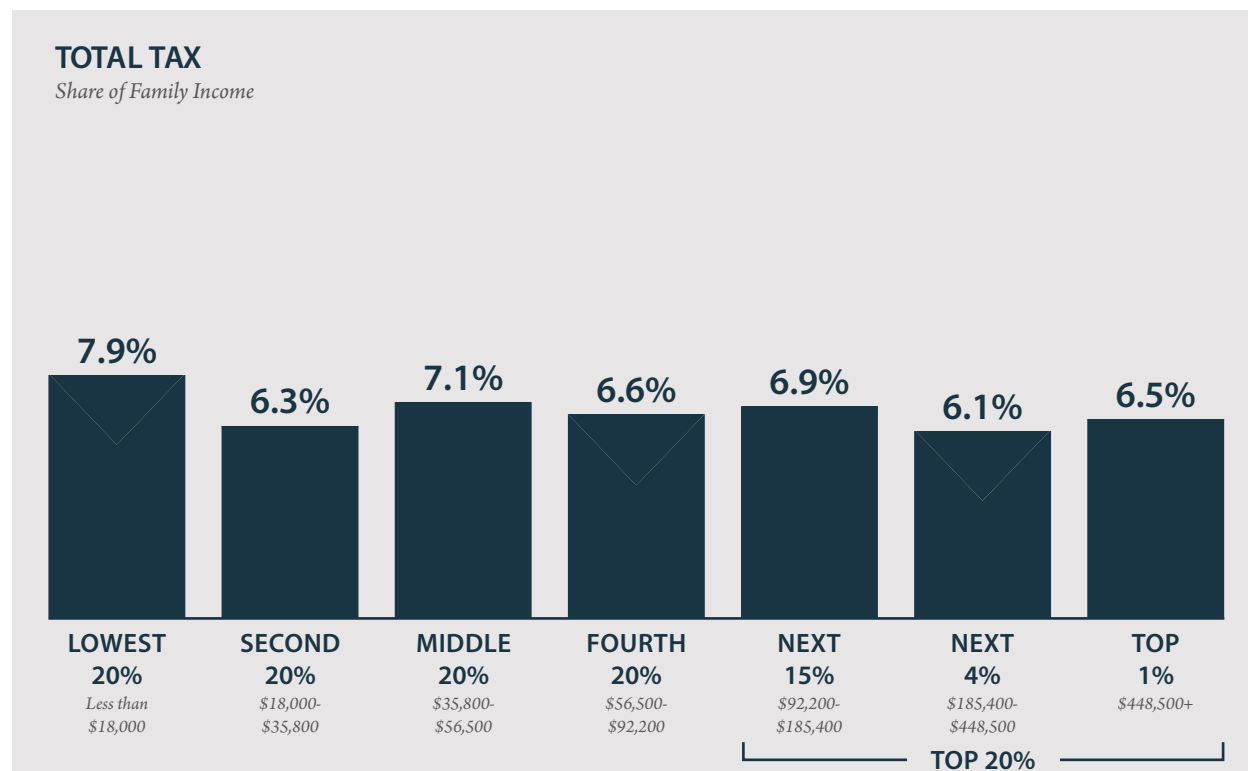


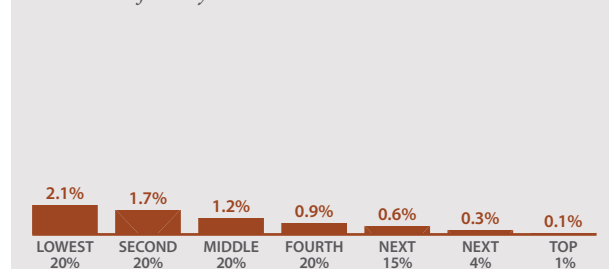
# MONTANA

## STATE AND LOCAL TAX SHARES OF FAMILY INCOME for non-elderly taxpayers



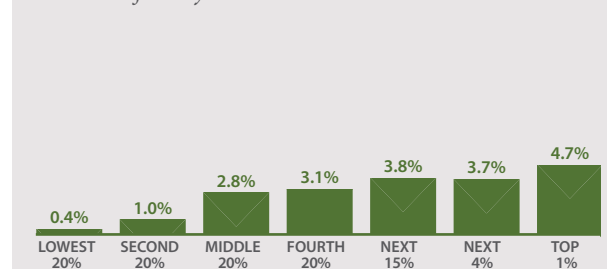
### SALES & EXCISE TAX

*Share of Family Income*



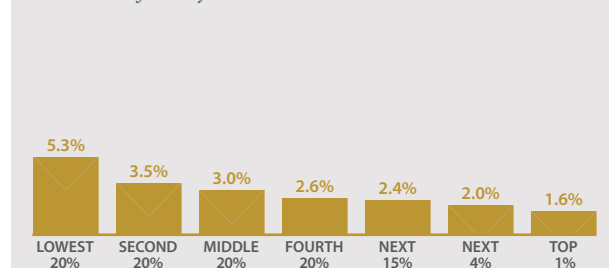
### PERSONAL INCOME TAX

*Share of Family Income*



### PROPERTY TAX

*Share of Family Income*







### NOTE:

Figures show permanent law in Montana enacted through September 10, 2018 at 2015 income levels. Top figure represents total state and local taxes as a share of income. The 6th edition of Who Pays does not include the impact of the federal deduction for state and local taxes (SALT) because policy changes in the 2017 federal Tax Cuts and Jobs Act temporarily limited the extent to which the SALT deduction functions as a generalized offset of state and local taxes.

# MONTANA State and Local Taxes (cont.)

## TOTAL TAX

Share of Family Income

INCOME GROUP	TOP 20%						
	LOWEST 20%	SECOND 20%	MIDDLE 20%	FOURTH 20%	NEXT 15%	NEXT 4%	TOP 1%
INCOME RANGE	Less than \$18,000	\$18,000 to \$35,800	\$35,800 to \$56,500	\$56,500 to \$92,200	\$92,200 to \$185,400	\$185,400 to \$448,500	over \$448,500
AVERAGE INCOME IN GROUP	\$9,700	\$26,800	\$42,800	\$73,600	\$123,200	\$261,900	\$1,126,400
 <b>SALES &amp; EXCISE TAXES</b>	<b>2.1%</b>	<b>1.7%</b>	<b>1.2%</b>	<b>0.9%</b>	<b>0.6%</b>	<b>0.3%</b>	<b>0.1%</b>
General Sales—Individuals	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Sales & Excise—Ind.	1.7%	1.4%	0.9%	0.7%	0.4%	0.2%	0.1%
Sales & Excise on Business	0.4%	0.3%	0.3%	0.2%	0.1%	0.1%	0.0%
 <b>PROPERTY TAXES</b>	<b>5.3%</b>	<b>3.5%</b>	<b>3.0%</b>	<b>2.6%</b>	<b>2.4%</b>	<b>2.0%</b>	<b>1.6%</b>
Home, Rent, Car—Individuals	4.6%	2.9%	2.5%	2.1%	1.9%	1.2%	0.4%
Other Property Taxes	0.7%	0.6%	0.6%	0.5%	0.5%	0.8%	1.2%
 <b>INCOME TAXES</b>	<b>0.5%</b>	<b>1.0%</b>	<b>2.8%</b>	<b>3.1%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>4.8%</b>
Personal Income Tax	0.4%	1.0%	2.8%	3.1%	3.8%	3.7%	4.7%
Corporate Income Tax	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%
 <b>TOTAL TAXES</b>	<b>7.9%</b>	<b>6.3%</b>	<b>7.1%</b>	<b>6.6%</b>	<b>6.9%</b>	<b>6.1%</b>	<b>6.5%</b>

Individual figures may not sum to totals due to rounding.

## ITEP TAX INEQUALITY INDEX

According to ITEP's Tax Inequality Index, **Montana's state and local tax system does not worsen income inequality and ranks 43rd on the index.** The large income gap between lower- and middle-income taxpayers, as compared to the wealthy, is somewhat narrower after state and local taxes than before. (See Appendix B for state-by-state rankings and the methodology for additional detail.)

## TAX FEATURES DRIVING THE DATA IN MONTANA



### PROGRESSIVE TAX CODE FEATURES

- Graduated personal income tax structure
- No statewide sales tax
- Provides a refundable Earned Income Tax Credit (EITC)
- Provides a refundable property tax "circuit breaker" credit via the personal income tax
- Requires the use of combined reporting for the corporate income tax



### REGRESSIVE TAX CODE FEATURES

- Comparatively low EITC
- Provides an income tax deduction for federal income taxes paid
- Provides an income tax credit based on capital gains income
- Does not levy a tax on estates or inheritances