

Vehicle Tax

Revenue Description

Light vehicles, motorcycles and quadricycles, snowmobiles, buses, trucks, truck tractors having a manufacturer's rated capacity of more than 1 ton, motor homes, and certain trailers and travel trailers are taxed under a fee schedule that varies by age and weight.

Statutory Reference

Tax Rate – Watercraft, snowmobiles, off-highway vehicles (OHV), and light vehicles registrations: [61-3-321, MCA](#); vehicles greater than 1 ton: [61-3-529, MCA](#)

Tax Distribution – [61-3-509, MCA](#)

Date Due – Revenue for prior month is due on or before the 20th of the month ([15-1-504, MCA](#); [61-3-509, MCA](#)).

Applicable Tax Rates: Varies

Collection Frequency: Monthly

Distribution: All fees-in-lieu-of-tax are deposited into the general fund.

Comparison of Legislative and Executive Forecasts

Motor vehicle fees are combined with vehicle tax to produce the estimate for vehicle taxes and fees. The difference between the legislative and executive forecasts is small, and primarily due to slight modeling differences.

Vehicle Taxes & Fees (\$ Millions)				
	FY 2015	FY 2016	FY 2017	Total
Executive Forecast	\$102.200	\$104.600	\$107.200	\$314.000
Legislative Forecast	102.290	103.566	104.769	310.626
Difference	(\$0.090)	\$1.034	\$2.431	\$3.374
% Difference	-0.1%	1.0%	2.3%	1.1%

Forecast Risks

- Changing outlook for Montana total vehicle stock
- Changing outlook for new vehicle sales

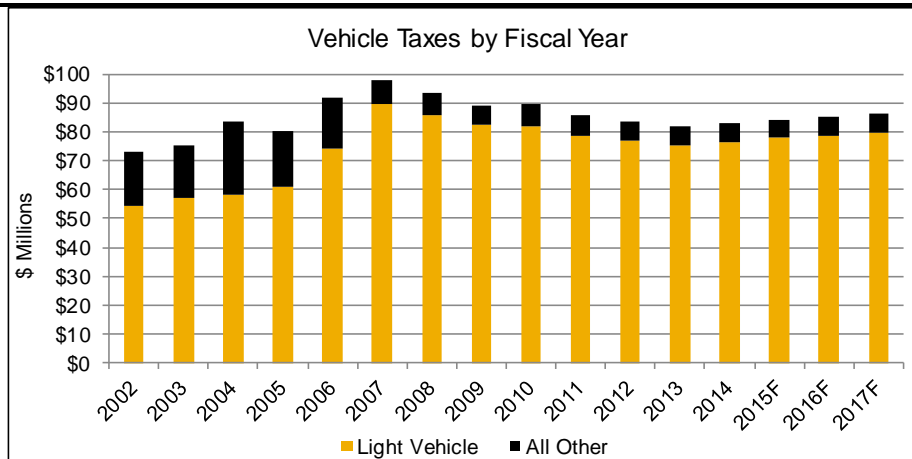
Revenue Estimate Methodology

Data

The data used to estimate the motor vehicle tax are obtained from SABHRS and IHS.

Analysis

Vehicle taxes are currently imposed at different rates on five categories of vehicles (tax schedule varies by age and weight) including light vehicles, large trucks, motor homes, motor cycles (including tri-cycles), and boats and snowmobiles.



With constant fees, the future change in vehicle tax revenue results from change in the vehicle stock in Montana. Because taxes are directly connected to the number of vehicles in the state, estimates are made by applying estimated growth rates to the previous year revenue. Growth rates for the stock of Montana vehicles are modeled on IHS estimates for the national and Montana-specific vehicle stock and new car sales nationwide. The growth rate is applied to the base year revenues and projected forward at the same rate for the forecast period.

Revenue Estimate Assumptions

FY	Total Tax \$ Millions	GF Tax \$ Millions	Large Truck Millions	Motor Home Millions	Light Vehicle Millions	Boats/ Snow Millions	MCO Registration Millions
A 2002	\$73.092	\$73.127	\$5.384	\$3.607	\$54.602	\$2.076	\$7.459
A 2003	75.186	75.185	5.117	3.342	56.961	2.196	7.569
A 2004	83.607	83.607	8.562	4.485	58.457	3.980	8.122
A 2005	80.132	80.132	4.433	3.835	60.940	2.369	8.555
A 2006	92.097	92.097	5.577	5.236	73.980	2.325	4.980
A 2007	98.070	98.070	3.024	4.000	89.575	1.470	0.001
A 2008	93.493	93.493	2.779	3.743	85.624	1.347	-
A 2009	89.335	89.335	2.668	3.216	82.259	1.191	-
A 2010	89.485	89.485	2.584	3.489	82.212	1.199	-
A 2011	85.762	85.762	2.726	3.460	78.443	1.133	-
A 2012	83.871	83.871	2.745	3.035	76.880	1.211	-
A 2013	82.018	82.018	2.783	2.373	75.585	1.277	-
A 2014	82.927	82.927	2.768	2.249	76.534	1.377	-
F 2015	84.391	84.391	2.817	2.288	77.884	1.402	-
F 2016	85.443	85.443	2.852	2.317	78.855	1.419	-
F 2017	86.436	86.436	2.885	2.344	79.771	1.436	-

