

## LODGING TAXES IN MONTANA

### LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting. (5-4-105, MCA; [Chapter 309, Laws of 2017](#)) The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The links below open to the introduced bill. The other information is available by selecting the Additional Bill Links hyperlink at the top of the bill and then the link “Status of this Bill.”

**Legislation can be complex and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.**

---

### Background Materials and Research

**Topic Summary:** The state collects two types of lodging taxes: a 3% selective sales and use tax on accommodations and campgrounds ([15-68-102](#), MCA) and a 4% lodging facility use tax ([Title 15, Chapter 65](#), MCA).

Revenue from the 3% sales tax is deposited into the state general fund ([15-68-820](#), MCA), while revenue from the 4% lodging facility use tax is dedicated to fund tourism and film promotion in the state. Section [15-65-121](#), MCA, establishes several set disbursements of the lodging facility use tax, including:

- \$400,000 to the Montana heritage preservation and development account, which is dedicated in part to support Virginia City and Nevada City as well as Reeder’s Alley in Helena;
- reimbursement of administrative costs of the Department of Revenue related to this program;
- reimbursement of lodging facility taxes collected from in-state lodging expenditures made by state agencies;
- 64.4% distributed to the Department of Commerce for tourism and film promotion;
- 22.5% distributed to regional nonprofit tourism corporations, with a portion also going to nonprofit convention and visitors bureaus;
- 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;
- 2.6% distributed to the Montana Historical Society for costs associated with historical interpretation and the Robert Sriver collection;
- 2.5% distributed to the University System for the establishment and maintenance of a Montana travel research program;
- 1.0% distributed to the Montana Historical Society for the installation or maintenance of roadside historical signs and historical sites; and

## LODGING TAXES IN MONTANA

- 0.5% for use by the State-Tribal Economic Development Commission for activities in the Indian tourism region.

### Legislative Services Division Materials:

None

### Other Materials:

[Montana Legislative Fiscal Division – Lodging Facility Taxes Brochure \(2016\)](#)

[Montana Legislative Fiscal Division – Fiscal Year 2015 Lodging Taxes by County \(May 2016\)](#)

[Montana Legislative Fiscal Division: Distribution to Regions and CVB's \(June 2016\)](#)

[Department of Revenue Biennial Report \(2014 – 2016\) – Other Taxes \(pages 141 and 148\)](#)

[Department of Revenue Lodging Tax Guide](#)

[Department of Revenue Lodging Facility Sales and Use Tax \(Form LFT\)](#)

[Legislative Audit Division – Performance Audit: Lodging Facility Use Tax \(June 1999\)](#)

## Introduced Legislation

### 2017 November Special Session

[SENATE BILL NO. 6](#) - (S) Died in Standing Committee -- AN ACT TEMPORARILY REVISING THE TAX RATE ON ACCOMMODATIONS AND RENTAL VEHICLES; AMENDING SECTIONS 7-14-112, 15-68-102, AND 15-68-820, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE.

### 2017 Regular Session

[HOUSE BILL NO. 341 \(prior to amendments\)](#) - (H) 2nd Reading Not Passed as Amended and Died in Process -- AN ACT REVISING THE REIMBURSEMENT RATE FOR MEALS FOR PUBLIC EMPLOYEES TO THE STANDARD FEDERAL RATE; CLARIFYING TO WHOM THE RATES APPLY; CLARIFYING LODGING AND FOREIGN TRAVEL RATES TO MATCH CURRENT POLICY; INCREASING THE ACCOMMODATIONS AND CAMPGROUNDS SALES AND USE TAXES TO OFFSET THE COST; AMENDING SECTIONS 2-18-501 AND 15-68-102, MCA; AND PROVIDING AN APPLICABILITY DATE.

[HOUSE BILL NO. 567](#) - (H) Died in Standing Committee -- AN ACT INCREASING THE SALES TAX ON ACCOMMODATIONS AND CAMPGROUNDS; ALLOCATING A PORTION OF THE SALES TAX ON ACCOMMODATIONS AND CAMPGROUNDS TO AQUATIC INVASIVE SPECIES; AND AMENDING SECTIONS 15-68-102 AND 15-68-820, MCA.

[HOUSE BILL NO. 660](#) - (S) 2nd Reading Passed Consideration and Died in Process -- AN ACT PROVIDING FUNDING FOR THE MONTANA HERITAGE CENTER; GRANTING AUTHORITY TO CONSTRUCT THE

## LODGING TAXES IN MONTANA

MONTANA HERITAGE CENTER; CREATING THE HISTORIC PRESERVATION COMPETITIVE GRANT PROGRAM; REVISING THE SALES TAX ON ACCOMMODATIONS AND CAMPGROUNDS; CREATING ACCOUNTS AND ALLOCATING A PORTION OF TAX PROCEEDS TO THEM; PROVIDING A STATUTORY APPROPRIATION; PROVIDING RULEMAKING AUTHORITY RELATED TO THE HISTORIC PRESERVATION COMPETITIVE GRANT PROGRAM; AMENDING SECTIONS 7-14-112, 15-68-102, 15-68-820, AND 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE.

[SENATE BILL NO. 75](#) - (S) Tabled in Committee -- AN ACT ESTABLISHING A MONTANA TRADE CENTER IN CALGARY, ALBERTA, CANADA; REVISING DISTRIBUTION OF THE LODGING FACILITY TAX PROCEEDS TO INCLUDE FUNDING FOR A TRADE CENTER IN PART BY LIMITING FUNDING FOR FILM PROMOTION; AMENDING SECTION 15-65-121, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE.

[SENATE BILL NO. 150](#) - (H) Tabled in Committee -- AN ACT REVISING THE LODGING FACILITY USE TAX AND THE ACCOMMODATIONS SALES TAX; PROVIDING FOR A LISTING OF LODGING FACILITIES THAT ARE IN COMPLIANCE WITH COLLECTION AND REPORTING OBLIGATIONS; REVISING THE DEFINITION OF "FACILITY" AND "ACCOMMODATIONS"; PROVIDING THAT THE LODGING FACILITY USE TAX MUST BE PAID ON A FACILITY RENTED BY OR ON BEHALF OF THE OWNER; AMENDING SECTIONS 15-65-101 AND 15-68-101, MCA; AND PROVIDING AN APPLICABILITY DATE.

[SENATE BILL NO. 251](#) - (H) Tabled in Committee -- AN ACT GENERALLY REVISING LAWS RELATED TO SHORT-TERM RENTAL FACILITIES; CLARIFYING THE TERM "FACILITY" INCLUDES SHORT-TERM RENTAL FACILITIES FOR PURPOSES OF THE LODGING TAX; CLARIFYING WHAT CONSTITUTES TRANSIENT OCCUPANCY UNDER THE EXCLUSIONS TO THE LANDLORD TENANT ACT; AMENDING SECTIONS 15-65-101 AND 70-24-104, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

[SENATE BILL NO. 309](#) - Chapter Number Assigned -- AN ACT GENERALLY REVISING ECONOMIC DEVELOPMENT LAWS RELATED TO INDIAN COUNTRY ECONOMIC DEVELOPMENT, THE TOURISM ADVISORY COUNCIL, AND STATE-TRIBAL ECONOMIC DEVELOPMENT COMMISSION; ADDING ANOTHER INDIAN MEMBER TO THE TOURISM ADVISORY COUNCIL; DEFINING ADDITIONAL DUTIES AND ACCOUNTS OF THE STATE-TRIBAL ECONOMIC DEVELOPMENT COMMISSION; AMENDING SECTIONS 2-15-1816, 15-65-101, 15-65-121, 90-1-132, AND 90-1-135, MCA; AND PROVIDING AN EFFECTIVE DATE.

[SENATE BILL NO. 355](#) - (S) 2nd Reading Indefinitely Postponed and Died in Process -- AN ACT REVISING THE DISTRIBUTION OF LODGING FACILITY USE TAX PROCEEDS TO NONPROFIT CONVENTION AND VISITORS BUREAUS; INCLUDING HIGH SCHOOL DISTRICTS AS A UNIT OF GOVERNMENT FOR WHICH PROCEEDS THAT EXCEED A CERTAIN THRESHOLD MUST BE DISTRIBUTED TO A NONPROFIT CONVENTION AND VISITORS BUREAU; PROVIDING FOR A FEE FOR USE BY THE COUNTY TO PROVIDE NOTICE OF THE NONPROFIT CONVENTION AND VISITORS BUREAU; AND AMENDING SECTIONS 15-65-101, 15-65-121, AND 15-65-122, MCA.

[SENATE BILL NO. 373](#) - (S) Committee Vote Failed and Died in Standing Committee -- AN ACT REVISING SELECTIVE SALES AND USE TAXES; REVISING DEFINITIONS UNDER THE LODGING FACILITY USE TAX AND CHANGING THE BASIS OF THE AMOUNT TAXED FROM THE AMOUNT COLLECTED BY THE

## LODGING TAXES IN MONTANA

FACILITY TO THE AMOUNT PAID BY THE USER OF ACCOMMODATIONS; REVISING THE DISTRIBUTION OF THE TAX PROCEEDS; AMENDING SECTIONS 15-65-101, 15-65-111, 15-65-112, 15-65-113, 15-65-114, 15-65-115, 15-65-121, 15-68-401, AND 76-8-103, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

[SENATE BILL NO. 376](#) - (H) Died in Standing Committee -- AN ACT PROVIDING FUNDING FOR THE MONTANA HERITAGE CENTER; GRANTING AUTHORITY TO CONSTRUCT THE MONTANA HERITAGE CENTER OR ENTER INTO A LEASE WITH OPTION TO PURCHASE THE MONTANA HERITAGE CENTER; CREATING THE HISTORIC PRESERVATION COMPETITIVE GRANT PROGRAM; REVISING THE SALES TAX ON ACCOMMODATIONS AND CAMPGROUNDS; CREATING ACCOUNTS AND ALLOCATING A PORTION OF TAX PROCEEDS TO THEM; PROVIDING RULEMAKING AUTHORITY RELATED TO THE HISTORIC PRESERVATION COMPETITIVE GRANT PROGRAM; AMENDING SECTIONS 2-17-101, 7-14-112, 15-68-102, 15-68-820, AND 18-3-101, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE.

### 2015

[HOUSE BILL NO. 151](#) - (H) Tabled in Committee -- AN ACT EXEMPTING HUNTERS FROM CERTAIN TAXES ON TEMPORARY LODGING; PROVIDING RULEMAKING AUTHORITY; AND PROVIDING AN EFFECTIVE DATE.

[SENATE BILL NO. 244](#) - (H) 2nd Reading Not Concurred as Amended -- AN ACT ESTABLISHING A MONTANA TRADE CENTER IN CALGARY, ALBERTA, CANADA; REVISING DISTRIBUTION OF THE LODGING FACILITY TAX PROCEEDS TO INCLUDE FUNDING FOR A TRADE CENTER; AMENDING SECTION 15-65-121, MCA; AND PROVIDING AN EFFECTIVE DATE.

[SENATE BILL NO. 392](#) - (S) 3rd Reading Failed and Missed Deadline for Revenue Bill Transmittal -- AN ACT REVISING THE LODGING FACILITY USE TAX AND THE ACCOMMODATIONS SALES TAX; REQUIRING A PUBLIC PROVIDING FOR A LISTING OF LODGING FACILITIES THAT ARE IN COMPLIANCE WITH COLLECTION AND REPORTING OBLIGATIONS; PROVIDING THAT TOWNHOMES AND VACATION HOMES ARE REQUIRED TO WITHHOLD AND REMIT TAXES; AMENDING SECTIONS 15-65-101 AND 15-68-101, MCA; AND PROVIDING AN APPLICABILITY DATE.

### 2013

[HOUSE BILL NO. 32](#) - Chapter Number Assigned -- AN ACT REQUIRING THAT THE PORTION OF THE LODGING FACILITY USE TAX PAID WITH FEDERAL FUNDS BY STATE AGENCIES BE PAID BACK TO THE AGENCY THAT MADE THE IN-STATE LODGING EXPENDITURE; AND AMENDING SECTIONS 15-65-121 AND 15-65-131, MCA.

[SENATE BILL NO. 385](#) -(S) Tabled in Committee -- AN ACT REDUCING SALES AND USE TAX RATES AND REDIRECTING PROCEEDS TO FUND TOURISM PROMOTION; PROVIDING THAT REVENUE COLLECTED IS REDIRECTED FROM THE STATE GENERAL FUND TO A STATE SPECIAL REVENUE FUND TO BE USED BY THE DEPARTMENT OF COMMERCE FOR TOURISM PROMOTION; EXPANDING RULEMAKING AUTHORITY; AMENDING SECTIONS 15-65-122, 15-68-102, AND 15-68-820, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

**2011**

[HOUSE BILL NO. 111](#) - Chapter Number Assigned -- AN ACT IMPROVING STATE TAX ADMINISTRATION BY PROVIDING THAT 30% OF THE LODGING FACILITY USE TAX ATTRIBUTABLE TO EXPENDITURES BY STATE AGENCIES FOR IN-STATE LODGING BE DEPOSITED IN THE STATE GENERAL FUND; ELIMINATING THE REIMBURSEMENT OF LODGING FACILITY USE TAXES PAID FROM OTHER STATE FUNDS TO THE STATE GENERAL FUND; AMENDING SECTIONS 15-65-121 AND 15-65-131, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

[HOUSE BILL NO. 477](#) - Chapter Number Assigned -- AN ACT ESTABLISHING A STATE SPECIAL REVENUE ACCOUNT FOR THE MONTANA HISTORICAL SOCIETY FOR COSTS ASSOCIATED WITH HISTORICAL INTERPRETATION AND THE ROBERT SCRIVER COLLECTION; PROVIDING AN ALLOCATION TO THE ACCOUNT FROM THE LODGING FACILITY USE TAX; DECREASING AN ALLOCATION TO THE DEPARTMENT OF COMMERCE FROM THE LODGING FACILITY USE TAX; AMENDING SECTION 15-65-121, MCA; AND PROVIDING AN EFFECTIVE DATE.

**2009**

[HOUSE BILL NO. 199](#) - (H) Tabled in Committee -- AN ACT INCREASING THE AMOUNT OF LODGING FACILITY USE TAX ALLOCATED TO THE MONTANA HERITAGE PRESERVATION AND DEVELOPMENT ACCOUNT; AMENDING SECTION 15-65-121, MCA; AND PROVIDING AN EFFECTIVE DATE.

[HOUSE BILL NO. 438](#) - (H) Tabled in Committee and Died in Standing Committee -- AN ACT PROVIDING FOR A VOLUNTARY GREEN LODGING FACILITY DESIGNATION PROGRAM AND USE OF THE LODGING FACILITY TAX FOR IMPLEMENTATION; EXPANDING RESPONSIBILITIES OF THE TOURISM ADVISORY COUNCIL AND THE DEPARTMENT OF COMMERCE REGARDING THE GREEN LODGING FACILITY DESIGNATION PROGRAM; AMENDING SECTIONS 2-15-1816, 15-65-121, AND 90-1-105, MCA; AND PROVIDING AN EFFECTIVE DATE.

[SENATE BILL NO. 190](#) - (S) Tabled in Committee -- AN ACT INCREASING THE LODGING FACILITY USE TAX; PROVIDING FOR THE USE OF THE INCREASED TAX FOR HERITAGE AND HISTORIC PRESERVATION GRANTS AND FOR TOURISM PROMOTION; GRANTING RULEMAKING AUTHORITY; AMENDING SECTIONS 15-65-111 AND 15-65-121, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

[SENATE BILL NO. 309](#) - (S) Tabled in Committee -- AN ACT REVISING THE STATUTORY REIMBURSEMENT RATE FOR LODGING FOR STATE EMPLOYEES AND CERTAIN OTHERS ENGAGED IN STATE BUSINESS; PROVIDING FOR INCREASED REIMBURSEMENT FOR NONRECEIPTABLE LODGING AND MEALS FOR STATE EMPLOYEES AND CERTAIN OTHERS ENGAGED IN STATE BUSINESS; REVISING THE DEFINITION OF "FACILITY" IN THE CONTEXT OF THE LODGING FACILITY USE TAX AND "ACCOMMODATIONS" IN THE CONTEXT OF THE SALES TAX ON LODGING ACCOMMODATIONS TO OFFSET THE REVENUE COLLECTION AND DISTRIBUTION EFFECTS THAT WOULD OTHERWISE RESULT FROM THE REVISED REIMBURSEMENT RATES FOR LODGING; AMENDING SECTIONS 2-18-501, 15-65-101, AND 15-68-101, MCA; AND PROVIDING AN EFFECTIVE DATE.