

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.

Summary of Legislative Action

[House Bill 300](#) – This legislation requires all users of snowmobiles, motorized equipment, and mechanized transports (i.e. bicycles) to purchase an \$18 trail pass every three years and will generate revenue to be used for grooming of snowmobile trails and enforcement.

Vehicle Tax – Legislation Passed by 64th Legislature General Fund Impact (\$ Millions)			
Bill Number and Short Title	FY 2015	FY 2016	FY 2017
HB0300 Create snowmobile trail pass	-	\$0.005	\$0.005
Total General Fund Impact	-	\$0.005	\$0.005

Revenue Estimate Methodology

Data

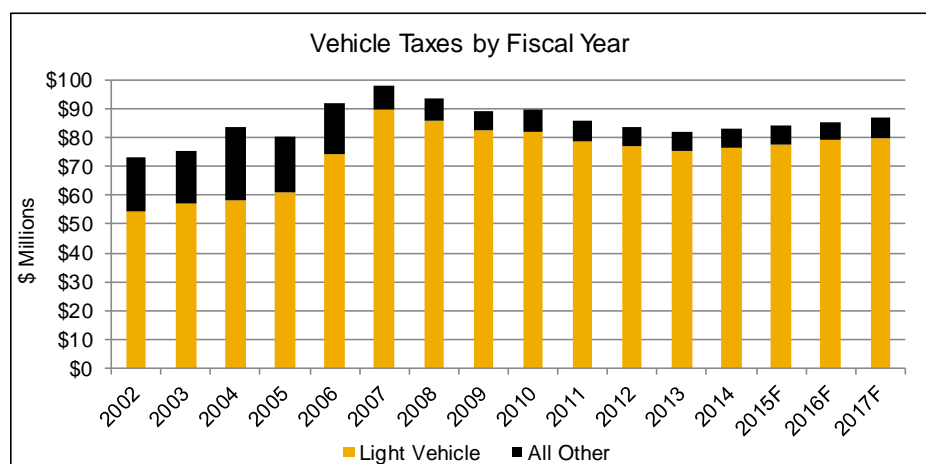
The data used to estimate the motor vehicle tax are obtained from SABHRS and IHS.

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.



Joint Tax Subcommittee Alternative

The alternative adopted by the joint subcommittee adjusted the LFD estimate upward by \$7.4 million over the outlook period to equal the executive estimate.

Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2015 Legislature that may affect future estimates of this revenue source.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Large Truck \$ Millions	Motor Home \$ Millions	Light Vehicle \$ Millions	Boats/ Snow \$ Millions	Joint Sub. Adj. \$ Millions
A 2002	\$73.092	\$73.127	\$5.384	\$3.607	\$54.602	\$2.076	
A 2003	75.186	75.185	5.117	3.342	56.961	2.196	
A 2004	83.607	83.607	8.562	4.485	58.457	3.980	
A 2005	80.132	80.132	4.433	3.835	60.940	2.369	
A 2006	92.097	92.097	5.577	5.236	73.980	2.325	
A 2007	98.070	98.070	3.024	4.000	89.575	1.470	
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	85.637	85.637	2.811	2.284	77.726	1.399	\$1.417
F 2016	88.056	88.056	2.855	2.320	78.948	1.421	2.512
F 2017	90.211	90.211	2.894	2.351	80.015	1.440	3.511

Revenue Projection

