

SUMMARY OF ENACTED TAX LEGISLATION

REVENUE INTERIM COMMITTEE
MEGAN MOORE – JULY 2025

INTRODUCTION

This document is a summary of tax-related legislation enacted during the 2025 legislative session.¹ The first section of the summary is an overview of the outcome of bills requested by the Revenue Interim Committee. Enacted legislation is in the second section.

House bills are summarized first in ascending order, then Senate bills in ascending order. Each bill summary is headed by the bill number and chapter number, and the bill text is hyperlinked in the electronic version.

REVENUE INTERIM COMMITTEE-REQUESTED BILLS

The 2023-2024 Revenue Interim Committee requested 13 bills; nine became law and four failed to pass.

ENACTED COMMITTEE BILLS

1. [House Bill 16](#) (Ch. 93): Revising the infrastructure loan program and infrastructure use fee tax credit; removing eligibility for increasing wages or incomes of existing employees and employers; prohibiting the infrastructure use fee from being claimed as a tax credit and a deduction.
2. [House Bill 17](#) (Ch. 4): Revising the terms for members of the forest lands taxation advisory committee.
3. [House Bill 18](#) (Ch. 94): Providing for the deposit of revenue associated with school equalization levies in the school equalization and property tax reduction account.
4. [House Bill 19](#) (Ch. 5): Revising tax increment financing laws to require a public hearing before pledging tax increment to the payment of bonds that will extend the termination of a district that uses tax increment financing.
5. [House Bill 20](#) (Ch. 95): Requiring voted levies to be stated in dollars rather than mills; allowing voted levies other than school district levies to be subject to the calculation provisions of 15-10-420.
6. [House Bill 29](#) (Ch. 14) Revising laws related to the administration of property exemptions; requiring the Department of Revenue to establish a review process for exempt property; requiring the Department of Revenue to maintain public information about exempt property; establishing reporting requirements; and providing rulemaking authority.
7. [Senate Bill 1](#) (Ch. 55): Revising the statement of policy and the definition of blighted area for municipalities exercising urban renewal powers, including tax increment financing.
8. [Senate Bill 3](#) (Ch. 56): Requiring a district that uses tax increment financing to create an advisory committee.
9. [Senate Bill 5](#) (Ch. 168): Revising the compensation for county tax appeal board members.

¹ Fuel tax legislation is not included in this summary.

COMMITTEE BILLS THAT FAILED TO PASS

1. [House Bill 25](#): Requiring exempt entities to report beneficial use of property to the Department of Revenue; providing for a revised assessment when beneficial use is not properly reported.
2. [House Bill 27](#): Revising the eligibility for classification of property as agricultural for property valuation purposes; requiring an application process for agricultural property; providing for a review process for properties classified as agricultural property; revising income requirements for certain property to qualify as agricultural property; removing the nonqualified agricultural property classification; providing for an idle land property classification and tax rate; providing for a sustenance use land classification; providing for a nonproductive forest land classification and tax rate; requiring a realty transfer certificate to include the sales price for certain agricultural and timber property; providing rulemaking authority.
3. [Senate Bill 2](#): Providing that the release of incremental taxable value is not considered newly taxable property for the purpose of calculating local government levies.
4. [Senate Bill 4](#): Revising the taxation of a homesite on certain agricultural property; providing that a 1-acre homesite on agricultural land is valued at market value subject to an exemption.

ENACTED LEGISLATION

The enacted legislation is listed by the following categories: individual income tax and corporate income tax, miscellaneous taxes, property tax, and tax administration.

INDIVIDUAL INCOME TAX AND CORPORATE INCOME TAX

1. [House Bill 16](#) (Ch. 93): Revising the infrastructure loan program and infrastructure use fee tax credit; removing eligibility for increasing wages or incomes of existing employees and employers; prohibiting the infrastructure use fee from being claimed as a tax credit and a deduction.
2. [House Bill 129](#) (Ch. 638): Providing an income tax benefit for volunteer firefighters and volunteer emergency care providers; providing a deduction from taxable income; limiting the deduction to full-service volunteers; providing for an annual increase in the deduction by an inflation factor.
3. [House Bill 329](#) (Ch. 675): Encouraging the formation of ammunition component manufacturing businesses in montana; providing exemptions from property taxes, individual income taxes, corporate income taxes, and other business-related taxes to a manufacturer of ammunition components; providing exemptions from individual income taxes and corporate income taxes to an investor or lender that provides loans to a manufacturer of ammunition components.
4. [House Bill 337](#) (Ch. 227): Generally revising income taxes; revising brackets to lower income taxes; increasing the amount of montana taxable income before application of a higher rate of tax; reducing the highest income tax rate; increasing the earned income tax credit.
5. [House Bill 665](#) (Ch. 468): Providing that certain volunteer officers of a small nonprofit corporation are not individually liable for the failure of the small nonprofit corporation to withhold taxes and file certain statements; limiting the exemption from individual liability to 12 months.

6. [House Bill 671](#) (Ch. 339): Revising the Montana Achieving a Better Life Experience Act to include the same definition for the internal revenue code as the definition used in the montana individual income tax code.
7. [House Bill 845](#) (Ch. 734): Increasing the income tax deduction for contributions to a family education savings account; providing for inflationary increases.
8. [Senate Bill 53](#) (Ch. 545): Generally revising tax laws; revising income tax laws to implement changes from prior income tax simplification legislation; revising marital filing status references; providing for a deadline extension when a deadline falls on a recognized federal filing holiday; providing a reference to the internal revenue code for what is considered a qualified withdrawal from an education savings account; removing the requirement of providing a certificate from the Department of Revenue to the clerk of the court regarding the estate tax in a probate proceeding.
9. [Senate Bill 93](#) (Ch. 586): Revising state income taxation for military pensions, retirement, and survivor benefits; eliminating the statutory sunset of the exemption.
10. [Senate Bill 253](#) (Ch. 592): Generally revising laws related to student scholarship organizations; requiring a student scholarship organization to apply for certification from the Department of Revenue; establishing requirements for certification; ensuring a parent's right to select an education provider; increasing transparency and accountability requirements for student scholarship organizations; revising a definition; providing an appropriation.
11. [Senate Bill 326](#) (Ch. 598): Revising the montana economic development industry advancement act film tax credits; revising eligible productions and postproduction activity; providing an increased credit for hiring veterans and enrolled tribal members; extending the credits through 2045; allocating the credit to certain entities; providing that unused allocated credits may be claimed by other entities for a fee; designating the fee for film industry workforce training; providing rulemaking authority.
12. [Senate Bill 544](#) (Ch. 582): Revising individual income tax laws to provide for a transition adjustment for certain losses; allowing a taxpayer election to claim losses that were not provided for in 2021 income tax simplification legislation; providing rulemaking authority.

MISCELLANEOUS TAXES

1. [House Bill 162](#) (Ch. 425): Providing that a resort tax levy for infrastructure may be used for certain housing projects; revising the definition of infrastructure.
2. [House Bill 308](#) (Ch. 181): Extending the distribution of and statutory appropriation for metalliferous mines license tax collections to counties.
3. [Senate Bill 60](#) (Ch. 548): Revising laws relating to the payment of taxes by certain captive insurers; revising laws relating to the payment of taxes by special purpose insurers.
4. [Senate Bill 172](#) (Ch. 71): Revising resort tax laws; providing that the additional 1% resort tax may be used for workforce housing.
5. [Senate Bill 228](#) (Ch. 216) Revising laws related to public charging stations for electric vehicles; clarifying public charging station tax provisions; revising electric meter requirements; eliminating electric vehicle fee reduction.
6. [Senate Bill 333](#) (Ch. 599) Extending the sunset date of the coal severance tax coal washing credit; amending section 7, chapter 433, laws of 2009, and section 1, chapter 352, laws of 2015.

PROPERTY TAX

1. [House Bill 17](#) (Ch. 4): Revising the terms for members of the forest lands taxation advisory committee.
2. [House Bill 18](#) (Ch. 94): Providing for the deposit of revenue associated with school equalization levies in the school equalization and property tax reduction account.
3. [House Bill 19](#) (Ch. 5): Revising tax increment financing laws to require a public hearing before pledging tax increment to the payment of bonds that will extend the termination of a district that uses tax increment financing.
4. [House Bill 20](#) (Ch. 95): Requiring voted levies to be stated in dollars rather than mills; allowing voted levies other than school district levies to be subject to the calculation provisions of 15-10-420.
5. [House Bill 22](#) (Ch. 15): Aligning the home value amounts for school district property tax impact statements with others in statute.
6. [House Bill 29](#) (Ch. 14) Revising laws related to the administration of property exemptions; requiring the Department of Revenue to establish a review process for exempt property; requiring the Department of Revenue to maintain public information about exempt property; establishing reporting requirements; and providing rulemaking authority.
7. [House Bill 87](#) (Ch. 421): Revising property taxation procedures and county reimbursement for certain lands purchased by the Department of Fish, Wildlife, and Parks; providing that the lands are subject to assessment by the Department of Revenue in the same manner as a private citizen; maintaining existing exceptions.
8. [House Bill 89](#) (Ch. 103): Providing a deadline to file a claim for property tax relief based on a natural disaster.
9. [House Bill 90](#) (Ch. 42): Providing for the reappraisal of noncentrally assessed real property on a 2-year cycle.
10. [House Bill 108](#) (Ch. 83): Revising property tax valuation requirements for certain agricultural implements and machinery; eliminating the requirement that the Department of Revenue prepare a supplemental valuation manual when agricultural implements and machinery is not listed in an official guide.
11. [House Bill 140](#) (Ch. 640): Providing property tax assistance for first responders injured in the line of duty and surviving spouses of first responders killed in the line of duty; providing eligibility requirements; providing definitions; expanding rulemaking authority.
12. [House Bill 156](#) (Ch. 424): Generally revising school funding laws; enhancing school funding equalization by replacing the guaranteed-tax-base-aid-supported school district base levy with a guaranteed-tax-base-aid-supported countywide levy to support the base budgets of school districts; reducing required tuition payments to reflect the countywide levy; revising the use of various forms of non-levy revenue in relation to school district general fund budgets; replacing district guaranteed tax base aid with county guaranteed tax base aid in support of the new countywide levy; revising guaranteed tax base aid laws; revising the duties of trustees, district clerks, county superintendents, and county treasurers as related to the new countywide levy.
13. [House Bill 159](#) (Ch. 108): Revising rural improvement district laws; allowing for a district to be created for the maintenance of existing public improvements; allowing for a petition to create a district for the purpose of maintaining existing improvements; removing the requirement for a petition when all owners of property within the area of a proposed rural improvement district have waived their right to protest the creation of the district.

14. [House Bill 231](#) (Ch. 674): Generally revising property tax laws; providing for a property tax rebate on a principal residence based on a certain amount of property taxes paid for tax year 2024; temporarily reducing class four residential property tax rates; revising tax rates for certain class four residential and commercial property; providing a lower tax rate for certain owner-occupied residential property and long-term rentals; providing a lower tax rate for a portion of commercial property value; providing eligibility and application requirements; providing for an appeal process; providing for the adjustment of certain local government fixed mill levies; providing appropriations; providing definitions; providing rulemaking authority.
15. [House Bill 411](#) (Ch. 653): Exempting agricultural property from open space property tax levies.
16. [House Bill 424](#) (Ch. 678): Revising property included in class seventeen as data center property; extending the timeframe in which the data center property must be built; revising ownership requirements; providing that the school equalization mills must be paid on class seventeen property within a district that uses tax increment financing; providing requirements for the sale of power produced by a data center; providing a definition.
17. [House Bill 483](#) (Ch. 658): Generally revising school funding laws related to property taxes; requiring the office of public instruction and the Department of Revenue to collaborate and mitigate the impacts of reappraisal on school property taxes; providing that the state and county school equalization mills and vocational technical education mills are fixed amounts; providing that school levies are not subject to section 15-10-420, MCA; revising the property tax relief mechanisms within the school equalization and property tax reduction account; contingent on property tax legislation enacted, increasing guaranteed tax base multipliers for fiscal year 2026 to protect property taxpayers; contingent on property tax legislation enacted, lowering property taxes by increasing the on-schedule reimbursement rates for school transportation; revising the state-county share of on-schedule reimbursements for school transportation; revising definitions.
18. [House Bill 785](#) (Ch. 530): Revising laws related to consideration of manufactured homes as improvements to real property; providing an alternate process to be considered as improvements to real property for certain manufactured homes with missing identification tags.
19. [House Bill 846](#) (Ch. 735): Generally revising property taxation for certain local government subdivisions; providing for reconciliation payments between certain school districts when isolated pupils are involved; establishing a process for a school district to seek a reconciliation payment by petitioning the county superintendent and paying a processing fee; providing that the taxable value of territory transferred between school districts is split between the districts for a period of 3 years; providing for payments between districts following a territory transfer if a reconciliation payment was made previously; providing definitions.
20. [House Bill 920](#) (Ch. 755): Revising property taxes for senior care and housing; providing a temporary tax exemption for senior care and housing development projects; requiring approval by the governing body of a local government; providing for an extension of the tax exemption for certain property; providing for termination of the tax exemption for certain events; providing rulemaking authority; providing definitions.
21. [Senate Bill 1](#) (Ch. 55): Revising the statement of policy and the definition of blighted area for municipalities exercising urban renewal powers, including tax increment financing.

22. [Senate Bill 3](#) (Ch. 56): Requiring a district that uses tax increment financing to create an advisory committee.
23. [Senate Bill 117](#) (Ch. 554): Generally revising property taxes; revising governmental entity limits on property tax increases; increasing the rate of inflation limitation imposed on governmental entities for calculating property tax levies; providing that a portion of newly taxable property is subject to the mill levy limitation calculation; providing that a local government may create a large taxpayer reserve account.
24. [Senate Bill 237](#) (Ch. 562): Requiring the revenue interim committee to make a recommendation to the legislature about whether to revise property tax rates based on the taxable value neutrality report.
25. [Senate Bill 247](#) (Ch. 564): Classifying shooting ranges as class four property for the purposes of taxation; revising the tax rate for shooting ranges; providing a definition.
26. [Senate Bill 260](#) (Ch. 593): Providing for the alteration of district boundaries for inability to access public services; providing for petition, public hearing, and election procedures for altering hospital district boundaries; providing for the sharing of tax collections when hospital district boundaries are altered; providing for reconciliation payments between certain school districts when isolated pupils are involved; establishing a process for a school district to seek a reconciliation payment by petitioning the county superintendent and paying a processing fee; providing that the taxable value of territory transferred between school districts is split between the districts for a period of 3 years; providing for payments between districts following a territory transfer if a reconciliation payment was made previously; providing definitions.
27. [Senate Bill 289](#) (Ch. 384): Providing for county notification by the Department of Revenue for certain proposed property tax adjustments.
28. [Senate Bill 302](#) (Ch. 385): Revising tax appeal procedure laws; providing for informal review of residential property tax disputes at the Montana Tax Appeal Board; providing rulemaking authority.
29. [Senate Bill 306](#) (Ch. 210): Providing that a county treasurer may not sell a tax deed to residential property to a foreign entity; defining foreign entity and "domestic entity".
30. [Senate Bill 337](#) (Ch. 601): Revising property taxes for subdivision development projects; providing a temporary tax exemption for property that is part of a residential subdivision development project; providing for prepayment of property taxes that would have been collected if the subject property was not undergoing residential subdivision development; providing for termination of the exemption for certain events; providing rulemaking authority.
31. [Senate Bill 404](#) (Ch. 398): Requiring that certain building permits be sent to the Department of Revenue; requiring local governments and the Department of Labor and Industry to send the Department of Revenue copies of building permits in order to identify new construction; and providing a definition.
32. [Senate Bill 534](#) (Ch. 620): Revising property tax abatements for communication and internet property; exempting certain wireless infrastructure from property taxation.
33. [Senate Bill 542](#) (Ch. 767): Generally revising tax laws; providing for a property tax rebate on a principal residence based on a certain amount of property taxes paid for tax year 2024; reducing class three agricultural property tax rates; revising class four residential and commercial property tax rates; providing a lower tax rate for certain owner-occupied residential property and long-term rentals; providing a lower tax rate for a portion of commercial property value; providing eligibility and application requirements; providing

for an appeal process; providing a refund for failure to claim a homestead reduced tax rate; providing statutory appropriations; providing definitions; providing rulemaking authority.

34. [Senate Bill 550](#) (Ch. 623): Revising class five property to include certain telecommunications property.
35. [Senate Bill 560](#) (Ch. 627): Generally revising laws related to nonprofit hospital community benefits; establishing reporting requirements for community benefit expenses; assessing a fee if a nonprofit hospital's community benefit does not equal or exceed its potential property tax liability; creating a critical access health care special revenue account and funding program; providing definitions; providing rulemaking authority.

TAX ADMINISTRATION

1. [House Bill 91](#) (Ch. 80): Providing taxpayers with the option to receive electronic communications from the Department of Revenue; providing rulemaking authority.
2. [Senate Bill 5](#) (Ch. 168): Revising the compensation for county tax appeal board members.
3. [Senate Bill 54](#) (Ch. 11): Revising requirements for taxes paid by electronic funds transfer; providing rulemaking authority.
4. [Senate Bill 328](#) (Ch. 206): Revising the deadline for appeal of a county tax appeal board decision to the Montana Tax Appeal Board.

VETOED BILLS WITH OVERRIDE POLLING IN PROGRESS

Governor Gianforte vetoed the following bills and [veto override polls](#) are still in progress:

1. [House Bill 831](#): Revising the elderly homeowner and renter income tax credit; revising the definition of household income; increasing the maximum credit amount; revising the phaseout of the credit; providing an inflationary adjustment for the income at which the credit phases out.
2. [Senate Bill 424](#): Revising the disabled veteran property tax assistance program; providing assistance for disabled veterans who are rated 80% to 90% disabled.
3. [Senate Bill 537](#): Generally revising the distribution of marijuana tax revenue; establishing the habitat legacy account; establishing the big game and wildlife highway crossings and accommodation account; establishing the land and wildlife stewardship state special revenue account; establishing the wildlife habitat improvement project state special revenue account; providing an appropriation; providing funding for law enforcement use; providing for homeless shelter support in the healing and ending addiction through recovery and treatment account; providing definitions; revising wildlife habitat improvement projects requirements.