

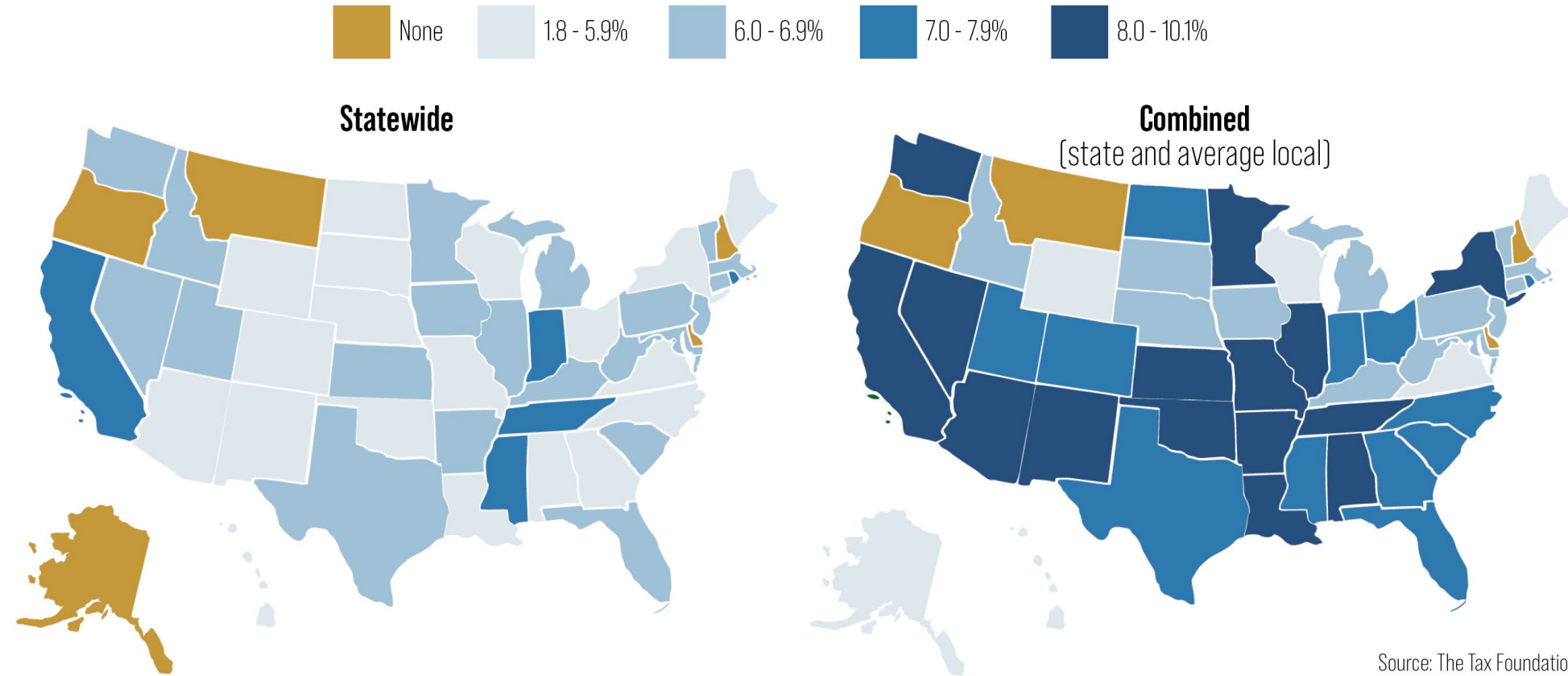
# **Local Sales Taxes and The Economic Outlook for Silver Bow County**

Jeffrey Michael, Director  
Bureau of Business and Economic Research  
University of Montana



# In Many States, Local Sales Taxes Are Large: About $\frac{3}{4}$ 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.

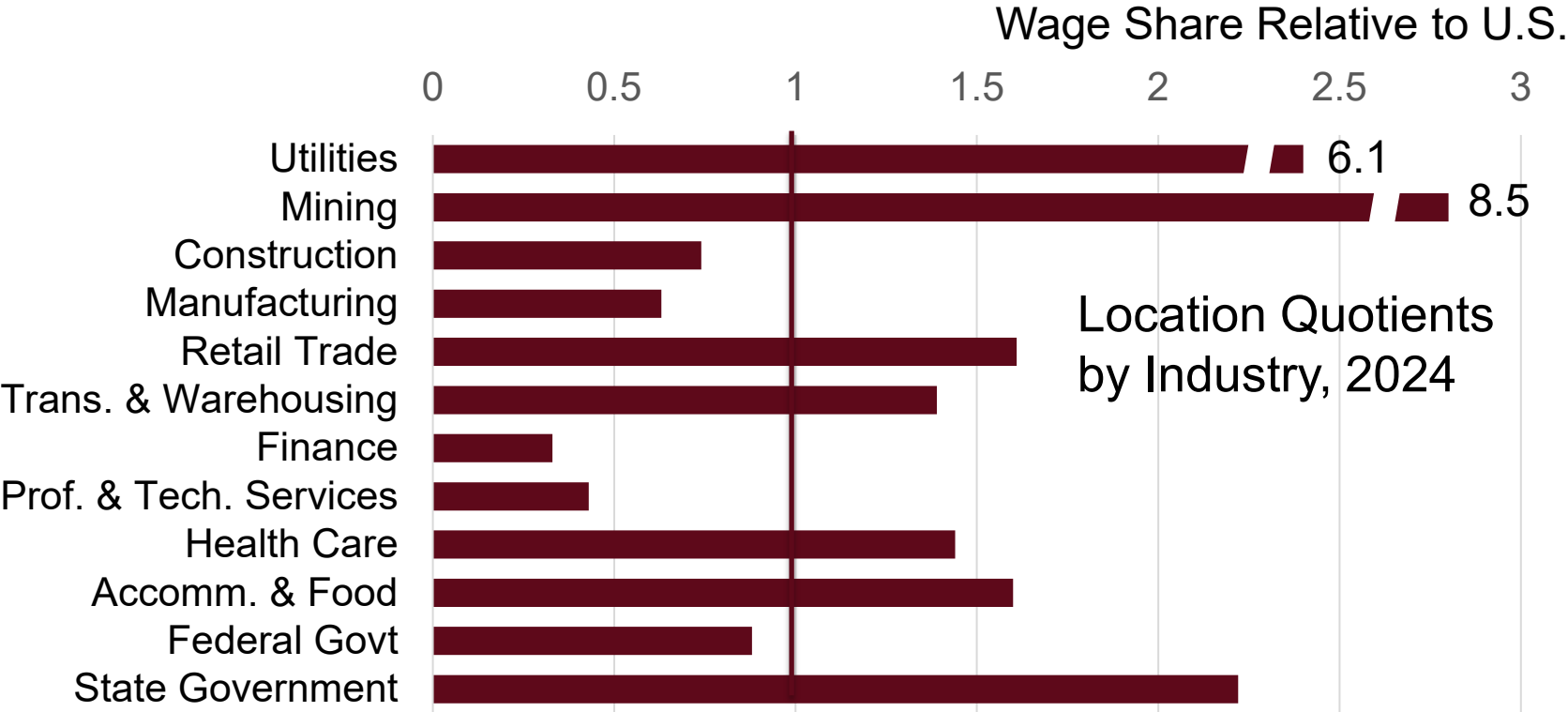


# Butte-Silver Bow: Renewed Growth With New Drivers

- Pandemic area population growth has faded...
- But continuing to add jobs after years of stagnation
- Rising copper prices and data centers could fuel a new burst of growth over the next two years.



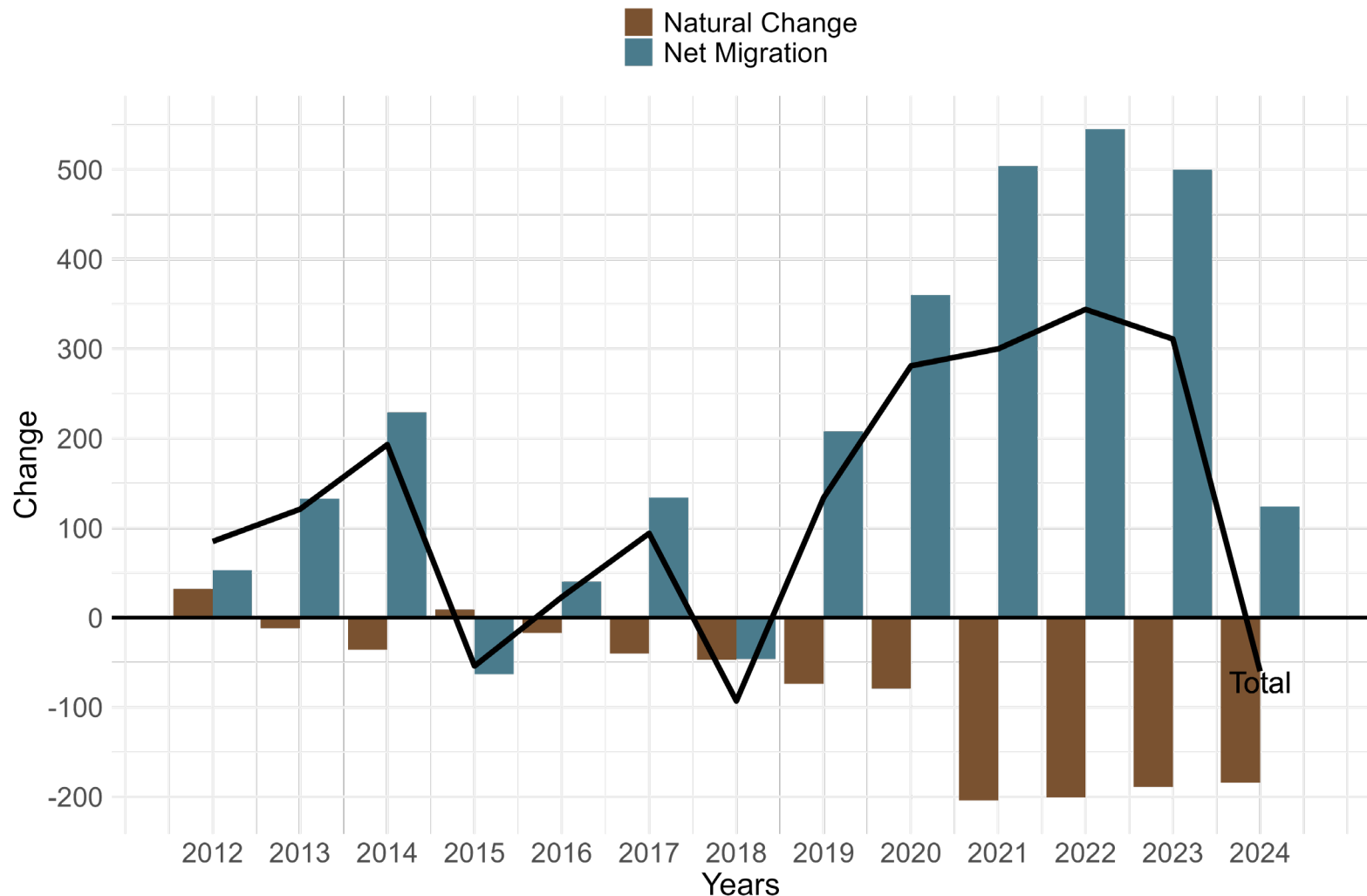
# What Are the Most Prominent Industries in Silver Bow County?



Source: U.S. Bureau of Economic Analysis



# Components of Population Change, Silver Bow County

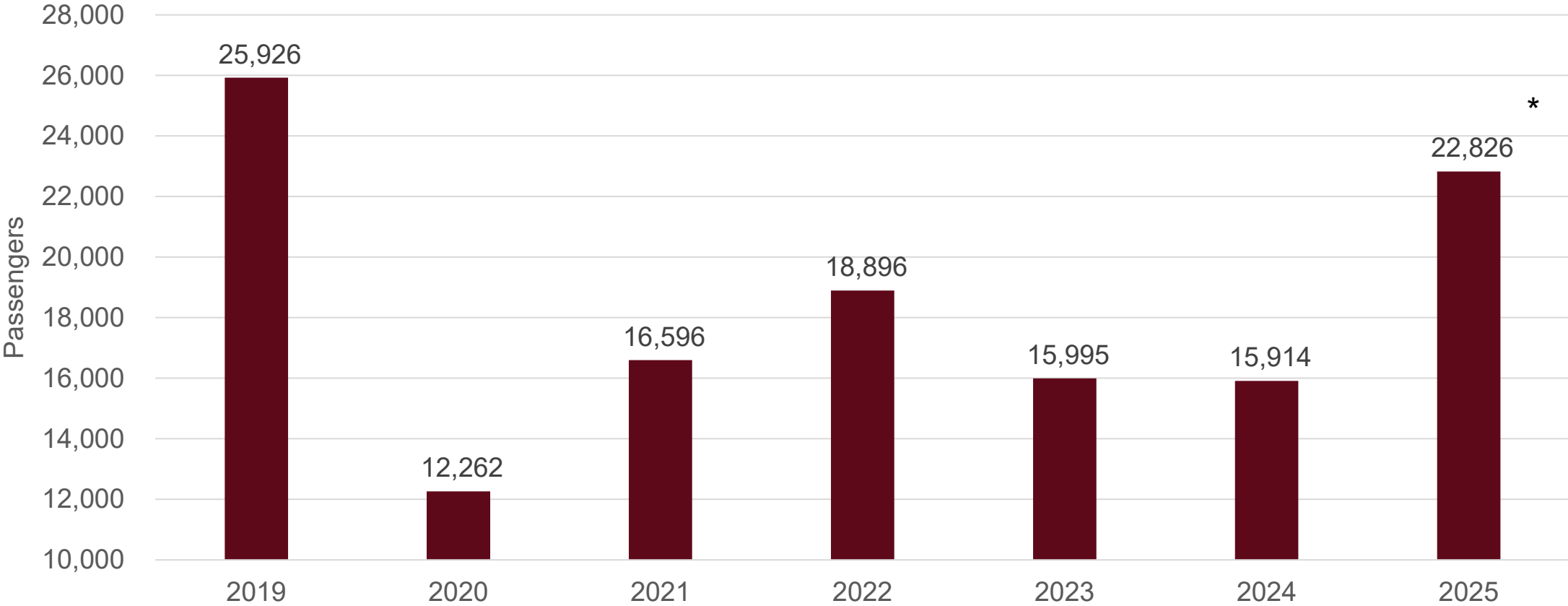


Source: U.S. Census - Population and Housing Units Estimates (PEP)



# Airport Growth Continued in 2025

Enplanements, Bert Mooney Regional Airport, Butte

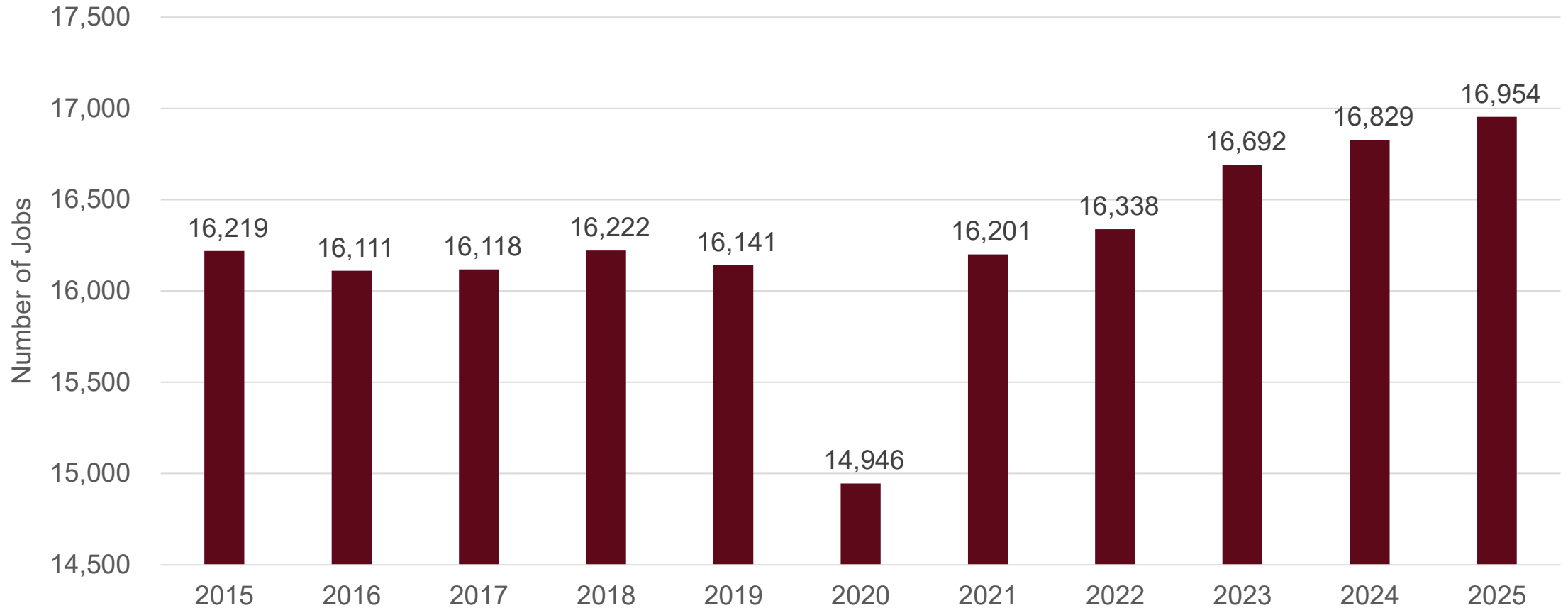


Source: U.S. Bureau of Transportation Statistics

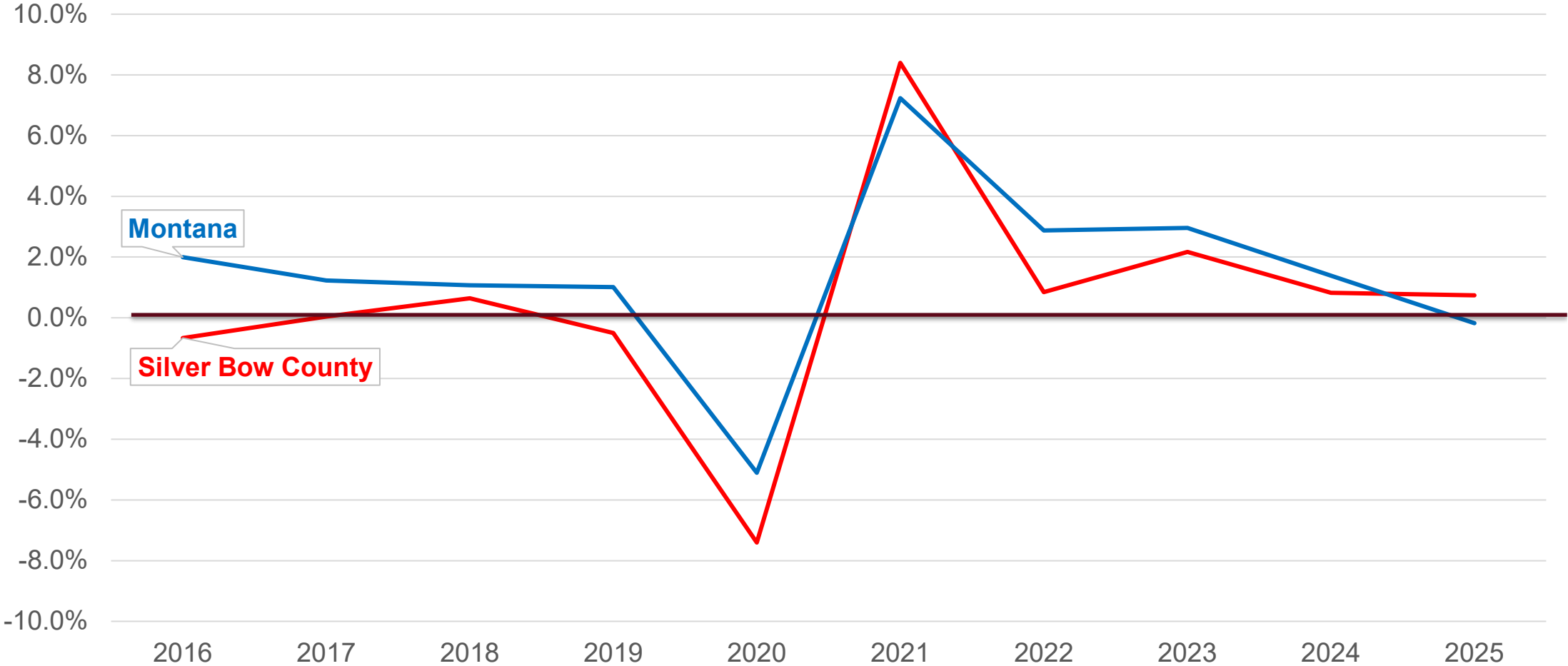
\* Projected



# Silver Bow County June Employment

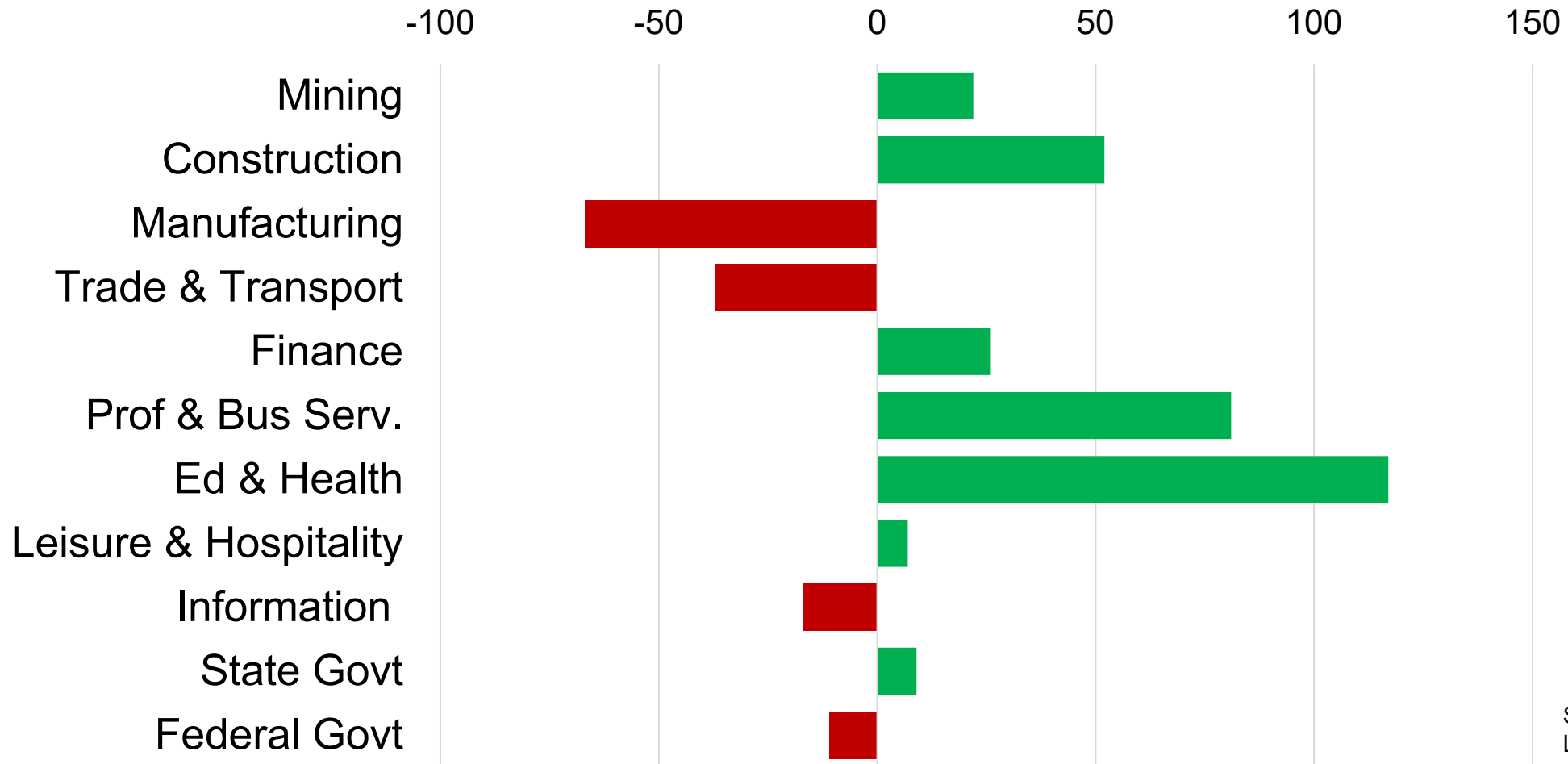


# Annual % Change in Jobs – Silver Bow County



# Silver Bow: Healthcare Leads Growth

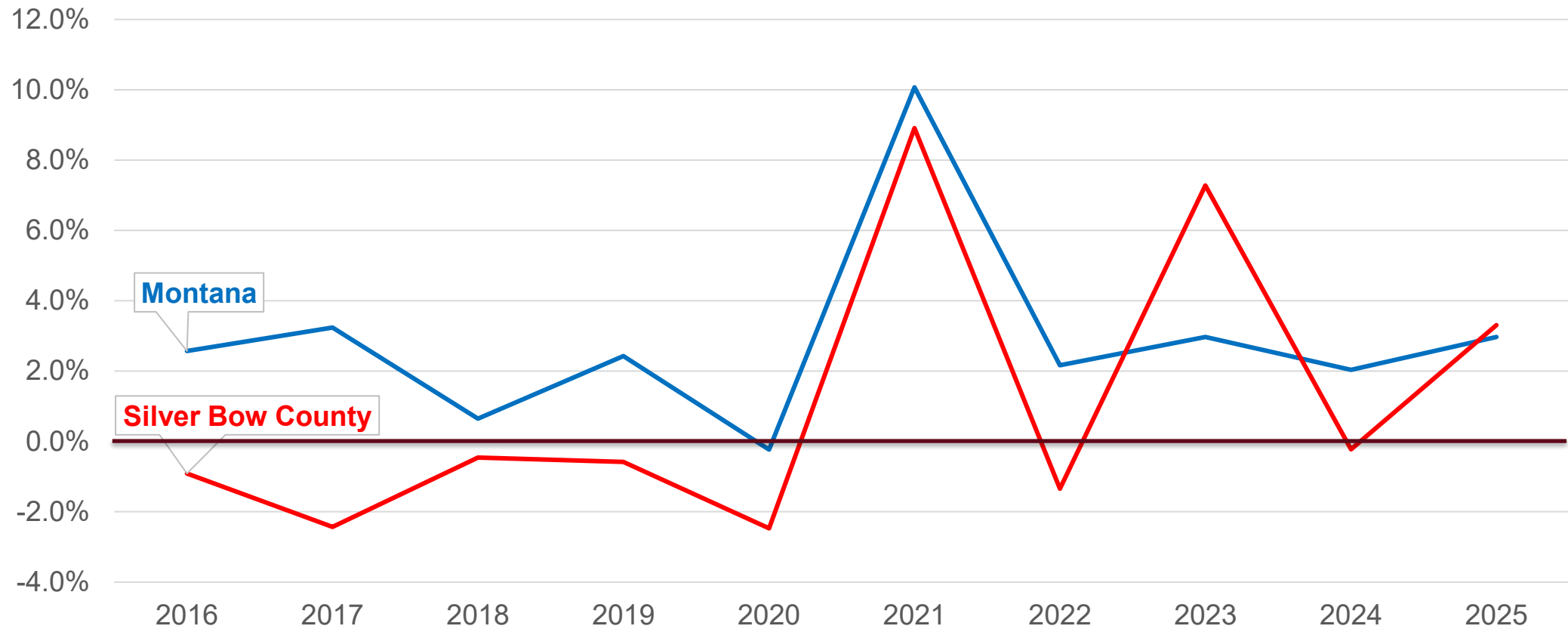
Change in Jobs: June 2025 – 2024 (Total = +125)



Source: U.S. Bureau of Labor Statistics



# % Change in Total Wages – Silver Bow County Inflation Adjusted



# % Change in Average Weekly Wage – Silver Bow County Inflation Adjusted

