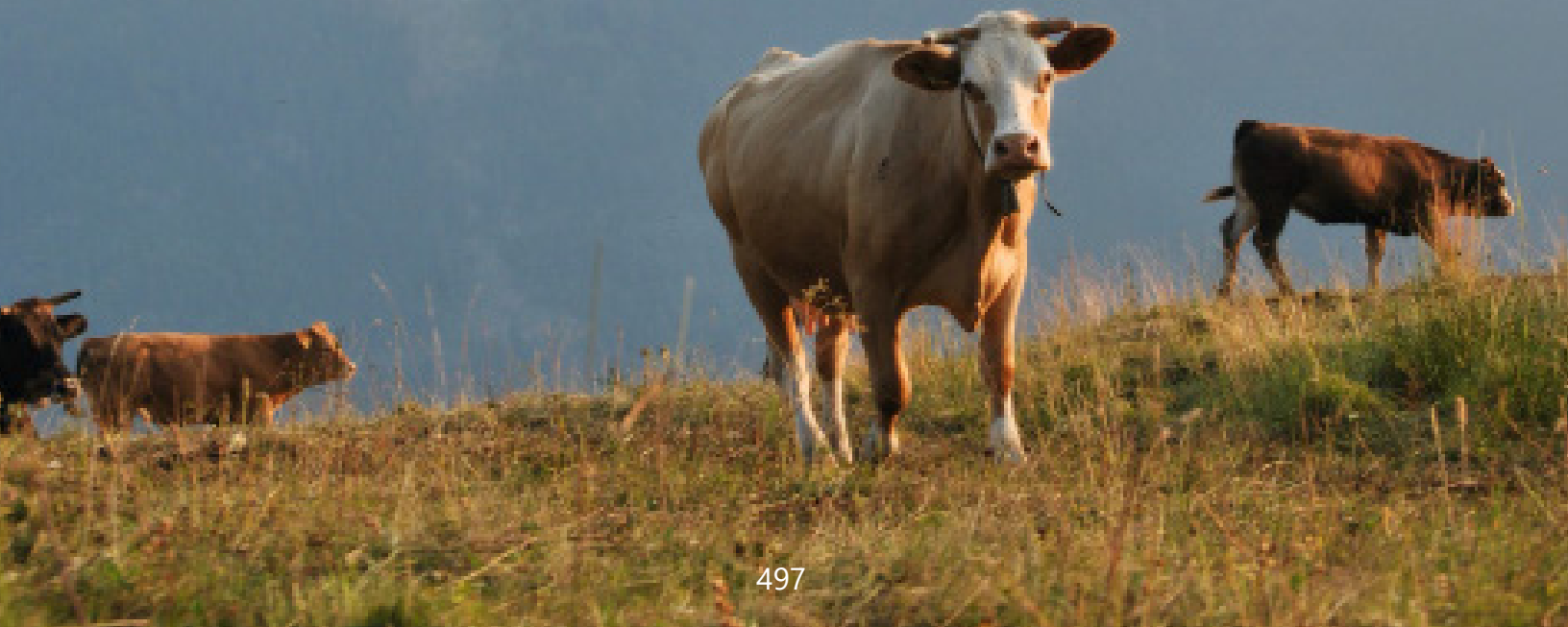


**We serve Montana by  
providing high quality  
services, ensuring  
equity and fairness, and  
constantly improving  
efficiency.**



<b>AD VALOREM TAX</b>	A tax based on the value of property, such as real estate or a particular good.
<b>ADULT-USE CANNABIS</b>	Marijuana or marijuana products that may be purchased from a dispensary by a person at least 21 years of age, without needing to be a medical cardholder.
<b>ARMS-LENGTH TRANSACTION</b>	A transaction in which the buyer and seller are not related and act independently in their own self-interest, not subject to each other's influence.
<b>BRITISH THERMAL UNIT (BTU)</b>	The amount of energy needed to raise the temperature of one pound of water by one degree Fahrenheit. This is the standard for measuring the energy content of fuels.
<b>CAPITAL GAIN</b>	The profit an investor gains from selling an investment (property, stocks, bonds, mutual funds, etc.) that has increased in value over its purchase price.
<b>CARRYBACK</b>	An accounting technique with which a company retroactively applies net operating losses to a preceding year's income to reduce tax liabilities present in that year.
<b>CARRYFORWARD</b>	To adjust an amount against succeeding amounts, or to transfer it to the next period.
<b>CARRYOVER</b>	See carryforward.
<b>C CORPORATION</b>	Any corporation that is, in general, taxed separately from its shareholders.
<b>CENTRALLY ASSESSED PROPERTIES</b>	Large utilities, pipelines, airlines, and railroads, operating in more than one county or state, valued by the department.
<b>COAL SEVERANCE TAX</b>	State tax on coal extracted (or severed) from the earth, based on its value. Tax rate varies with the heat content of the coal and the type of mine (open pit or underground).
<b>COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA)</b>	Commonly known as Superfund, a law that provided a tax on the chemical and petroleum industries and provided broad federal authority to clean up releases of hazardous substances.
<b>DECEDENT</b>	A person who has died.
<b>DECILE</b>	A method of dividing a set of values or statistics into 10 equally large groups.

<b>EMPOWERMENT ZONE</b>	A financially distressed area that receives tax credits, grants, and other advantages to help revitalize the area.
<b>ESTATE TAX</b>	A tax on the net value of the estate of a deceased person before transfer to person's heirs.
<b>EXCISE TAX</b>	A tax on the use or consumption of a certain products, such as gasoline, cigarettes, or alcohol.
<b>HOMESTEAD EXEMPTION</b>	A type of property tax relief whereby the assessed value of a home, on which property tax is based, is reduced. Following SB 157 of the 2015 session, Montana no longer has a homestead exemption.
<b>HORIZONTAL WELL</b>	A drilling method in which the drill turns and runs horizontally once it reaches the source of energy to be extracted, be it gas or oil.
<b>INPATIENT BED DAY</b>	A day of care provided to a patient in a hospital. A day begins at midnight and ends 24 hours later. Part of a day, including day of admission, counts as a full day. Day of discharge or death does not. If admission and discharge or death occur on the same day, that day is counted as one bed day.
<b>LICENSE TAX</b>	A fee paid to the government for the privilege of holding a license to conduct a certain trade, such as sell alcohol or practice medicine.
<b>LIMITED LIABILITY COMPANY (LLC)</b>	A hybrid company structure combining characteristics of both a corporation and a sole proprietorship (or partnership). Members of the company cannot be held personally liable for the company's debts or liabilities.
<b>MARKET VALUE</b>	The value at which property would change hands between a willing buyer and a willing seller.
<b>MEDICAL CANNABIS</b>	Marijuana or marijuana products that are purchased from a dispensary by registered cardholder.
<b>MILLAGE RATE</b>	Tax per dollar of assessed value of property, where the rate is referred to in "mills." A mill is one-tenth of a cent.
<b>NET OPERATING LOSS</b>	Occurs when a company's allowable tax deductions are greater than its taxable income.
<b>OFFSET</b>	To hold a tax refund amount, or part of the amount, if an individual owes money to the State of Montana because of a delinquent debt. The department can offset that individual's state payment, or withhold part of a tax refund to satisfy the debt.

<b>ORPHAN SHARE</b>	Part of the liability of a Superfund site that belongs to insolvent or defunct parties that cannot pay their fair share of a site's cleanup cost.
<b>PROOF GALLON</b>	A gallon of spirits that is 50 percent alcohol by volume.
<b>PROPERTY TAX ASSISTANCE PROGRAM (PTAP)</b>	Property tax relief program for property owners who meet certain qualifications.
<b>PASS-THROUGH ENTITY</b>	An entity that passes its income, loss, deductions or credits to its owners, who may include partners, shareholders, beneficiaries, and investors.
<b>STATE GENERAL FUND</b>	The primary fund of the state, composed mainly of revenue from taxes and used to budget for state operations.
<b>SUB-JOBBER</b>	An entity or a person who purchases tobacco products from a Montana licensed wholesaler with the cigarette tax insignia affixed, and sells or offers to sell those products to a licensed retailer or tobacco product vendor.
<b>RESIDENT BED DAY</b>	Each 24-hour period that a resident in an intermediate care facility is present in the facility and receiving care or that a resident is on leave but a bed is being held for him or her.
<b>S CORPORATION</b>	Any corporation that, in general, does not pay any federal income tax, but rather divides its income and losses among its shareholders, who are then subject to taxation.
<b>SIMPLIFIED EMPLOYEE PENSION (SEP) PLAN</b>	A Simplified Employee Pension plan. A SEP provides employers a simplified method to make contributions toward their employees' retirement and their own retirement. Contributions are made directly to an IRA set up for each employee (a SEP-IRA).
<b>SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES (SIMPLE) PLAN</b>	Savings Incentive Match Plan for Employees. It gives small employers a simplified method to make contributions toward their employees' retirement and their own retirement. Under a SIMPLE IRA plan, employees may choose to make salary reduction contributions and the employer makes matching or non-elective contributions. All contributions are made directly to an IRA set up for each employee (a SIMPLE-IRA).
<b>SPECIAL JURISDICTION OR SPECIAL TAXING DISTRICT</b>	Single purpose jurisdictions—such as a school district, fire district, water district, etc.—that exist separately from local governments and are funded by special taxes outside of the normal mill-based tax system, such as a lighting district that charges each property a set, flat amount.

<b>STRIPPER WELL</b>	An oil or gas well nearing the end of its economically useful life.
<b>STATUTE</b>	A written law passed by the Legislature.
<b>SUITS INDEX</b>	A measure of tax progressiveness.
<b>TAXABLE INCOME</b>	The income factored in calculating how much tax an individual or company owes, usually the gross income minus any deductions, exemptions, or other adjustments.
<b>TAXABLE VALUE</b>	A percentage of property value used to calculate property tax.
<b>TAX EXPENDITURES</b>	Any reduction in government revenue through provisions in tax laws, such as deductions, exclusions, deferrals, exemptions, and preferential tax rates.
<b>TAX GAP</b>	The difference between total amounts of taxes owed to the government and the amount it actually receives.
<b>TAX INCREMENT FINANCING (TIF)</b>	A method of public financing used to encourage development and redevelopment in financially distressed areas.
<b>TAX LIABILITY</b>	The total amount of tax an individual or entity owes the government after credits and advance payments (such as withholding and estimated payments).
<b>TREASURE STATE ENDOWMENT PROGRAM AND FUND (TSEP AND TSEF)</b>	State program that awards matching grants to local governments for the construction of local infrastructure projects. TSEF is fed by the coal severance tax, the interest on which helps pay for the TSEP projects.
<b>VALUATION</b>	The process of determining the current value of an asset, such as a home.
<b>WEST TEXAS INTERMEDIATE (WTI)</b>	A grade of crude oil used as a benchmark in oil pricing.

<b>ARM</b>	Administrative Rules of the State of Montana
<b>BTU</b>	British Thermal Unit
<b>CERCLA</b>	Comprehensive Environmental Response, Compensation, and Liability Act of 1980
<b>DOR</b>	Department of Revenue
<b>DPHHS</b>	Department of Public Health and Human Services
<b>EPTAP</b>	Extended Property Tax Assistance Program
<b>FERC</b>	Federal Energy Regulatory Commission
<b>MCA</b>	Montana Code Annotated
<b>MDV</b>	Montana Disabled Veteran Property Tax Relief Program
<b>MMHNCC</b>	Montana Mental Health Nursing Care Center
<b>NCSL</b>	National Conference of State Legislatures
<b>NOL</b>	Net Operating Loss
<b>PSC</b>	Public Service Commission
<b>PTAP</b>	Property Tax Assistance Program
<b>RIC</b>	Revenue Interim Committee
<b>TDD</b>	Telecommunications Device for the Deaf
<b>TIF</b>	Tax Increment Financing
<b>TSEF</b>	Treasure State Endowment Fund
<b>TSEP</b>	Treasure State Endowment Program
<b>WTP</b>	West Texas Intermediate



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