



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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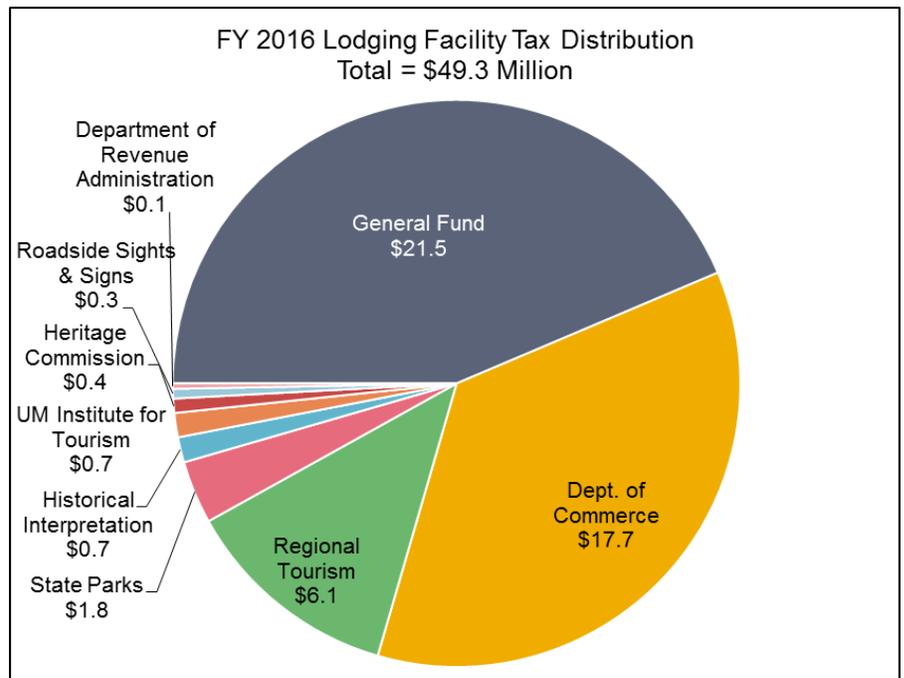
LODGING FACILITY TAXES

DISTRIBUTION OF LODGING FACILITY TAXES

The state collects two types of Lodging Facility Taxes: the Lodging Facility Sales Tax and the Lodging Facility Use Tax. Collections from the 3% Lodging Facility Sales Tax are required, by statute, to be deposited into the general fund. Collections from the 4% Lodging Facility Use Tax are dedicated to fund tourism and film promotion in the state. The table to the right provides details on the distribution of these taxes.

While the Lodging Facility *Sales* Tax is deposited into the general fund, the Lodging Facility *Use* Tax is allocated among several programs set forth in state law. Statute establishes several set disbursements, including:

- o \$400,000 to the Montana heritage preservation and development account, which is dedicated in part to support Virginia and Nevada cities and Reeder's Alley in Helena;
- o Reimbursement of administrative costs of the Department of Revenue related to this program;
- o Reimbursement of lodging facility taxes collected from in-state lodging expenditures made by state agencies. For fiscal year 2016 this reimbursement totaled \$0.1 million.



The remaining proceeds, after the set disbursements are made, are allocated as follows:

- o 64.9% distributed to the Department of Commerce for tourism and film promotion;
- o 22.5% distributed to regional nonprofit tourism corporations as defined in 15-65-101(6), MCA;
- o 6.5% distributed to the Department of Fish, Wildlife, and Parks for the maintenance of facilities in state parks that have both resident and nonresident use;
- o 2.6% distributed to the Montana Historical Society for costs associated with historical interpretation and the Robert Scriver collection;
- o 2.5% distributed to the University System for the establishment and maintenance of a Montana travel research program;
- o 1.0% distributed to the Montana Historical Society for the installation or maintenance of roadside historical signs and historical sites.