

Table of Contents

About the Agency	5
Tax Structure and Trends	7
Tax Structure and Trends	8
State and Local Government Finance in Montana	9
Department of Revenue Tax Collections	14
Montana Tax Trends	16
Taxes and Spending in Montana and Other States	19
Comparison of State Taxes	21
Individual and Corporate Income Tax	53
Overview of Individual Income Tax	54
Recent Legislative Changes to Individual Income Tax	56
Calculation of Individual Income Tax	57
Income, Deductions, Credits, and Tax Liability	58
Taxation of Business Income	67
Pass-Through Entities	71
Estates and Trusts	82
Corporate Income Tax	85
Natural Resources	96
Overview of Natural Resource Taxes	97
Coal, Oil, and Natural Gas State Tax Comparison	98
Bentonite Production Tax	99
Cement and Gypsum Tax	100
Coal Gross Proceeds	101
Coal Severance Tax	103
Coal Severance Tax History	109
Metal Mines Gross Proceeds Tax (Class 2 Property)	111
Metalliferous Mines License Tax	113
Micaceous Mines License Tax	116
Miscellaneous Mines Net Proceeds Tax (Class 1 Property)	117
Oil and Natural Gas Tax	119
Resource Indemnity and Ground Water Assessment Tax	125
U.S. Mineral Royalties	129
Other Taxes	130
911 Emergency Telephone System Fee	131
Cigarette License Fee	133
Cigarette Tax	134
Consumer Counsel Fee	136
Electrical Energy Producers' License Tax	137
Hospital Facility Utilization Fee	138
Inheritance and Estate Tax	139
Intermediate Care Facility Utilization Fee	140
Lodging Facility Use Tax	141
Nursing Facility Utilization Fee	143
Public Contractor's Gross Receipts Fees and Tax	144
Public Service Commission Fee	145
Rail Car Tax	146
Retail Telecommunications Excise Tax	147
Sales Tax - Accommodations	148
Sales Tax - Rental Vehicles	149
TDD Telecommunications Service Fee	150
Tobacco Products Tax	151
Unclaimed Property	154
Wholesale Energy Transaction Tax	155
Property Taxes	156
Property Tax Background	157

Classes of Property	159
Determining Taxes Paid.....	161
Tax Increment Financing	163
Property Taxes Paid by Class.....	168
Property Taxes Paid by Taxing Jurisdiction Type.....	170
Property Tax and Property Value Summaries.....	173
Property Taxes Paid by County	185
Liquor Control Division	243
Liquor Control Division	244
Legislative History	245
Overview of Liquor Licenses	246
Liquor Licensing	248
Alcoholic Beverage Taxes	251
Beer Taxes.....	252
Table Wine and Hard Cider Tax.....	253
Liquor Excise Tax.....	254
Liquor License Tax.....	255
State Comparison.....	256
Tax Expenditures	257
Introduction to Tax Expenditures	258
Personal Income Tax Expenditures	266
Corporate Tax Expenditures	333
Corporate Tax Expenditures - Passive Expenditures	344
Property Tax Expenditures	346
Natural Resource Tax Expenditures	350
Transfers to Local Government	354
Transfers to Local Government	355
Oil and Natural Gas Revenue.....	358
Oil and Natural Resource Distribution Account	360
Coal Gross Proceeds and Bentonite	361
Federal Mineral Royalties.....	362
Metalliferous Mines.....	363
Natural Resource Revenue	364
Entitlement Share Payments.....	365
County Entitlement Share Payment	366
Consolidated Government and TIF Entitlement Share Payment.....	369
Glossary	370
Acronyms.....	373