

Montana Legislative Fiscal Division Revenue Source Profile

Updated through June 2014

Tobacco Tax

Revenue Description

The tobacco tax is an excise tax on tobacco products sold in Montana. Cigarettes are not subject to the tobacco tax. The tax is considered a direct tax on retail consumers, but is collected by the wholesaler. Tobacco products shipped from Montana and destined for retail sale and consumption outside the state are not subject to the tax.

The state has tobacco revenue sharing agreements with five tribes in Montana. In the agreements with the Blackfeet, Fort Belknap, Fort Peck, Chippewa Cree, and Crow tribes, the state collects the tax imposed by the tribes and distributes the revenue to the tribes on a quarterly basis. Indian consumers of tobacco on other reservations are exempt from paying the tobacco tax.

Statutory Reference

Tax Rate – [16-11-111\(7\), MCA](#)

Tax Distribution – [16-11-114\(2\), MCA](#); [16-11-119\(3\), MCA](#)

Date Due – [16-11-111\(8\), MCA](#)

Applicable Tax Rates

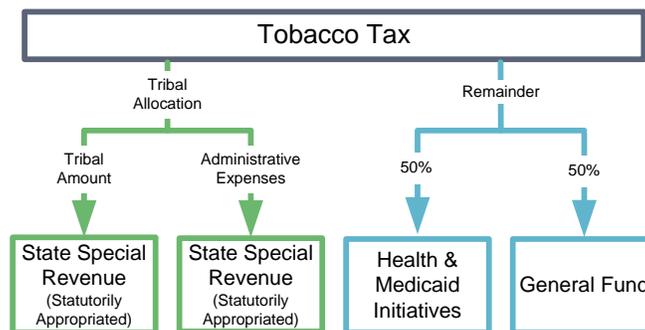
Tobacco products – 50% of the wholesale price

Moist snuff – \$0.85 per ounce

Collection Frequency: Monthly

Distribution

After amounts allocated for expenses and tribal distributions, the tax is distributed 50% to a state special revenue fund to be used of health and Medicaid initiatives and 50% to the general fund.



Montana Legislative Fiscal Division Revenue Source Profile

Updated through June 2014

Revenue History

