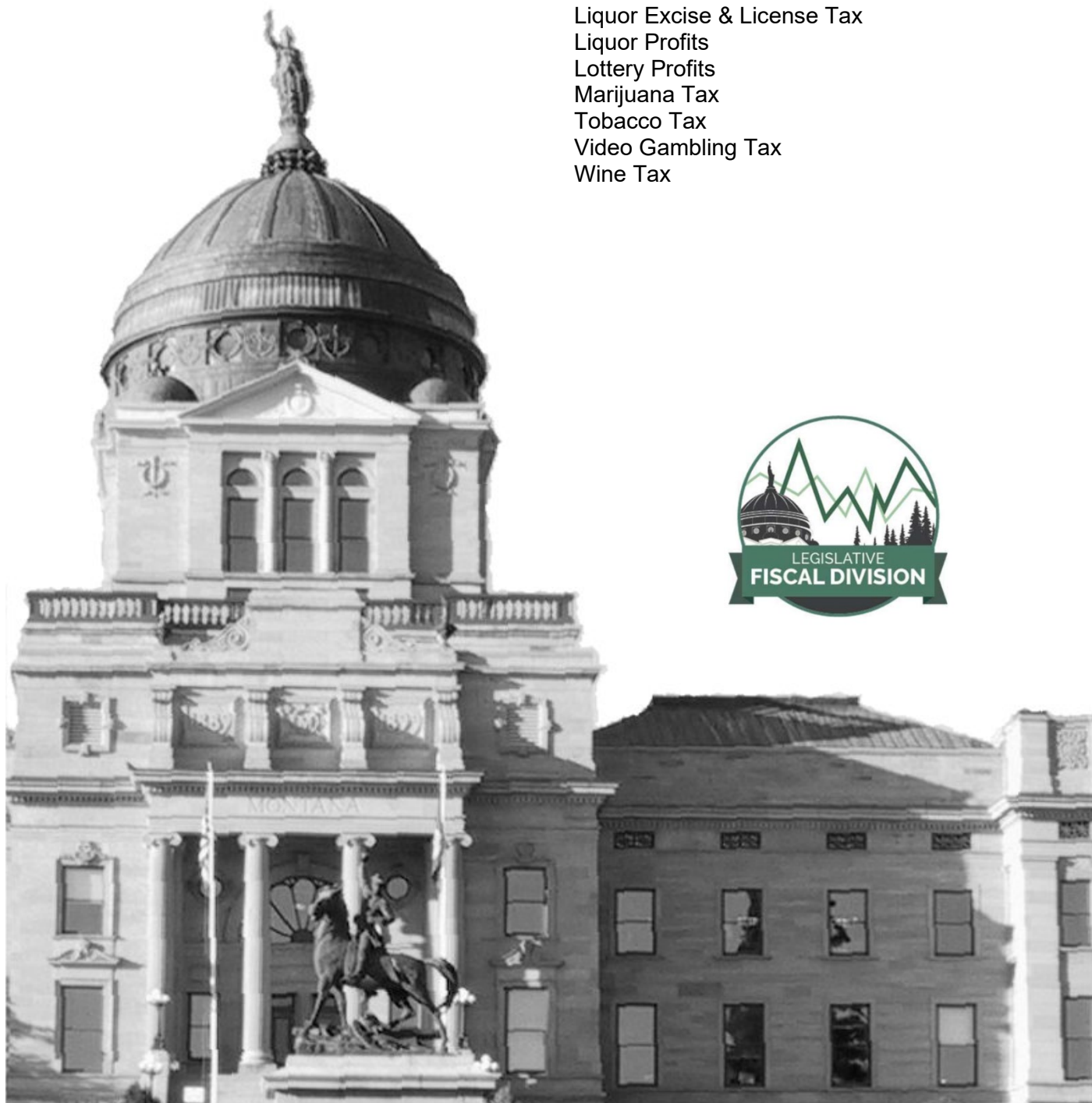


CONSUMPTION TAXES

Beer Tax
Cigarette Tax
Marijuana Tax
Diesel Tax
Gasoline Tax
GVW & Other Fees
Liquor Excise & License Tax
Liquor Profits
Lottery Profits
Marijuana Tax
Tobacco Tax
Video Gambling Tax
Wine Tax



Beer Tax

Revenue Description

A tax is levied on each barrel (31 gallons) of beer produced in or imported into Montana according to the number of barrels produced annually by a given brewer.

Statutory Reference

Tax Rate – [16-1-406, MCA](#)

Distribution – [16-1-406, MCA](#)

Date Due – end of the month and collected in the next month ([16-1-406\(2\), MCA](#))

Applicable Tax Rates

The per-barrel tax varies according to number of barrels produced:

- Up to 5,000 barrels – \$1.30
- 5,001 to 10,000 barrels – \$2.30
- Over 10,000 barrels – \$4.30

Collection Frequency: Monthly

Distribution

Beer tax revenue is distributed between the general fund, the Department of Public Health and Human Services (DPHHS) state special revenue alcohol account, and four tribal governments according to intergovernmental agreements between DOR and the tribes. Beer tax dollars are distributed to Blackfeet, Fort Belknap, Fort Peck, and Flathead according to the following formula: (per capita beer consumption) x (tribal membership) x (Montana tax rate). The following chart shows the FY 2024 distribution of beer tax revenue.

Summary of Legislative Action: The 69th Legislature did not enact legislation impacting this source.

Forecasting Risks

- Change in Montana population
- Change in Montana personal consumption patterns
- Change in effective tax rate

Revenue Estimate Methodology

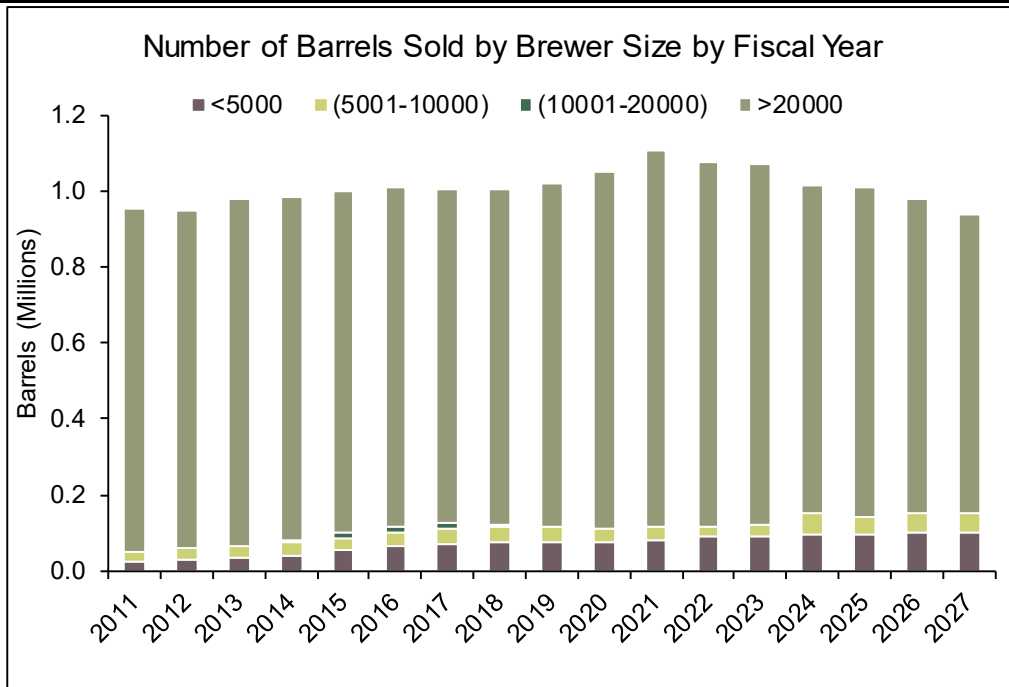
Data

The beer tax estimate is based on data obtained from DOR, SABHRS, and S&P Global. Details on tax collections by rate and tribal distributions are provided by DOR; fiscal year tax collections are from SABHRS; forecasts for independent economic variables are produced by S&P Global.

Analysis

Per capita consumption—the number of proxy barrels divided by Montana population age 21 and older—is modeled on the Montana personal consumption series from S&P Global. Future barrels are estimated by multiplying the forecast per capita consumption by forecast population. Total tax collections are calculated by multiplying the number of barrels sold in each year by the effective tax rate in that year.

The effective tax rate is on a consistent downward trend, as the number of small brewers increases, there are more barrels being sold in the lower tax brackets. In the chart below, the number of barrels sold in each bracket is stacked to illustrate the changing composition of the beer market. The beer tax estimate assumes that the decrease in the effective rate continues through the biennium.



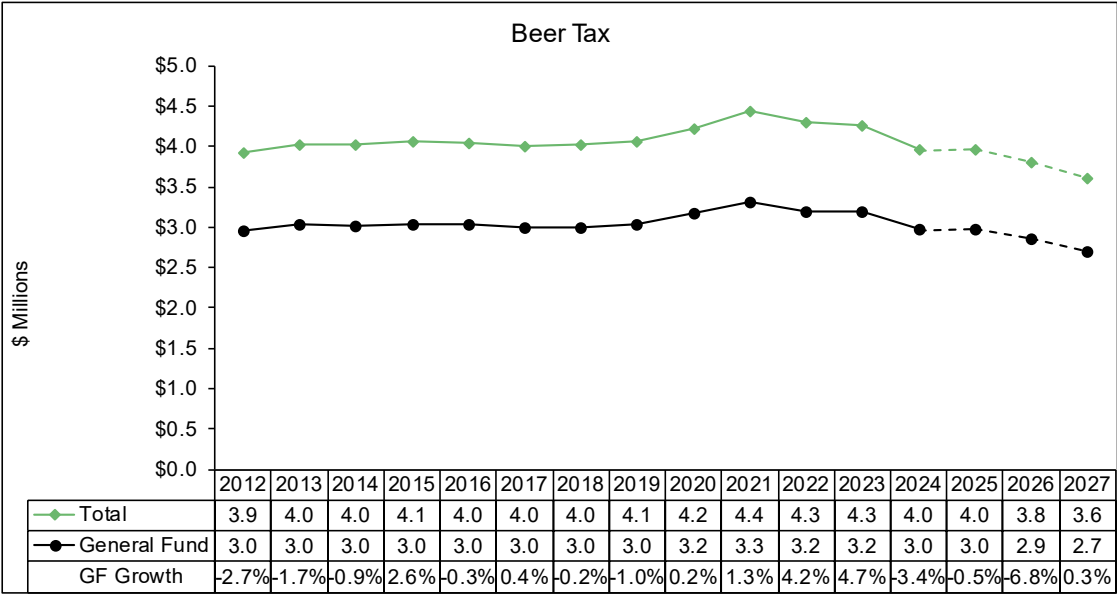
Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Effective Tax Rate \$/Barrel	Proxy Barrels Millions	Montana Pop. >=21 Millions	Montana PCE Food \$ Millions	Montana Per Capita Consumption
A 2014	\$4.021	\$3.023	\$4.10	0.981	0.758	\$3,769.7	1.295
A 2015	4.059	3.034	4.056	1.001	0.766	\$4,306.1	1.306
A 2016	4.049	3.027	4.015	1.008	0.776	\$4,616.5	1.300
A 2017	4.009	2.998	3.991	1.005	0.786	\$4,838.4	1.278
A 2018	4.015	3.002	3.991	1.006	0.795	\$5,066.5	1.266
A 2019	4.065	3.041	3.992	1.018	0.804	\$5,172.9	1.267
A 2020	4.230	3.167	4.021	1.052	0.815	\$5,261.4	1.291
A 2021	4.432	3.315	4.011	1.105	0.831	\$5,368.8	1.329
A 2022	4.293	3.202	3.999	1.073	0.846	\$5,551.8	1.269
A 2023	4.269	3.188	3.990	1.070	0.856	\$5,770.7	1.249
A 2024	3.968	2.971	3.905	1.016	0.867	\$5,971.1	1.172
F 2025	3.973	2.980	3.928	1.011	0.877	\$6,184.0	1.153
F 2026	3.804	2.851	3.885	0.979	0.887	\$6,453.8	1.104
F 2027	3.614	2.709	3.860	0.936	0.896	\$6,777.1	1.045
F 2028	3.461	2.595	3.834	0.903	0.905	\$7,036.8	0.998
F 2029	3.317	2.487	3.809	0.871	0.913	\$7,278.2	0.954

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



Cigarette Tax

Revenue Description

An excise tax is levied on all cigarettes sold in Montana. The tax is collected from the wholesaler through sale of insignia and passed down to the retail consumer. The insignia are purchased from the state and affixed to each package of cigarettes. The state has agreements with six of the tribes in Montana (Blackfeet, Fort Belknap, Rocky Boy, Fort Peck, Crow, and Northern Cheyenne) wherein the sale of cigarettes on a reservation, up to a set quota, are untaxed and state cigarette tax revenues are shared with the tribes.

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](#))

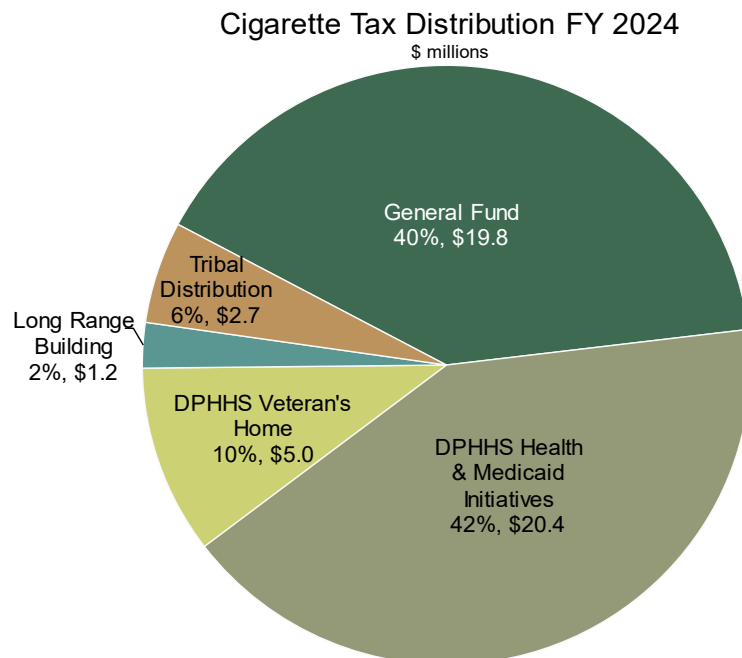
Applicable Tax Rates

\$1.70 per package of 20 cigarettes, prorated by cigarette for packages that differ from 20 cigarettes.

Collection Frequency: Monthly

Distribution

Cigarette tax revenue is distributed between the general fund, various state special revenue accounts administrated by the Department of Public Health and Human Services (DPHHS), the long range building fund, and six tribal governments according to intergovernmental agreements between DOR and the tribes. Cigarette tax dollars are distributed to the tribes according to the following formula: $(1.5) \times (\text{Montana per capita cigarette tax revenue}) \times (\text{enrolled tribal population})$. This formula may be superseded by another agreed upon amount. The following chart shows the FY 2024 distribution of cigarette tax revenue.



Summary of Legislative Action: The 69th Legislature did not enact legislation impacting this source.

Forecast Risks

- Changes in tobacco CPI
- Changes in consumer spending
- Rate of change in effective tax rate

Revenue Estimate Methodology

Data

The cigarette tax estimate is based on data obtained from DOR, SABHRS, and S&P Global. Details on tax collections by month and refunds for quota sales are provided by DOR; fiscal year tax collections are from SABHRS; forecasts for independent economic variables are produced by S&P Global.

Analysis

Per capita consumption is modeled on a ratio of CPI for tobacco to consumer spending on tobacco products. Forecast per capita consumption is multiplied by forecast Montana population over age 18 to produce an estimate of packs sold. Total tax collections are calculated by multiplying the number of packs sold in each year by the effective tax rate in that year.

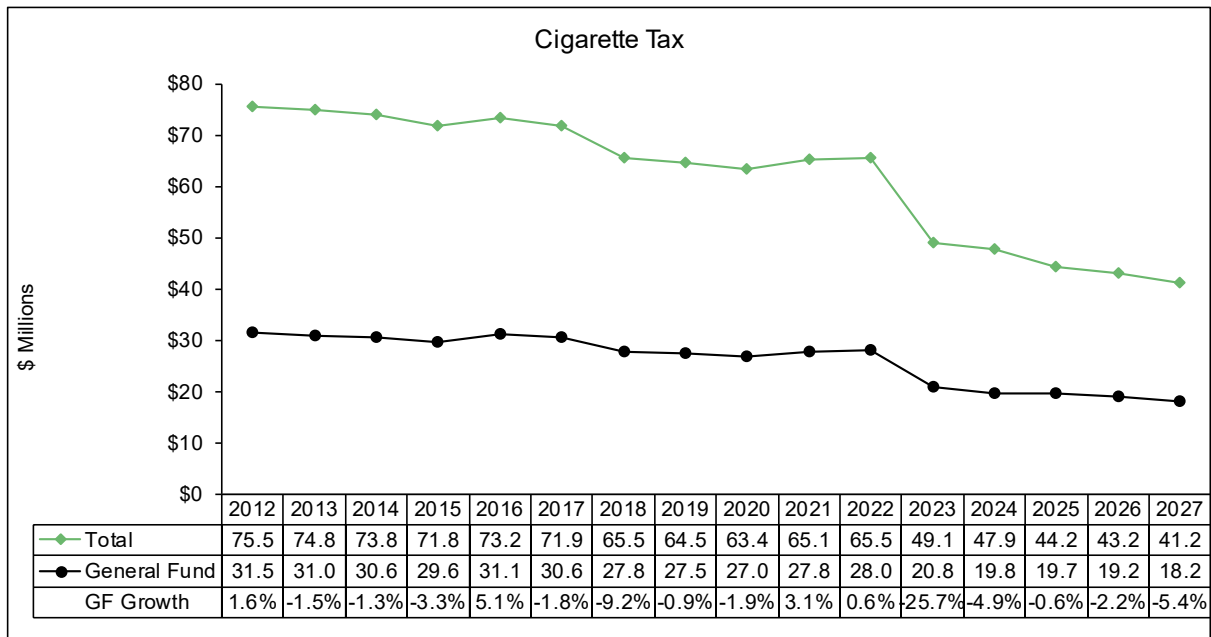
Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Effective Tax Rate \$/Pack	Approximate Packs Sold Millions	CPI Tobacco	Cons. Spend. Tobacco \$ Millions	Monana Pop >= 18 Millions
A 2014	\$73.840	\$30.623	1.69	43.650	87	\$96.500	0.798
A 2015	71.844	29.604	1.666	43.123	89	101.116	0.807
A 2016	73.219	31.103	1.676	43.676	93	107.079	0.816
A 2017	71.872	30.558	1.681	42.768	97	112.419	0.827
A 2018	65.471	27.755	1.678	39.012	102	115.950	0.835
A 2019	64.466	27.500	1.663	38.775	106	116.017	0.844
A 2020	63.413	26.983	1.654	38.346	112	118.075	0.856
A 2021	65.108	27.818	1.700	38.304	118	124.036	0.873
A 2022	65.475	27.993	1.700	34.907	127	123.195	0.889
A 2023	49.052	20.797	1.469	33.387	136	121.191	0.900
A 2024	47.898	19.769	1.471	32.552	145	117.425	0.911
F 2025	44.247	19.658	1.470	30.094	154	115.562	0.921
F 2026	43.241	19.231	1.470	29.409	163	114.198	0.931
F 2027	41.219	18.188	1.470	28.034	172	110.895	0.940
F 2028	39.428	17.293	1.470	26.816	178	106.577	0.949
F 2029	36.886	15.991	1.470	25.087	185	103.468	0.957

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



Diesel Tax

Revenue Description

There are two sources of revenue associated with the taxation of special fuels (primarily diesel): the diesel tax paid to the Montana Department of Transportation (MDT) for every gallon of diesel sold or used in the state; and a tax assessed on each gallon of diesel fuel for funding petroleum storage tank cleanup.

Distributors can withhold 1.0% of the diesel tax as an allowance for collecting the tax. To prevent the possibility of dual taxation of motor fuels purchased by Montana citizens and businesses on Indian reservations, MDT and Indian tribes may enter into a cooperative agreement. Refunds of the tax paid are provided for commercial vehicle use other than for use on public highways and streets, governmental use, and nonpublic school use for the transportation of pupils.

[Article VIII, Section 6](#) of the Montana Constitution provides that money from taxes on vehicle fuel be used solely for: payment of obligations incurred for construction, reconstruction, repair, operation, and maintenance of public highways, streets, roads, and bridges; payment of county, city, and town obligations on streets, roads, and bridges; and enforcement of highway safety, driver education, tourist promotion, and administrative collection costs. Appropriation of the money for any other use requires a three-fifths vote of each house of the legislature.

Statutory Reference

Tax Rate – [15-70-321\(2\), MCA](#); [75-11-313, MCA](#) (storage tank cleanup)

Tax Distribution – [15-70-101\(1\), MCA](#); [75-11-314, MCA](#) (storage tank cleanup)

Date Due – 25th of the following month ([15-70-344\(1\), MCA](#))

Applicable Tax Rates

- Diesel (Special) Fuel Tax: \$0.2975 per gallon
- Petroleum Storage Tank Cleanup Tax: \$0.0075 per gallon

Collection Frequency: Monthly

Distribution

Diesel tax proceeds are distributed to MDT after the following deductions:

- 1.0% withheld by distributors;
- Administrative expenses and refunds under the tribal agreements;
- Diesel tax refunds
- Refunds through the international fuel tax agreement.
- \$0.04 to the highway patrol administration state special revenue account

Of the amount distributed to MDT, 1/4 of \$0.01 per gallon is allocated specifically to the funding of highway system maintenance.

Summary of Legislative Action: The 69th Legislature did not enact legislation impacting this source.

Forecast Risks

- Fuel price significantly different from historical prices

Revenue Estimate Methodology

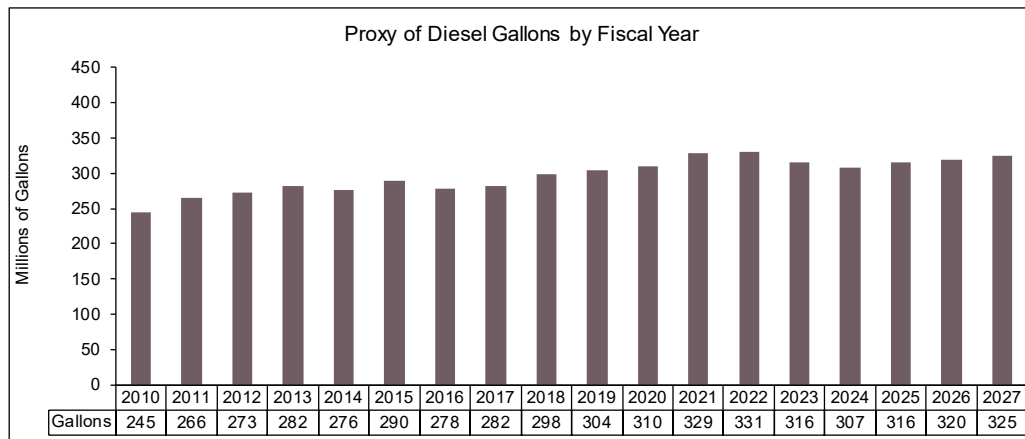
Data

Diesel tax collections data from SABHRS is used to produce a proxy amount for taxable gallons of diesel sold in Montana.

Analysis

Diesel fuel taxes are estimated as separate taxes. First, the diesel tax is imposed on each gallon of diesel sold in the state. A second tax is imposed on all diesel fuel distributed in the state for diesel storage tank clean-up costs (storage tank tax). The two taxes are applied to different bases, because the diesel fuel tax provides credits against the cost of the tax to consumers who use the diesel “off highway.”

Future growth in diesel consumption is calculated using an autoregressive moving average time series. The storage tank tax is expected to follow the same patterns as the diesel fuel tax. The effective gasoline tax rates—created to adjust for the statutory credit provided to diesel distributors—are applied to the estimates to produce the estimate for gross tax revenues.

Adjustments

Several adjustments are made to the expected gross diesel fuel tax revenues. Gross tax revenues are reduced by refunds, incentives, MDT administrative costs, and tribal agreements, resulting in the estimate for net diesel fuel tax revenue. No adjustments are required for the storage tank tax. The net tax revenues of the two taxes are combined to determine the estimate for total diesel fuel tax revenue.

Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Gross \$ Millions	Diesel Tax \$ Millions	Tank Tax \$ Millions	Refunds \$ Millions	DOT Diesel Tax
A 2014	\$75.560	-	\$78.753	\$72.609	\$2.951	(\$3.193)	\$72.609
A 2015	79.522	-	82.726	76.518	3.004	(3.204)	76.518
A 2016	76.213	-	79.292	73.415	2.798	(3.079)	73.415
A 2017	77.957	-	80.433	74.880	3.077	(2.475)	74.880
A 2018	85.994	-	89.293	83.090	2.904	(3.300)	64.344
A 2019	88.091	-	91.131	85.128	2.963	(3.040)	66.373
A 2020	90.551	-	93.413	87.527	3.024	(2.861)	67.649
A 2021	96.199	-	98.855	93.120	3.079	(2.656)	71.546
A 2022	96.978	-	99.966	93.776	3.201	(2.988)	71.029
A 2023	93.301	-	96.099	90.268	3.033	(2.797)	68.702
A 2024	91.432	-	93.695	88.295	3.137	(2.264)	72.553
F 2025	93.908	-	96.115	90.763	3.146	(2.207)	74.545
F 2026	94.980	-	97.334	91.803	3.177	(2.354)	75.445
F 2027	96.675	-	99.071	93.453	3.223	(2.396)	76.873
F 2028	96.819	-	99.219	93.593	3.227	(2.400)	76.994
F 2029	98.609	-	101.053	95.334	3.275	(2.444)	78.501

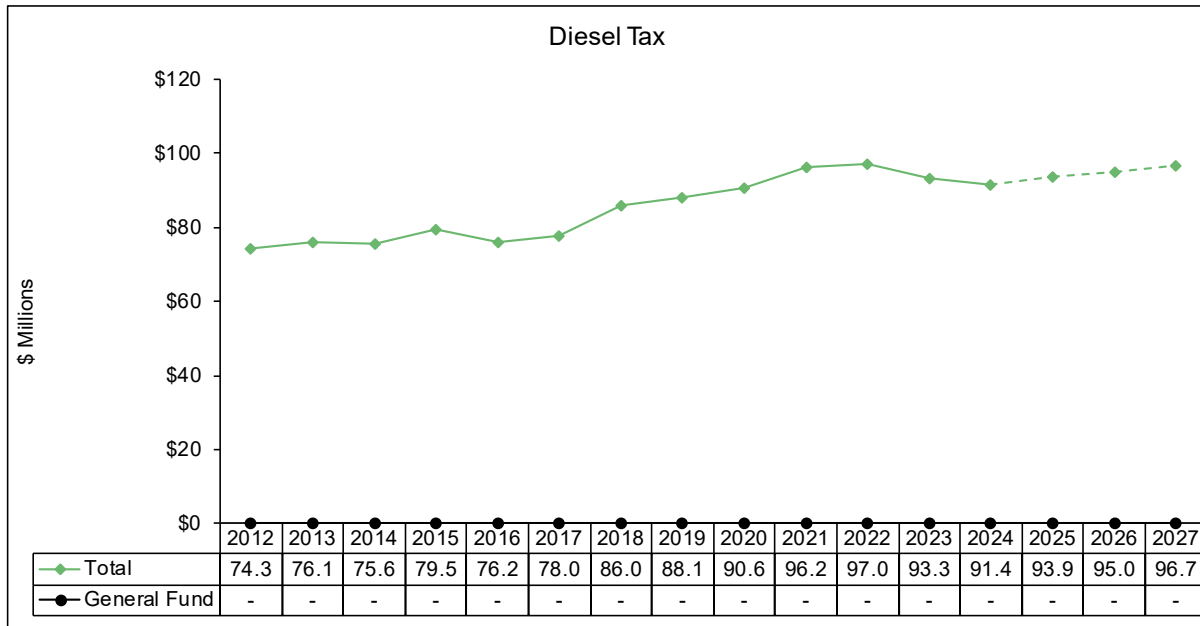
Consumption Taxes

Diesel Tax

FY	Diesel Effect. Tax Rate \$/gal	Tank Effect. Tax Rate \$/gal	Diesel Gallons Millions	Tank Gallons Millions	MT Highway Patrol Adm. Account	Diesel BARSA Account	Refunds FTA Suspense
A 2014	0.2747	0.0075	275.919	-			
A 2015	0.2747	0.0075	290.187	-			
A 2016	0.2747	0.0075	278.440	-			
A 2017	0.2747	0.0075	281.575	-			
A 2018	0.2896	0.0075	298.331	-	\$10.605	\$3.977	\$4.164
A 2019	0.2896	0.0075	304.473	-	10.885	4.176	3.694
A 2020	0.2916	0.0075	310.021	-	11.051	4.696	4.131
A 2021	0.2916	0.0075	328.500	-	11.669	5.006	4.898
A 2022	0.2925	0.0075	330.768	-	12.084	5.531	5.132
A 2023	0.2945	0.0075	315.987	-	11.334	5.235	4.997
A 2024	0.2945	0.0075	307.472	-	11.627	(0.524)	4.638
F 2025	0.2945	0.0075	315.660	0.038	11.580	-	4.638
F 2026	0.2945	0.0075	319.688	0.040	11.720	-	4.638
F 2027	0.2945	0.0075	325.434	0.042	11.941	-	4.638
F 2028	0.2945	0.0075	325.922	0.044	11.960	-	4.638
F 2029	0.2945	0.0075	331.985	-	12.194	-	4.638

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



Gasoline Tax

Revenue Description

There are two sources of revenue associated with the taxation of gasoline: a gasoline license tax paid to the Montana Department of Transportation (MDT) by every distributor for the privilege of selling gasoline; and a tax assessed on each gallon of gasoline for the purpose of funding petroleum storage tank cleanup.

Distributors can withhold 1.0% of the gasoline tax as an allowance for collecting the tax. To prevent the possibility of dual taxation of motor fuels purchased by Montana citizens and businesses on Indian reservations, MDT and Indian tribes may enter into a cooperative agreement. Refunds of the tax paid are provided for denaturing alcohol used in gasohol, stationary gasoline engines used off public highways and streets, and commercial vehicle use other than for use on public highways and streets.

[Article VIII, Section 6](#) of the Montana Constitution provides that money from taxes on vehicle fuel be used solely for: payment of obligations incurred for construction, reconstruction, repair, operation, and maintenance of public highways, streets, roads, and bridges; payment of county, city, and town obligations on streets, roads, and bridges; and enforcement of highway safety, driver education, tourist promotion, and administrative collection costs. Appropriation of the money for any other use requires a three-fifths vote of each house of the legislature.

Statutory Reference

Tax Rate – [15-70-204\(1\), MCA](#); [75-11-314, MCA](#) (storage tank cleanup)

Distribution – [15-70-101\(1\), MCA](#); [60-3-201\(1\), MCA](#); [75-11-313, MCA](#) (storage tank cleanup)

Date Due – 25th of the following month ([15-70-205\(1\), MCA](#))

Applicable Tax Rates

Gasoline License Tax: \$0.33 per gallon

Petroleum Storage Tank Cleanup Tax: \$0.0075 per gallon

Collection Frequency: Monthly

Distribution

After four reductions—the 1.0% withheld by distributors, administrative expenses and refunds under tribal agreements, refunds, and refunds through the international fuel tax agreement—gasoline tax is allocated as follows:

- 9/10 of 1.0% to the state park account
- 15/28 of 1.0% to a snowmobile account, which is further allocated 86.0% for general use, 4.33% for enforcement, 8.67% for safety and education, and 1.0% to the noxious weed trust
- 1/8 of 1.0% to an off-highway vehicle account, which is further allocated 90.0% for general use and 10.0% for safety
- 1/25 of 1.0% to the aeronautics revenue fund of the Department of Transportation
- The revenue from 22 cents less the above allocations to the highway restricted account
- The revenue from 4 cents less the above allocations to the highway patrol administration state special revenue account
- The remaining revenue less the above allocations to the local government road construction and maintenance restricted account

Summary of Legislative Action: The 69th Legislature did not enact legislation impacting this source.

Forecast Risks

- Fuel prices significantly different from historical prices

Revenue Estimate Methodology

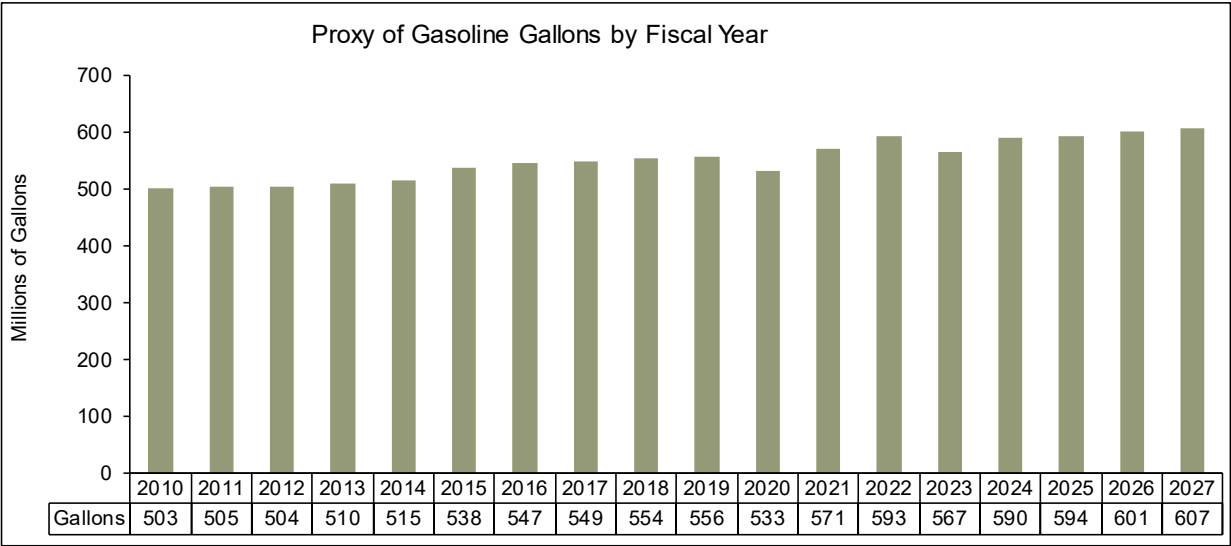
Data

Gasoline tax collections data from SABHRS are used to produce a proxy amount for taxable gallons of gasoline sold in Montana.

Analysis

The gasoline tax and the gasoline petroleum storage tank cleanup tax are estimated separately. First, the gasoline tax is imposed on each gallon of gasoline sold in the state. A second tax is imposed on all gasoline distributed in the state for gasoline storage tank clean-up costs (storage tank tax). The two taxes are applied to different bases, because the gasoline tax provides credits against the cost of the tax to consumers who use the gasoline “off highway.”

Future growth in gasoline consumption is calculated using an autoregressive moving average time series. The storage tank tax is expected to follow the same patterns as the gasoline tax. The effective gasoline tax rates—created to adjust for the statutory credit provided to gasoline distributors—are applied to the estimates to produce the estimate for gross tax revenues.



Adjustments

Several adjustments are made to the expected gross gasoline tax revenues. Gross tax revenues are reduced by refunds, incentives, MDT administrative costs, and tribal agreements, resulting in the estimate for net gasoline tax revenue. No adjustments are required for the storage tank tax. Next, the net tax revenues of the two taxes are combined to determine the estimate for total gasoline tax revenue.

Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

Consumption Taxes

Gasoline Tax

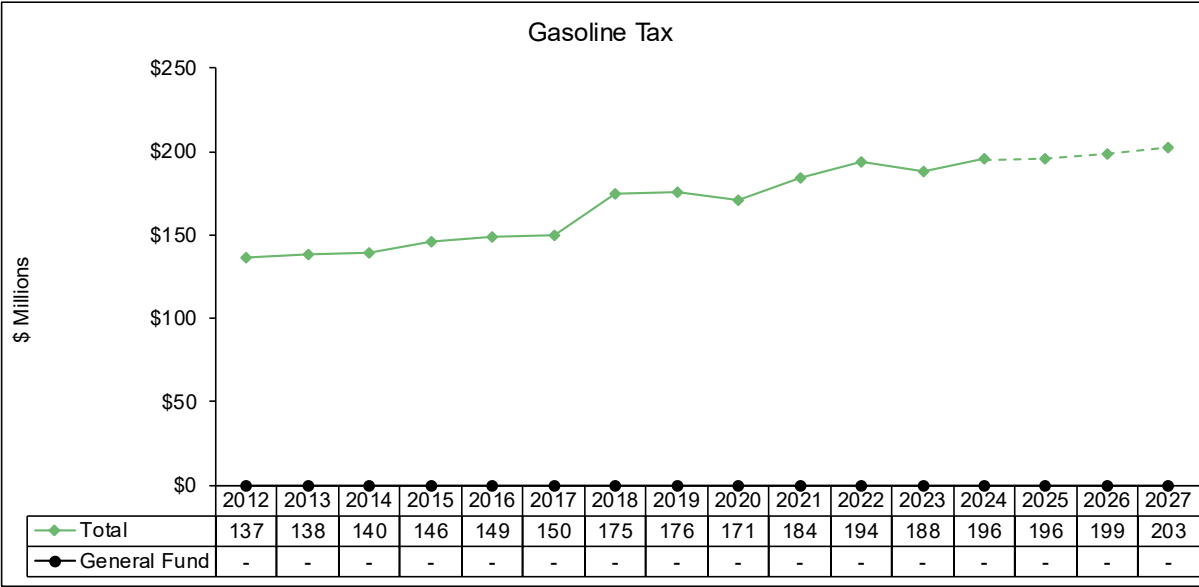
FY	Total Tax \$ Millions	GF Tax \$ Millions	Gross Tax \$ Millions	Gas Tax \$ Millions	Tank Tax \$ Millions	Refunds \$ Millions
A 2014	\$139.645	-	\$141.439	\$135.809	\$3.836	(\$1.794)
A 2015	146.110	-	147.732	142.152	3.958	(1.622)
A 2016	148.603	-	150.248	144.544	4.059	(1.645)
A 2017	149.691	-	151.324	145.196	4.495	(1.633)
A 2018	175.061	-	176.771	170.939	4.122	(1.710)
A 2019	176.032	-	177.619	171.892	4.140	(1.586)
A 2020	171.249	-	172.893	167.286	3.964	(1.644)
A 2021	183.990	-	185.787	179.190	4.800	(1.797)
A 2022	194.375	-	195.965	189.356	5.019	(1.590)
A 2023	187.793	-	189.386	183.569	4.224	(1.593)
A 2024	195.654	-	197.059	191.355	4.299	(1.459)
F 2025	195.796	-	197.218	191.268	4.528	(1.422)
F 2026	199.208	-	200.780	194.598	4.609	(1.572)
F 2027	202.815	-	204.342	198.124	4.691	(1.527)
F 2028	206.390	-	207.904	201.617	4.773	(1.515)
F 2029	209.967	-	211.467	205.113	4.855	(1.499)

FY	Gas Effect. Tax Rate \$/gal	Tank Effect. Tax Rate \$/gal	Gas Gallons Millions	Tank Gallons Millions	DOT \$ Millions	FWP Snow \$ Millions	FWP Boat \$ Millions
A 2014	0.2673	-	0.008	-	\$0.000	\$133.642	\$0.626
A 2015	0.2673	-	0.008	-	-	139.883	0.655
A 2016	0.2673	-	0.008	-	-	142.238	0.666
A 2017	0.2673	-	0.008	-	-	142.877	0.675
A 2018	0.3119	-	0.008	-	-	100.753	0.752
A 2019	0.3119	-	0.008	-	-	100.825	0.756
A 2020	0.3168	-	0.008	-	-	96.707	0.740
A 2021	0.3168	-	0.008	-	-	101.554	0.773
A 2022	0.3218	-	0.008	-	-	104.491	0.805
A 2023	0.3267	-	0.008	-	-	102.886	0.810
A 2024	0.3267	-	0.008	-	47.577	118.143	0.830
F 2025	0.3267	0.0499	0.008	0.038	47.612	111.494	0.850
F 2026	0.3267	0.0379	0.008	0.040	48.441	113.538	0.866
F 2027	0.3267	0.0308	0.008	0.042	49.318	115.703	0.882
F 2028	0.3267	0.0288	0.008	0.044	50.188	117.847	0.898
F 2029	0.3267	-	0.008	-	51.058	119.994	0.914

FY	Aeronautics \$ Millions	Off Highway \$ Millions	Weed Gasoline \$ Millions	Snow Enforce. Gasoline \$ Millions	Snow Con-Ed. Gasoline \$ Millions	OHV Con-Ed. Gasoline \$ Millions
A 2014	\$1.222	\$3.836	\$0.153	\$0.000	\$0.032	\$0.063
A 2015	1.279	3.958	0.161	-	0.034	0.065
A 2016	1.301	4.059	0.163	-	0.034	0.067
A 2017	1.318	4.495	0.165	-	0.034	0.068
A 2018	1.469	4.122	0.184	-	0.038	0.076
A 2019	1.478	4.140	0.185	-	0.038	0.076
A 2020	1.445	3.964	0.181	-	0.037	0.075
A 2021	1.510	4.800	0.189	-	0.039	0.078
A 2022	1.840	5.019	0.196	-	0.047	0.095
A 2023	1.582	4.224	0.198	-	0.041	0.082
A 2024	1.622	4.299	0.203	-	0.042	0.084
F 2025	1.661	4.528	0.208	-	0.038	0.075
F 2026	1.691	4.609	0.211	-	0.038	0.077
F 2027	1.723	4.691	0.215	-	0.039	0.078
F 2028	1.754	4.773	0.219	-	0.040	0.080
F 2029	1.786	4.855	0.223	-	0.040	0.081

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



GVW and Other Fees

Revenue Description

There are two types of revenue derived from over 20 different sources: fee revenue and permit revenue. The majority of revenue is derived from a variety of gross vehicle weight (GVW) fees, including those fees collected by counties when vehicles are registered. Miscellaneous permits comprise the second income component under this source.

Statutory Reference

Tax Rate – [Title 61, Chapter 10, MCA](#); [Administrative Rules 18.8.202](#)

Tax Distribution (MCA) – Multiple

Applicable Tax Rates: [Title 61, Chapter 10, MCA](#)

Collection Frequency: Various

Distribution: GVW revenue is allocated to the Montana Department of Transportation (MDT).

Summary of Legislative Action: The 69th Legislature did not enact legislation impacting this source.

Forecast Risks

- Vehicle sales
- Gas prices

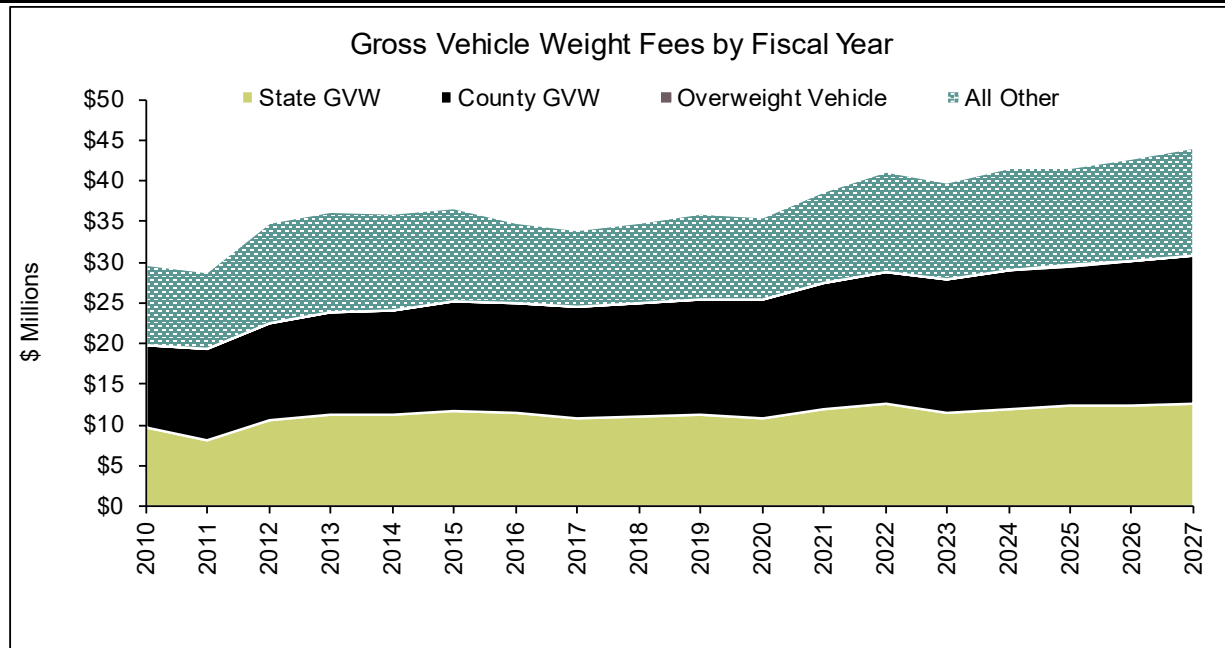
Revenue Estimate Methodology

Data

The SABHRS data provide the historic collection data for the 13 different types of fees and permits. MDT provides statistics on the number of gross weight vehicle licenses for use in Montana.

Analysis

The state of Montana imposes many fees and requires several types of permits based on the gross weight of commercial and large privately-owned vehicles. The largest sources of revenue in the GVW are the gross vehicle weight fees collected by both counties and the state. The figure below demonstrates the relative importance of these two sources to the overall GVW collections.



Both county and state GVW fees are forecast by applying an estimated growth in Montana's vehicle stock to the previous year's collections. This same methodology is applied to the remaining smaller fees associated with this revenue source.

Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	Total Tax \$ Millions	GF Tax \$ Millions	GVW \$ Millions	SSRS \$ Millions	Form 3 \$ Millions	Trip \$ Millions	County \$ Millions
A 2014	\$35.856	\$0.000	\$11.179	\$0.000	\$1.031	\$0.676	\$12.939
A 2015	36.602	-	11.791	-	1.007	0.708	13.492
A 2016	34.914	-	11.363	-	1.026	0.538	13.494
A 2017	33.892	-	10.830	-	0.903	0.483	13.694
A 2018	34.844	-	10.968	-	0.991	0.524	14.005
A 2019	35.994	-	11.209	-	0.982	0.556	14.213
A 2020	35.555	-	10.803	-	0.887	0.509	14.621
A 2021	38.567	-	11.974	-	0.873	0.512	15.509
A 2022	41.058	-	12.539	-	0.812	0.613	16.175
A 2023	39.726	-	11.395	-	0.834	0.604	16.440
A 2024	41.604	-	11.944	-	0.775	0.054	17.161
F 2025	41.599	-	12.267	-	0.756	0.054	17.246
F 2026	42.794	-	12.447	-	0.756	0.054	17.676
F 2027	43.968	-	12.626	-	0.756	0.054	18.106
F 2028	45.135	-	12.806	-	0.756	0.054	18.536
F 2029	46.200	-	12.986	-	0.756	0.054	18.966

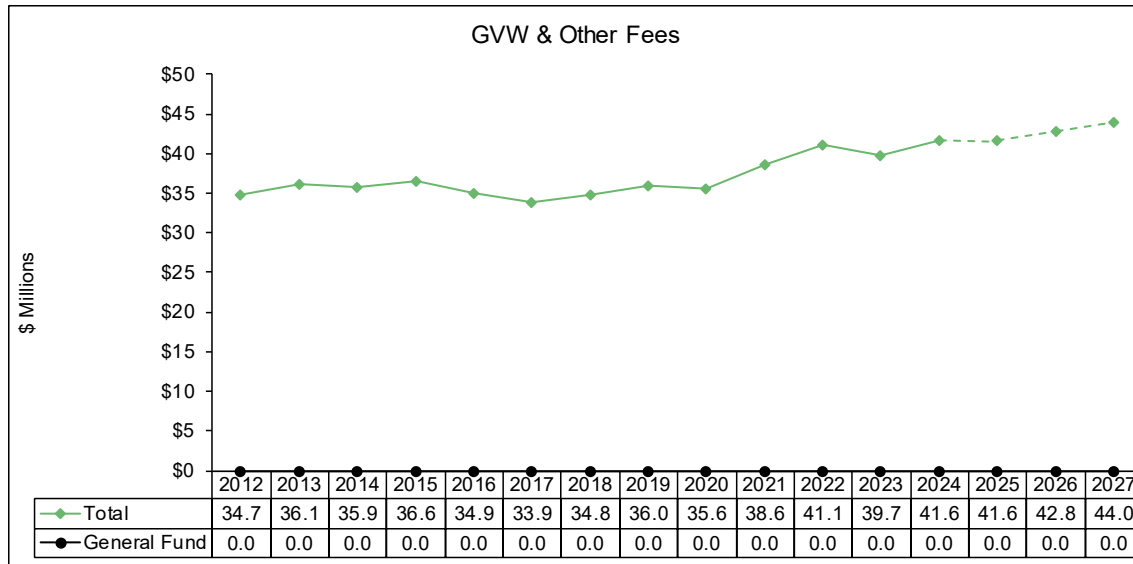
Consumption Taxes

GVW and Other Fees

FY	Overweight \$ Millions	Special \$ Millions	Fuel \$ Millions	Other \$ Millions
A 2014	\$0.000	\$3.885	\$1.413	\$0.247
A 2015	-	3.864	1.352	0.292
A 2016	-	3.123	1.256	0.243
A 2017	-	2.836	1.232	0.231
A 2018	-	3.091	1.283	0.223
A 2019	-	3.512	1.374	0.237
A 2020	-	3.454	1.322	0.226
A 2021	-	3.910	1.349	0.261
A 2022	-	4.844	1.445	0.277
A 2023	-	4.771	1.450	0.259
A 2024	-	5.259	1.466	0.239
F 2025	0.050	4.859	1.440	0.260
F 2026	0.038	5.224	1.483	0.247
F 2027	0.031	5.662	1.525	0.239
F 2028	0.029	6.011	1.553	0.239
F 2029	-	6.281	1.570	0.239

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



Liquor Excise and License Tax

Revenue Description

DOR is the only liquor wholesaler in the state of Montana. An excise tax and a license tax are collected both on liquor sold by DOR and liquor purchased outside the state (by airlines and passenger rail) for consumption within the state.

Statutory Reference

Tax Rate – Excise tax: [16-1-401, MCA](#); License tax: [16-1-404, MCA](#)

Tax Distribution – Excise tax: [16-1-401, MCA](#) & [16-2-108, MCA](#); License tax: [16-1-404, MCA](#)

Date Due – Excise tax is collected at the time of sale and distributed by the 10th day of each month. License tax is collected at the time of sale.

Applicable Tax Rates

All liquor sold and delivered in the state by a company that manufactured, distilled, rectified, bottled, or processed the liquor is taxed a percentage rate on the retail selling price based on the following number of proof gallons of liquor handled nationwide by that company in the calendar year preceding imposition of the tax:

Excise Tax Rate

- 3.0% – Less than 20,000 proof gallons
- 8.0% – 20,000 to 50,000 proof gallons
- 13.8% – 50,001 to 200,000 proof gallons
- 16.0% – More than 200,000 proof gallons

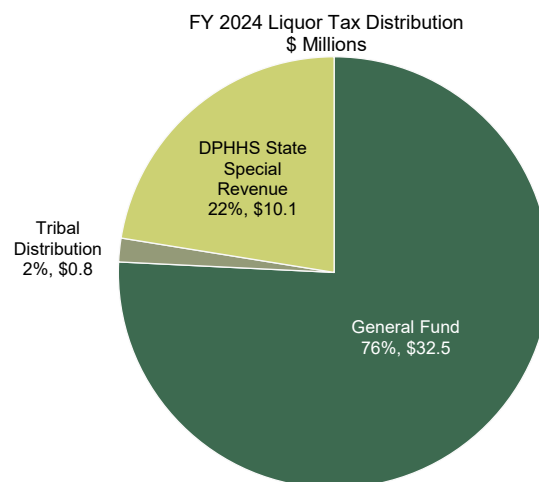
License Tax Rate

- 10.0% – More than 200,000 proof gallons
- 8.6% – Not more than 200,000 proof gallons

Collection Frequency: Both the liquor excise tax and the license tax on liquor are collected at the time of the sale and delivery of liquor. Deposits to the general fund are made monthly.

Distribution

Liquor excise and license tax revenue is distributed between the general fund, the Department of Public Health and Human Services (DPHHS) state special revenue alcohol account, and tribal governments according to intergovernmental agreements between DOR and the tribes. Liquor tax dollars are distributed to Blackfeet, Fort Belknap, Fort Peck, and Flathead according to the following formula: (per capita liquor consumption) x (tribal membership) x (Montana tax rate). The chart shows the FY 2024 distribution of liquor tax revenue.



Summary of Legislative Action: The 69th Legislature did not enact legislation that impacts this source.

Forecasting Risks

- Change in Montana consumption patterns
- Departure of sales growth from historic trends

Revenue Estimate MethodologyData

The liquor profits estimate is based on data obtained from DOR, SABHRS, and S&P Global. Details on number of units sold, and average cost per unit are provided by DOR; fiscal year tax collections are from SABHRS; forecasts for independent economic variables are produced by S&P Global.

Analysis

Gross liquor sales are modeled on the Montana personal consumption expenditure series for food, and the forecast growth rate is applied to the most recent year of actual sales. Liquor taxes are calculated by applying the tax rates to the retail sales price of liquor sold. The tax rate is lower for companies that produce less than 200,000 gallons; however, at this time the lower tax rates are not considered.

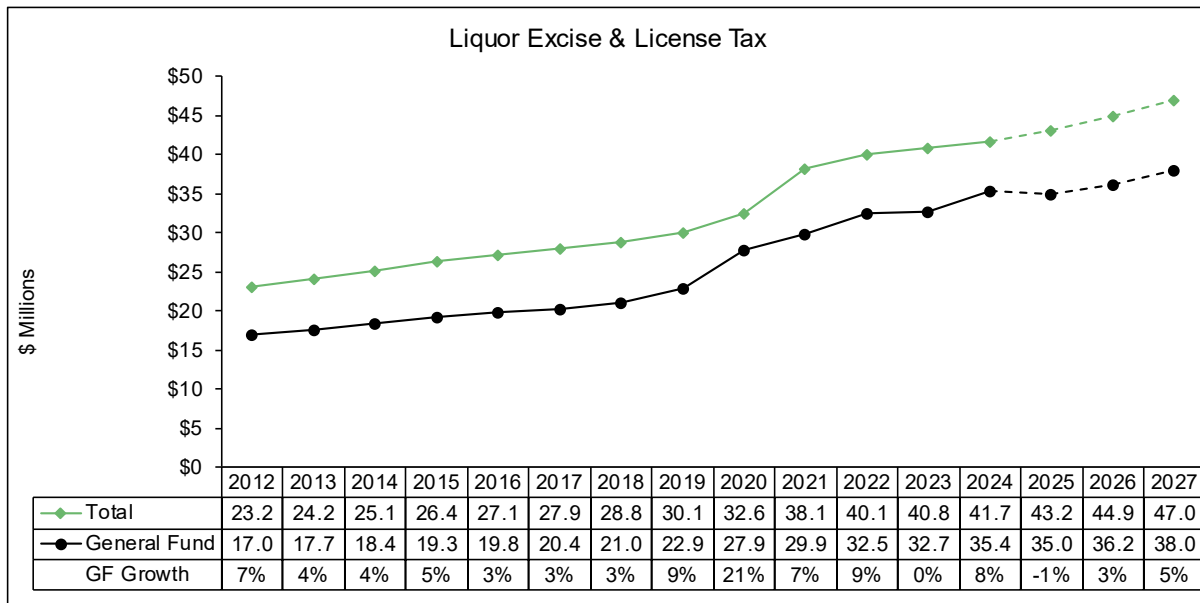
Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Gross Sales \$ Millions	Montana PCE Food \$ Millions	Excise Tax \$ Millions	License Tax \$ Millions
A 2014	\$25.123	\$18.418	\$99.209	3,769.700	\$15.460	\$0.000
A 2015	26.420	19.257	104.799	4,306.117	16.256	-
A 2016	27.130	19.776	107.725	4,616.476	16.691	-
A 2017	27.932	20.366	111.502	4,838.378	17.187	-
A 2018	28.806	21.007	115.292	5,066.536	17.725	-
A 2019	30.088	22.938	120.992	5,172.928	18.512	0.992
A 2020	32.575	27.865	131.463	5,261.433	20.047	4.080
A 2021	38.140	29.890	155.455	5,368.751	23.469	2.067
A 2022	40.085	32.545	163.681	5,551.843	24.663	3.379
A 2023	40.790	32.705	166.864	5,770.715	25.108	3.000
A 2024	41.699	35.443	170.213	5,971.076	25.667	5.073
F 2025	43.199	35.016	178.644	6,184.006	26.584	16.615
F 2026	44.936	36.185	186.413	6,453.797	27.599	17.338
F 2027	47.044	37.974	195.721	6,777.052	28.841	18.203
F 2028	48.695	39.195	203.202	7,036.831	29.796	18.899
F 2029	50.221	40.422	210.153	7,278.236	30.675	19.546

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



Liquor Profits

Revenue Description

Liquor profit income is derived from two sources: profits from liquor sales to retail establishments and profits resulting from the competitive bid auction for transfer of liquor licenses. Profits from these activities are transferred from the Department of Revenue (DOR) liquor enterprise fund to the general fund. DOR is the only liquor wholesaler in the state of Montana.

Statutory Reference

Tax Rate – Authority to markup [16-1-404\(2\), MCA](#) and rate of markup [ARM 42.11.104](#) Competitive bid [16-4-430, MCA](#)

Tax Distribution – [16-2-108\(4\), MCA](#)

Date Due – N/A

Applicable Tax Rates

Liquor profits received by the state are primarily generated by a mark-up on the sale of liquor and fortified wine, less costs such as commissions and discounts. A 40.0% mark-up is added to the state's base cost for liquor. The state's mark-up percentage on the base cost of fortified wine (more than 16.0% but no greater than 24.0% alcohol by volume) is 51.0%. The state's mark-up on sacramental wine (more than 16.0% but no greater than 24.0% alcohol by volume) is 20.0%. A reduced markup of 20.0% is available to some distilleries that produce less than 25,000 proof gallons annually.

Competitive bid licenses are announced at a minimum bid of 75.0% of market price and are awarded to the highest bidder.

Collection Frequency: Payment for liquor purchases is due within 60 days of the invoice date and revenue is deposited into an enterprise fund.

Distribution: Liquor profits are deposited in the general fund annually.

Summary of Legislative Action: The 69th Legislature did not enact legislation impacting this source.

Forecast Risks

- Change in Montana consumption patterns
- Departure of sales growth from historic trends
- Lack of population growth or loss of demand for liquor licenses
- Diversion of enterprise funds

Revenue Estimate Methodology

Data

The liquor profits estimate is based on data obtained from DOR, SABHRS, and S&P Global. Details on number of units sold and average cost per unit are provided by DOR; fiscal year tax collections are from SABHRS and forecasts for independent economic variables are produced by S&P Global.

Analysis

Gross liquor sales are modeled on the Montana personal consumption expenditure (PCE) series for food, and the forecast growth rate is applied to the most recent year of actual sales. Net profits are calculated by reducing the gross sales by excise and license tax amounts, discounts, cost of goods sold, and a trended estimate of the division's operating budget. The amount transferred to the general fund is typically rounded to the nearest \$0.5 million, so the forecast for liquor profits is rounded accordingly. Estimates for license transfers are based on a 5-year moving average. In FY 2024 \$12.0 million in liquor profits was used to fund the expansion of the liquor warehouse, reducing the general fund transfer to \$7.0 million.

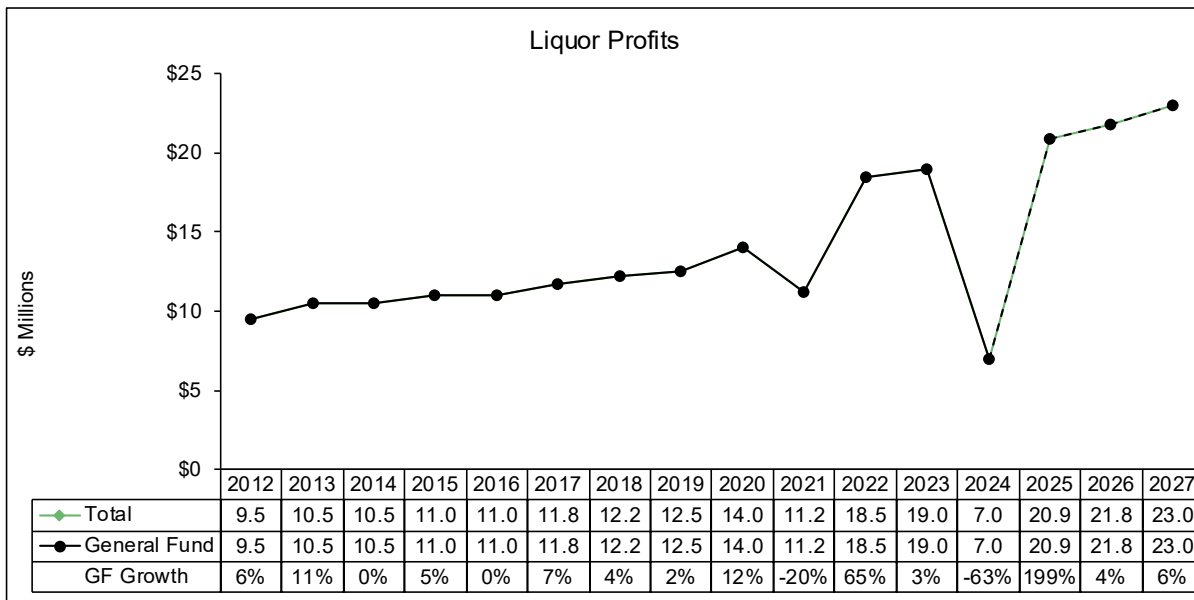
Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	GF Profit \$ Millions	Gross Revenue \$ Millions	Business Costs \$ Millions	License & Excise Taxes \$ Millions	Liquor License Transfer	Montana PCE Food \$ Millions	Gross Sales \$ Millions
A 2014	\$10.500	\$172.460	\$15.540	\$15.521		\$3,769.700	99.209
A 2015	11.000	181.914	16.633	16.510		\$4,306.117	104.799
A 2016	11.000	186.902	17.518	17.064		\$4,616.476	107.725
A 2017	11.750	193.268	18.033	17.471		\$4,838.378	111.502
A 2018	12.200	199.416	18.811	17.985		\$5,066.536	115.292
A 2019	12.500	209.563	19.816	20.886	\$5,172.928	\$5,172.928	120.992
A 2020	14.000	227.434	21.426	29.515	\$5,261.433	\$5,261.433	131.463
A 2021	11.189	269.571	25.226	27.017	\$5,368.751	\$5,368.751	155.455
A 2022	18.500	282.238	26.514	32.100	\$5,551.843	\$5,551.843	163.681
A 2023	19.000	288.172	29.957	31.108	\$5,770.715	\$5,770.715	166.864
A 2024	7.000	305.618	27.472	35.866	\$5,971.076	\$5,971.076	170.213
F 2025	20.900	307.631	28.921	48.239	\$6,184.006	\$6,184.006	178.644
F 2026	21.800	320.928	30.165	49.752	\$6,453.797	\$6,453.797	186.413
F 2027	23.000	336.850	31.662	52.396	\$6,777.052	\$6,777.052	195.721
F 2028	24.000	349.656	32.870	54.166	\$7,036.831	\$7,036.831	203.202
F 2029	24.900	361.560	33.919	55.985	\$7,278.236	\$7,278.236	210.153

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



Lottery Profits

Revenue Description

Lottery revenue is derived from ticket sales, sports betting, sales agents license fees, and unclaimed prizes. These funds are deposited into the lottery enterprise fund. After paying prizes, ticket costs, commissions, and other operating costs from the enterprise fund, profits are transferred to the general fund.

Statutory Reference

Tax Rate – N/A

Distribution – [23-7-402\(3\), MCA](#)

Date Due – Quarterly ([23-7-402\(3\), MCA](#))

Applicable Tax Rates: N/A

Collection Frequency: Lottery revenues are collected on an ongoing basis. Transfers to the general fund are made quarterly.

Distribution: Prior to changes enacted by the 2019 legislature, net proceeds are deposited into the general fund, up to the amount transferred in FY 2015 (\$12.4 million). Any additional revenue was to be diverted into a state special revenue fund for science, technology, engineering, and mathematics (STEM) scholarships. Currently an appropriation for STEM scholarships is funded before any funds are transferred to the general fund.

Summary of Legislative Action:

[HB 668](#) prohibits gambling activities of any entity licensed under MCA 16-4-201(8)(c).

Lottery Profits – Legislation Passed by 69th Legislature General Fund Impact (\$ Millions)			
Bill Number and Short Title	FY 2025	FY 2026	FY 2027
HB0668 Revising alcohol law to prohibit certain licensees from offering gambling	\$0.000	(\$0.021)	(\$0.021)
Total General Fund Impact	\$0.000	(\$0.021)	(\$0.021)

Forecast Risks

- Fluctuating short-term interest rates
- Changing Montana population
- Unexpected number of jackpots won

Revenue Estimate Methodology

Data

The lottery revenue estimate is based on data obtained from SABHRS, S&P Global, and the annual Montana Lottery Commission report. Monthly accounting information for the enterprise fund comes from SABHRS; forecasts for independent economic variables are produced by S&P Global; interest earnings, daily fund balance, and other more detailed information come from the Lottery Commission report.

Analysis

Revenue for the enterprise fund comes primarily from a combination of ticket sales, interest earnings, and license sales. Expenditures from the fund cover prizes, commissions, and operation costs. The difference between the forecast revenues and expenditures is the anticipated general fund transfer of lottery profits.

Per capita ticket sales are time trended. Forecast per capita ticket sales are multiplied by Montana population age 18 and older to produce future ticket sales. Interest earnings are calculated by multiplying the S&P Global forecast for short-term interest by the projected average daily balance of the enterprise fund. The projection for the average daily balance is assumed to increase to a historical average of \$6.0 million. License sales are assumed to be comparable to those in the last known fiscal year.

Prizes and commissions are forecast by applying an average prize-to-ticket sales ratio to the ticket sales forecast. Sports betting revenue and operational costs are based on time trends.

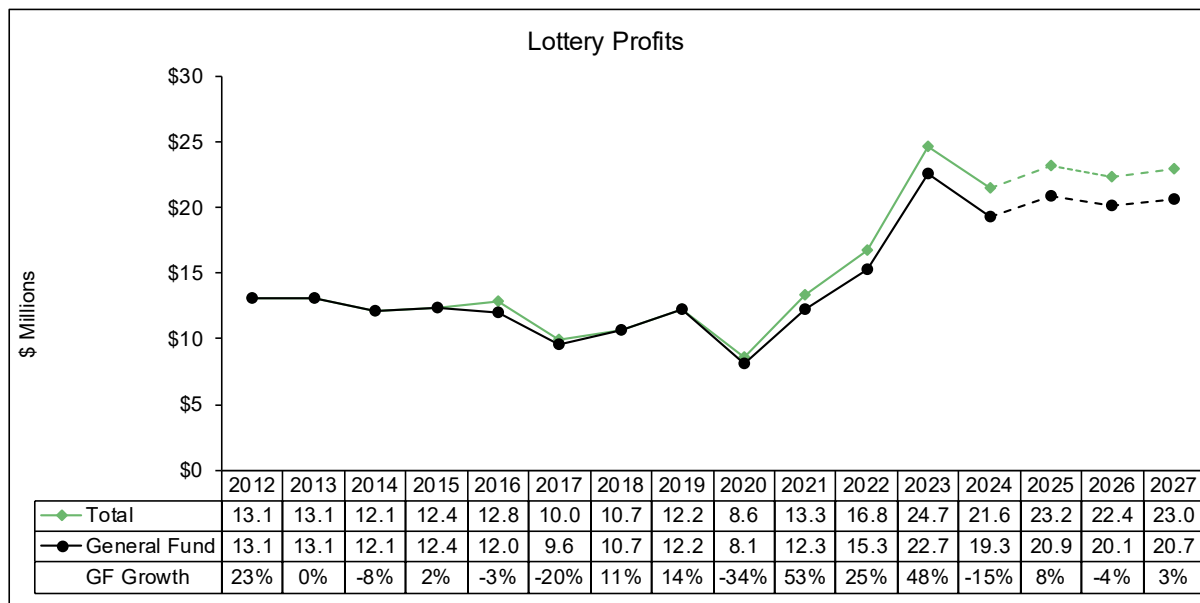
Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	Total Profit \$ Millions	GF Profits \$ Millions	Gross Revenue \$ Millions	Business Costs \$ Millions	Short-Term Interest Percent	MT Pop. ≥18 Millions	STEM Scholarships \$ Millions
A 2014	\$12.091	\$12.091	\$53.129	\$41.038	0.1%	0.798	-
A 2015	12.363	12.363	52.383	40.019	0.1%	0.807	-
A 2016	12.845	11.963	59.779	46.934	0.3%	0.816	0.881
A 2017	9.982	9.624	52.507	42.525	0.7%	0.827	0.358
A 2018	10.699	10.699	56.425	45.726	1.5%	0.835	-
A 2019	12.215	12.215	60.310	48.095	2.1%	0.844	-
A 2020	8.573	8.073	59.442	50.869	1.3%	0.856	0.500
A 2021	13.300	12.300	112.450	99.150	0.2%	0.873	1.000
A 2022	16.811	15.311	116.056	99.245	1.1%	0.889	1.500
A 2023	24.694	22.657	147.865	123.171	3.6%	0.900	2.037
A 2024	21.563	19.313	154.170	132.607	5.1%	0.911	2.250
F 2025	23.178	20.928	175.912	152.735	4.9%	0.921	2.250
F 2026	22.402	20.152	188.188	165.786	4.1%	0.931	2.250
F 2027	22.959	20.709	201.640	178.681	3.1%	0.940	2.250
F 2028	23.080	20.830	214.812	191.731	2.6%	0.949	2.250
F 2029	23.024	20.774	227.690	204.666	2.6%	0.957	2.250

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



Marijuana Tax

Revenue Description

A tax of 20.0% is levied on the retail price of recreational marijuana and a tax of 4.0% is imposed on the retail price of medical marijuana.

Statutory Reference

Tax Rate – [15-64-102, MCA](#)

Distribution – [16-12-111, MCA](#)

Date Due – Within 15 days of the end of the quarter

Applicable Tax Rates

- Recreational Marijuana – 20.0% of retail price
- Medical Marijuana – 4.0% of retail price

Collection Frequency: Quarterly

Distribution

Revenue from all marijuana taxes and license fees is first combined and deposited in the marijuana state special revenue account. At the end of each fiscal year, Department of Revenue must use money in the account to cover administration costs and \$6.0 million is transferred to the HEART account. Any remainder is distributed as outlined below:

- 20.0% to FWP to be used solely as funding for wildlife habitat.
- 4.0% to the state park account
- 4.0% to the trails and recreational facilities account
- 4.0% to the nongame wildlife account
- 3.0% or \$200,000, whichever is less, to the veterans and surviving spouses SSR account
- \$150,000 to the board of crime control to fund crisis intervention team training
 - Additional \$300,000 each fiscal year until FY 2027 ([HB 362, 2023 session](#))
- Remainder transferred to the general fund

Summary of Legislative Action:

[HB 932](#) revises the distribution of the marijuana state special revenue account to distribute 20.0% to the newly created habitat legacy account instead of directly to habitat Montana and changes the distribution to the HEART fund from a flat \$6.0 million per year to an 11.0% distribution.

[SB 27](#) extends the moratorium on new marijuana licensees two years to July 1, 2027, and prohibits the Department of Revenue from issuing any new premises licenses.

[SB 74](#) cleans up and clarifies marijuana regulations and taxation. Fiscal impacts result from changes to the definition of “retail price” and to the structure of manufacturing license fees.

Marijuana Tax – Legislation Passed by 69th Legislature General Fund Impact (\$ Millions)			
Bill Number and Short Title	FY 2025	FY 2026	FY 2027
SB0027 Generally revise marijuana licensing laws	\$0.000	(\$0.178)	(\$0.355)
SB0074 Generally revise marijuana laws	0.000	(0.491)	(0.542)
HB0932 Generally revise conservation financing laws	0.000	(0.071)	(0.234)
Total General Fund Impact	\$0.000	(\$0.740)	(\$1.131)

Forecasting Risks

- Change in Montana population
- Change in Montana personal consumption patterns
- Changes in medical vs. recreational marijuana users

Revenue Estimate MethodologyData

The marijuana tax revenue estimate is based off tax collections data obtained from SABHRS and DOR, as well as forecasts for economic variables produced by S&P Global.

Analysis

The revenue data from FY 2022 are used as the base for the revenue estimate through FY 2027. For recreational tax revenue, this data is extrapolated to simulate a whole year by doubling the actual collections, since recreational cannabis was only legalized halfway through the fiscal year. All marijuana taxes and license fees are then multiplied by the expected change in CPI and MT population (these data provided are by S&P Global).

As tax revenue is collected and more information and data are available on the recreational marijuana program in Montana, the revenue forecast will be expanded in a similar way to include new fiscal years.

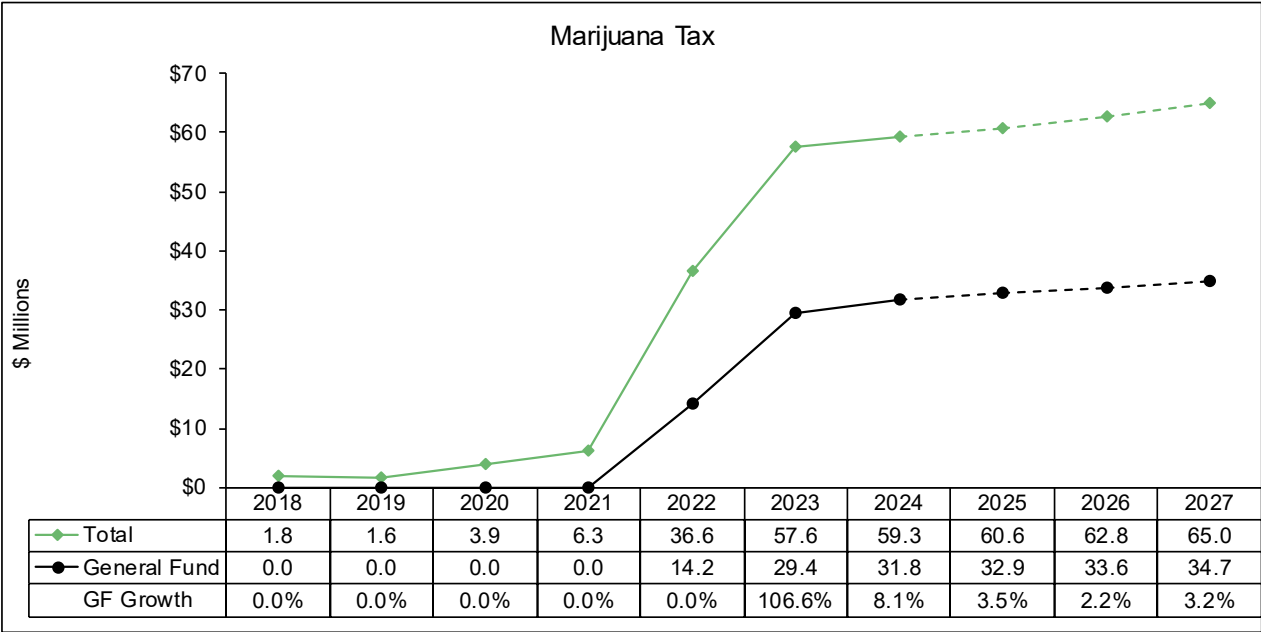
Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	Total Tax \$ Millions	GF Tax \$ Millions	US CPI Growth	MT Population Growth
A 2014				
A 2015				
A 2016				
A 2017			1.1%	0.0%
A 2018			0.8%	0.0%
A 2019			0.9%	0.0%
A 2020			1.1%	0.0%
A 2021			1.7%	0.0%
A 2022	\$36.597	\$14.238	1.4%	0.0%
A 2023	57.572	29.423	0.9%	0.0%
A 2024	59.269	31.804	0.9%	0.0%
F 2025	60.623	32.903	0.9%	5.0%
F 2026	62.795	34.380	0.8%	3.8%
F 2027	64.969	35.858	0.8%	3.1%
F 2028	66.712	37.344	0.7%	2.9%
F 2029	68.721	38.710	0.7%	0.0%

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



Tobacco Tax

Revenue Description

Taxes are levied on all non-cigarette tobacco products sold in Montana. A tax is assessed on the number of ounces of moist snuff sold and on the wholesale value of all other non-cigarette tobacco products sold. Tobacco products shipped from Montana to be sold and consumed elsewhere are not subject to the tax.

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](#)

Applicable Tax Rates

Tobacco products – 50.0% of the wholesale price

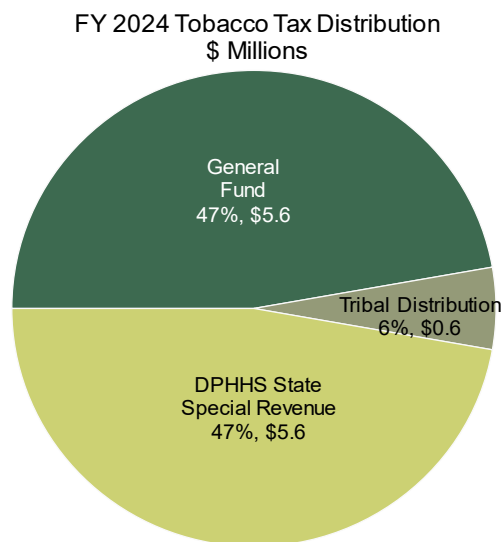
Moist snuff – \$0.85 per ounce

Collection Frequency: Monthly

Distribution

Tobacco tax revenue is first distributed to Blackfeet, Fort Belknap, Rocky Boy, Fort Peck, Northern Cheyenne, and Crow tribes according to intergovernmental agreements between the tribes and DOR. The distribution formula is: $(1.5) \times (\text{Montana per capita tobacco product consumption}) \times (\text{enrolled tribal population}) \times (\text{tax rate})$.

Following the distribution to the tribes the remaining tobacco tax revenue is split evenly between the general fund and the Department of Public Health and Human Services (DPHHS) Health and Medicaid Initiatives state special revenue fund. The following chart shows the FY 2024 distribution of tobacco tax revenue.



Summary of Legislative Action: The 69th Legislature did not enact legislation impacting this source.

Forecast Risks

- Changing Montana population

- Value of Montana retail sales

Revenue Estimate Methodology

Data

The tobacco tax estimate is based on data obtained from DOR, SABHRS, and S&P Global. Details on tax collections by month, distributor, product type, and tribal distributions are provided by DOR; fiscal year tax collections are from SABHRS; forecasts for independent economic variables are produced by S&P Global.

Analysis

Per capita snuff and other tobacco products are separately modeled on Montana population age 18 and older and Montana personal consumption expenditures (PCE). The per capita forecasts are multiplied by Montana population age 18 and older to produce individual forecasts for snuff and other tobacco products. After applying the appropriate tax rate to each value to determine gross taxes, forecasts for credits and discounts are subtracted to find the net revenue. Credits and discounts are assumed to remain at the same percentage of total tobacco taxes as the most recent completed year.

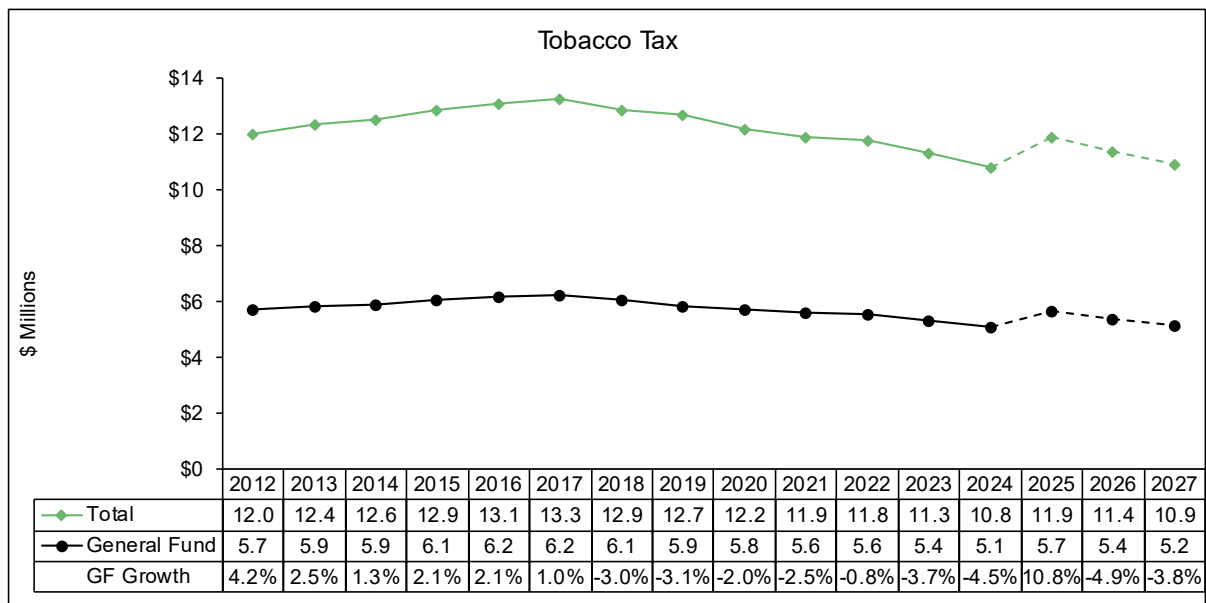
Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Moist Snuff Sales \$ Millions	Value Other Products \$ Millions	Business Costs \$ Millions	Montana Pop >= 18 Millions	Montana PCE \$ Millions
A 2014	\$12.563	\$5.929	\$11.512	\$6.359	\$0.163	0.798	56,455.85
A 2015	12.894	6.056	11.899	6.423	0.191	0.807	60,911.76
A 2016	13.131	6.184	12.267	6.260	0.172	0.816	63,921.08
A 2017	13.269	6.247	12.270	6.300	0.137	0.827	66,816.92
A 2018	12.865	6.058	11.946	6.024	0.243	0.835	70,047.45
A 2019	12.702	5.869	11.538	6.094	0.211	0.844	73,265.53
A 2020	12.196	5.754	11.358	6.072	0.145	0.856	76,591.66
A 2021	11.890	5.611	11.199	6.046	0.236	0.873	80,258.04
A 2022	11.779	5.565	10.830	6.309	0.252	0.889	83,928.25
A 2023	11.316	5.358	10.229	6.327	0.178	0.900	87,780.04
A 2024	10.800	5.114	8.766	4.916	0.164	0.911	91,766.95
F 2025	11.879	5.665	9.356	6.005	0.214	0.921	96,007.35
F 2026	11.378	5.390	8.887	5.880	0.195	0.931	100,463.99
F 2027	10.943	5.187	8.507	5.726	0.182	0.940	105,091.81
F 2028	10.553	5.005	8.180	5.564	0.174	0.949	109,639.10
F 2029	10.145	4.813	7.841	5.388	0.140	0.957	114,258.70

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



Video Gambling Tax

Revenue Description

Video gambling income is derived from two sources: license fees and video gambling taxes. There are three types of license fees: fees paid by operators for video gambling machines, fees paid by operators for non-video games such as poker, and annual fees for the right to assemble, produce, or manufacture video gambling machines or associated equipment. The video gambling tax is paid by licensed video gambling machine operators. License holders are charged a tax of 15.0% of the gross income (defined as net of payouts) from each licensed video gambling machine. The Department of Justice (DOJ) issues video gambling licenses and permits and collects the fees and taxes.

Statutory Reference

Tax Rate – Route operator license: [23-5-129, MCA](#); gambling establishment operator license: [23-5-177, MCA](#); card table fee: [23-5-306\(2\), MCA](#); bingo/keno permit: [23-5-407, MCA](#); sports tab tax: [23-5-502, MCA](#); video tax: [23-5-610\(1\), MCA](#); machine permit fee: [23-5-612\(2\), MCA](#)

Tax Distribution – Card table fee: [23-5-306\(3&4\), MCA](#); bingo and keno tax: [23-5-409, MCA](#); sports tab tax: [23-5-502, MCA](#); video: [23-5-610\(6\), MCA](#); machine permit fee: [23-5-612\(3\), MCA](#)

Date Due – Card table fees due annually and distributed quarterly to local governments: [23-5-306\(1&4\), MCA](#); video tax due 15 and 25 days after the end of the quarter: [23-5-610\(5\), MCA](#); machine permit fees due annually prorated on a quarterly basis: [23-5-612\(2a\), MCA](#); bingo and keno taxes due July 31.

Applicable Tax Rates

License Fees

- Video gambling machine permit – \$220 annually
- Video gambling manufacturer license – \$1,000 annually
- Video gambling machine examination fee – Actual DOJ costs of examining the electronic equipment
- Distributor license – \$1,000 annually
- Route operator license – \$1,000 annually
- Bingo/keno manufacture license – \$1,000 annually
- Gambling establishment operator license – Actual DOJ costs of determining licensure qualifications
- Antique slot machine seller permit – \$50 annually
- Live card game table – \$250 annually for the first table and \$500 for each additional table
- Card game dealer license – \$75 for the first year, \$25 for each subsequent year
- Pinochle tournament permit – \$25
- Card room contractor license – \$150 annually
- Bingo/keno permit – \$250 annually
- Bingo/keno examination fee – Actual DOJ costs of examining the electronic equipment
- Sports tab game seller license – \$100 annually
- Casino night permit – \$25
- Associated business – \$100

Gambling Taxes

- Video – 15.0% of gross income (defined as net of payouts) per video gambling machine
- Bingo/keno – 1.0% of gross proceeds
- Sport tabs – \$1.00 for each 100 sport tabs sold

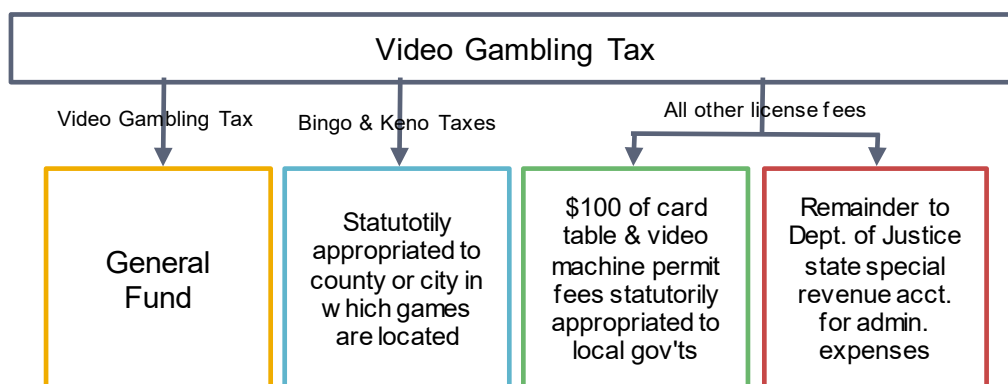
Collection Frequency: Video tax – quarterly; machine permit fees – quarterly; other fees – annually

DistributionLicense Fees

- \$100 of the live card game table fee and \$100 of the video gambling machine permit fee (prorated basis) are statutorily appropriated for distribution to local governments.
- All other license fee revenue is retained by DOJ to cover administrative costs.

Gambling Taxes

- Video – All video gambling tax receipts are deposited into the general fund.
- Bingo/Keno – All collections are statutorily appropriated for distribution to the municipality or county in which the game is located
- Sport Tabs – All collections are retained by DOJ for administration purposes.



Summary of Legislative Action: The 69th Legislature did not enact legislation impacting this source.

Forecast Risks

- Personal income changes
- Population changes
- Potential impact due to legalization of sports betting

Revenue Estimate Methodology

The components of video gambling revenue have separate distributions, so each component is estimated separately.

Data

DOJ provides data upon request and limited applicable data is available from the department's website. Historical and current revenue collections are obtained from SABHRS. S&P Global forecasts of Montana population coupled with a moving-average modeled growth rate are used to forecast the video tax collections.

Analysis

Revenue from the tax on video gambling machine gross income (defined as net of payouts) is the largest component of this revenue source and all revenue from this tax is distributed to the general fund. To determine total gross income, gross income for poker, keno, and multiple-game machines are calculated from revenue collections. The amount from the most recently completed fiscal year and subsequent estimates for succeeding fiscal years are adjusted based on prior years' collections.

Permit and license fees are the second component to this revenue source, the revenue from which is deposited to the state special revenue fund and distributed to the DOJ to pay administrative costs and to local governments. There are three separate estimates for permit and license fees.

Consumption Taxes

Video Gambling Tax

- Video gambling manufacturing license – The number of licenses are estimated using a linear regression model that uses the prior fiscal year's license amount as the predictor variable.
- Live game permit/license fees – The amounts of “first” poker tables, “additional” poker tables, bingo/keno, and card dealers are estimated using the most recently completed fiscal years.
- Video gambling machine permit fees – The number of video, bingo/multi game, and keno machine permits is estimated using a five-year moving average

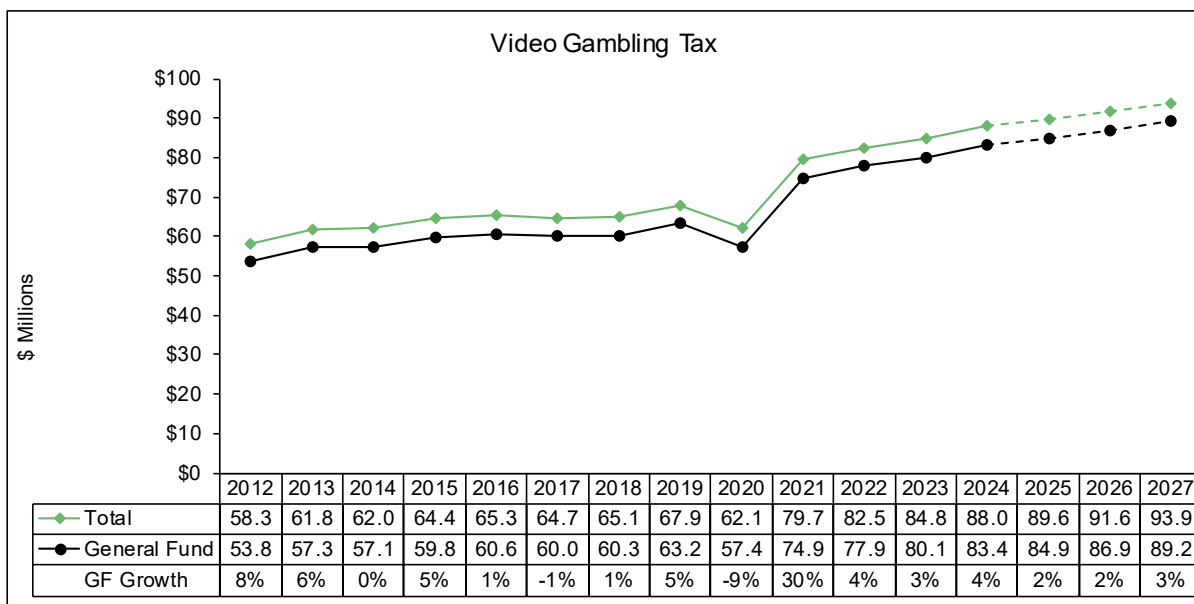
Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Non GF Fee \$ Millions
A 2014	\$62.009	\$57.147	\$4.854
A 2015	64.405	59.799	4.599
A 2016	65.310	60.554	4.751
A 2017	64.730	59.956	4.768
A 2018	65.077	60.324	4.740
A 2019	67.867	63.228	4.628
A 2020	62.113	57.447	4.659
A 2021	79.669	74.917	4.747
A 2022	82.513	77.881	4.625
A 2023	84.764	80.105	4.654
A 2024	88.040	83.385	4.650
F 2025	89.578	84.897	4.681
F 2026	91.578	86.903	4.674
F 2027	93.863	89.186	4.677
F 2028	96.260	91.592	4.668
F 2029	98.724	94.054	4.671

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.



Wine Tax

Revenue Description

A tax is levied on table wines and hard ciders imported into Montana by wine distributors or by DOR, as a liquor wholesaler.

Statutory Reference

Tax Rate – [16-1-411\(1\), MCA](#); [16-2-301\(2\), MCA](#)

Tax Distribution – [16-1-411\(3\), MCA](#); [16-2-301\(2\), MCA](#)

Date Due – 15th day of the month following the sale from the distributor's warehouse ([16-1-411\(2\), MCA](#))

Applicable Tax Rates

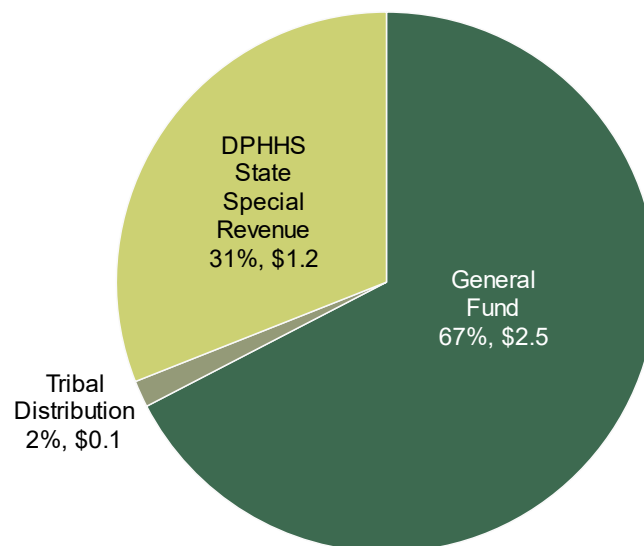
- \$0.27 per liter of wine
- \$0.28 per liter of wine sold to agency liquor stores
- \$0.037 per liter of hard cider

Collection Frequency: Monthly

Distribution

Wine tax revenue is distributed between the general fund, the Department of Public Health and Human Services (DPHHS) state special revenue alcohol account, and tribal governments according to intergovernmental agreements between DOR and the tribes. The wine tax revenues distributed to Blackfeet, Fort Belknap, Fort Peck, and Confederated Salish and Kootenai tribes come out of the general fund portion of the revenue and are distributed according to the following formula: (per capita wine consumption) x (tribal membership) x (Montana tax rate). The remaining 31.0% of revenue goes to DPHHS to be used for treatment, rehabilitation, and prevention of alcohol and chemical dependency. The following chart shows the FY 2024 distribution of wine tax revenue.

Wine Tax Distribution FY 2024
\$ Millions



Summary of Legislative Action: The 69th Legislature did not enact legislation impacting this source.

Forecast Risks

- Changing Montana population
- Rate of change in effective tax rate

Revenue Estimate Methodology

Data

The wine tax estimate is based on data obtained from DOR, SABHRS, and S&P Global. Details on historical tribal distributions are provided by DOR; fiscal year tax collections are from SABHRS; forecasts for independent economic variables are produced by S&P Global.

Analysis

Per capita consumption is modeled on Montana population age 18 and older and the prior year's actual consumption. Forecast per capita consumption is multiplied by forecast population to obtain an estimate of future total consumption. Total tax collections are calculated by multiplying the number of liters sold in a given year by the effective tax rate in that year. This analysis assumes that the effective tax rate remains the same as the last known fiscal year.

Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2025 legislature.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Effective Tax Rate	Approximate Liters Sold Millions	Montana Pop >= 21 Millions
A 2014	\$3.327	\$2.250	24.9%	13.337	0.758
A 2015	3.430	2.307	24.6%	13.970	0.766
A 2016	3.527	2.373	25.0%	14.136	0.776
A 2017	3.610	2.429	25.2%	14.338	0.786
A 2018	3.635	2.446	25.0%	14.534	0.795
A 2019	3.681	2.478	24.9%	14.804	0.804
A 2020	3.743	2.522	24.8%	15.073	0.815
A 2021	3.981	2.679	24.8%	16.064	0.831
A 2022	3.834	2.573	24.7%	15.524	0.846
A 2023	3.763	2.528	24.7%	15.254	0.856
A 2024	3.715	2.504	24.4%	15.237	0.867
F 2025	3.790	2.558	24.6%	15.402	0.877
F 2026	3.815	2.575	24.5%	15.550	0.887
F 2027	3.826	2.582	24.4%	15.681	0.896
F 2028	3.839	2.591	24.3%	15.794	0.905
F 2029	3.854	2.602	24.3%	15.888	0.913

Revenue Projection

This section contains the projection for this source including impacts, if any, enacted by the 2025 legislature.

