



Revenue Interim Committee

69th Montana Legislature

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December 30, 2025

TO: Revenue Interim Committee
FROM: Jaret Coles, Staff Attorney
RE: Committee Rule Review

Department of Revenue and Montana Tax Appeal Board notices can be found on the Secretary of State's website at <http://www.mtrules.org>. Click on the Montana Administrative Register icon to find all of the issues of the Montana Administrative Register.

Department of Revenue

Notice of Proposed Rules:

None.

Pending Proposals Since Last Meeting:

Amendment of Tobacco-Related Rules to Provide or Revise Definitions -- Tobacco Manufacturer Requirements and Department Processes. MAR 2025-86.1. A public hearing was held on November 3, 2025, and the public comment period ended November 10, 2025. The Department proposes to amend three rules. The proposal provides for multiple stylistic and organizational changes. Additionally, it provides for a definition of "characterizing nontobacco flavor", which supplements a statutory definition for "premium cigar". The impact is that cigars with flavors, including but not limited to grape, strawberry, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, mint, rosemary, coriander, menthol, herb, and spice do not qualify as premium cigars. Section 16-11-111(7), MCA, provides that the tax on a premium cigar is the lesser of 50% of the wholesale price or 35 cents a premium cigar.

Property Taxation -- Property Tax Relief Legislation -- House Bill No. 231 (2025) and Senate Bill No. 542 (2025). MAR 2025-430.1. A public hearing was held on December 1, 2025, and the public comment period ended December 8, 2025. The Department proposes to adopt four rules

to implement [House Bill No. 231 \(2025\)](#) and [Senate Bill 542 \(2025\)](#). The proposed rules provide for a definition section, describe the application process, and describe the reason why an owner would need to notify the department when there is a change in ownership or use. The new rules also provide numerous examples of how the effective tax rate is calculated when there is mixed use property or an exemption.

Notice of Adopted Rules:

Property Taxation – Updates of the 2026 Personal Property Depreciation Schedules and Trend Tables – House Bill No. 108 (2025). MAR 2025-443.1. Adopted December 19, 2025. A public hearing was held, no public comments were received, and the Department amended four rules as proposed. The amendments update the web-based Personal Property Depreciation Schedules and Trend Tables publication for 2026. The amendments also eliminated reference to a supplemental farm machinery manual for equipment valuation, which was eliminated by [House Bill No. 108 \(2025\)](#).

Montana Tax Appeal Board

Notice of Proposed Rules:

None.

Notice of Adopted Rules:

Adoption of Procedures for an Informal Review of Class Four Residential Property – Senate Bill No. 302 (2025). MAR 2025-365.1. Adopted December 5, 2025. A public hearing was held, no public comments were received, and the Montana Tax Appeal Board adopted one rule as proposed. The newly adopted rule pertains to a taxpayer election for an informal review of class four residential property appeals to implement [Senate Bill No. 302 \(2025\)](#), which specifically required the Board to adopt rules outlining the informal review procedures. The rule provides for the manner of making the election, it prohibits certain motions, it provides that all properly disclosed exhibits will be admitted in the record, and it provides that decisions issued through informal review are not considered binding precedent.