

# 2025-2026 INTERIM WORK PLAN



Revenue Interim Committee  
Prepared by Megan Moore  
Adopted September 2025

# INTRODUCTION

The work plan provides an outline of what the Revenue Interim Committee will work on throughout the interim and how much time will be allocated to each subject. This document provides guidance to the committee, staff, and the public over the next 15 months and serves as a blueprint for the interim.

## COMMITTEE PROCEDURES AND PUBLIC PARTICIPATION

The Revenue Interim Committee (RIC) will operate under the Rules, Procedures, and Guidelines for Interim Committees adopted by the Legislative Council. As required by law, 10-day advance public notice will be given for all meetings and the public will be given an opportunity to comment on any matter that is within the jurisdiction of the committee. The presiding officer may establish time limits for public comments, if necessary. Interested persons may be added to the mailing list by visiting the RIC website. Agendas, memos, links, and other information can be found on the RIC website: <https://committees.legmt.gov/#/nonStandingCommittees/26>.

## MEMBERS AND STAFF

| Committee Members           | Phone        | Email  |
|-----------------------------|--------------|--|
| Rep. Larry Brewster         | 406-670-0929 | <a href="mailto:larry.brewster@legmt.gov">larry.brewster@legmt.gov</a> |
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| Sen. Dave Fern              | 406-212-0674 | <a href="mailto:dave.fern@legmt.gov">dave.fern@legmt.gov</a>           |
| Sen. Greg Hertz             | 406-253-9505 | <a href="mailto:greg.hertz@legmt.gov">greg.hertz@legmt.gov</a>         |
| Sen. Mike Yakawich          | 406-647-6391 | <a href="mailto:mike.yakawich@legmt.gov">mike.yakawich@legmt.gov</a>   |
| Committee Staff             | Phone        | Email  |
| Megan Moore, Lead Staff     | 406-444-4496 | <a href="mailto:megan.moore@legmt.gov">megan.moore@legmt.gov</a>       |
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## HOW THE COMMITTEE PLANS ITS WORK

During the legislative interim, RIC typically focuses on assigned study topics, oversight of programs and rulemaking activities of the Department of Revenue and the Montana Tax Appeal Board, tax credit review, and revenue

estimating and monitoring. The committee may also address issues of interest to committee members within the committee's assigned areas of taxation and revenue estimating and monitoring.

The Legislative Council assigned one study to the committee: the [Senate Joint Resolution No. 8](#) study of property tax special districts. There also may be time for topics of interest to committee members.

The committee establishes its work plan at the beginning of the interim. The primary constraint limiting the work plan for the interim is the number of issues that can be effectively addressed within the available time and resources of the committee members and its staff.

This 2025-2026 Draft Interim Work Plan is a decision-making tool to help committee members work together efficiently to set priorities and decide how and where to spend the RIC's limited time and resources. The work plan sets out a strategy for fulfilling the committee responsibilities throughout the 2025-2026 interim. Once the RIC adopts the work plan, it will become a blueprint for the interim.

Staff will develop detailed work plans and timetables for each major study. The [Draft RIC Work Plan Decision Matrix](#), a separate document, is a way to look at topic options side by side and allocate staff time according to member priorities. The matrix includes estimates for total staff time available to the committee, but keep in mind that many topics also require meeting time for updates, panel presentations, and committee discussion.

## STATUTORY DUTIES & OBLIGATIONS

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### OVERVIEW OF STATUTORY DUTIES

The Revenue Interim Committee has statutory responsibilities required of all interim committees in 5-5-215, MCA, and additional duties required by the committee's enacting statute, 5-5-227, MCA. The committee is required to:

1. **Conduct interim studies** as assigned. The committee may recommend to the Legislative Council that a study be assigned to another committee or not be conducted.
2. **Review administrative rules** of the Department of Revenue (DOR) and the Montana Tax Appeal Board (MTAB).
3. **Review the statutorily established advisory councils and required reports** of assigned agencies to make recommendations to the next legislature on retention or elimination of any advisory council or required reports *if requested by a member of the interim committee*
4. **Review legislation** proposed by DOR and MTAB and decide whether to request the legislation on behalf of the agencies.
5. **Review proposed statewide initiatives** within the interim committee's subject area.
6. **Complete additional statutory duties** including:
  - a. prepare a **revenue estimate** by December 1 for introduction during each regular session of the Legislature in which a revenue bill is under consideration.
  - b. **review income tax credits** as provided in [15-30-2303](#); and
  - c. make a recommendation to the next legislature about **whether to revise property tax rates** based on the report provided in [15-7-111](#).

7. **Monitor the operation of DOR and MTAB** with specific attention to the following:
  - a. identification of issues likely to require future legislative attention;
  - b. opportunities to improve existing law through the analysis of problems; and
  - c. the experiences of Montana's citizens with the agencies and whether these experiences may be amenable to improvement through legislative action.
8. **Prepare bills and resolutions** that, in the committee's opinion, the welfare of the state may require for presentation to the next regular session. An interim committee may by vote request five bill drafts on a partisan basis and an unlimited number of bill drafts on a bipartisan basis.
9. **Compile, analyze, and furnish information** bearing upon the committee's assignment and relevant to existing or prospective legislation that the committee determines to be pertinent to the adequate completion of its work.

## GENERAL DUTIES FOR ALL INTERIM COMMITTEES

Section 5-5-215, MCA, outlines general duties of all interim committees.

### **5-5-215. Duties of interim committees.** (1) Each interim committee shall:

- (a) review administrative rules within its jurisdiction;
  - (b) subject to 5-5-217(3), conduct interim studies as assigned;
  - (c) monitor the operation of assigned executive branch agencies with specific attention to the following:
    - (i) identification of issues likely to require future legislative attention;
    - (ii) opportunities to improve existing law through the analysis of problems experienced with the application of the law by an agency; and
    - (iii) experiences of the state's citizens with the operation of an agency that may be amenable to improvement through legislative action;
  - (d) review, if requested by any member of the interim committee, the statutorily established advisory councils and required reports of assigned agencies to make recommendations to the next legislature on retention or elimination of any advisory council or required reports pursuant to 5-11-210;
  - (e) review proposed legislation of assigned agencies or entities as provided in the joint legislative rules;
  - (f) accumulate, compile, analyze, and furnish information bearing upon its assignment and relevant to existing or prospective legislation as it determines, on its own initiative, to be pertinent to the adequate completion of its work; and
  - (g) review proposed statewide initiatives as defined in 13-27-110 within the interim committee's subject area and vote to either support or not support the placement of the text of the proposed statewide initiative on the ballot in accordance with 13-27-228.
- (2) Each interim committee shall prepare bills and resolutions that, in its opinion, the welfare of the state may require for presentation to the next regular session of the legislature. An interim committee may by vote request five bill drafts on a partisan basis and an unlimited number of bill drafts on a bipartisan basis.
- (3) The legislative services division shall keep accurate records of the activities and proceedings of each interim committee.
- (4) As used in this section:

- (a) "bipartisan basis" means a vote in which members from more than one party vote to request a bill draft; and
- (b) "partisan basis" means a vote in which members from only the majority party vote to request a bill draft.

## REVENUE INTERIM COMMITTEE DUTIES

Section 5-5-227, MCA, provides specifically for the Revenue Interim Committee's powers and duties.

### **5-5-227. Revenue interim committee — powers and duties — revenue estimating and use of estimates. (1)**

The revenue interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the Montana tax appeal board established in 2-15-1015 and for the department of revenue and the entities attached to the department for administrative purposes, except the divisions of the department that administer the Montana Alcoholic Beverage Code and the Montana Marijuana Regulation and Taxation Act.

(2) (a) The committee must have prepared by December 1 for introduction during each regular session of the legislature in which a revenue bill is under consideration an estimate of the amount of revenue projected to be available for legislative appropriation.

(b) The committee may prepare for introduction during a special session of the legislature in which a revenue bill or an appropriation bill is under consideration an estimate of the amount of projected revenue. The revenue estimate is considered a subject specified in the call of a special session under 5-3-101.

(3) The committee's estimate, as introduced in the legislature, constitutes the legislature's current revenue estimate until amended or until final adoption of the estimate by both houses. It is intended that the legislature's estimates and the assumptions underlying the estimates will be used by all agencies with responsibilities for estimating revenue or costs, including the preparation of fiscal notes.

(4) The legislative services division shall provide staff assistance to the committee. The committee may request the assistance of the staffs of the office of the legislative fiscal analyst, the legislative auditor, the department of revenue, and any other agency that has information regarding any of the tax or revenue bases of the state.

(5) The committee shall review tax credits as provided in 15-30-2303.

(6) The committee shall make a recommendation to the next legislature about whether to revise property tax rates based on the report provided in 15-7-111. The committee may evaluate the impact of the tax rates on property taxes, the maximum levy authorized under 15-10-420, and levies voted pursuant to 15-10-425.

## ADMINISTRATIVE RULE REVIEW

The committee has administrative rule review responsibility for the Department of Revenue, except for rules affecting liquor and marijuana, and the Montana Tax Appeal Board.

The staff attorney will review administrative rules throughout the interim and provide the committee information about proposed and adopted rules, identifying any areas of concern.

## REVIEW PROPOSED STATEWIDE INITIATIVES

The statutory requirement for interim committee review of ballot initiatives is being litigated at the Montana Supreme Court. Staff will update the committee when litigation is completed and if the committee has any duties in this area while the case is pending. (Case: [\*Ellingson v. State\*](#), Montana Supreme Court No. DA 25-0142 (Filed Feb. 18, 2025).)

## REVENUE ESTIMATING AND MONITORING

The RIC is required to prepare a revenue estimate for introduction during each regular legislative session. The committee generally adopts the revenue estimate the November prior to the regular legislative session.

In preparation for the revenue estimate, the committee monitors revenue throughout the interim. The Legislative Fiscal Division provides the committee with a revenue update at each meeting.

- The committee may also prepare a revenue estimate for a special session in which a revenue bill or an appropriation bill is under consideration.

## TAX CREDIT REVIEW

Section [15-30-2303](#), MCA, requires the Revenue Interim Committee to review and make recommendations about individual income and corporate income tax credits.

The following credits are scheduled for review this interim:

- the residential property tax credit for the elderly provided for in [15-30-2337 through 15-30-2341](#);
- the credit for unlocking state lands provided for in [15-30-2380](#);
- the job growth incentive tax credit provided for in [15-30-2361](#) and [15-31-175](#); and
- the credit for trades education and training provided for in [15-30-2359](#) and [15-31-174](#).

## RECOMMENDATION ON WHETHER TO REVISE PROPERTY TAX RATES

A new duty of the revenue interim, based on the enactment of [Senate Bill No. 237](#), is to make a recommendation to the next legislature on whether to revise property tax rates for the upcoming reappraisal cycle.

The committee is required to make a recommendation after receiving the Department of Revenue report required in [15-7-111](#) on tax rates for the upcoming reappraisal cycle that will result in taxable value neutrality for each property class. The committee may evaluate the impact of the tax rates on property taxes, the maximum levy authorized under [15-10-420](#), and levies voted pursuant to [15-10-425](#).

- The committee may wish to work with DOR before Nov. 2026 to determine how the enactment of graduated property tax rates for residential and commercial property under [House Bill No. 231](#) and [Senate Bill No. 542](#) (2025) will impact this report.

## REQUIRED REPORTS

The committee receives required reports from the Department of Revenue and other state agencies.

### REQUIRED REPORTS FROM THE DEPARTMENT OF REVENUE

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#### DEPARTMENT OF REVENUE ANNUAL PERFORMANCE REPORT, [2-12-105](#), MCA

Annual performance report measuring outcomes and outputs with respect to performance measures included in annual plan required by [2-12-104](#), MCA. (This report is required annually by Oct. 1, but the committee will have completed regular interim work before the even-numbered year reports are due.)

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#### CONTRIBUTIONS TO A QUALIFIED ENDOWMENT, [15-1-230](#), MCA

Biennial report on the number and type of taxpayers claiming the credit for contributions to a qualified endowment under [15-30-2328](#), MCA, the total amount of the credit claimed, the total amount of the credit recaptured, and DOR's cost associated with administering the credit.

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#### PERIODIC REVIEW OF EXEMPT PROPERTY, [SECTION 1 OF HOUSE BILL NO. 29](#)

Biennial report on exempt property reviewed during the interim, including the number and types of properties reviewed, the number of exemptions granted and denied, and the estimated market value and taxable value of exemptions granted and denied.

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#### TAXABLE VALUE NEUTRAL PROPERTY TAX RATES, [15-7-111](#), MCA

Report in the second year of each reappraisal cycle on the tax rates for the upcoming reappraisal cycle that will result in taxable value neutrality for each property class. [Senate Bill No. 237](#) (2025) amends [5-5-227](#), to require RIC to make a recommendation to the next legislature about whether to revise property tax rates based on this report.

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#### GROW MONTANA JOBS TAX CREDIT, [15-30-2361](#), MCA

Report on approvals granted and credit certificates issued, including the credits claimed, the names of the qualifying employers of the credits, and the amount of tax credits claimed. Terminates Dec. 31, 2028.

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#### LIST OF STUDENT SCHOLARSHIP ORGANIZATIONS, [15-30-3112](#), MCA

List of student scholarship organizations receiving contributions from businesses and individuals granted tax credits under [15-30-3111](#), MCA. Terminates Dec. 31, 2029.

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#### FOREST LANDS TAXATION ADVISORY COMMITTEE, [15-44-103](#), MCA

Biennial report on activities of Forest Lands Taxation Advisory Committee.

### REQUIRED REPORTS FROM OTHER STATE AGENCIES

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#### ECONOMIC IMPACT OF MEDIA ACT CREDITS, [15-31-1011](#), MCA

The Department of Commerce must contract with a research organization to provide a report no later than 6 months before each legislative session on film tax credits. The report must include: the impact of the credits, the

dollar amount of credits issued, the number of net new jobs created, the amount of compensation paid, and the economic impact of the film industry in the state.

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#### RECEIPTS LESS THAN REVENUE ESTIMATE PROJECTION, [17-7-140\(4\)](#), MCA

The Office of Budget and Program Planning is required to report upon determination of the budget director that an amount of actual or projected receipts will result in an amount less than the amount projected to be received in the revenue estimate.

## WORK PLAN TOPICS NOT STATUTORILY REQUIRED

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### SENATE JOINT RESOLUTION NO. 8: STUDY OF PROPERTY TAX SPECIAL DISTRICTS

**Legislative Poll Ranking:** 23 of 36

**Background:** [Senate Joint Resolution No. 8](#) (SJ 8) was a [recommendation](#) from the Governor's Property Tax Task Force, which met in 2024.

Special districts are units of local government that perform a single or limited number of functions. Property within a special district is subject to a tax or fee, depending on the type of district. Some special districts levy mills on a property's taxable value, while others levy a fee based on property characteristics.

SJ 8 requests a study of special districts to:

- categorize the different types of special districts;
- understand how special district funding varies and whether special districts are subject to 15-10-420;
- improve available data about special districts, such as their purpose, geographic area, governing entity, funding mechanism, revenue, and spending;
- consider whether there should be limits on special districts; and
- review whether current reporting requirements for special districts are sufficient.

The committee selected Option A from the decision matrix (see p. 14).

### OPTIONAL MEMBER AND STAFF TOPICS

Member and staff topic allocations are included in the decision matrix on p. 14. The topics selected by the committee include:

- Studying property classification and considering a uniform property tax rate
- Monitoring the implementation of [SB 542/HB 231](#)
- Gathering data on voted property tax levies
- Reviewing the property taxation of utilities, telecommunications businesses, and refineries
- Monitoring the Growth and Opportunity Trust ([HB 924](#))
- Expanding the sales tax model
- Reviewing income and property tax benefits for veterans
- Monitoring federal tax laws changes for state impacts
- Receiving updates from the [School Funding Interim Commission](#) that relate to taxation
- Receiving updates on relevant work of the [Modernization and Risk Analysis Committee](#).



# PROPOSED MEETING SCHEDULE

The proposed meeting schedule includes an organizational meeting, seven regular meetings, a tentative joint meeting with the Legislative finance Committee to discuss federal tax legislation, and a meeting to adopt the revenue estimate and make a recommendation on property tax rates in November 2026.

The committee should review the proposed dates, make changes as necessary, and adopt a meeting schedule.

| Proposed Meeting Dates   |   |
|--------------------------|---|
| July 11, 2025            | Organizational  |
| September 8, 2025        |   |
| Week of October 20, 2025 | Joint meeting with Legislative Finance Committee to analyze federal tax legislation impacts on state revenue. Meeting budgeted for in HB 2. |
| November 12-13, 2025     |   |
| January 5, 2026          |   |
| February 23-24, 2026     |   |
| May 28, 2026             |   |
| July 10, 2026            |   |
| August 24, 2026          | Complete regular interim work (wrap up studies, approve draft final reports)  |
| November 16, 2026        | Revenue estimate, property tax rates recommendation   |

# WORK PLAN TIMELINE

The work plan timeline beginning on the next page outlines a general schedule of agenda items for each statutory duty, assigned study, and committee-requested topic.

Each agenda will likely include agency monitoring, rule review, the SJ 8 special district study, tax credit review, and revenue estimating and monitoring.

Committee-requested studies will appear on each agenda. To balance staff workload, not all topics will appear on every agenda. Updates on the School Funding Interim Commission and the Modernization and Risk Analysis Committee do not appear in the timeline and will be scheduled when available.

| Meeting   | Topics  | Agenda Items   |
|---|---|--|
| <b>July 11, 2025</b><br>(Organizational)  | ➤ Organizational                                  | <ul style="list-style-type: none"> <li>• Elect officers</li> <li>• Review, revise, and adopt work plan</li> <li>• Adopt meeting dates</li> </ul> |
|   | ➤ Agency monitoring                               | <ul style="list-style-type: none"> <li>• DOR introductions</li> <li>• MTAB introductions</li> <li>• Administrative rule review</li> </ul>        |
|   | ➤ Revenue estimating & monitoring                 | <ul style="list-style-type: none"> <li>• FY 2025 General Fund Update</li> <li>• Federal tax legislation overview</li> </ul>                      |
| <b>September 2025</b>   | ➤ Organizational                                  | <ul style="list-style-type: none"> <li>• Adopt final work plan and meeting dates</li> </ul>  |
|   | ➤ Agency monitoring                               | <ul style="list-style-type: none"> <li>• DOR update</li> <li>• Administrative rule review</li> </ul>   |
|   | ➤ SJ 8 study                                      | <ul style="list-style-type: none"> <li>• Overview of special districts</li> <li>• Discussion of available and desired data</li> </ul>            |
|   | ➤ Voted levies                                    | <ul style="list-style-type: none"> <li>• Overview of voted levies</li> <li>• Discussion of available and desired data</li> </ul>                 |
|   | ➤ Property classification                         | <ul style="list-style-type: none"> <li>• Overview of taxes classes</li> <li>• Tax rate history</li> </ul>  |
|   | ➤ Implementation of SB 542/HB 231                 | <ul style="list-style-type: none"> <li>• DOR update on implementation</li> </ul>   |
|   | ➤ Growth and Opportunity Trust                    | <ul style="list-style-type: none"> <li>• Overview of HB 924</li> </ul>   |
|   | ➤ Tax credit review                               | <ul style="list-style-type: none"> <li>• Credit for unlocking public land</li> </ul>   |
|   | ➤ Revenue estimating & monitoring                 | <ul style="list-style-type: none"> <li>• Fiscal Year End report</li> <li>• H.R. 1 update and impact on balance sheet</li> </ul>                  |
| <b>October 2025</b><br>(Joint meeting with<br>Legislative Finance<br>Committee) | ➤ State revenue impacts of federal tax provisions | <ul style="list-style-type: none"> <li>• Analysis of impact of federal tax legislation on Montana revenue</li> </ul>                             |

| Meeting       | Topics   | Agenda Items   |
|---------------|--|--|
| November 2025 | ➤ Agency monitoring  | <ul style="list-style-type: none"> <li>• DOR and MTAB updates</li> <li>• Administrative rule review</li> </ul>   |
|               | ➤ Required reports   | <ul style="list-style-type: none"> <li>• DOR annual performance report</li> </ul>  |
|               | ➤ SJ 8   | <ul style="list-style-type: none"> <li>• Reporting requirements (DOA)</li> <li>• Data availability update</li> <li>• Stakeholder panel</li> </ul>  |
|               | ➤ Property classification                                  | <ul style="list-style-type: none"> <li>• State survey of property tax classification/rates</li> <li>• Discussion of desired rate modeling</li> </ul>   |
|               | ➤ Implementation of SB 542/HB 231                          | <ul style="list-style-type: none"> <li>• DOR update on implementation</li> <li>• Local government input on implementation following FY26 budgeting</li> <li>• Discuss home value language required for voted levies</li> </ul> |
|               | ➤ Property taxation of utilities, telecoms, and refineries | <ul style="list-style-type: none"> <li>• Overview of centrally assessed property valuation and taxation and how taxable value is divided among jurisdictions</li> </ul>  |
|               | ➤ Tax benefits for veterans                                | <ul style="list-style-type: none"> <li>• Overview of tax benefits for veterans</li> </ul>  |
|               | ➤ Sales tax model  | <ul style="list-style-type: none"> <li>• Overview of constitutional provisions related to sales tax</li> <li>• Presentation of LFD and DOR models</li> <li>• Discuss possible additions/changes to model</li> </ul>            |
|               | ➤ Revenue estimating & monitoring                          | <ul style="list-style-type: none"> <li>• Revenue update</li> </ul>   |
| January 2026  | ➤ Agency monitoring  | <ul style="list-style-type: none"> <li>• DOR update</li> <li>• Administrative rule review</li> </ul>   |
|               | ➤ SJ 8   | <ul style="list-style-type: none"> <li>• Special district financing methods</li> <li>• Discussion of funding limits</li> </ul>   |
|               | ➤ Voted levies   | <ul style="list-style-type: none"> <li>• Update on data collection</li> </ul>  |
|               | ➤ Property classification                                  | <ul style="list-style-type: none"> <li>• Review requested modeling and request stakeholder input</li> </ul>  |
|               | ➤ Implementation of SB 542/HB 231                          | <ul style="list-style-type: none"> <li>• DOR update</li> <li>• Discussion of mechanics of taxable value neutral report with class four tiered rates</li> </ul>   |
|               | ➤ Growth and Opportunity Trust                             | <ul style="list-style-type: none"> <li>• Review property tax assistance in HB 924 and consider whether alignment with SB 542/HB 231 is desired</li> </ul>  |
|               | ➤ Property taxation of utilities, telecoms, and refineries | <ul style="list-style-type: none"> <li>• Overview of property tax tracker</li> </ul>   |
|               | ➤ Tax credit review  | <ul style="list-style-type: none"> <li>• Credit for trades education and training</li> </ul>   |
|               | ➤ Revenue estimating & monitoring                          | <ul style="list-style-type: none"> <li>• Revenue update</li> </ul>   |

| Meeting       | Topics                            | Agenda Items  |
|---------------|-----------------------------------|---|
| February 2026 | ➤ Agency monitoring               | <ul style="list-style-type: none"> <li>• DOR and MTAB updates</li> <li>• Administrative rule review</li> </ul>  |
|               | ➤ Required reports                | <ul style="list-style-type: none"> <li>• List of student scholarship organizations (DOR)</li> <li>• Contributions to a qualified endowment (DOR)</li> </ul>         |
|               | ➤ SJ 8                            | <ul style="list-style-type: none"> <li>• Impact of funding limits on special districts</li> </ul>   |
|               | ➤ Voted levies                    | <ul style="list-style-type: none"> <li>• Review available data</li> <li>• Discuss SB 204</li> </ul>   |
|               | ➤ Property classification         | <ul style="list-style-type: none"> <li>• Discuss whether to recommend classification/rate changes</li> </ul>  |
|               | ➤ Implementation of SB 542/HB 231 | <ul style="list-style-type: none"> <li>• DOR update</li> <li>• Discuss any desired law changes</li> </ul>   |
|               | ➤ Tax benefits for veterans       | <ul style="list-style-type: none"> <li>• Make recommendations, request legislation</li> </ul>   |
|               | ➤ Tax credit review               | <ul style="list-style-type: none"> <li>• Follow up: Credit for trades education and training</li> <li>• Residential property tax credit for the elderly</li> </ul>  |
|               | ➤ Revenue estimating & monitoring | <ul style="list-style-type: none"> <li>• Revenue update</li> </ul>  |
| May 2026      | ➤ Agency monitoring               | <ul style="list-style-type: none"> <li>• DOR update</li> <li>• Administrative rule review</li> </ul>  |
|               | ➤ Required reports                | <ul style="list-style-type: none"> <li>• Grow Montana jobs tax credit (DOR)</li> <li>• Periodic review of exempt property (DOR)</li> </ul>                          |
|               | ➤ SJ 8                            | <ul style="list-style-type: none"> <li>• Consider reporting sufficiency/additional data of interest</li> <li>• Make recommendations, request legislation</li> </ul> |
|               | ➤ Voted levies                    | <ul style="list-style-type: none"> <li>• Make recommendations, request legislation</li> </ul>   |
|               | ➤ Property classification         | <ul style="list-style-type: none"> <li>• Make recommendations, request legislation</li> </ul>   |
|               | ➤ Implementation of SB 542/HB 231 | <ul style="list-style-type: none"> <li>• DOR update</li> </ul>  |
|               | ➤ Tax credit review               | <ul style="list-style-type: none"> <li>• Follow up: Residential property tax credit for the elderly</li> <li>• Grow Montana jobs tax credit</li> </ul>              |
|               | ➤ Revenue estimating & monitoring | <ul style="list-style-type: none"> <li>• Revenue update</li> </ul>  |

| Meeting   | Topics                            | Agenda Items   |
|---|-----------------------------------|--|
| <b>July 2026</b>  | ➤ Agency monitoring               | <ul style="list-style-type: none"> <li>• DOR &amp; MTAB updates</li> <li>• Agency bill draft requests</li> <li>• Administrative rule review</li> </ul>             |
|   | ➤ Required reports                | <ul style="list-style-type: none"> <li>• Economic impact of MEDIA Act credits (Commerce)</li> <li>• Forest Lands Taxation Advisory Committee (DOR)</li> </ul>      |
|   | ➤ SJ 8                            | <ul style="list-style-type: none"> <li>• Review draft recommendations, legislation</li> </ul>  |
|   | ➤ Growth and Opportunity Trust    | <ul style="list-style-type: none"> <li>• Update on property tax assistance account</li> </ul>  |
|   | ➤ All other study topics          | <ul style="list-style-type: none"> <li>• Review draft recommendations, legislation</li> <li>• Identify topics for which final reports are desired</li> </ul>       |
|   | ➤ Tax credit review               | <ul style="list-style-type: none"> <li>• Follow up: Grow Montana jobs tax credit</li> </ul>  |
|   | ➤ Revenue estimating & monitoring | <ul style="list-style-type: none"> <li>• 2029 Biennium Revenue Outlook</li> </ul>  |
| <b>August 2026</b>  | ➤ Agency monitoring               | <ul style="list-style-type: none"> <li>• DOR update</li> <li>• Administrative rule review</li> <li>• Review any legislation related to required reports</li> </ul> |
|   | ➤ SJ 8                            | <ul style="list-style-type: none"> <li>• Review draft final report</li> <li>• Finalize recommendations, draft legislation</li> </ul>                               |
|   | ➤ All study topics                | <ul style="list-style-type: none"> <li>• Review any draft final reports</li> <li>• Finalize recommendations, draft legislation</li> </ul>                          |
|   | ➤ Tax credit review               | <ul style="list-style-type: none"> <li>• Review draft final report</li> <li>• Finalize recommendations, draft legislation</li> </ul>                               |
|   | ➤ Revenue estimating & monitoring | <ul style="list-style-type: none"> <li>• Revenue update</li> </ul>   |
| <b>November 2026</b><br>(Revenue estimate and property tax rate recommendation) | ➤ Agency monitoring               | <ul style="list-style-type: none"> <li>• Administrative rule review</li> </ul>   |
|   | ➤ Required reports                | <ul style="list-style-type: none"> <li>• Tax rates that will result in taxable value neutrality (DOR)</li> <li>• Committee recommendation on tax rates</li> </ul>  |
|   | ➤ Revenue estimating & monitoring | <ul style="list-style-type: none"> <li>• 2027 Biennium Revenue Estimate and Comparison to Executive</li> </ul>   |

| 2025-2026 Revenue Interim Committee<br>Work Plan Decision Matrix – Adopted   |  |  |                     |
|--|--|--|---------------------|
| Statutory Duties   |  |  |                     |
| Topic  | Option A   | Option B   | Resources Allocated |
| Monitor Department of Revenue (DOR)  | <b>0.005 FTE</b> <ul style="list-style-type: none"> <li>Agency updates at each meeting on topics selected by agency, staff, and committee members</li> </ul>   |  | <b>0.005 FTE</b>    |
| Monitor Montana Tax Appeal Board (MTAB)  | <b>0.0025 FTE</b> <ul style="list-style-type: none"> <li>Agency updates at each meeting on topics selected by agency, staff, and committee members</li> </ul>  | <b>0.001 FTE</b> <ul style="list-style-type: none"> <li>Agency updates at <i>alternating meetings</i> on topics selected by agency, staff, and committee members</li> </ul>  | <b>0.001 FTE</b>    |
| Review administrative rules  | <b>0.05 FTE</b> <ul style="list-style-type: none"> <li>Option B</li> <li>Committee receives copies of rules from agencies for personal review</li> </ul>   | <b>0.04 FTE</b> <ul style="list-style-type: none"> <li>Legal staff provides RIC a brief written description of each proposed or adopted rule prior to each meeting with issues of concern noted</li> <li>Members to inform staff or Chair if they want more information</li> </ul> | <b>0.040 FTE</b>    |
| Review statutorily established advisory councils: <ul style="list-style-type: none"> <li>Multistate Tax Compact advisory council</li> <li>Agricultural Advisory Committee</li> <li>Forest Lands Taxation Advisory Committee</li> </ul> | <b>0.0025 FTE per advisory council</b> <ul style="list-style-type: none"> <li>Review advisory council and make recommendations on retention or elimination</li> </ul>  | <b>0 FTE*</b><br><i>*If no committee member requests review</i>  | <b>0 FTE</b>        |
| Review agency legislation  | <b>0.0025 FTE</b> <ul style="list-style-type: none"> <li>Committee reviews proposals from DOR and MTAB and decides if staff should draft legislation for pre-introduction</li> </ul>   |  | <b>0.0025 FTE</b>   |
| Revenue estimating and monitoring  | <b>0.0025 FTE</b> <ul style="list-style-type: none"> <li>Option B</li> <li>Receive presentations from economists and forecasters in August 2026 in preparation for November adoption of revenue estimate</li> </ul>  | <b>0.001 FTE</b> <ul style="list-style-type: none"> <li>Quarterly report or General Fund update, as appropriate</li> <li>2029 Biennium Revenue Outlook (summer 2026)</li> <li>2029 Biennium Revenue Estimate and Comparison to Executive (November 2026)</li> </ul>                | <b>0.001 FTE</b>    |
| <i>Review proposed ballot initiatives</i>  | <i>Committee may be required to hold additional committee meetings to review but issue is under litigation</i>   |  | <b>0 FTE</b>        |
| Department of Revenue required reports (see full list in draft work plan)  | <b>0.01 FTE (assuming 2 reports result in legislation)</b> <ul style="list-style-type: none"> <li>Review report</li> <li>Make recommendations about whether to keep receiving report</li> <li>Make recommendations about topic of report (based on content of report)</li> <li>Request legislation based on recommendations</li> </ul> | <b>0.0025 FTE (total for all DOR reports)</b> <ul style="list-style-type: none"> <li>Review report provided by Department of Revenue</li> </ul>  | <b>0.0025 FTE</b>   |
| Film Tax Credit report   | <b>0.005 FTE</b> <ul style="list-style-type: none"> <li>Option B</li> <li>Request legislation on agency or committee recommendations</li> </ul>  | <b>0.001 FTE</b> <ul style="list-style-type: none"> <li>Committee reviews report, receives agency recommendations, and decides whether to make additional committee recommendations</li> </ul>   | <b>0.001 FTE</b>    |
| Receipts Less Than Revenue Projections report  | <b>As needed/0.002 FTE</b> <ul style="list-style-type: none"> <li>Committee receives report of receipts less than projected revenue and, within 20 days, provides budget director with recommendations on amount of receipts</li> </ul>  |  | <b>0 FTE</b>        |

| 2025-2026 Revenue Interim Committee<br>Work Plan Decision Matrix – Adopted   |  |   |   |                     |                     |
|--|--|---|---|---------------------|---------------------|
| Topic  | Option A   |   | Option B  | Resources Allocated |                     |
| <b>Review tax credits:</b> <ul style="list-style-type: none"><li>Residential property tax credit for the elderly</li><li>Credit for unlocking state lands</li><li>Job growth incentive tax credit</li><li>Credit for trades education and training</li></ul>   | <b>0.075 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>For residential property tax credit for the elderly <u>only</u>: review other states for similar credits and compare to Montana</li></ul>  |   | <b>0.06 FTE</b> <ul style="list-style-type: none"><li>Overview of credit including legislative history, intended purpose</li><li>Analysis of who benefits from credit (incl. non-residents) and timing of costs and benefits</li><li>Analysis of whether credit changes taxpayer decisions (look to before credit existed)</li><li>Consider impacts of elimination of credit</li><li>Consider economic impact of credit</li><li>Staff report summarizing the credits reviewed and recommendations</li><li>Committee legislation to make recommended changes</li></ul> | <b>0.075 FTE</b>    |                     |
| Assigned Study: Senate Joint Resolution No. 8  |  |   |   |                     |                     |
| Option A<br>0.25 FTE   | Option B<br>0.15 FTE   |   | Option C<br>0.05 FTE  | Option D            | Resources Allocated |
| <ul style="list-style-type: none"><li>Option B</li><li>Consider impacts of limits on special districts and how they would affect mill-based and non-mill-based special districts</li><li>Identify additional special district data of interest and develop collection methods</li></ul> <b>Deliverables</b> <ul style="list-style-type: none"><li>New white papers on financing, reporting requirements, and data availability</li><li>Recommendation on data availability and reporting requirements</li><li>Analysis of impact of special district limits</li><li>Legislation</li><li>Final report</li></ul> | <ul style="list-style-type: none"><li>Option C</li><li>Categorize special district types by financing mechanism and whether they are subject to maximum mill levy calculation in 15-10-420</li><li>Review existing reports for availability and format of special district information</li><li>Consider sufficiency of reporting requirements</li></ul> <b>Deliverables</b> <ul style="list-style-type: none"><li>New white papers on financing, reporting requirements, and data availability</li><li>Recommendation on reporting requirements</li><li>Legislation</li><li>Final report</li></ul> |   | <ul style="list-style-type: none"><li>Review existing materials and data on special districts</li><li>Panel with special district representatives</li><li><u>Department of Administration</u> presentation on special district reporting*</li><li><u>Legislative Fiscal Division (LFD)</u> presentation on existing special district data*</li></ul> <b>Deliverables</b> <ul style="list-style-type: none"><li>Final report</li></ul>   | No action           | <b>0.25 FTE</b>     |
| Member-Suggested Topics  |  |   |   |                     |                     |
| Topic  | Source   | Option A  | Option B  | Option C            | Resources Allocated |
| Property Tax Topics  |  |   |   |                     |                     |
| Study classification system and consider uniform property tax rate   | Sen. Fern, Montana Taxpayers Association   | <b>0.10 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>Detailed overview of each class, including a tax rate history</li><li>State survey of property tax rates</li><li>Decide whether to recommend rate changes</li><li>Draft legislation</li></ul>                | <b>0.05 FTE</b> <ul style="list-style-type: none"><li>Request <u>LFD or DOR</u> modeling of options for uniform property tax rate and/or class consolidation*</li><li>Request stakeholder input on options</li></ul>  | <b>No action</b>    | <b>0.10 FTE</b>     |
| Study class four property appraisal  | Sen. Fern  | <b>0.05 FTE</b> <ul style="list-style-type: none"><li>Review legislative history of 2-year appraisal cycle (<u>SB 157</u> in 2015)</li><li>State survey of appraisal methods for residential and commercial property</li><li>Consider whether to revise appraisal methods</li></ul> | <b>0.001 FTE</b> <ul style="list-style-type: none"><li><u>DOR</u> overview of appraisal methods*</li><li>Review DOR report “Measuring the Qualify of Reappraisal”</li></ul>   | <b>No action</b>    |                     |



| 2025-2026 Revenue Interim Committee<br>Work Plan Decision Matrix – Adopted           |                           |  |   |                  |                     |
|--|---------------------------|--|---|------------------|---------------------|
| Topic  | Source                    | Option A   | Option B  | Option C         | Resources Allocated |
| Monitor implementation of SB 542/HB 231  | Rep. Brewster, Sen. Beard | <b>0.05 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>Monitor impact on state and local governments<ul style="list-style-type: none"><li>Home value language for voted levies</li></ul></li><li>Consider property tax revisions</li></ul> | <b>0.02 FTE</b> <ul style="list-style-type: none"><li>Overview of bills</li><li>DOR updates on administration of bills</li><li>Stakeholders and DOR to identify issues</li><li>Consider impact of graduated tax rates on DOR taxable value neutral report</li></ul> | <b>No action</b> | <b>0.05 FTE</b>     |
| Property taxation of utilities, telecoms, and refineries                             | Rep. Brewster             | <b>0.05 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>Analyze impact on utility ratepayers</li></ul>  | <b>0.03 FTE</b> <p>Overview of:</p> <ul style="list-style-type: none"><li>centrally assessed property valuation and taxation (<i>DOR</i>)*</li><li>how value is divided among taxing jurisdictions (<i>DOR</i>)*</li><li>property tax tracker</li></ul>             | <b>No action</b> | <b>0.03 FTE</b>     |
| Gather data on voted property tax levies ( <i>SB 204</i> )                           | Sen. Beard                | <b>0.12 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>Compile list of local voted levies</li></ul>  | <b>0.01 FTE</b> <ul style="list-style-type: none"><li>Overview of SB 204</li></ul>  | <b>No action</b> | <b>0.12 FTE</b>     |
| Revise voter approval of property tax levies and bonds ( <i>SB 205</i> )             | Sen. Beard                | <b>0.15 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>Analyze voted levy election results</li><li>Draft legislation</li></ul>   | <b>0.01 FTE</b> <ul style="list-style-type: none"><li>Overview of bill</li><li>Stakeholder panel</li></ul>  | <b>No action</b> |                     |
| Review pollution control equipment exemption and local tax abatements                | Sen. Fern                 | <b>0.05 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>Analyze impact of exemption and abatements</li></ul>  | <b>0.02 FTE</b> <ul style="list-style-type: none"><li>Overview of pollution control equipment exemption and local abatement laws</li><li><i>DEQ</i> presentation on qualifying for pollution control equipment exemption*</li></ul>                                 | <b>No action</b> |                     |
| Other Tax Topics   |                           |  |   |                  |                     |
| Expand sales tax model ( <i>Possible coordination with MARA</i> )                    | Sen. Fern                 | <b>0.10 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>Consider modeling of use of sales tax revenue</li><li>Work with <i>LFD</i> to implement model changes*</li><li>Discuss relevant constitutional provisions</li></ul>                 | <b>0.05 FTE</b> <ul style="list-style-type: none"><li>Detailed review of <i>LFD</i> dashboard and <i>DOR</i> model*</li><li>Consider how to present tax base options in model</li></ul>   | <b>No action</b> | <b>0.10 FTE</b>     |
| Monitor <i>HB 924</i> (Growth and Opportunity Trust)                                 | Sen. Fern                 | <b>0.05 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>Review state property tax assistance and align statutes with SB 542/HB 231 (if necessary)</li><li>Draft legislation</li></ul>   | <b>0.03 FTE</b> <ul style="list-style-type: none"><li>Overview of bill</li><li><i>LFD</i> to identify volatile revenue in revenue estimate</li><li>Monitor state property tax assistance account</li></ul>  | <b>No action</b> | <b>0.05 FTE</b>     |
| Updates from School Funding Interim Commission on school funding revenue discussions | Sen. Beard                | <b>0.03 FTE</b> <ul style="list-style-type: none"><li>Updates from SFIC staff or RIC staff and Sen. Beard</li></ul>  |   | <b>No action</b> | <b>0.03 FTE</b>     |
| Income Tax Topics  |                           |  |   |                  |                     |
| Review income and property tax benefits for veterans                                 | Rep. Brewster             | <b>0.05 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>Consider whether to revise benefits</li><li>Draft legislation</li></ul>   | <b>0.02 FTE</b> <ul style="list-style-type: none"><li>Review and document veteran tax benefits</li></ul>  | <b>No action</b> | <b>0.05 FTE</b>     |
|  |                           |  |   |                  |                     |



| 2025-2026 Revenue Interim Committee<br>Work Plan Decision Matrix – Adopted |                 |   |  |                  |                     |
|--|-----------------|---|--|------------------|---------------------|
|  |                 |   |  |                  |                     |
| Additional agenda items or educational topics                              |                 |   |  |                  |                     |
| Agenda Item  | Source          | Option A  | Option B   | Option C         | Resources Allocated |
| Monitor federal tax law changes for state impacts                          | Staff suggested | <b>0.05 FTE</b> <ul style="list-style-type: none"><li>Option B</li><li>Prepare legislation for special session, if desired</li></ul>  | <b>0.03 FTE</b> <ul style="list-style-type: none"><li>Track federal tax legislation and identify provisions that may impact Montana</li><li>Analyze revenue impact of federal tax provisions (<i>LFD and DOR</i>)*</li><li>Joint meeting with Legislative Finance Committee (October 2025)</li></ul> | <b>No action</b> | <b>0.03 FTE</b>     |
| Modernization and Risk Analysis Committee updates                          | Staff suggested | <b>0.03 FTE</b> <ul style="list-style-type: none"><li>Staff to attend/watch relevant portions of MARA meetings</li><li>Receive updates from MARA staff or RIC staff on MARA topics that relate to taxation</li><li>Receive updates from RIC presiding officers if they attend MARA meetings</li></ul> |  | <b>No action</b> | <b>0.03 FTE</b>     |
|  |                 |   |  |                  |                     |
|  |                 |   |  |                  |                     |
| <b>Total Resources Allocated</b>   |                 |   |  |                  | <b>0.97 FTE</b>     |
| <b>Total Resources Available</b>   |                 |   |  |                  | <b>1.00 FTE</b>     |

\*Request of agency other than Legislative Services

FTE available to RIC

|                                       |
|---------------------------------------|
| .01 FTE = 17 hours = 2 days           |
| .05 FTE = 86 hours = 11 days          |
| .10 FTE = 172 hours = 22 days         |
| .25 FTE = 430 hours = 52 days         |
| .50 FTE = 860 hours = 108 days        |
| .75 FTE = 1290 hours = 161 days       |
| 1 Interim FTE = 1720 hours = 215 days |