

Tax Rates

Current tax rate: 3%
Last rate change: 2003
Adjusted rate: 4%

Potential Consumer Impact

Tax increase on a \$90/night hotel room: \$0.90/night

Other States Comparison

Statistics	State Lodging & Sales Tax Rate	Max Local Lodging Tax Rate	Max Local Sales Tax Rate	Max State & Local Lodging & Sales Tax
All States Average Tax	6.3%	6.2%	2.5%	14.6%
All States Median Tax	6.0%	6.0%	2.0%	14.5%
Maximum Tax	15.0%	16.0%	8.3%	27.0%
Montana Tax	7.0%	0.0%	3.0%	10.0%
Montana Tax if Adjusted	8.0%	0.0%	3.0%	11.0%
Montana Rank	12	42	17	45
Montana Rank if Adjusted	10	42	17	43

Potential Fiscal Impact

Revenue Impact if Adjustment is Implemented January 1, 2018 (\$ Millions)					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Fund					
Inflation Adjusted	\$21.780	\$27.785	\$33.567	\$34.967	\$36.340
Current Law	21.780	23.816	25.175	26.226	27.255
Total Impact	-	\$3.969	\$8.392	\$8.742	\$9.085

Statutory Reference

Tax Rate – [15-68-102, MCA](#)

Tax Distribution – [15-68-820, MCA](#)

Date Due – Last day of the month following the calendar quarter ([15-68-502\(1\), MCA](#)).

Tax Rates

Current tax rate: 4%
Last rate change: 2004
Adjusted rate: 5%

Potential Consumer Impact

Tax increase on a \$35/day economy car: \$0.35/day

Other States Comparison

Statistics	Sales Tax Rates on Rental Cars
All States Average Tax	5.2%
All States Median Tax	6.0%
Maximum Tax	7.3%
Montana Tax	4.0%
Montana Tax if Adjusted	5.0%
Montana Rank	40
Montana Rank if Adjusted	33

Potential Fiscal Impact

Revenue Impact if Adjustment is Implemented January 1, 2018 (\$ Millions)					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Fund					
Inflation Adjusted	\$3.402	\$3.700	\$4.235	\$4.588	\$4.789
Current Law	<u>3.402</u>	<u>3.288</u>	<u>3.388</u>	<u>3.671</u>	<u>3.831</u>
GF Impact	-	0.411	0.847	0.918	0.958
State Special Revenue					
Inflation Adjusted	1.134	1.539	2.137	2.123	2.110
Current Law	<u>1.134</u>	<u>1.096</u>	<u>1.129</u>	<u>1.224</u>	<u>1.277</u>
SSR Impact	-	0.443	1.008	0.899	0.833
Total Impact		\$0.854	\$1.855	\$1.817	\$1.790

Statutory Reference

Tax Rate – [15-68-102\(1b\), MCA](#)

Tax Distribution – [15-68-820, MCA](#)

Date Due – Before the last day of the month following the calendar quarter ([15-68-502\(1\), MCA](#))

Tax Rates

Current tax rate: \$1.70/pack

Last rate change: 2006

Adjusted rate: \$2.20/pack

Potential Consumer Impact

Tax increase per pack: \$0.50

Other States Comparison

Statistics	Cigarette Tax	Total Cigarette
	Only \$/Pack	& Sales Tax on \$6 pack
All States Average Tax	\$1.67	\$2.00
All States Median Tax	\$1.57	\$1.78
Maximum Tax	\$4.35	\$4.59
Montana Tax	\$1.70	\$1.70
Montana Tax if Adjusted	\$2.20	\$2.20
Montana Rank	21	24
Montana Rank if Adjusted	13	19

Potential Fiscal Impact

Revenue Impact if Inflation Adjustment is Implemented January 1, 2018 (\$ Millions)					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Fund					
Inflation Adjusted	\$30.558	\$34.118	\$37.601	\$37.380	\$37.202
Current Law	<u>30.558</u>	<u>30.386</u>	<u>30.187</u>	<u>30.010</u>	<u>29.867</u>
GF Impact	-	3.731	7.414	7.370	7.335
State Special Revenue					
Inflation Adjusted	41.314	45.984	50.636	50.300	50.026
Current Law	<u>41.314</u>	<u>40.955</u>	<u>40.653</u>	<u>40.383</u>	<u>40.162</u>
SSR Impact	-	5.029	9.984	9.918	9.863
Total Impact		\$8.760	\$17.397	\$17.288	\$17.198

Assumes demand elasticity of -45%

Statutory Reference

Tax Rate – [16-11-111, MCA](#); Tax Distribution – [16-11-119, MCA](#); Date Due – Within 30 days after purchase of the insignia ([16-11-117, MCA](#))

Tax Rates

Current tax rate: \$1.70/pack

Last rate change: 2006

Adjusted rate: \$2.70/pack

Potential Consumer Impact

Tax increase per pack: \$1.00

Other States Comparison

Statistics	Cigarette Tax Total Cigarette	
	Only \$/Pack	& Sales Tax on \$6 pack
All States Average Tax	\$1.67	\$2.01
All States Median Tax	\$1.57	\$1.78
Maximum Tax	\$4.35	\$4.59
Montana Tax	\$1.70	\$1.70
Montana Tax if Adjusted	\$2.70	\$2.70
Montana Rank	21	24
Montana Rank if Adjusted	10	13

Potential Fiscal Impact

Revenue Impact if Inflation Adjustment is Implemented January 1, 2018 (\$ Millions)					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Fund					
Inflation Adjusted	\$30.558	\$37.514	\$44.349	\$44.088	\$43.879
Current Law	30.558	30.386	30.187	30.010	29.867
GF Impact	-	7.127	14.161	14.078	14.011
State Special Revenue					
Inflation Adjusted	41.314	50.562	59.723	59.327	59.003
Current Law	41.314	40.955	40.653	40.383	40.162
SSR Impact	-	9.606	19.071	18.944	18.841
Total Impact		\$16.734	\$33.232	\$33.022	\$32.852

Assumes demand elasticity of -45%

Statutory Reference

Tax Rate – [16-11-111, MCA](#); Tax Distribution – [16-11-119, MCA](#); Date Due – Within 30 days after purchase of the insignia ([16-11-117, MCA](#))

Tax Rates

Current tax rate: \$1.70/pack
 Last rate change: 2006
 Adjusted rate: \$3.20/pack

Potential Consumer Impact

Tax increase per pack: \$1.50

Other States Comparison

Statistics	Cigarette Tax Total Cigarette	
	Only \$/Pack	& Sales Tax on \$6 pack
All States Average Tax	\$1.67	\$2.02
All States Median Tax	\$1.57	\$1.78
Maximum Tax	\$4.35	\$4.59
Montana Tax	\$1.70	\$1.70
Montana Tax if Adjusted	\$3.20	\$3.20
Montana Rank	21	24
Montana Rank if Adjusted	5	10

Potential Fiscal Impact

Revenue Impact if Inflation Adjustment is Implemented January 1, 2018 (\$ Millions)					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Fund					
Inflation Adjusted	\$30.558	\$40.575	\$50.431	\$50.134	\$49.896
Current Law	30.558	30.386	30.187	30.010	29.867
GF Impact	-	10.188	20.243	20.124	20.029
State Special Revenue					
Inflation Adjusted	41.314	54.687	67.914	67.463	67.095
Current Law	41.314	40.955	40.653	40.383	40.162
SSR Impact	-	13.732	27.261	27.080	26.932
Total Impact		\$23.920	\$47.504	\$47.204	\$46.961

Assumes demand elasticity of -45%

Statutory Reference

Tax Rate – [16-11-111, MCA](#); Tax Distribution – [16-11-119, MCA](#); Date Due – Within 30 days after purchase of the insignia ([16-11-117, MCA](#))

Tax Rates

Current tax rate: \$0.85/oz.
 Last rate change: 2006
 Adjusted rate: \$1.35/oz;

Potential Consumer Impact

Tax increase per can of chewing tobacco: \$0.60

Other States Comparison

The tax rates associated with non-cigarette tobacco products vary across states. Most states tax based on the wholesale price, while some states—including Montana—place a different tax rate on chewing tobacco. The combined effective tobacco tax rate in the adjacent table assumes the national average share of 60% of other tobacco product spending is on chewing tobacco. The total tobacco and sales tax calculation assumes an average wholesale price of \$2 for a can of chew.

Statistics	Snuff Tax Only \$/oz	Comb. Eff. Tobacco Tax Rate	Total Tobacco & Sales Tax \$2 Whsl Tin
All States Average Tax	\$1.06	42%	\$1.19
All States Median Tax	\$0.80	33%	\$0.96
Maximum Tax	\$2.57	129%	\$3.63
Montana Tax	\$0.85	51%	\$1.02
Montana Tax if Adjusted	\$1.35	69%	\$1.62
Montana Rank	9/18	15	20
Montana Rank if Adjusted	7/18	13	15

Potential Fiscal Impact

Revenue Impact if Inflation Adjustment is Implemented January 1, 2018					
(\$ Millions)					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Fund					
Inflation Adjusted	\$6.247	\$7.916	\$9.336	\$9.463	\$9.580
Current Law	6.247	6.638	6.742	6.833	6.918
GF Impact	-	1.277	2.594	2.630	2.662
State Special Revenue					
Inflation Adjusted	7.022	8.789	10.398	10.536	10.661
Current Law	7.022	7.370	7.509	7.608	7.698
SSR Impact	-	1.418	2.889	2.928	2.963
Total Impact		\$2.695	\$5.484	\$5.557	\$5.625

Assumes demand elasticity of -45%

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](#)

Tax Rates

Current tax rate: \$0.85/oz.
 Last rate change: 2006
 Adjusted rate: \$1.85/oz;

Potential Consumer Impact

Tax increase per can of chewing tobacco: \$1.20

Other States Comparison

The tax rates associated with non-cigarette tobacco products vary across states. Most states tax based on the wholesale price, while some states—including Montana—place a different tax rate on chewing tobacco. The combined effective tobacco tax rate in the adjacent table assumes the national average share of 60% of other tobacco product spending is on chewing tobacco. The total tobacco and sales tax calculation assumes an average wholesale price of \$2 for a can of chew.

Statistics	Snuff Tax Only \$/oz	Comb. Eff. Tobacco Tax Rate	Total Tobacco & Sales Tax \$2 Whsl Tin
All States Average Tax	\$1.06	42%	\$1.19
All States Median Tax	\$0.80	33%	\$0.96
Maximum Tax	\$2.57	129%	\$3.63
Montana Tax	\$0.85	51%	\$1.02
Montana Tax if Adjusted	\$1.85	87%	\$2.22
Montana Rank	9/18	15	20
Montana Rank if Adjusted	5/18	7	7

Potential Fiscal Impact

Revenue Impact if Inflation Adjustment is Implemented January 1, 2018 (\$ Millions)					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Fund					
Inflation Adjusted	\$6.247	\$8.982	\$11.502	\$11.658	\$11.803
Current Law	6.247	6.638	6.742	6.833	6.918
GF Impact	-	2.344	4.760	4.825	4.885
State Special Revenue					
Inflation Adjusted	7.022	9.973	12.811	12.980	13.134
Current Law	7.022	7.370	7.509	7.608	7.698
SSR Impact	-	2.602	5.302	5.372	5.436
Total Impact		\$4.946	\$10.062	\$10.197	\$10.321

Assumes demand elasticity of -45%

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](#)

Tax Rates

Current tax rate: \$0.85/oz.
Last rate change: 2006
Adjusted rate: \$2.35/oz;

Potential Consumer Impact

Tax increase per can of chewing tobacco: \$1.80

Other States Comparison

The tax rates associated with non-cigarette tobacco products vary across states. Most states tax based on the wholesale price, while some states—including Montana—place a different tax rate on chewing tobacco. The combined effective tobacco tax rate in the adjacent table assumes the national average share of 60% of other tobacco product spending is on chewing tobacco. The total tobacco and sales tax calculation assumes an average wholesale price of \$2 for a can of chew.

Statistics	Snuff Tax Only \$/oz	Comb. Eff. Tobacco Tax Rate	Total Tobacco & Sales Tax \$2 Whsl Tin
All States Average Tax	\$1.06	42%	\$1.19
All States Median Tax	\$0.80	33%	\$0.96
Maximum Tax	\$2.57	129%	\$3.63
Montana Tax	\$0.85	51%	\$1.02
Montana Tax if Adjusted	\$2.35	105%	\$2.82
Montana Rank	9/18	15	20
Montana Rank if Adjusted	8/18	3	4

Potential Fiscal Impact

Revenue Impact if Inflation Adjustment is Implemented January 1, 2018					
(\$ Millions)					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Fund					
Inflation Adjusted	\$6.247	\$9.838	\$13.240	\$13.419	\$13.586
Current Law	6.247	6.638	6.742	6.833	6.918
GF Impact	-	3.199	6.498	6.586	6.668
State Special Revenue					
Inflation Adjusted	7.022	10.923	14.746	14.941	15.119
Current Law	7.022	7.370	7.509	7.608	7.698
SSR Impact	-	3.552	7.237	7.333	7.420
Total Impact		\$6.751	\$13.736	\$13.920	\$14.088

Assumes demand elasticity of -45%

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](#)