

IT'S TIME FOR A SERIOUS CONVERSATION ABOUT TAXES

A Tax Structure more Suited for
1965 than 2025



Montana Chamber of Commerce Priorities 2025 Legislative Session

- Preserving Medicaid Access
- Tax Reform
- Tax Increment Financing
- Housing
- Childcare
- Legal Reform
- Energy & Environment
- Workforce Development & Entrepreneurship



**MONTANA
CHAMBER OF
COMMERCE**



Economic Headwinds

Montana Property Taxes

Historic Major Revenue Sources

- Income Tax
- Property Tax
- Natural Resource Taxes



An outdated system in a changing economy



This State Just Cut Property Taxes for Homeowners—by Making Second Homes and Big Business Pay Instead

Source: Real Estate News & Insights | realtor.com®

2025 LEGISLATURE

**Second-home tax bills
advance over
opposition from
business lobby**

Montana Property Tax Reform Options: A Tax Shift Is Not a Tax Reform

Source: Tax Foundation



1971

Anaconda Copper
Company's tax bill

~ \$11 million

2025 Equivalent

~\$87 million

January 1972
MT Chamber Newsletter.

Mining and Taxes

Mining's considerable contribution in Montana is reflected in its tax bill, as well as in substantial payrolls and multi-million dollar expenditures for goods and services.

For the year 1971, our taxes in Montana ran at a rate of \$30,000 every day — a total \$10,953,586. Property and net proceeds of mines taxes amounted to \$8,987,151. Additionally we paid to the state last June a record metal mines tax of \$1,975,435 based on the gross mineral production of the Butte mines in 1970. On this tax there's no allowance for mining costs, depreciation or other expenses.

Counties sharing in the larger property tax payments are: Silver Bow, \$4,923,683; Deer Lodge, \$1,410,062; Flathead, \$1,258,985; Cascade, \$787,064 and Missoula, \$391,969.

It is noteworthy that nearly \$6,000,000 of the company's property taxes will go for education of our Montana young people.

ANACONDA



Declining Natural Resource Industry

Timber

Declining Production, Jobs & Businesses

1990 - 2024

- 36 large sawmills closed
- 3,854 jobs lost



Montana's Changing Economy

- **High Tech Sector** Growing 7X Montana's Economy
- \$2.9 Billion in Annual Revenue

Montana High Tech Business Alliance

- 2015 – 2020 **Bioscience Job** Growth 12X Other MT Private Sector Jobs

UM Bureau of Business and Economic Research

2024 Record Tourism

- ~ 13.8 million—Surpassing Previous Record by 1 million (2023)
- ~ Spent \$5 billion

Data from the Institute for Tourism & Recreation Research

- 2012 – 2023 **Winter Recreation** Grows 161%
- 80% Increase in Number of **Manufacturers** Since 2017



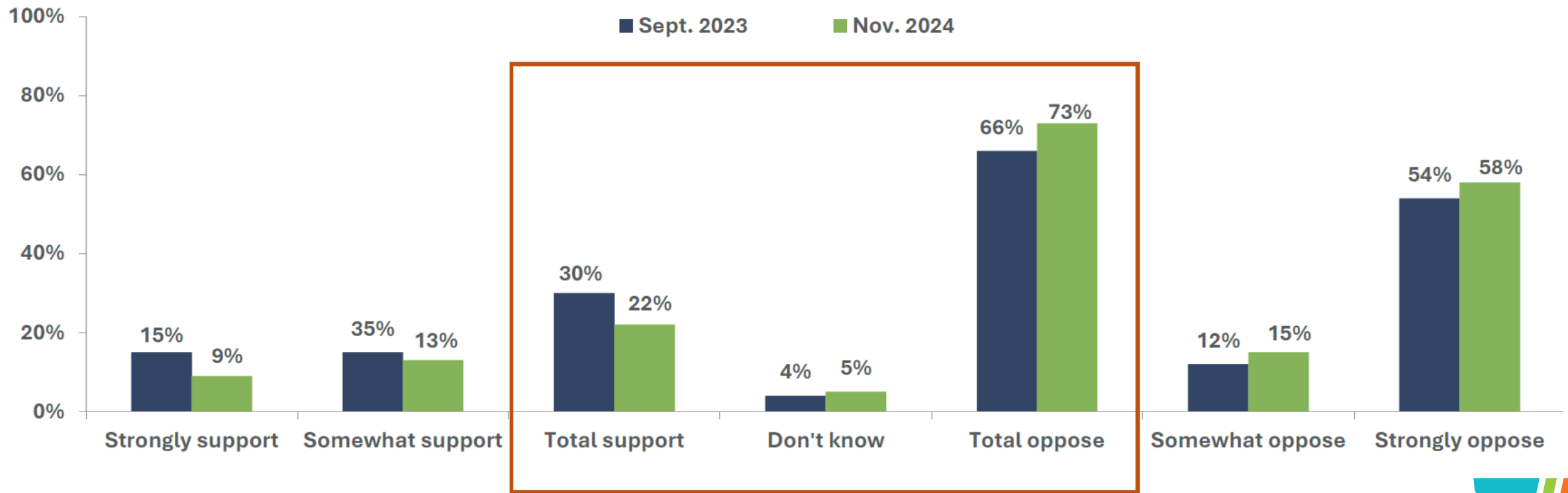
Where Do We Go From Here?

- Is Montana's Current Tax Structure Sustainable for a 21st Century Economy?
 - All Options Need to be on the Table



INITIAL SUPPORT FOR A STATEWIDE SALES TAX REMAINS DISMAL IN MT

“Moving on, as you know, Montana does not have a statewide general sales tax, but if one were to be enacted, the Montana State Constitution caps the sales tax at 4%. Knowing this, please tell me if you would support or oppose a statewide general sales tax in Montana.” (Q20)

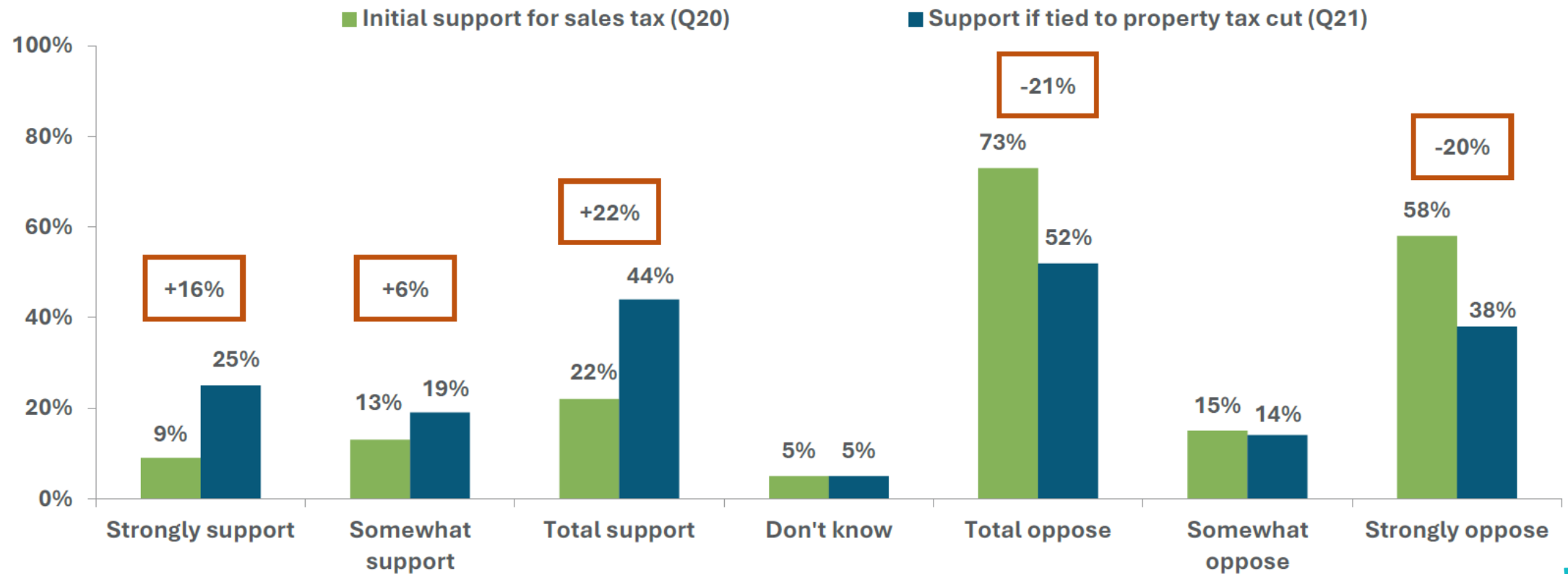


Opposition is widespread across all key demographic subgroups.



TYING A STATEWIDE SALES TAX TO A PROPERTY TAX CUT GREATLY INCREASES SUPPORT

“And would you support or oppose a statewide general sales tax in Montana if you knew it would be used to reduce property taxes paid by Montana residents?” (Q21)



This strong increase in support is widespread across all key demographic subgroups.



Who will pay for future property tax relief?

MT Free Press
April 29, 2025

Second-home tax bills advance over opposition from business lobby

Other opponents who spoke at Tuesday's hearings included the **Montana Chamber of Commerce, Montana Taxpayers Association, Montana Petroleum Association, Montana Farm Bureau Federation, Montana Contractors Association, Montana Association of Realtors, United Property Owners of Montana, Renewable Northwest, NorthWestern Energy, the Montana Stockgrowers and Montana-Dakota Utilities"**