | \$9,097,067 | \$9,693,674 | \$9,295,718 |
| TDD Telecommunications Service Fee | \$1,502,526 | \$1,541,544 | \$1,577,788 | \$1,623,531 |
| Tobacco Products Tax | \$11,882,493 | \$11,768,474 | \$11,316,428 | \$10,797,346 |
| Unclaimed Property | \$17,058,760 | \$17,362,872 | \$18,237,133 | \$23,749,750 |
| Total Collections | \$261,617,373 | \$317,427,708 | \$297,132,926 | \$311,015,962 |

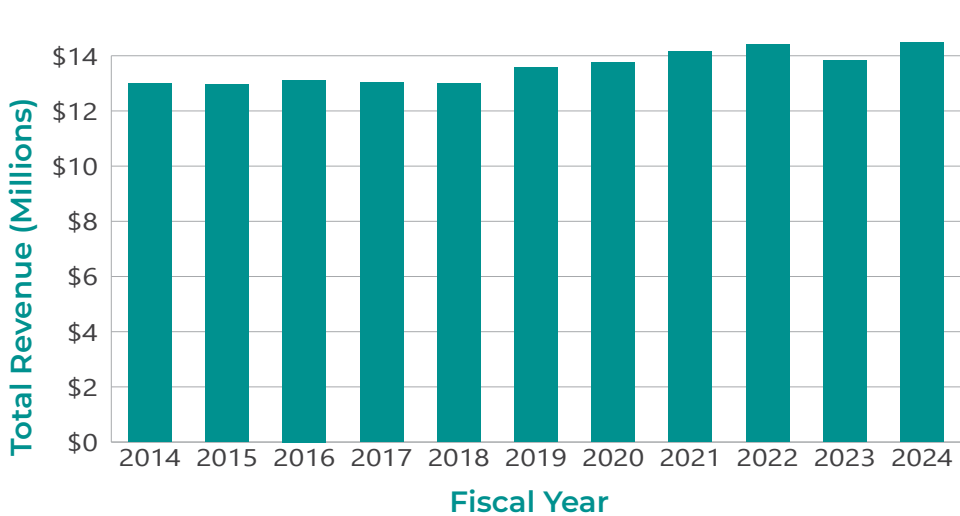
911 Emergency Telephone System

Statute: Title 10, Chapter 4

Table 5.2 Fee Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$13,009,356 |
| 2015 | \$12,947,304 |
| 2016 | \$13,120,489 |
| 2017 | \$13,020,367 |
| 2018 | \$13,003,639 |
| 2019 | \$13,558,898 |
| 2020 | \$13,752,387 |
| 2021 | \$14,140,568 |
| 2022 | \$14,408,215 |
| 2023 | \$13,838,168 |
| 2024 | \$14,469,578 |

Figure 5.2



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, the fee is now collected to fund two services: \$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 2021 Legislature included prepaid wireless services sold through third parties, such as retail and grocery stores, in those required to pay the \$1.00 fee. Previously, the department could not collect the fee on prepaid wireless services because providers successfully argued in court that they cannot determine where prepaid 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. For prepaid services, the consumer pays the tax, and the seller collects and remits it. 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. Starting in Fiscal Year 2019, the department deposits all the fees into a single account. The Department of Administration then 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

Table 5.3 911 Fee Distribution

| Fund | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|------------------|--------------|--------------|--------------|--------------|--------------|
| 911 Distribution | \$10,314,290 | \$10,605,426 | \$10,806,162 | \$10,378,626 | \$10,852,184 |
| 911 Grants | \$3,438,097 | \$3,535,142 | \$3,602,054 | \$3,459,542 | \$1,047,232 |

State Comparison

Local governments typically provide 911 services with the cooperation of telecommunications providers. Funding for 911 services comes from fees imposed by state governments, local governments, or both. The following fee table is based on information from the National Emergency Number Association and shows the 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

Table 5.4 911 Fee State Comparison

| State | Landline | Wireless | Prepaid Wireless | Voice over Internet Protocol |
|----------------------|---|------------------|------------------|------------------------------|
| Alabama | \$2.23 | \$2.23 | \$2.23 | \$2.23 |
| Alaska | \$0.00 to \$2.00 | \$0.00 to \$2.00 | n/a | n/a |
| Arizona | \$0.20 | \$0.20 | 0.80% | \$0.20 |
| Arkansas | 5% to 12% | \$1.30 | 10.00% | \$1.30 |
| California | \$0.30 | \$0.30 | \$0.30 | \$0.30 |
| Colorado | \$0.79 to \$4.09 | \$0.79 to \$4.09 | \$1.88 | \$0.79 to \$4.09 |
| Connecticut | \$0.68 | \$0.68 | \$0.68 | \$0.68 |
| Delaware | \$0.60 | \$0.60 | \$0.60 | \$0.60 |
| District of Columbia | \$0.76 | \$0.76 | 2.00% | \$0.76 |
| Florida | \$0.40 | \$0.40 | \$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 | 2.50% | \$1.00 to \$1.25 |
| Illinois | \$1.50 | \$1.50 | 3.00% | \$1.50 |
| Indiana | \$1.00 | \$1.00 | \$1.00 | \$1.00 |
| Iowa | \$1.00 | \$1.00 | \$0.51 | \$1.00 |
| Kansas | \$0.90 | \$0.90 | 2.06% | \$0.90 |
| Kentucky | \$0.00 to \$7.00 | \$0.70 | \$0.93 | \$0.00 to \$7.00 |
| Louisiana | Residential: \$0.62 to \$1.25 Business: \$1.30 to \$2.75 | \$0.85 to \$1.25 | 4% | \$1.00 |
| Maine | \$0.35 | \$0.35 | \$0.35 | \$0.35 |
| Maryland | \$0.50 to \$2.00 | \$0.50 to \$2.00 | \$0.60 | \$0.50 to \$2.00 |
| Massachusetts | \$1.50 | \$1.50 | \$1.50 | \$1.50 |

Table 5.4 911 Fee State Comparison (continued)

| State | Landline | Wireless | Prepaid Wireless | Voice over Internet Protocol |
|----------------|---|------------------------|-----------------------|------------------------------|
| Michigan | \$0.25 to \$3.25 | \$0.25 to \$3.25 | 5.00% | \$0.25 to \$3.25 |
| Minnesota | \$0.80 | \$0.80 | \$0.80 | \$0.80 |
| Mississippi | Residential: \$1.05 Business: \$2.05 | \$1.00 | \$1.00 | \$1.00 |
| Missouri | Varies by jurisdiction | Varies by jurisdiction | 3% | Varies by jurisdiction |
| Montana | \$1.00 | \$1.00 | \$1.00 | \$1.00 |
| Nebraska | \$0.50 to \$1.00 | \$0.45 | 1.00% | \$0.50 to \$1.00 |
| 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 | 1.38% | \$0.51 |
| New York | \$0.35 to \$1.00 | \$1.50 | \$1.20 to \$1.50 | \$0.35 |
| North Carolina | \$0.55 | \$0.55 | \$0.55 | \$0.55 |
| North Dakota | \$1.50 to \$2.00 | \$1.50 to \$2.00 | 2.50% | \$1.50 to \$2.00 |
| Ohio | \$0.00 to \$0.50 | \$0.40 | 0.50% | \$0.40 |
| Oklahoma | 3% to 15% | \$0.75 | \$0.75 | \$0.75 |
| Oregon | \$1.25 | \$1.25 | \$1.25 | \$1.25 |
| Pennsylvania | \$1.95 | \$1.95 | \$1.95 | \$1.95 |
| Rhode Island | \$0.50 | \$0.50 | 2.50% | \$0.50 |
| South Carolina | \$0.45 to \$1.00 | \$0.62 | \$0.62 | \$0.45 to \$1.00 |
| South Dakota | \$1.25 | \$1.25 | 2.00% | \$1.25 |
| Tennessee | \$1.50 | \$1.50 | \$1.50 | \$1.50 |
| Texas | \$0.50 plus local variations | \$0.50 | 2.00% | \$0.50 plus local variations |
| Utah | Complex - see statute | Complex - see statute | Complex - see statute | Complex - see statute |
| Vermont | 2.40% | 2.40% | 2.40% | 2.40% |
| Virginia | \$0.75 | \$0.75 | \$0.50 | \$0.75 |
| Washington | \$0.95 | \$0.95 | \$0.95 | \$0.95 |
| West Virginia | Varies by county | \$3.64 | n/a | Varies by county |
| Wisconsin | \$0.75 to \$1.15 | \$0.75 | \$0.38 | \$0.75 |
| Wyoming | \$0.35 to \$0.75 | \$0.35 to \$0.75 | 1.50% | \$0.35 to \$0.75 |

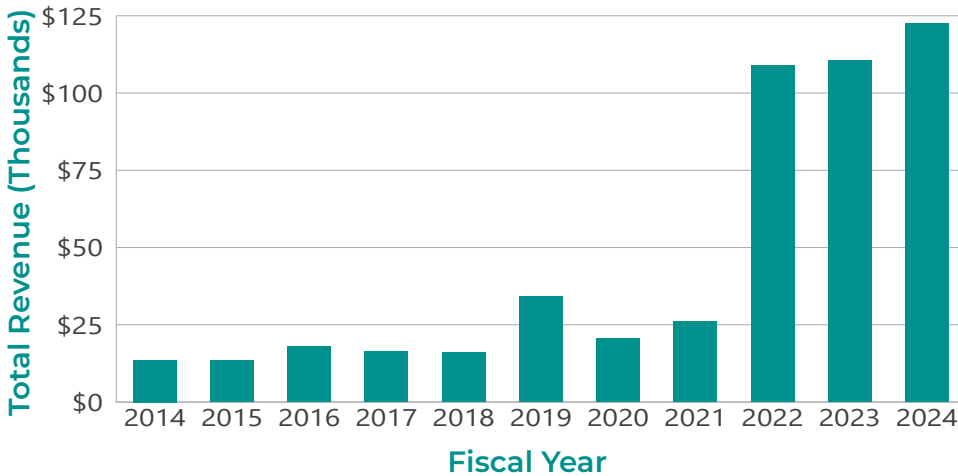
Cigarette License Fee

Statute: 16-11-122, MCA

Table 5.5 Cigarette License Fee Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$13,610 |
| 2015 | \$13,330 |
| 2016 | \$18,095 |
| 2017 | \$16,450 |
| 2018 | \$16,115 |
| 2019 | \$34,097 |
| 2020 | \$20,445 |
| 2021 | \$26,080 |
| 2022 | \$108,975 |
| 2023 | \$110,440 |
| 2024 | \$122,525 |

Figure 5.5



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 \$50 licensing fees are assessed to:

- wholesalers, who buy products from manufacturers and attach tax stamps
- sub-jobbers, who buy tax-stamped products for resale
- vendors
- retailers

The sale of alternative nicotine and vapor products requires a separate license with an annual fee of \$20.

Table 5.6 Cigarette License Fee Schedule

| Status | Annual Renewal Fee |
|--|--------------------|
| Wholesalers | \$50 |
| Sub-jobbers | \$50 |
| Retailers | \$50 |
| Vendors | \$50 |
| Alternative Tobacco and Vapor Products | \$20 |

Filing and Payment

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

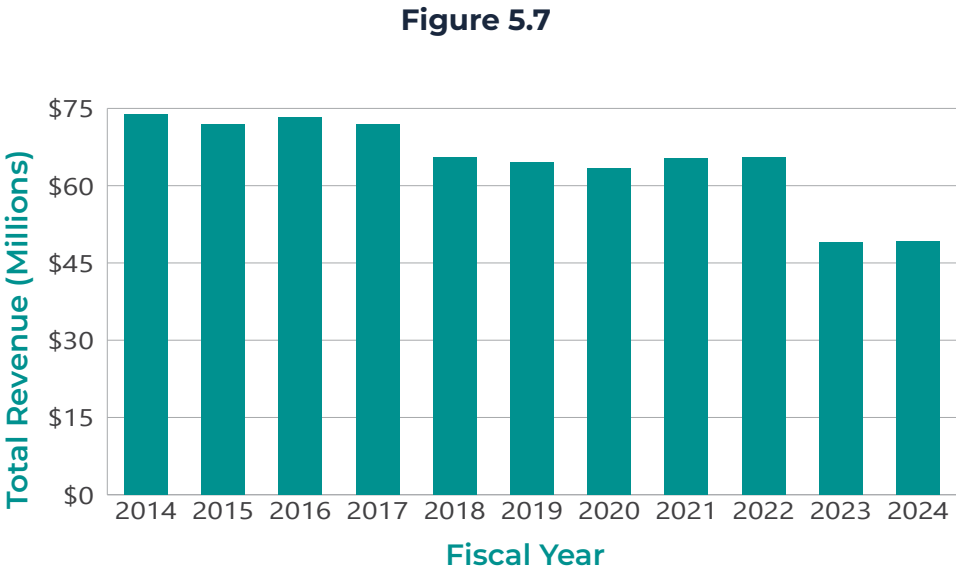
Distribution

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

Table 5.7 Cigarette Tax Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$73,839,772 |
| 2015 | \$71,843,320 |
| 2016 | \$73,219,123 |
| 2017 | \$71,872,218 |
| 2018 | \$65,495,811 |
| 2019 | \$64,496,884 |
| 2020 | \$63,447,053 |
| 2021 | \$65,291,417 |
| 2022 | \$65,508,116 |
| 2023 | \$49,078,065 |
| 2024 | \$49,224,138 |



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
 - 8.3 percent of revenues or \$5 million, whichever is greater
- 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 after above allocations

Distribution of Cigarette Tax

Table 5.8 Distribution of Cigarette Tax

| Fund | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Revenue | \$63,447,053 | \$65,291,417 | \$65,508,116 | \$49,078,065 | \$49,224,138 |
| Tobacco and Cig. Tribal Agreement | \$3,584,285 | \$3,428,249 | \$3,405,295 | \$2,940,259 | \$2,664,164 |
| Remainder | \$59,862,768 | \$61,863,168 | \$62,102,821 | \$46,137,806 | \$46,559,974 |
| State Veterans' Home (8.3%) | \$4,965,768 | \$5,132,274 | \$5,151,790 | \$3,827,299 | \$3,849,870 |
| Long Range Building Program (2.6%) | \$1,555,542 | \$1,607,700 | \$1,613,814 | \$1,198,913 | \$1,205,983 |
| DPHHS-Medicaid Initiatives (44%) | \$26,324,556 | \$27,207,234 | \$27,310,693 | \$20,289,294 | \$20,408,947 |
| General Fund (remainder) | \$26,982,669 | \$27,887,415 | \$27,993,461 | \$20,796,526 | \$20,919,171 |

Taxation of Cigarettes on Indian Reservations

Under federal law, tribal governments reserve the right to tax cigarettes sales to tribal members on their reservation. To avoid problems with non-tribal members trying to avoid the tax by buying cigarettes on reservations, Montana has entered into revenue-sharing agreements with most of the tribal governments. 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.

Retailers on the Flathead Reservation (Confederated Salish-Kootenai Tribe (CSKT)) receive a specific quota of tax-free cigarettes. Tax-free cigarettes can only be sold to CSKT members. After the quota is met, all other cigarettes shipped to the reservation are taxed as regular, non-reservation cigarettes.

State Comparison

Every state 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, 2023.

There is a wide range of taxes, from \$0.21 in parts of Missouri to over \$7 in parts of Illinois. Twenty-four states and the District of Columbia have taxes that are higher than Montana's rate of \$1.70 per pack, 23 states have taxes that are lower than Montana's, and one (Utah) has the same tax rate as Montana.

Cigarette Excise Tax Rates

Table 5.9 Cigarette Excise Tax Rates

| State | State Tax (\$ per Pack) | Local Tax (\$ per Pack) | Total Tax (\$ per Pack) |
|---------------|-------------------------|-------------------------|-------------------------|
| Alabama | \$0.675 | \$0.01 to \$0.25 | \$0.685 to \$0.925 |
| Alaska | \$2.00 | | \$2.00 |
| Arizona | \$2.00 | | \$2.00 |
| Arkansas | \$1.15 | | \$1.15 |
| California | \$2.87 | | \$2.87 |
| Colorado | \$1.94 | | \$1.94 |
| Connecticut | \$4.35 | | \$4.35 |
| Delaware | \$2.10 | | \$2.10 |
| Florida | \$1.339 | | \$1.34 |
| Georgia | \$0.37 | | \$0.37 |
| Hawaii | \$3.20 | | \$3.20 |
| Idaho | \$0.57 | | \$0.57 |
| Illinois | \$2.98 | \$0.1 to \$4.18 | \$3.08 to \$7.16 |
| Indiana | \$0.995 | | \$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 | \$3.75 | | \$3.75 |
| Massachusetts | \$3.51 | | \$3.51 |
| Michigan | \$2.00 | | \$2.00 |
| Minnesota | \$3.73 | | \$3.73 |
| 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 |

Table 5.9 Cigarette Excise Tax Rates (continued)

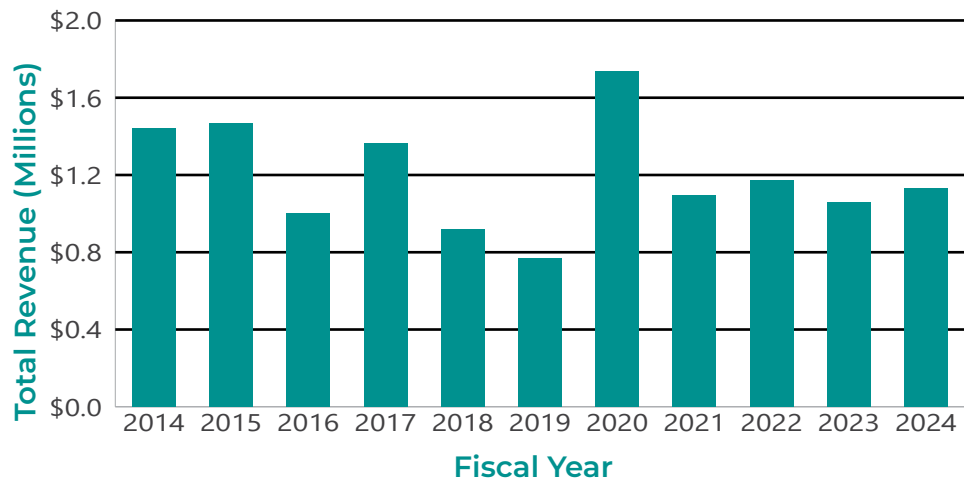
| State | State Tax (\$ per Pack) | Local Tax (\$ per Pack) | Total Tax (\$ per Pack) |
|----------------------|-------------------------|-------------------------|-------------------------|
| New Jersey | \$2.70 | | \$2.70 |
| New Mexico | \$2.00 | | \$2.00 |
| New York | \$4.35 | \$0 to \$1.5 | \$4.35 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 | \$3.33 | | \$3.33 |
| 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 | \$0.60 | \$0.02 to \$0.15 | \$0.32 to \$0.45 |
| Washington | \$3.025 | | \$3.03 |
| West Virginia | \$1.20 | | \$1.20 |
| Wisconsin | \$2.52 | | \$2.52 |
| Wyoming | \$0.60 | | \$0.60 |
| District of Columbia | \$5.02 | | \$5.02 |

Consumer Counsel Fee

Table 5.10 Consumer Counsel Fee Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$1,444,344 |
| 2015 | \$1,469,750 |
| 2016 | \$1,002,553 |
| 2017 | \$1,365,518 |
| 2018 | \$919,347 |
| 2019 | \$768,265 |
| 2020 | \$1,736,461 |
| 2021 | \$1,093,101 |
| 2022 | \$1,170,580 |
| 2023 | \$1,061,084 |
| 2024 | \$1,131,725 |

Figure 5.10



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.

Table 5.11 Consumer Counsel Fee Rates

| Tax Year | Rate |
|-----------------------|--------|
| 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% |
| 10/1/2020 - 9/30/2021 | 0.048% |
| 10/1/2021 - 9/30/2022 | 0.069% |
| 10/1/2022 - 9/30/2023 | 0.048% |
| 10/1/2023 - 9/30/2024 | 0.060% |

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).

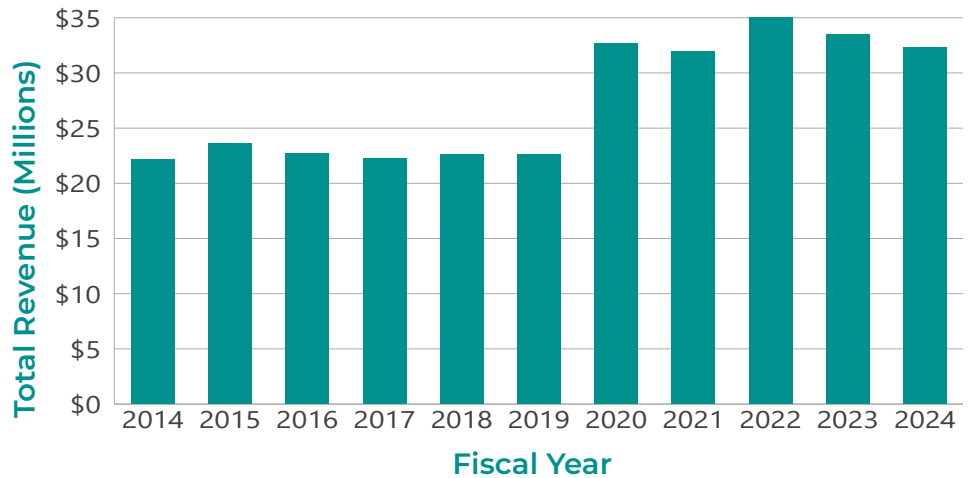
Hospital Facility Utilization Fee

Statute: Title 15, Chapter 66, MCA

Table 5.12 Hospital Facility Utilization Fee Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$22,179,418 |
| 2015 | \$23,626,972 |
| 2016 | \$22,667,834 |
| 2017 | \$22,282,214 |
| 2018 | \$22,619,596 |
| 2019 | \$22,578,403 |
| 2020 | \$32,681,387 |
| 2021 | \$31,937,500 |
| 2022 | \$35,016,050 |
| 2023 | \$33,501,091 |
| 2024 | \$32,293,240 |

Figure 5.12



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.

Table 5.13 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

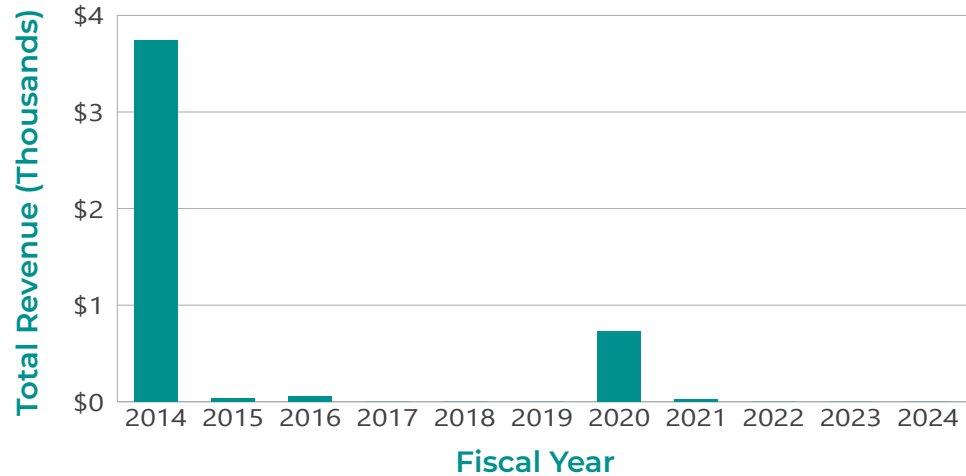
Fifty-four (54) percent of the outpatient utilization fee revenue is deposited in the Montana HELP Act special revenue account (53-6-1315, MCA). The remaining proceeds from the outpatient utilization fee; all proceeds from the inpatient utilization fee are deposited in a special revenue account for use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

Inheritance and Estate Tax

Table 5.14 Inheritance and Estate Tax Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$3,741 |
| 2015 | \$35 |
| 2016 | \$62 |
| 2017 | \$0 |
| 2018 | \$0 |
| 2019 | \$0 |
| 2020 | \$735 |
| 2021 | \$24 |
| 2022 | \$0 |
| 2023 | \$0 |
| 2024 | \$0 |

Figure 5.12



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 in November 2000 by the passage of Legislative Referendum 116, resulting in the inheritance tax not applying 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 estate-related revenue received in FY 2006 through 2021 is from the estates of people who died before the end of 2004. The state continues to receive small amounts of this type of revenue because it can take years for final settlement of all issues pertaining to an estate.

Distribution

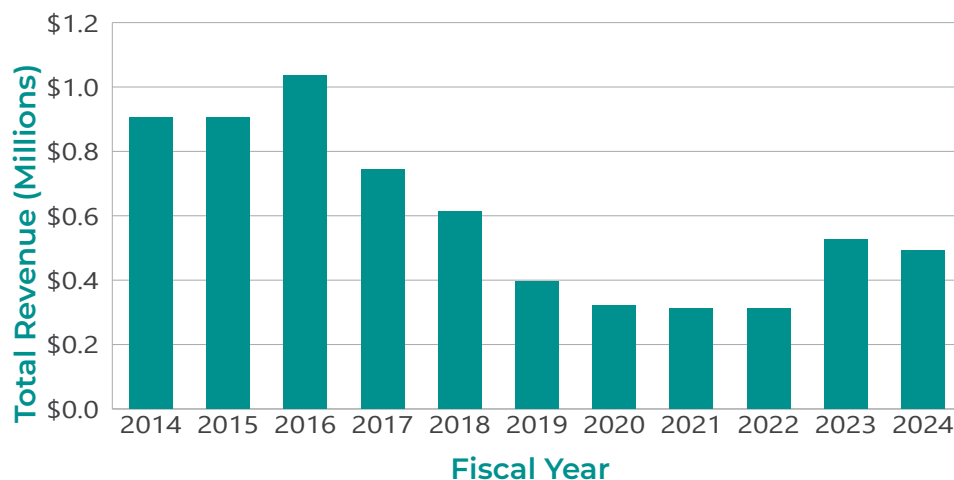
Revenues are deposited in the state general fund.

Intermediate Care Facility Utilization Fee

Table 5.15 Intermediate Care Facility Utilization Fee Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$906,220 |
| 2015 | \$906,155 |
| 2016 | \$1,036,982 |
| 2017 | \$743,617 |
| 2018 | \$614,244 |
| 2019 | \$397,440 |
| 2020 | \$323,293 |
| 2021 | \$311,860 |
| 2022 | \$313,407 |
| 2023 | \$527,716 |
| 2024 | \$492,630 |

Figure 5.15



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 finance, administer, and provide health and human services (15-67-102, MCA).

Table 5.16 Distribution of Intermediate Care Facility Utilization Fee

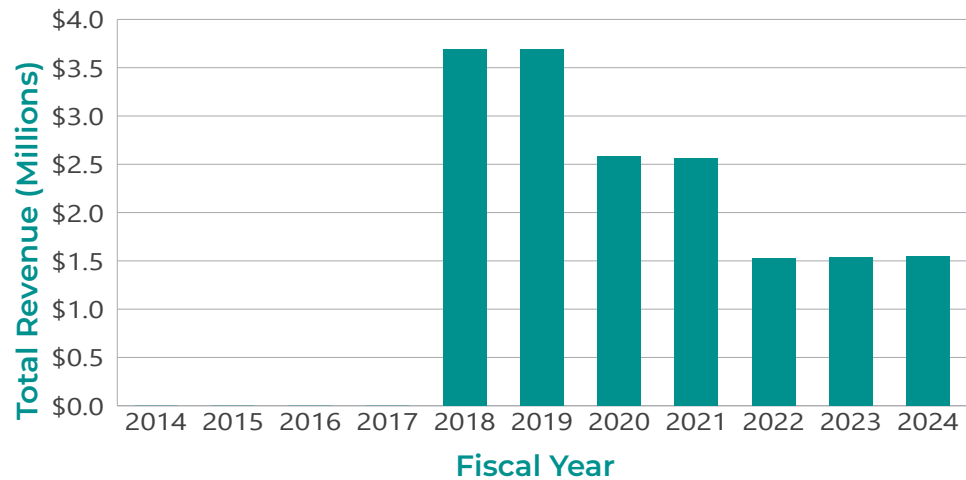
| Fund | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| General Fund (30%) | \$96,988 | \$93,558 | \$94,022 | \$158,315 | \$147,789 |
| Prevention & Stabilization (70%) | \$226,305 | \$218,302 | \$219,385 | \$369,401 | \$344,841 |

Invasive Species Fee

Table 5.17 Invasive Species Fee Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$0 |
| 2015 | \$0 |
| 2016 | \$0 |
| 2017 | \$0 |
| 2018 | \$3,695,798 |
| 2019 | \$3,688,075 |
| 2020 | \$2,581,134 |
| 2021 | \$2,565,289 |
| 2022 | \$1,531,836 |
| 2023 | \$1,537,288 |
| 2024 | \$1,552,559 |

Figure 5.17



Fee Rate

The 2017 Legislature created temporary fees on hydroelectric power to fund programs to prevent the spread of invasive aquatic species. These fees applied from July 1, 2017, through June 30, 2019. The 2019 Legislature established a tiered fee structure and made the fees permanent. The 2021 Legislature replaced the tiered structure with a flat quarterly fee of \$397.88 per megawatt of nameplate capacity. Facilities with a nameplate capacity less than 1.5 megawatts are exempt.

Filing and Payment

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

Distribution

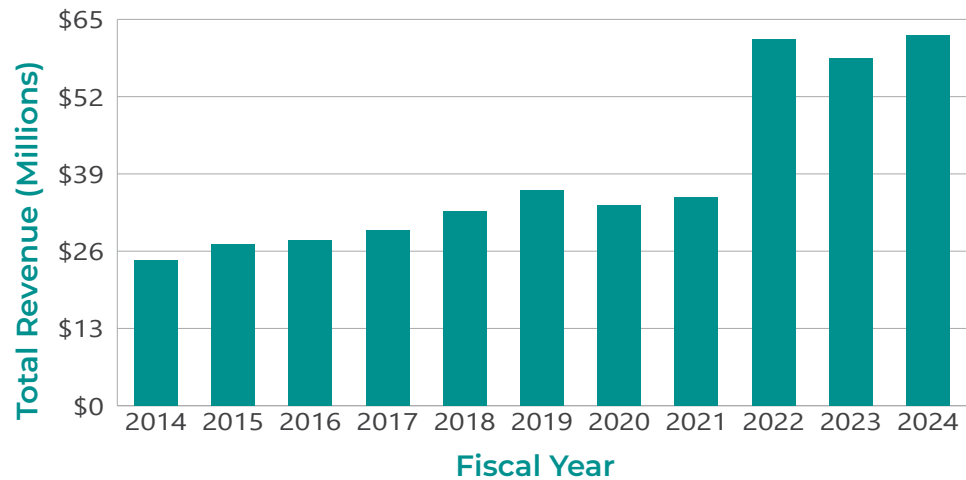
Revenues are deposited in the invasive species state special revenue account (80-7-1004, MCA).

Lodging Facility Use Tax

Table 5.18 Lodging Facility Use Tax Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$24,487,190 |
| 2015 | \$27,127,478 |
| 2016 | \$27,910,664 |
| 2017 | \$29,539,381 |
| 2018 | \$32,805,856 |
| 2019 | \$36,297,514 |
| 2020 | \$33,679,511 |
| 2021 | \$35,058,060 |
| 2022 | \$61,624,239 |
| 2023 | \$58,520,125 |
| 2024 | \$62,408,137 |

Figure 5.18



Tax Rate

The 1987 Legislature enacted a tax on short-term lodging, with the proceeds 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 in 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 quarterly to the department. 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 FY 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.

The remaining revenue is allocated to the following accounts:

Table 5.19 Lodging Facility Use Tax Allocation

| Percentage of allocation | Fund/department | Purpose |
|-------------------------------|--|---|
| 60.2% | Department of Commerce | Statewide tourism promotion |
| 1.4% | Invasive species state special revenue account | |
| 0.5% | State Tribal Economic Development Commission | Tourism promotion |
| 0.1% | Shelter Grant Program | Provide lodging for victims of domestic violence or human trafficking |
| 1.0% | Montana Historical Society | Roadside historical signs and historic sites |
| 2.5% | Montana University System | Montana Travel Research Program |
| 2.6% | Montana Historical Society | Costs of state museum and Robert Scriber sculpture collection |
| 6.5% | Dept. of Fish, Wildlife, and Parks | Maintain facilities in state parks |
| 22.5% | Regional nonprofit tourism corps/visitors bureau | Local tourism promotion |
| Lesser of 2.7% or \$1 million | Montana Heritage Preservation and Development | Preservation of historic properties |

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, the 2019 Legislature (HB 411) created the 1.4 percent allocation to the invasive species account, and the 2023 Legislature (SB 522) created the 0.1 percent allocation to the shelter grant program. In all four cases, the legislature reduced the Department of Commerce's allocation by the same percentage.

Table 5.20 Distribution of Lodging Facility Use Tax

| Fund | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Total Revenue | \$33,679,511 | \$35,058,060 | \$61,624,239 | \$58,520,125 | \$62,408,137 |
| DOR Administration | \$130,716 | \$130,712 | \$130,801 | \$130,801 | \$132,153 |
| Travel Reimbursements | \$112,665 | \$54,395 | \$245,579 | \$130,686 | \$340,165 |
| MT Heritage Preservation Acct. | \$400,000 | \$400,000 | \$1,000,000 | \$999,968 | \$1,001,501 |
| Remainder | \$33,036,130 | \$34,472,952 | \$60,247,859 | \$57,258,670 | \$60,934,318 |
| Department of Commerce | \$20,810,585 | \$21,717,961 | \$36,932,065 | \$35,129,959 | \$16,122,905 |
| Aquatic Invasive Species | \$0 | \$0 | \$857,465 | \$815,621 | \$867,101 |
| MT Historical Soc. Sites & Signs | \$330,350 | \$344,730 | \$612,475 | \$582,586 | \$619,358 |
| MT University System | \$825,874 | \$861,825 | \$1,531,187 | \$1,456,466 | \$1,548,395 |
| MT Historical Soc. Interpret. Acct. | \$858,909 | \$896,298 | \$1,592,435 | \$1,514,725 | \$1,610,331 |
| Fish, Wildlife, and Parks | \$2,147,258 | \$2,240,736 | \$3,981,087 | \$3,786,812 | \$4,025,828 |
| Regional Tourism | \$7,432,853 | \$7,756,415 | \$13,780,685 | \$13,108,194 | \$13,935,559 |
| Shelter Grant Program | \$0 | \$0 | \$0 | \$0 | \$61,936 |
| State/Tribal Economic Development | \$0 | \$172,366 | \$306,238 | \$291,293 | \$309,679 |

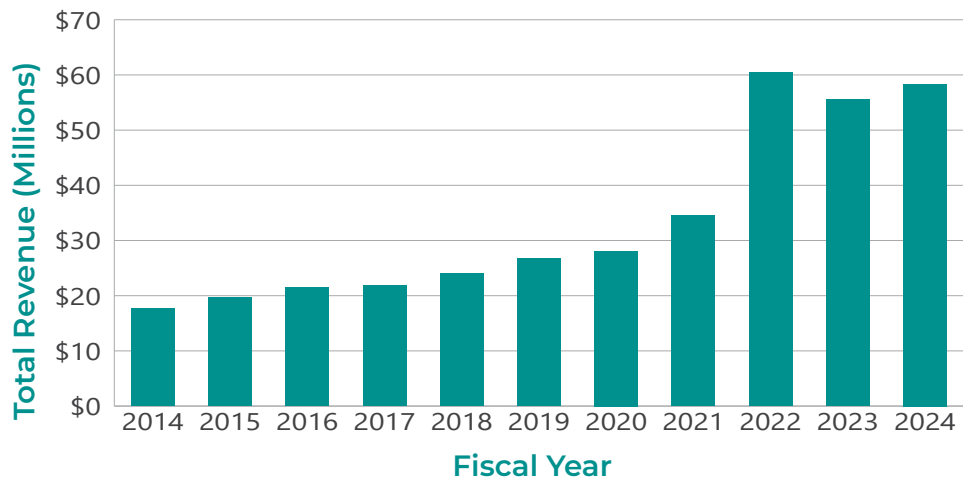
Lodging Sales Tax

Statute: Title 15, Chapter 68, MCA

Table 5.21 Lodging Sales Tax Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$17,725,159 |
| 2015 | \$19,696,526 |
| 2016 | \$21,492,606 |
| 2017 | \$21,780,133 |
| 2018 | \$24,091,089 |
| 2019 | \$26,703,268 |
| 2020 | \$28,110,048 |
| 2021 | \$34,498,312 |
| 2022 | \$60,427,465 |
| 2023 | \$55,568,932 |
| 2024 | \$58,370,068 |

Figure 5.21



Tax Rate

The 2003 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 a combined 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. The 2019 Legislature passed SB 338, which established allocations to other funds and accounts. Beginning with Calendar Year 2020 and ending in 2024, the revenue from the accommodations and campground sales and use tax is allocated as follows (15-68-820, MCA):

Table 5.22 Lodging Sales Tax Allocation (until December 2024)

| Percentage of Allocation | Fund/Department |
|--------------------------|---|
| 75% | General Fund |
| 5% | Montana Historic Preservation Grant Program |
| 20% | Montana Heritage Center (construction) |

Table 5.23 Lodging Sales Tax Allocation (beginning January 2025)

| Percentage of Allocation | Fund/Department |
|--------------------------|---|
| 75% | General Fund |
| 6% | Montana Heritage Center (maintenance) |
| 6% | Travel Reimbursement and Tourism Promotion |
| 6% | Montana Historic Preservation Grant Program |
| 7% | Long Range Building Program |

Table 5.24 Lodging Sales Tax Distribution

| Fund | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|---|--------------|--------------|--------------|--------------|--------------|
| General Fund | \$25,058,028 | \$25,873,734 | \$45,320,599 | \$41,676,699 | \$43,777,551 |
| Montana Historic Preservation Grant Program | \$610,403 | \$1,724,915 | \$3,021,373 | \$2,778,447 | \$2,918,503 |
| Montana Heritage Center | \$2,441,616 | \$6,899,663 | \$12,085,493 | \$11,113,787 | \$11,674,014 |

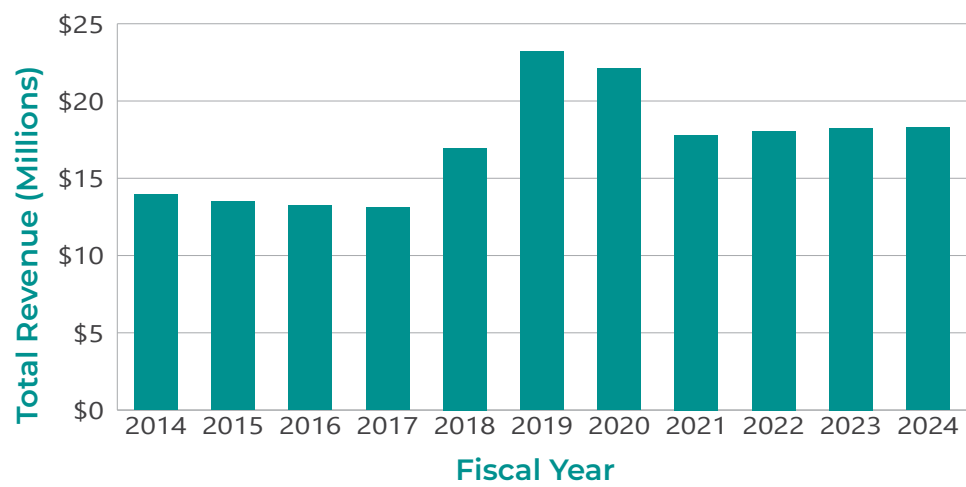
Nursing Facility Utilization Fee

Statute: Title 15, Chapter 60, MCA

Table 5.25 Nursing Facility Utilization Fee Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$13,929,619 |
| 2015 | \$13,485,243 |
| 2016 | \$13,232,878 |
| 2017 | \$13,109,763 |
| 2018 | \$16,959,437 |
| 2019 | \$23,200,576 |
| 2020 | \$22,088,780 |
| 2021 | \$17,800,928 |
| 2022 | \$18,061,814 |
| 2023 | \$18,250,318 |
| 2024 | \$18,280,740 |

Figure 5.25



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 Year 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).

Table 5.26 Distribution of Nursing Facility Utilization Fees

| Fund | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|---|--------------|--------------|--------------|--------------|--------------|
| Non-Montana Mental Health Nursing Care Center Facilities | | | | | |
| General Fund | \$3,965,650 | \$3,180,615 | \$3,230,809 | \$3,271,723 | \$3,279,827 |
| Nursing Facility Utilities Acct. Fee | \$17,704,568 | \$14,199,793 | \$14,423,887 | \$14,606,545 | \$14,642,724 |
| Montana Mental Health Nursing Care Center Facilities | | | | | |
| General Fund (30%) | \$125,569 | \$126,156 | \$122,135 | \$111,615 | \$107,456 |
| Prevention and Stabilization Fee (70%) | \$292,993 | \$294,364 | \$284,982 | \$260,435 | \$250,732 |

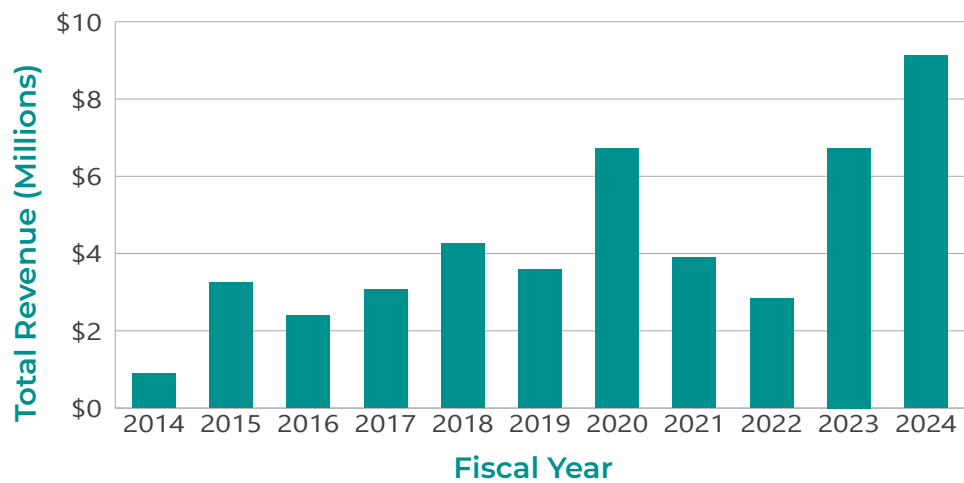
Public Contractor’s Gross Receipts

Statute: Title 15, Chapter 50, MCA

Table 5.27 Public Contractor Gross Receipts Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$887,078 |
| 2015 | \$3,256,741 |
| 2016 | \$2,397,493 |
| 2017 | \$3,078,111 |
| 2018 | \$4,266,687 |
| 2019 | \$3,597,205 |
| 2020 | \$6,728,555 |
| 2021 | \$3,897,240 |
| 2022 | \$2,840,073 |
| 2023 | \$6,733,045 |
| 2024 | \$9,124,961 |

Figure 5.27



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. The 2023 Legislature (SB 253) exempted contracts of \$80,000 or less. Prior to 2023, contracts with a value of \$5,000 or less were exempt.

Filing and Payment

Entities awarding the contract 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.

Distribution

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

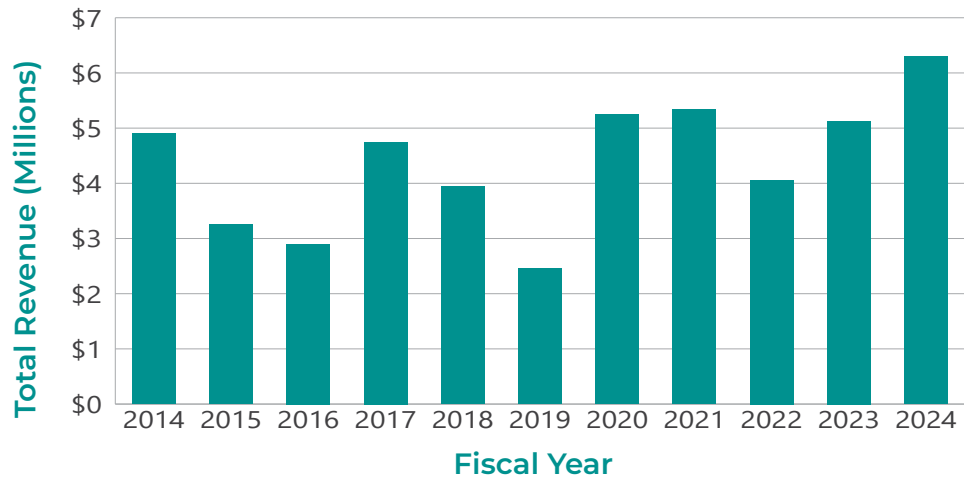
Public Service Commission Fee

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

Table 5.28 Public Service Commission Fee Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$4,910,861 |
| 2015 | \$3,254,094 |
| 2016 | \$2,897,229 |
| 2017 | \$4,745,981 |
| 2018 | \$3,936,916 |
| 2019 | \$2,460,333 |
| 2020 | \$5,239,599 |
| 2021 | \$5,331,686 |
| 2022 | \$4,056,719 |
| 2023 | \$5,133,381 |
| 2024 | \$6,296,170 |

Figure 5.28



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.

Table 5.29 Public Service Commission Fee Rates

| Effective Dates | Rate |
|-----------------------|--------|
| 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% |
| 10/1/2020 - 9/30/2021 | 0.347% |
| 10/1/2021 - 9/30/2022 | 0.220% |
| 10/1/2022 - 9/30/2023 | 0.300% |
| 10/1/2023 - 9/30/2024 | 0.370% |

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).

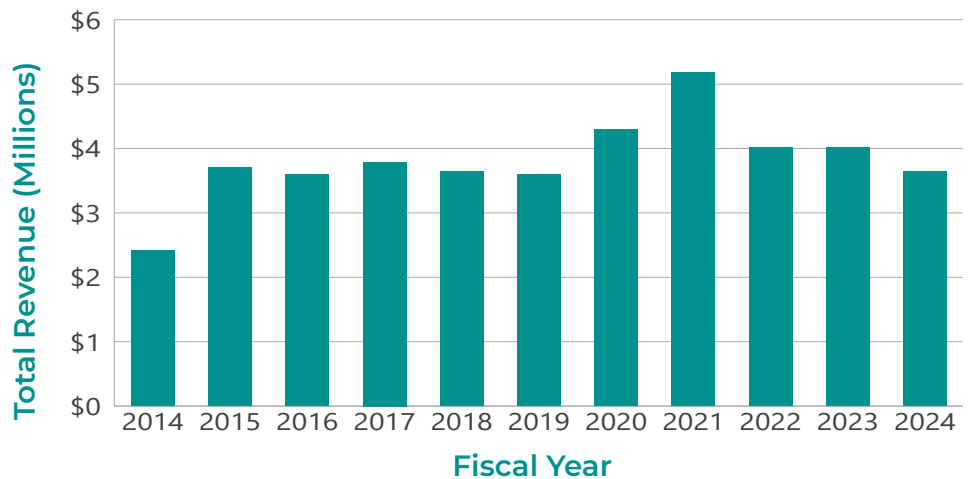
Rail Car Tax

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

Table 5.30 Rail Car Tax Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$2,418,072 |
| 2015 | \$3,706,309 |
| 2016 | \$3,594,460 |
| 2017 | \$3,790,195 |
| 2018 | \$3,648,993 |
| 2019 | \$3,593,860 |
| 2020 | \$4,293,652 |
| 2021 | \$5,186,537 |
| 2022 | \$4,019,546 |
| 2023 | \$4,012,330 |
| 2024 | \$3,644,552 |

Figure 5.30



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 (i.e. proportional to the value) 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 Tax Year 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).

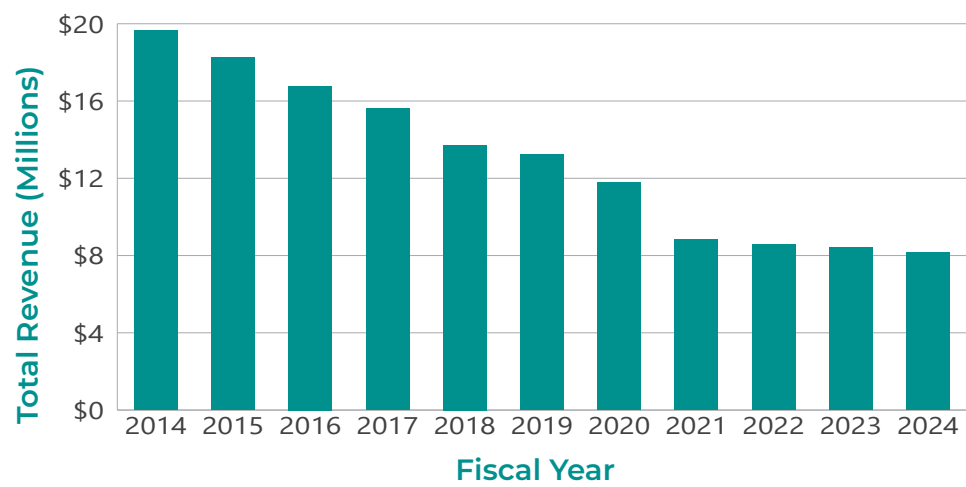
Retail Telecommunications Excise Tax

Statute: Title 15, Chapter 53, MCA

Table 5.31 Retail Telecommunications Excise Tax Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$19,656,770 |
| 2015 | \$18,256,517 |
| 2016 | \$16,774,868 |
| 2017 | \$15,602,798 |
| 2018 | \$13,725,924 |
| 2019 | \$13,223,885 |
| 2020 | \$11,788,418 |
| 2021 | \$8,814,228 |
| 2022 | \$8,570,714 |
| 2023 | \$8,435,920 |
| 2024 | \$8,138,595 |

Figure 5.31



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 land line and traditional mobile service but does not apply to prepaid wireless service purchased through a third party, such as prepaid 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).

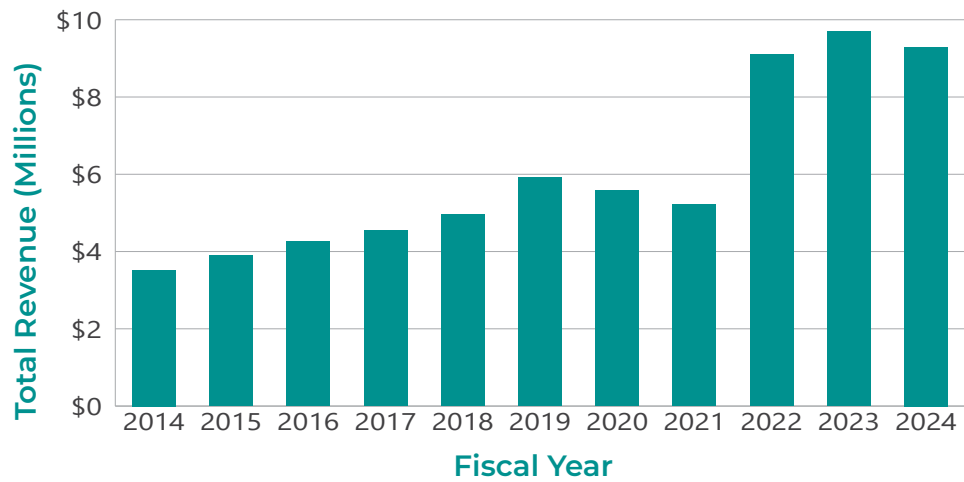
Sales Tax - Rental Vehicles

Statute: Title 15, Chapter 68, MCA

Table 5.32 Rental Vehicle Sale Tax Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$3,521,324 |
| 2015 | \$3,906,745 |
| 2016 | \$4,269,438 |
| 2017 | \$4,536,234 |
| 2018 | \$4,958,598 |
| 2019 | \$5,907,633 |
| 2020 | \$5,572,444 |
| 2021 | \$5,220,765 |
| 2022 | \$9,097,067 |
| 2023 | \$9,693,674 |
| 2024 | \$9,295,718 |

Figure 5.32



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 fewer (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
- 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
- trucks, trailers and semis with GVW less than 22,000 pounds

Vehicles designed to carry more than 15 passengers, farm vehicles, machinery, or equipment, and vehicles rented to 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 Tax Year 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):

- 75 percent: state general fund
- 25 percent: senior citizen and persons with disabilities transportation

Table 5.33 Distribution of Rental Vehicles Sales Tax

| Fund | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|--|-------------|-------------|-------------|-------------|-------------|
| General Fund (75%) | \$4,179,333 | \$4,091,884 | \$7,147,254 | \$7,605,473 | \$7,347,399 |
| Senior citizen/disabilities transportation service (25%) | \$1,393,111 | \$1,363,962 | \$2,382,418 | \$2,535,158 | \$2,449,133 |

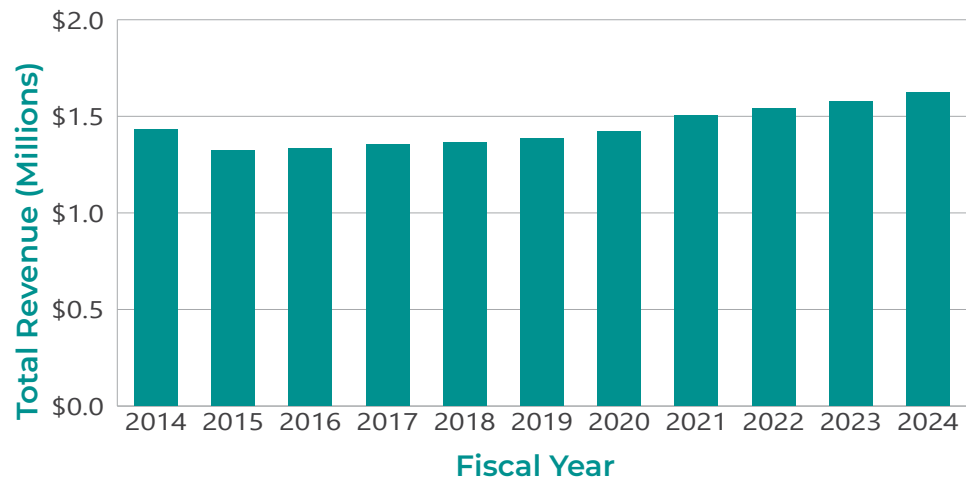
TDD Telecommunications Service Fee

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

Table 5.34 TDD Telecommunications Service Tax Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$1,430,128 |
| 2015 | \$1,321,811 |
| 2016 | \$1,334,146 |
| 2017 | \$1,352,174 |
| 2018 | \$1,365,782 |
| 2019 | \$1,386,037 |
| 2020 | \$1,421,675 |
| 2021 | \$1,502,526 |
| 2022 | \$1,541,544 |
| 2023 | \$1,577,788 |
| 2024 | \$1,623,531 |

Figure 5.34



Fee Rate

A monthly fee of \$0.10 is assessed on each access line in the state to fund telecommunications services for individuals who have disabilities preventing them from using regular telecommunications services. Service providers include the fee in customers’ bills or in the price charged for prepaid service. A service provider may deduct and keep 0.75 percent of the total fees collected each month to cover its administrative expenses.

The 2007 Legislature 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 by 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).

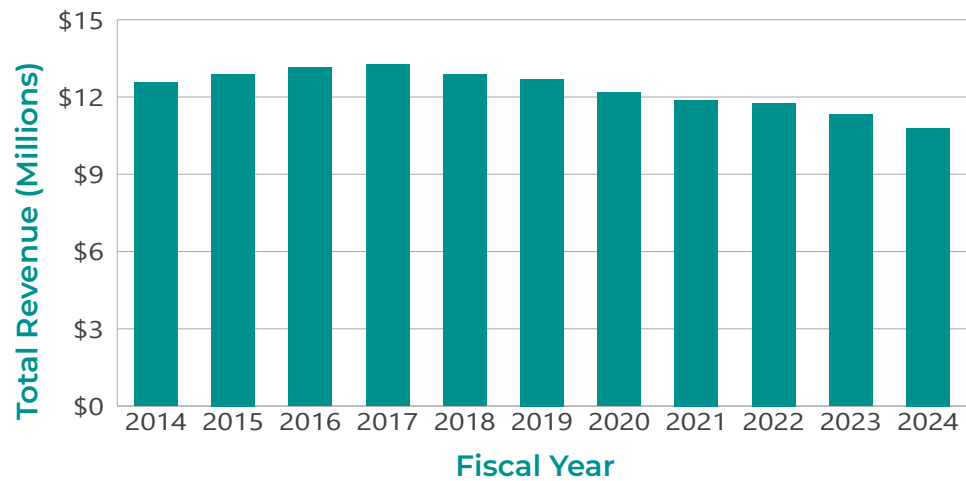
Tobacco Products Tax

Statute: Title 16, Chapter 11, MCA

Table 5.35 Tobacco Products Tax Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$12,562,721 |
| 2015 | \$12,894,293 |
| 2016 | \$13,131,013 |
| 2017 | \$13,268,717 |
| 2018 | \$12,864,522 |
| 2019 | \$12,702,208 |
| 2020 | \$12,185,252 |
| 2021 | \$11,882,493 |
| 2022 | \$11,768,474 |
| 2023 | \$11,316,428 |
| 2024 | \$10,797,346 |

Figure 5.35



Tax Rate

Tobacco products, excluding cigarettes, moist snuff, and premium cigars, 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. The 2023 Legislature (SB 122) changed the tax rate on premium cigars to the lesser of 50 percent of the wholesale price or \$0.35 per cigar.

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

Table 5.36 Tobacco Products Tax Rates

| Product | Tax Rate |
|----------------------|--|
| Premium Cigars | Lesser of 50% of wholesale price or \$0.35 |
| 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).

Table 5.37 Distribution of Tobacco Products Tax

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Revenue | \$12,185,252 | \$11,882,493 | \$11,768,474 | \$11,316,428 | \$10,797,346 |
| Tobacco And Cig. Tribal Agreement | \$676,775 | \$659,835 | \$638,788 | \$601,050 | \$568,666 |
| Remainder | \$11,508,477 | \$11,222,658 | \$11,129,687 | \$10,715,378 | \$10,228,680 |
| General Fund (50%) | \$5,754,238 | \$5,611,329 | \$5,564,843 | \$5,357,689 | \$5,114,340 |
| DPHHS (50%) | \$5,754,238 | \$5,611,329 | \$5,564,843 | \$5,357,689 | \$5,114,340 |

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.

Table 5.38 Tobacco Products State Comparison

| State | Snuff | Chewing/Smoking Tobacco | Cigars | E-Cigarettes |
|-------------|------------------------|---|-------------------------------------|--|
| Alabama | 1.0-12.0¢/oz. | Chewing: 1.5¢/oz.; Smoking: 4-6¢/oz. | 4.0-40.5¢/10 cigars | |
| Alaska | 75% wholesale price | 75% wholesale price | 75% wholesale price | |
| Arizona | 22.25¢/oz. | 5.45-22.25¢/oz. | 22.05-218¢/10 cigars | |
| Arkansas | 68% mfr. price | 68% mfr. price | 68% mfr. price | |
| California | 52.92% wholesale price | 52.92% wholesale price | 52.92% wholesale price | 52.92% wholesale price + 12.5% sales 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% w/s price |
| Delaware | 92¢/oz. | 30% wholesale price | 30% wholesale price | 5¢/mL |
| DC | 79% wholesale price | 79% wholesale price | 79% wholesale price | 79% 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% w/s price |

Table 5.38 Tobacco Products State Comparison (continued)

| State | Snuff | Chewing/Smoking Tobacco | Cigars | E-Cigarettes |
|----------------|--------------------------|--|---|---|
| Hawaii | 70% wholesale price | 70% wholesale price | 50% wholesale price; LC | 70% wholesale price |
| 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 | Closed system: 15% wholesale price Open & disposables: 15% gross retail income |
| 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% w/s price; Closed: \$1.50/cartridge |
| Louisiana | 20% mfr. price | Chewing: 20% mfr. price; Smoking: 33% mfr price | 8%-20% mfr. price | 15¢/mL |
| Maine | 202¢/oz. (with min. tax) | Chewing: 202¢/oz.; Smoking: 43% w/s price | 43% wholesale price | 43% wholesale price |
| Maryland | 60% wholesale price | Chewing: 60% wholesale price Smoking: 30% wholesale price | Non-premium: 70% wholesale price; Premium: 15% wholesale price | ≤5mL: 60% retail price others: 20% retail price |
| Massachusetts | 210% wholesale price | Chewing: 210% w/s price; Smoking: 40% | 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 | |
| Nebraska | 44¢/oz. | 20% wholesale price | 20% wholesale price | ≤5mL: 5¢/mL >5mL: 10% purchase 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% w/s 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 |

Table 5.38 Tobacco Products State Comparison (continued)

| State | Snuff | Chewing/Smoking Tobacco | Cigars | E-Cigarettes |
|----------------|--|--|---|--|
| North Dakota | 60¢/oz. | Chewing: 16¢/oz; Smoking: 28% w/s price | 28% wholesale price | |
| Ohio | 17% wholesale price | 17% wholesale price | LC: 37% w/s price; others: 17% w/s price | 10¢/mL |
| Oklahoma | 60% mfr. price | Chewing: 60% mfr. price; Smoking: 80% mfr price | 3.6-120¢/10 cigars; | |
| Oregon | 186¢/oz. (with min. tax) | 65% wholesale price | 65% wholesale price, \$1 cap; LC | 65% wholesale price |
| Pennsylvania | 55¢/oz | 55¢/oz | same as cigarettes | 40% wholesale price |
| Rhode Island | 100¢/oz. | 80% wholesale price | 80% w/s 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 | |
| Texas | 122¢/oz. (with min. tax) | 122¢/oz. (with min. tax) | 1-15¢/10 cigars | |
| Utah | 183¢/oz. | 10 86% mfr. Price | 86% mfr. price; LC | 56% mfr. price |
| Vermont | 257¢/oz. or 308¢/ pack if less than 1.2oz. | 92% wholesale price | "92% w/s price for <\$2.17; \$2 per cigar for >\$2.17 to <\$10; \$4 per cigar for ≥ \$10; LC " | 92% wholesale price |
| Virginia | 36¢/oz. | Chewing: 42¢-140¢/ unit; Other: 20% mfr price | 20% mfr. price | 11¢/mL |
| Washington | 252.6¢ 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 |

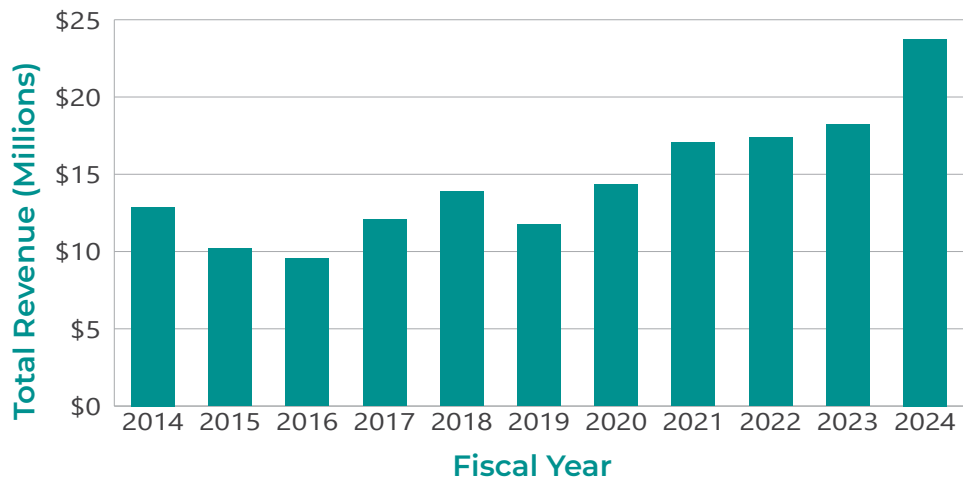
Unclaimed Property

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

Table 5.39 Unclaimed Property Collections

| Fiscal Year | Total Revenue |
|-------------|---------------|
| 2014 | \$12,882,668 |
| 2015 | \$10,196,308 |
| 2016 | \$9,554,713 |
| 2017 | \$12,068,348 |
| 2018 | \$13,868,626 |
| 2019 | \$11,775,074 |
| 2020 | \$14,316,177 |
| 2021 | \$17,058,760 |
| 2022 | \$17,362,872 |
| 2023 | \$18,237,133 |
| 2024 | \$23,749,750 |

Figure 5.39



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. The proceeds from the sale will then be held on behalf of the owner in the state general fund.

Since 1963, approximately \$238 million worth of unclaimed property has been turned over to the state. During this time period, the department has returned nearly \$90 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).