

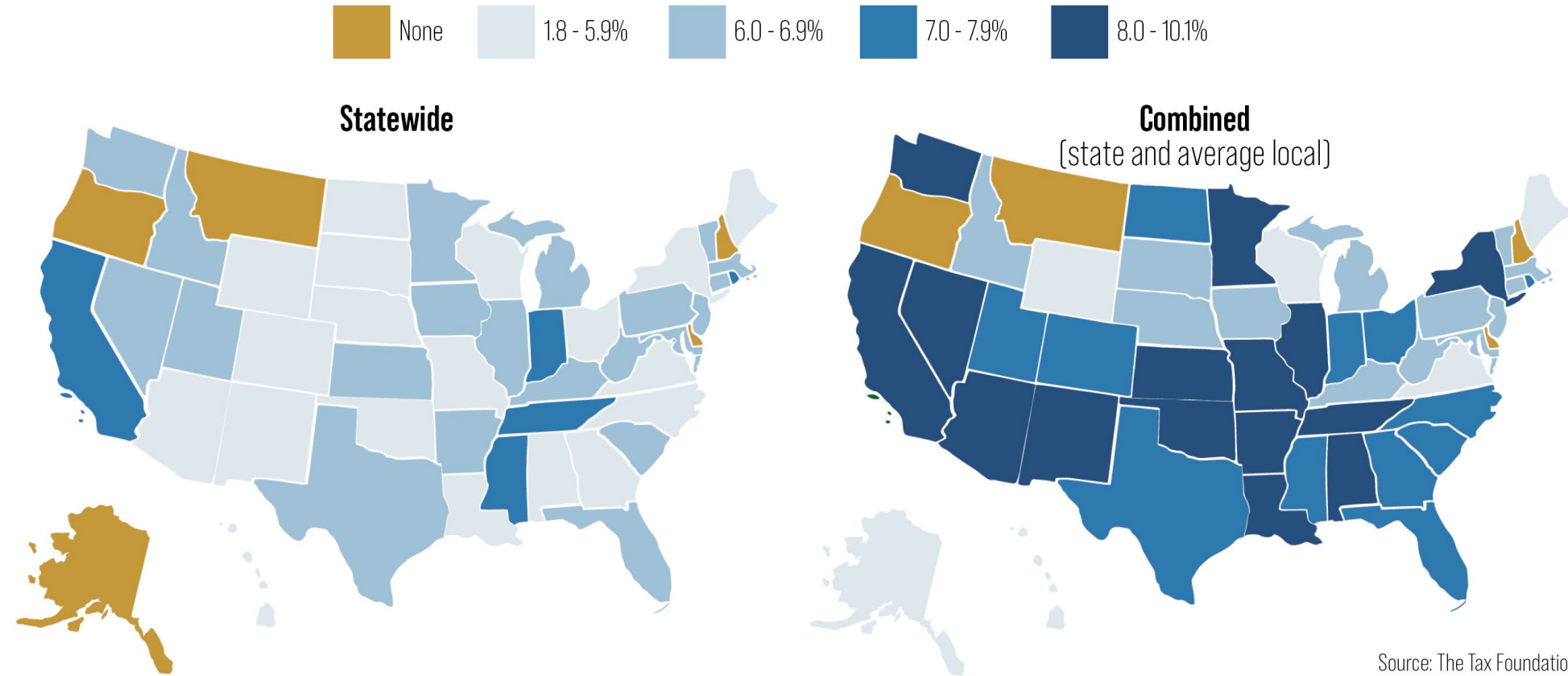
Local Sales Tax and The Economic Outlook for Missoula and Ravalli Counties

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In Many States, Local Sales Taxes Are Large: About ¾ of State's Allow Local Sales Tax.

Sales tax rates, July 2025



Local Option Sales Tax Problem 1: Large Inequities Across Areas

Illustrated With Former Home County:
All areas have the same sales tax rate.

Differences are due to

- 1) major highways/tourist traffic
- 2) location of shopping centers
(incentives)
- 3) housing (less is better!)

Jurisdictional competition for sales tax is not
economic development: a zero-sum regional game.

Placer County Communities	Sales Tax Revenue Per Capita
County Unincorporated	\$155.87
Auburn	\$550.70
Colfax	\$679.37
Lincoln	\$80.66
Loomis	\$182.52
Rocklin	\$222.49
Roseville	\$393.86

Source: California City Finance, 2018-19.



Local Option Sales Tax Problem 2: Negative Fiscal Incentives For Local Governments Especially When Paired With Property Tax Restrictions

Hospitality, Entertainment, & Recreation Incentive Program

The Hospitality, Entertainment & Recreation (HER) incentive offers a sales tax rebate or direct financial assistance, building and planning fee rebates, and/or transient occupancy tax rebates and is available to unique retailer(s) who offer a full-service establishment with hospitality, recreation, and entertainment venues. To qualify, a business must:

A minimum of \$10 million in annual sales qualifies for a 20% rebate of the portion of tax collected by the City, growing to a sales tax rebate of 50% for businesses generating \$30 million or more in annual sales.

Citywide Retail Incentive Program

Sales Tax and Building & Plan Fee rebate incentives used to attract “unique business” to Tracy. Qualified businesses must:

- Engage in “retail sales” within the City limits of Tracy
- Classify as a “unique business”
- Provide 5 years of actual annual sales for its 2 closest locations
- Identify the City of Tracy as the point of sale

Example: City of Tracy Charges \$75,000 In Impact Fees On A New House But Rebates Up To 50% of Sales Taxes To Attract New Retail and Hospitality.



Missoula's Economy Receives Bad News, But Shows Resilience

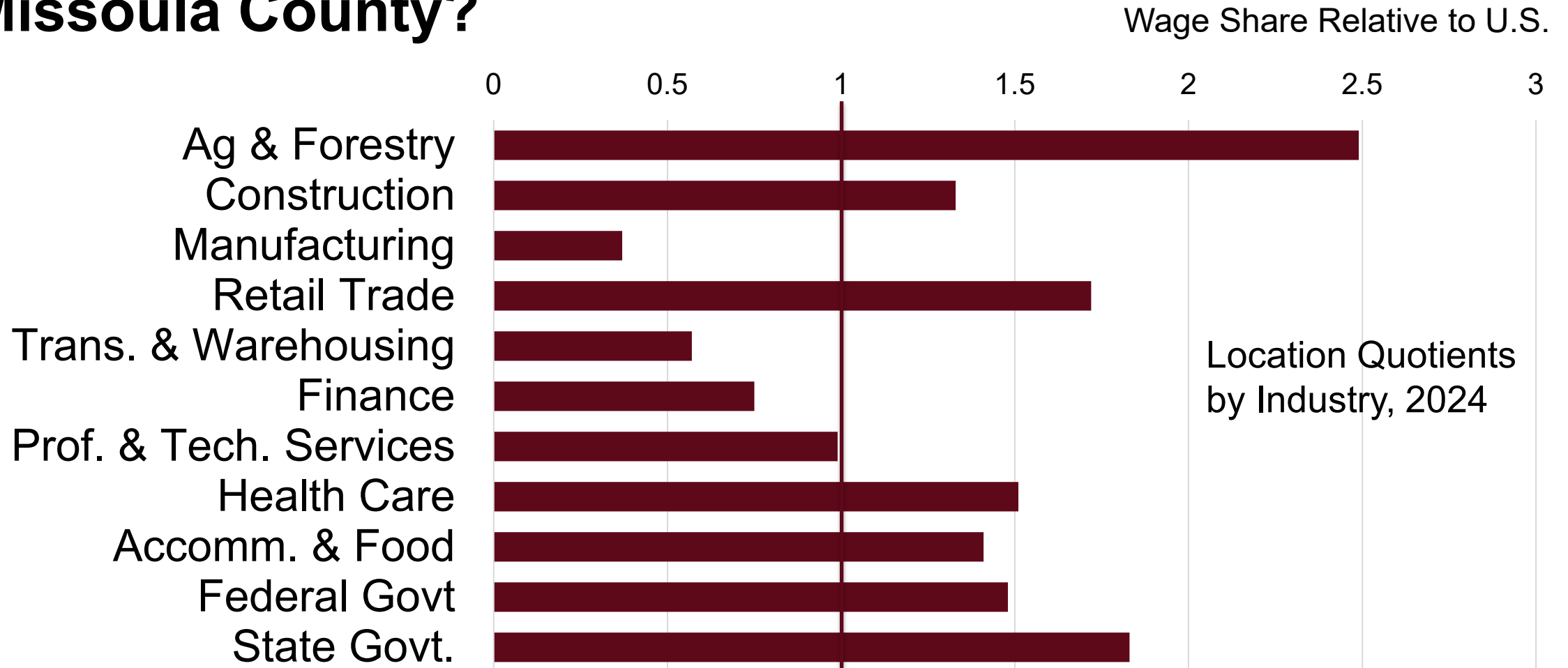
Employment growth has dipped slightly negative.

- A 3rd wood products closure in 1.5 years.
- Federal Cuts (Forest Service, NIH-Ravalli, Grants).
- Some contraction in hospitality: food/beverage.

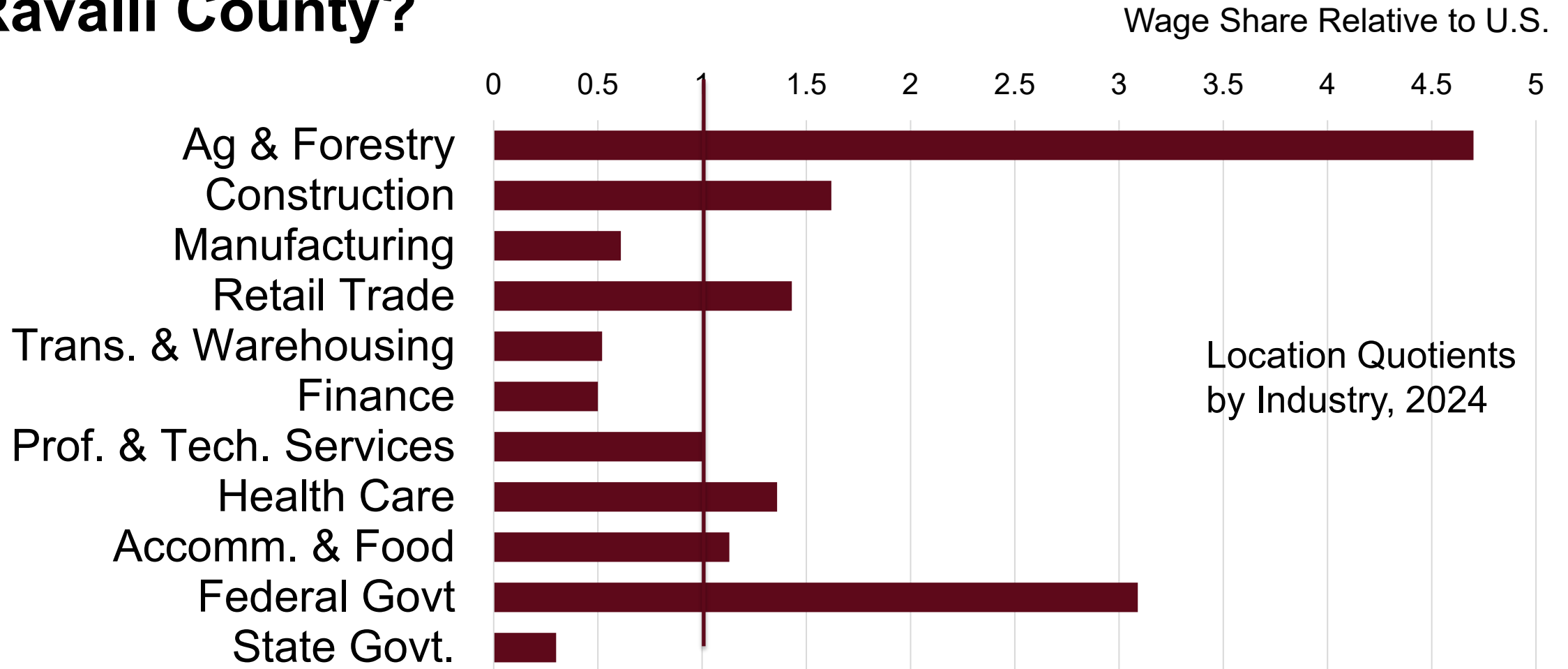
Average wage and total wages are still growing at a good pace - still adding healthcare, professional and tech jobs.



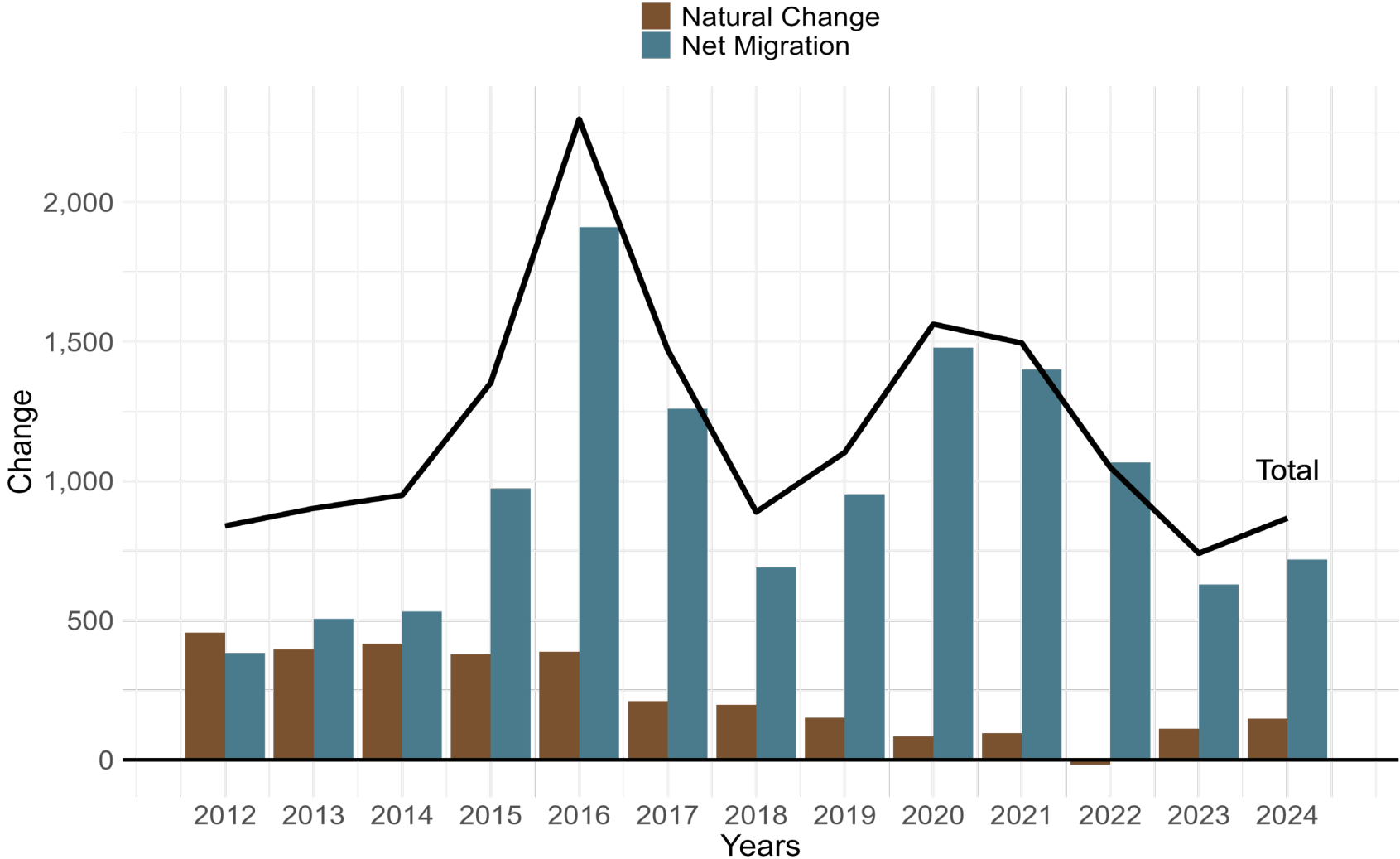
What Are the Most Prominent Industries in Missoula County?



What Are the Most Prominent Industries in Ravalli County?



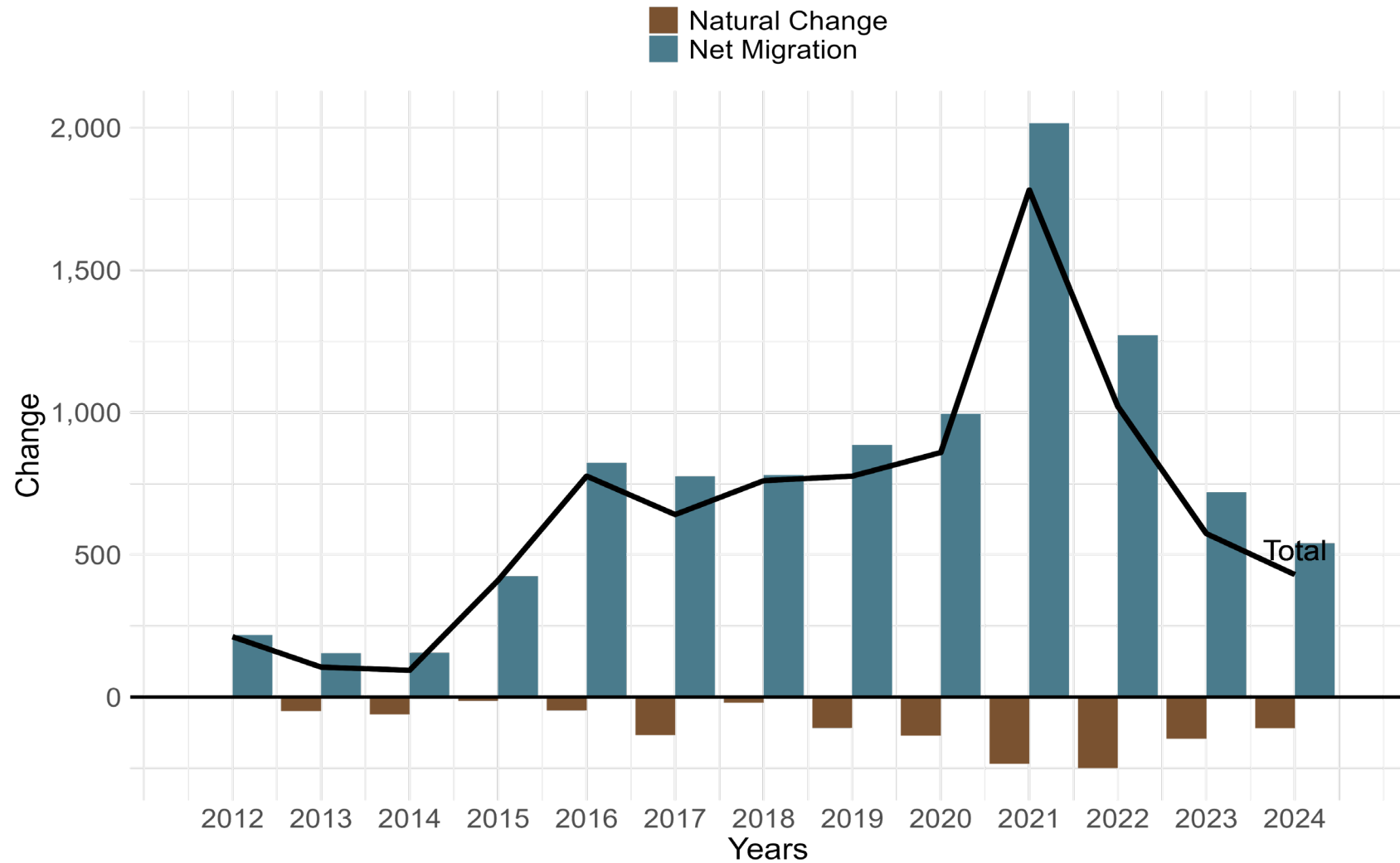
Components of Population Change, Missoula County



Source: U.S. Census - Population and Housing Units Estimates (PEP)



Components of Population Change, Ravalli County

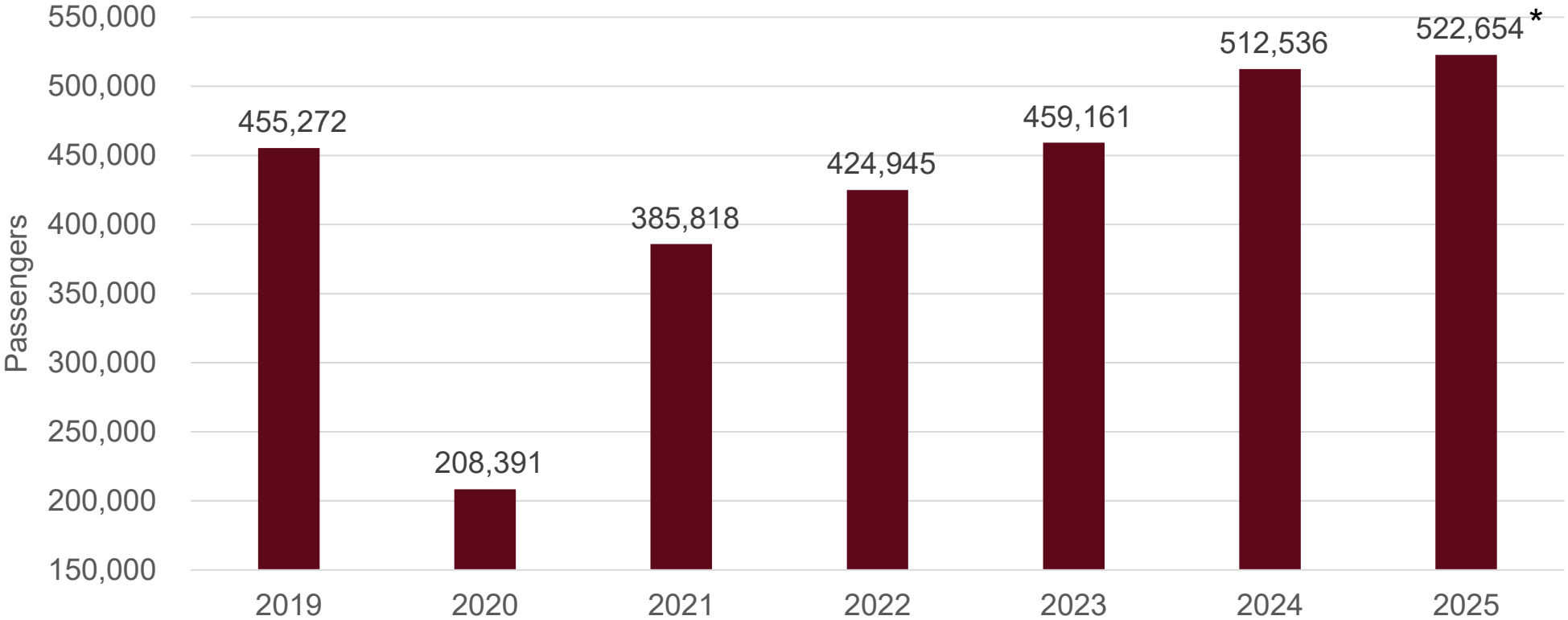


Source: U.S. Census - Population and Housing Units Estimates (PEP)



Airport Growth Continued in 2025

Enplanements, Missoula Montana Airport



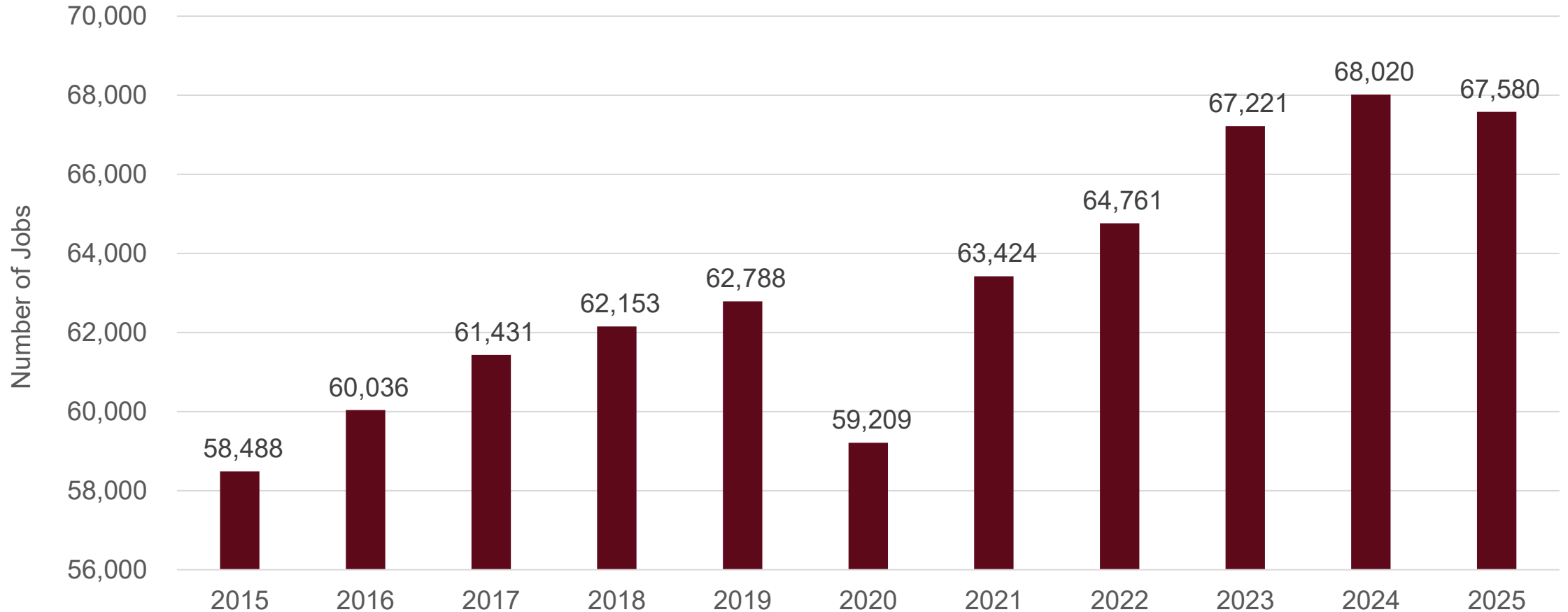
Source: Montana Dept of Transportation Statistics

* Projected

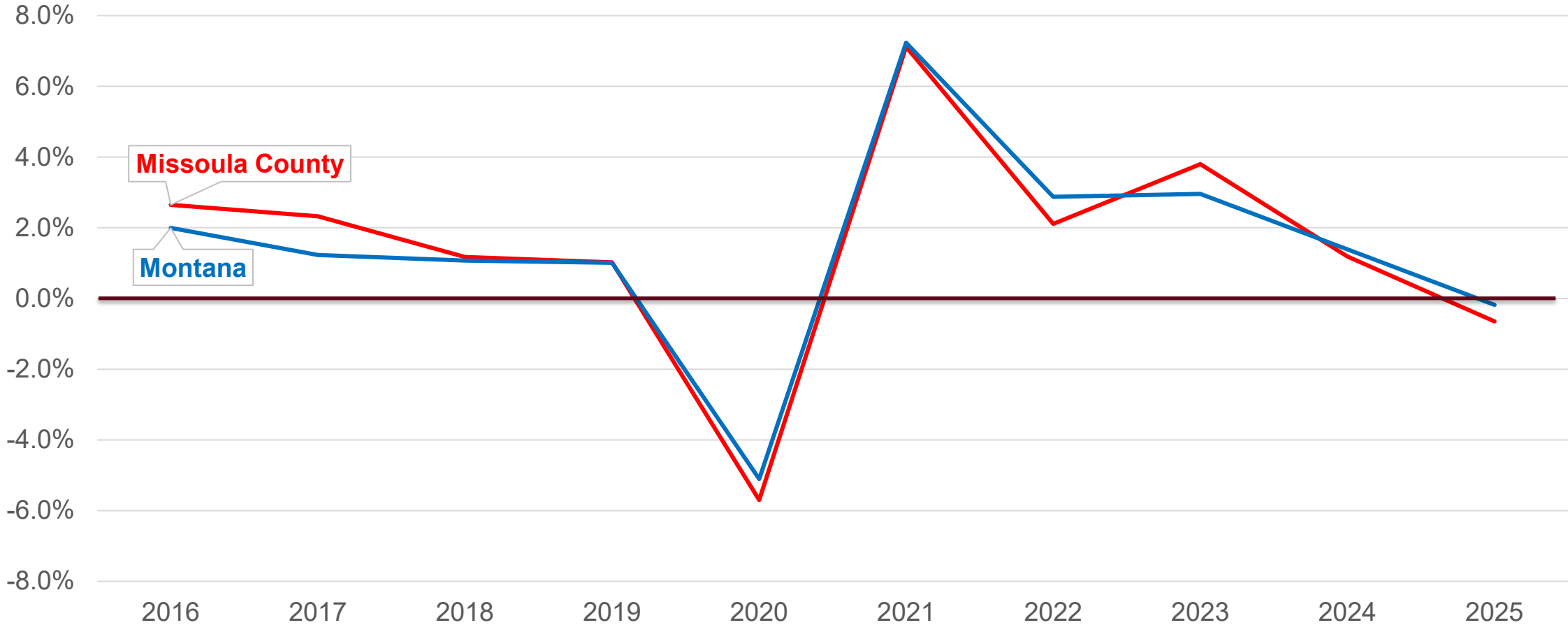


Missoula County Employment:

(Source: Bureau of Labor Statistics, QCEW. Data is June each year)

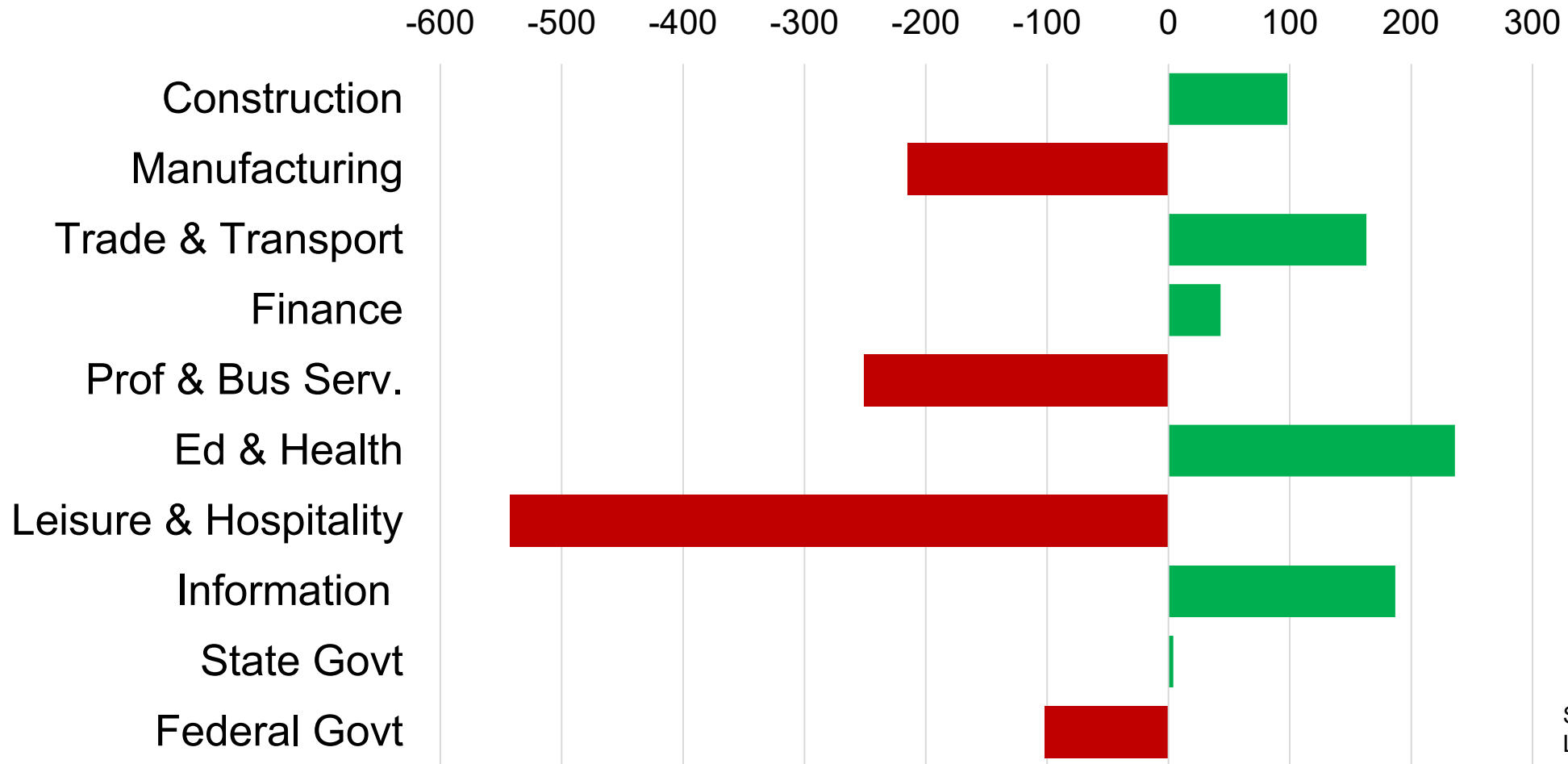


Annual % Change in Jobs - Missoula County



Missoula: Hospitality Leads Job Loss

Change in Jobs: June 2025 – 2024 (Total = -440)

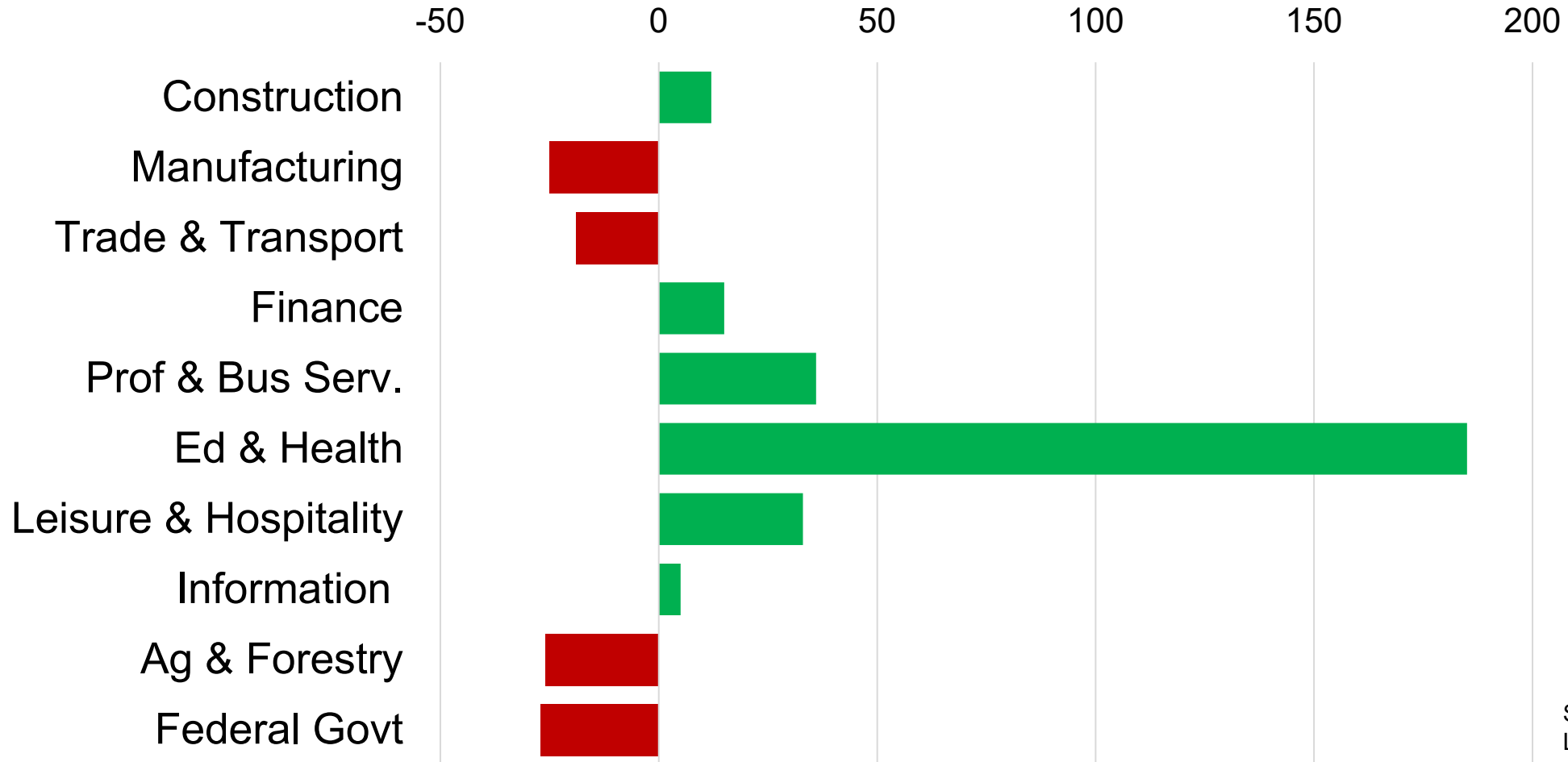


Source: U.S. Bureau of Labor Statistics



Ravalli: Healthcare Leads Job Gains

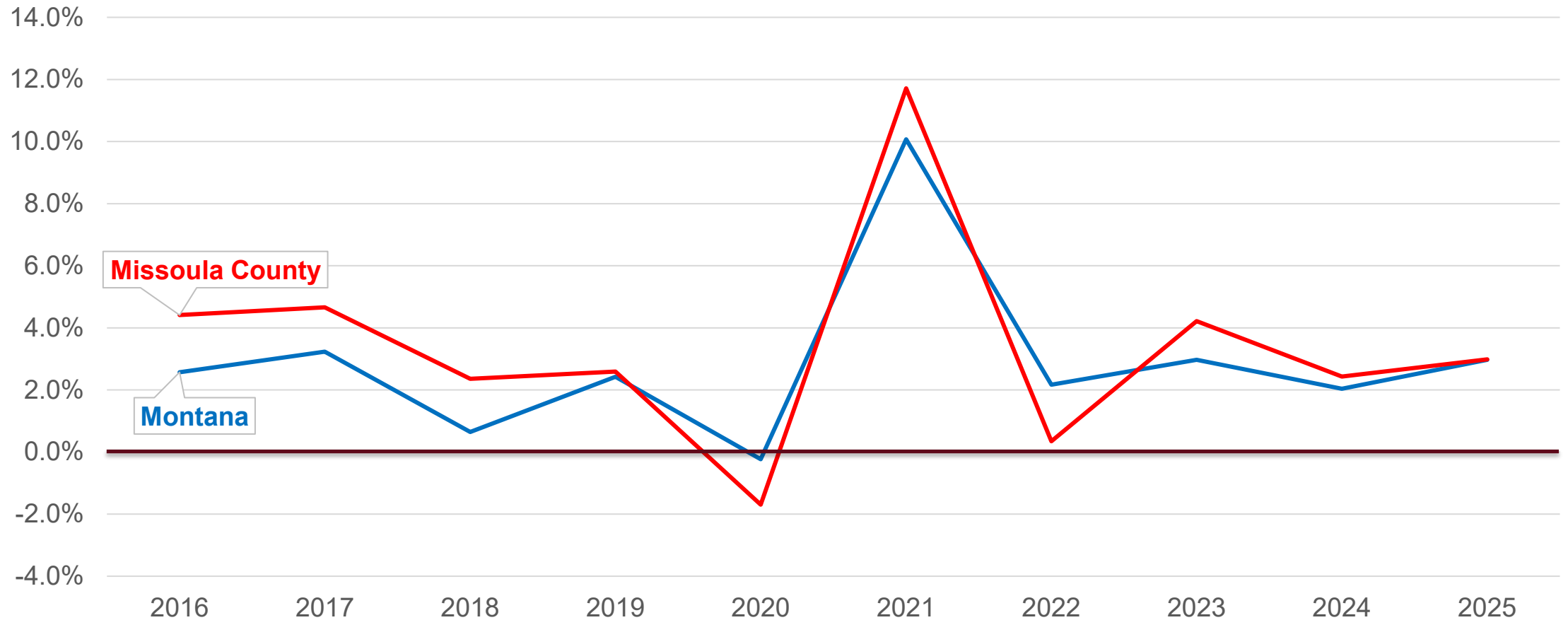
Change in Jobs: June 2025 – 2024 (Total = +262)



Source: U.S. Bureau of Labor Statistics



% Change in Total Wages - Missoula County Inflation Adjusted



% Change in Average Weekly Wage – Missoula County Inflation Adjusted

