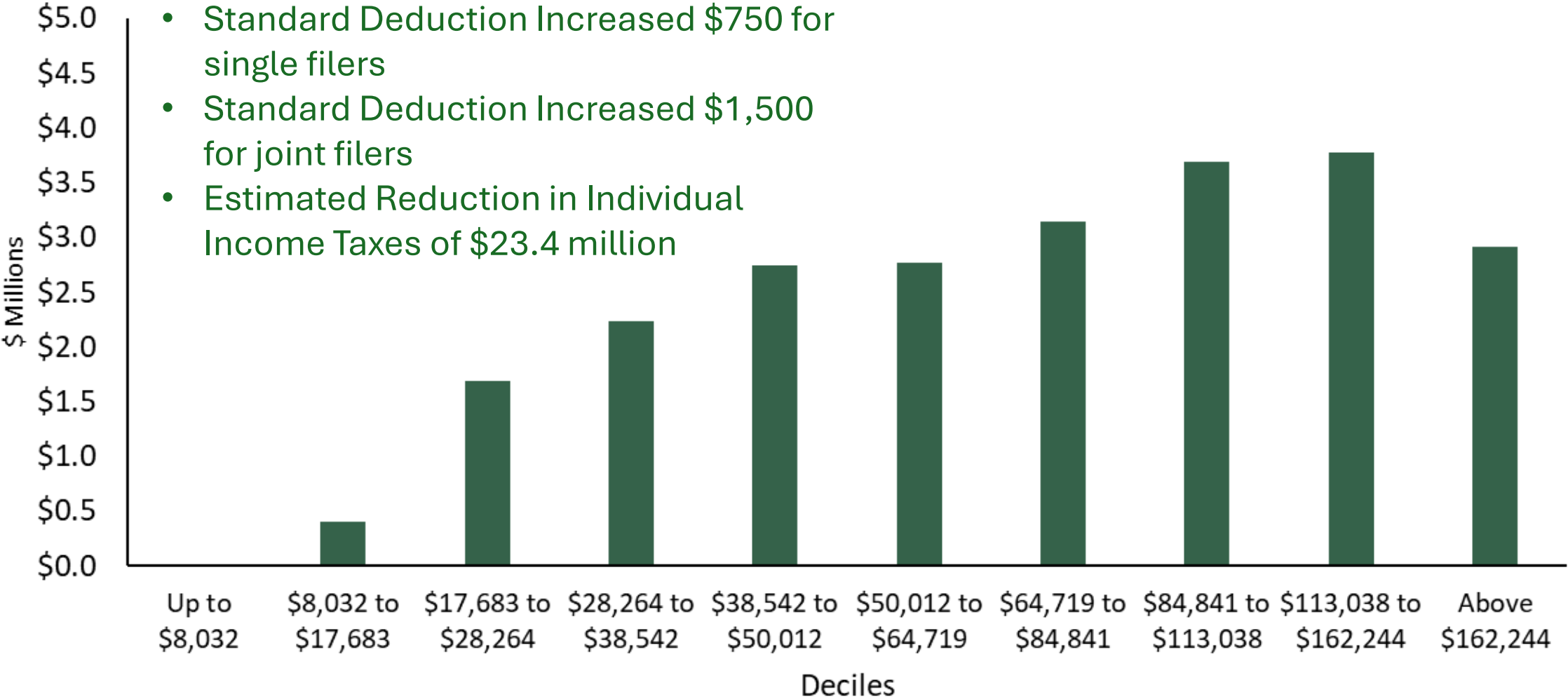


HR 1 Tax Provisions: Distributional Impacts in Montana

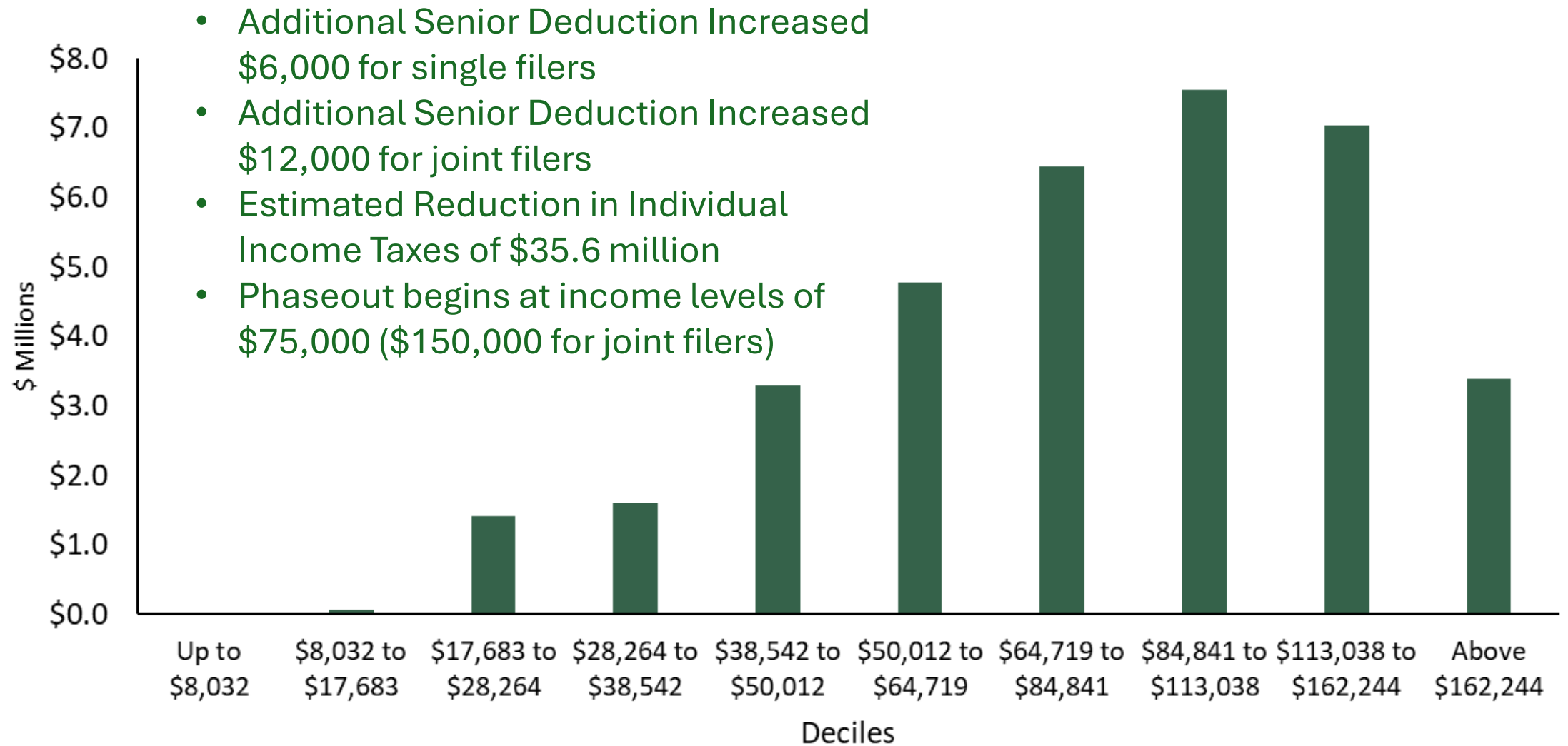
Revenue Interim Committee
November 13, 2025
Sam Schaefer



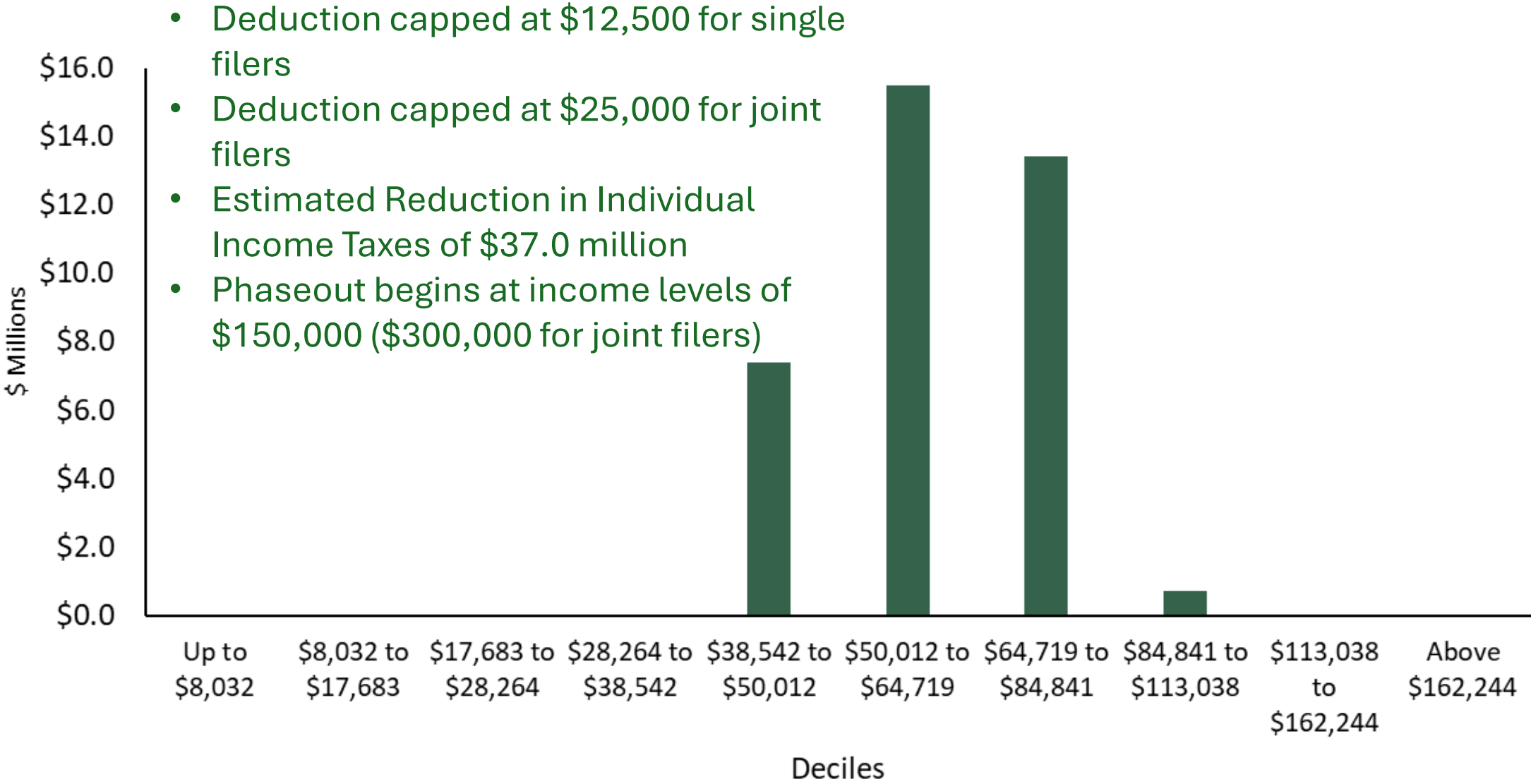
Additional Standard Deduction Savings by Decile



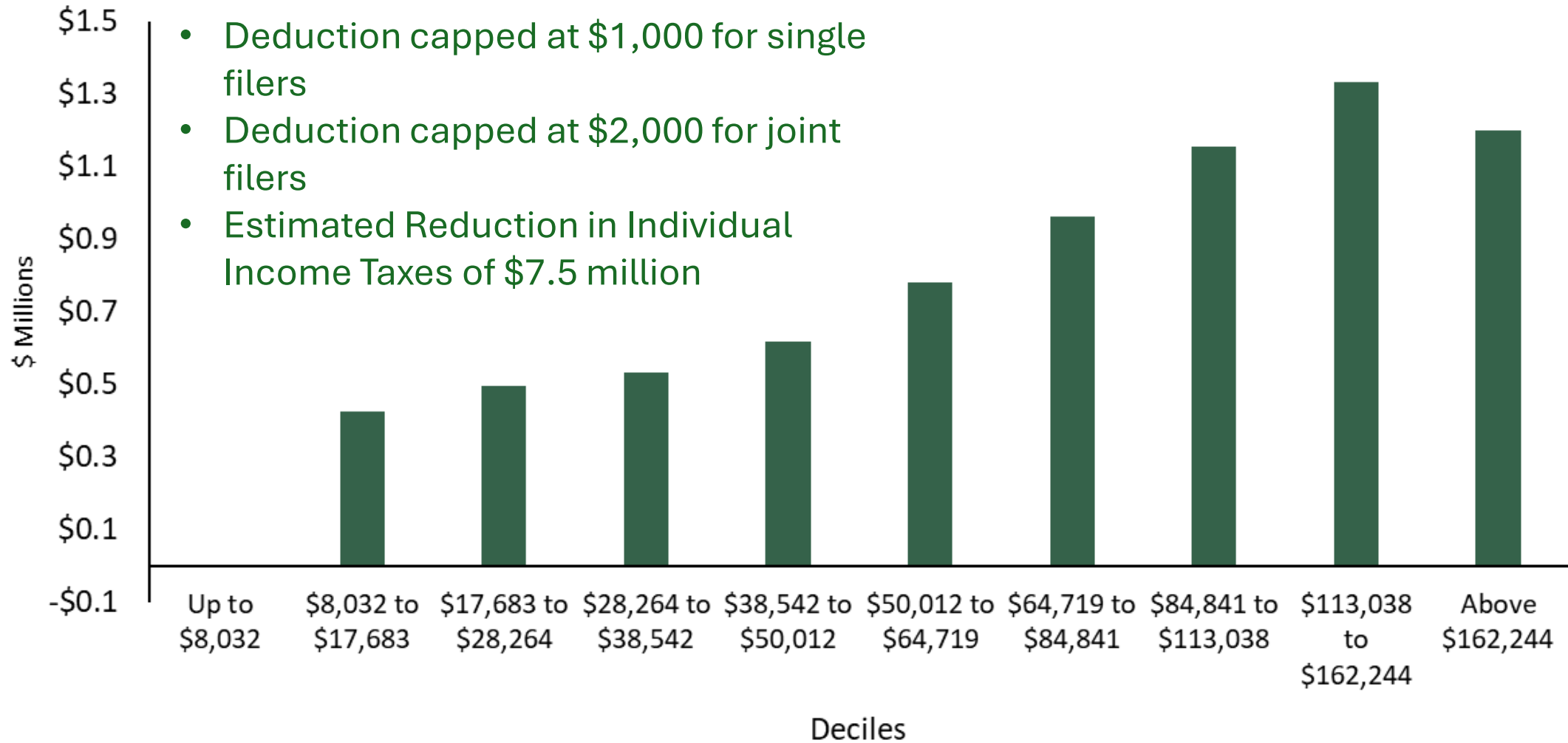
Additional Senior Standard Deduction Savings by Decile



Overtime Pay Deduction Savings by Decile

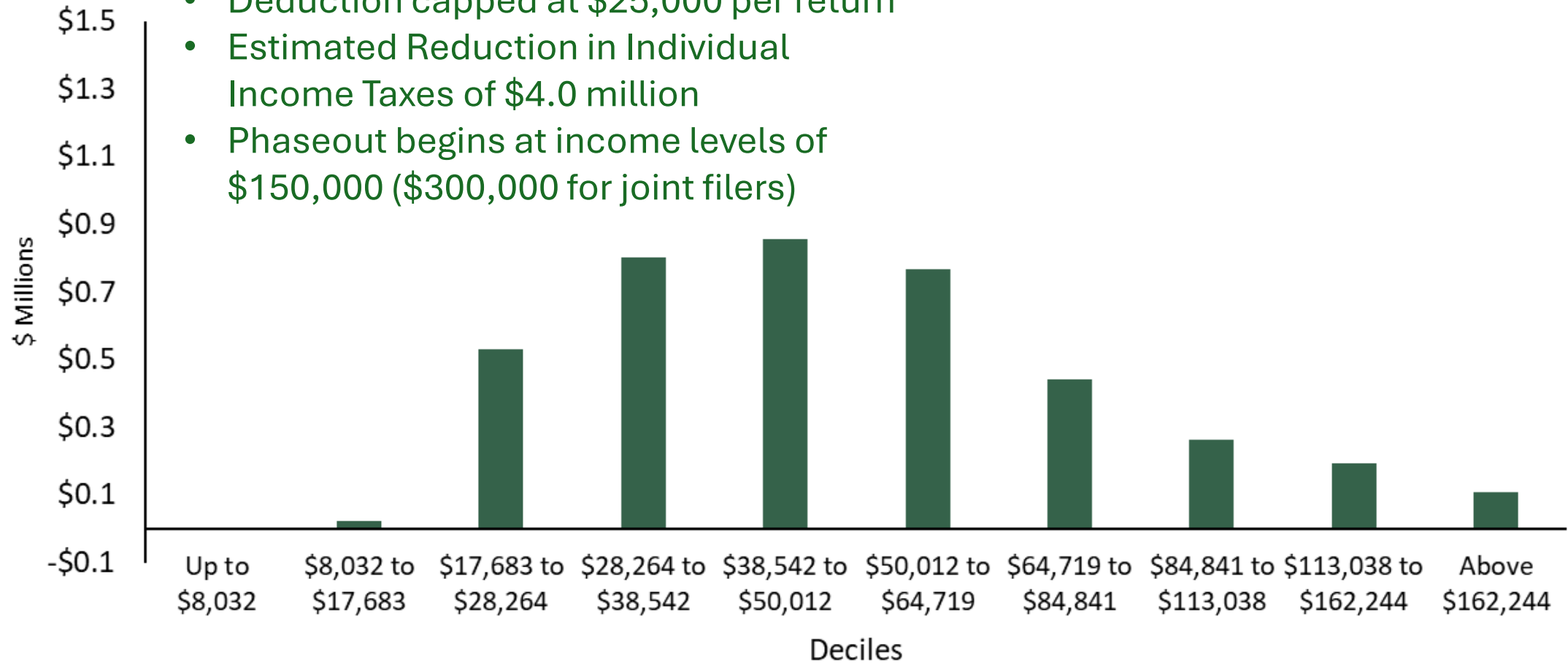


Charitable Contribution Deduction Savings by Decile



Tip Income Deduction Savings by Decile

- Deduction capped at \$25,000 per return
- Estimated Reduction in Individual Income Taxes of \$4.0 million
- Phaseout begins at income levels of \$150,000 (\$300,000 for joint filers)



Auto-Loan Interest Deduction

- Extremely Limited Data
- Maximum annual deduction is \$10,000
- Deduction phases out for taxpayers with modified adjusted gross income over \$100,000 (\$200,000 for joint filers).
- Estimated impact of individual income taxes to Montana is \$6.6 million.

Combined Impacts of HR 1 Tax Provisions by Decile

