

# INSTITUTE FOR TOURISM & RECREATION RESEARCH

## Montana Tourism Outlook for 2026 Sales Tax: Is it Time?

2026 BBER Economic Seminar  
Dr. Melissa Weddell, PhD, MBA



# ITRR RESEARCH PRIORITIES + CYCLE

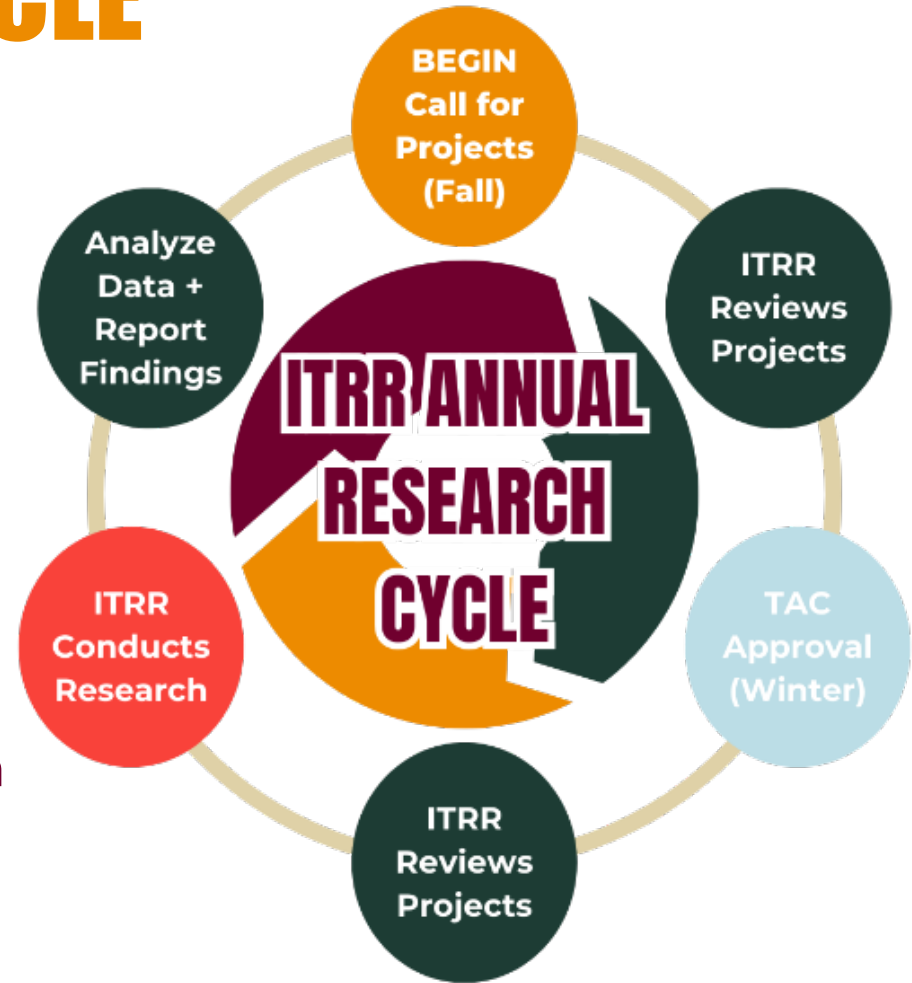
ITRR serves as the research arm for Montana's tourism and recreation industry

Established in 1987 at the University of Montana's W.A. Franke College of Forestry and Conservation

Funded by a portion of the revenues from the state Lodging Facility Use Tax

Objective Research in tourism and recreation to support industry for strategic planning, marketing, policymaking, and management overseen by the TAC

Supports Montana Public Agencies & Businesses through reliable, objective research on visitor services and facility management



**38 YEARS OF PROVIDING TRAVEL, TOURISM, AND RECREATION RESEARCH**



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# ITRR ONGOING RESEARCH PROJECTS

**Quarterly Nonresident Analysis**

**Quarterly Resident Analysis**

**Annual Economic Impacts and Outlook**

**Tourism and Recreation Monitoring**

**State Park Visitation**

**Survey Kits**



## 2024-25 TAC RESEARCH PROJECTS

Montana's Paleontological Tourism

Contributions and Impacts of Montana Museums

Impacts of Montana Meetings and Conventions

A Study of Flathead Lake Level Impacts on the Tourism Economy

Understanding Reservoir Recreation (Canyon Ferry)

Montana's Outfitting Industry

Understanding Tourist Disengagement with Montana

## 2025-26 TAC RESEARCH PROJECTS

Sport Tourism in Montana

Contributions and Impacts of Arts, Culture, & Community

Visitor Use Patterns in the Bob Marshall Wilderness Complex

Film Tourism in Montana

Understanding Impacts of Long Trail Tourism (CDT)

Impacts of Native Tourism in Montana

Supporting Montana Communities: Pilot Tourism Grant Program

# ITRR DATA DASHBOARDS (PUBLICLY AVAILABLE)



## Nonresident Survey Full Data Summary

Dive in to complete customizable access to summary percentages from our complete nonresident survey.



## Nonresident Survey Mailback Crosstabs

Examine how trip characteristics like Activities or Sites Visited on trip vary across cross-sections of nonresident visitors.



## Visitor Trends Nonresident Visitation

Learn how many nonresidents visit Montana by examining visitation trends.



## Resident Survey National Park Visitation Q1, 2023

Our most recent resident report from Q1, 2023 highlights Montana residents' visitation to Yellowstone and Glacier National Parks.

<https://www.umt.edu/tourism-recreation-research/interactive-data/>

# MONTANA NONRESIDENT VISITATION NUMBERS

Year	Nonresident Visitors
2025	~13,264,000*
2024	13,787,000
2023	12,567,000
2022	12,409,000
2021	12,840,000
2020	11,202,000

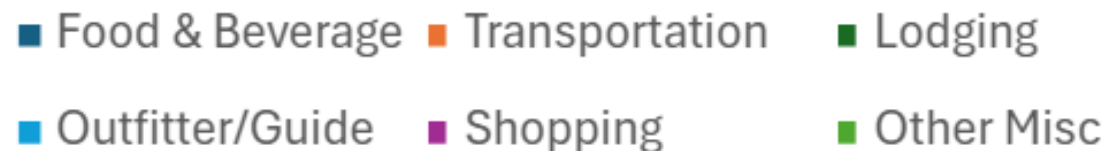
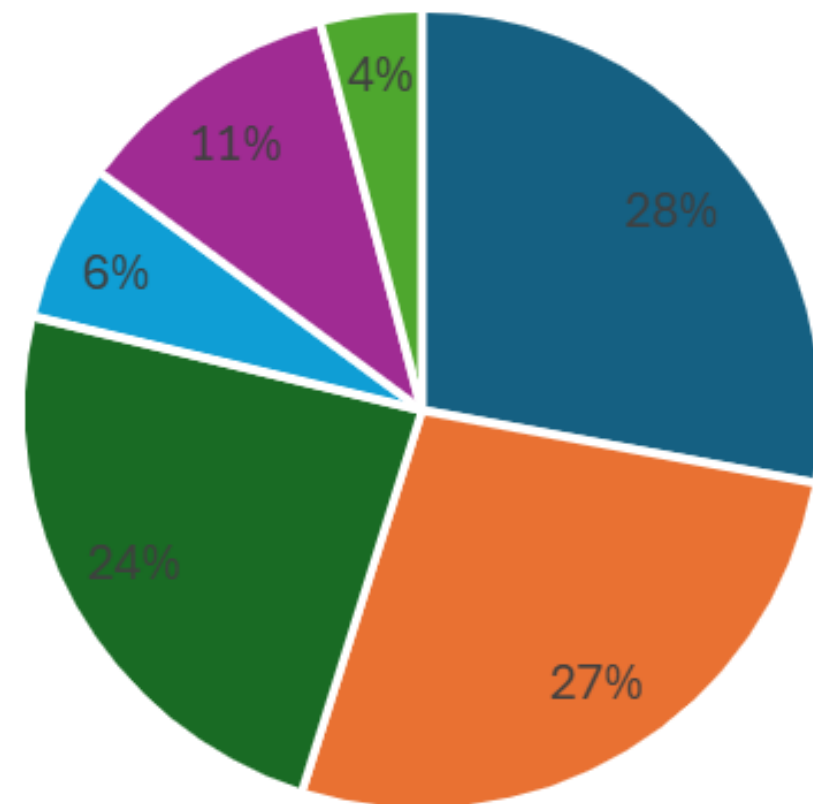
2025	Nonresident Visitors	% of year	% change
Q1	1,590,373	12%	5%
Q2	3,669,726	28%	0%
Q3	5,917,749	45%	-7%
Q4	2,086,598	16%	-6%
<b>Total</b>	<b>~13,264,445</b>	<b>100%</b>	<b>-4%*</b>

# MONTANA VISITOR PROFILE 2025 (Q1-Q3)

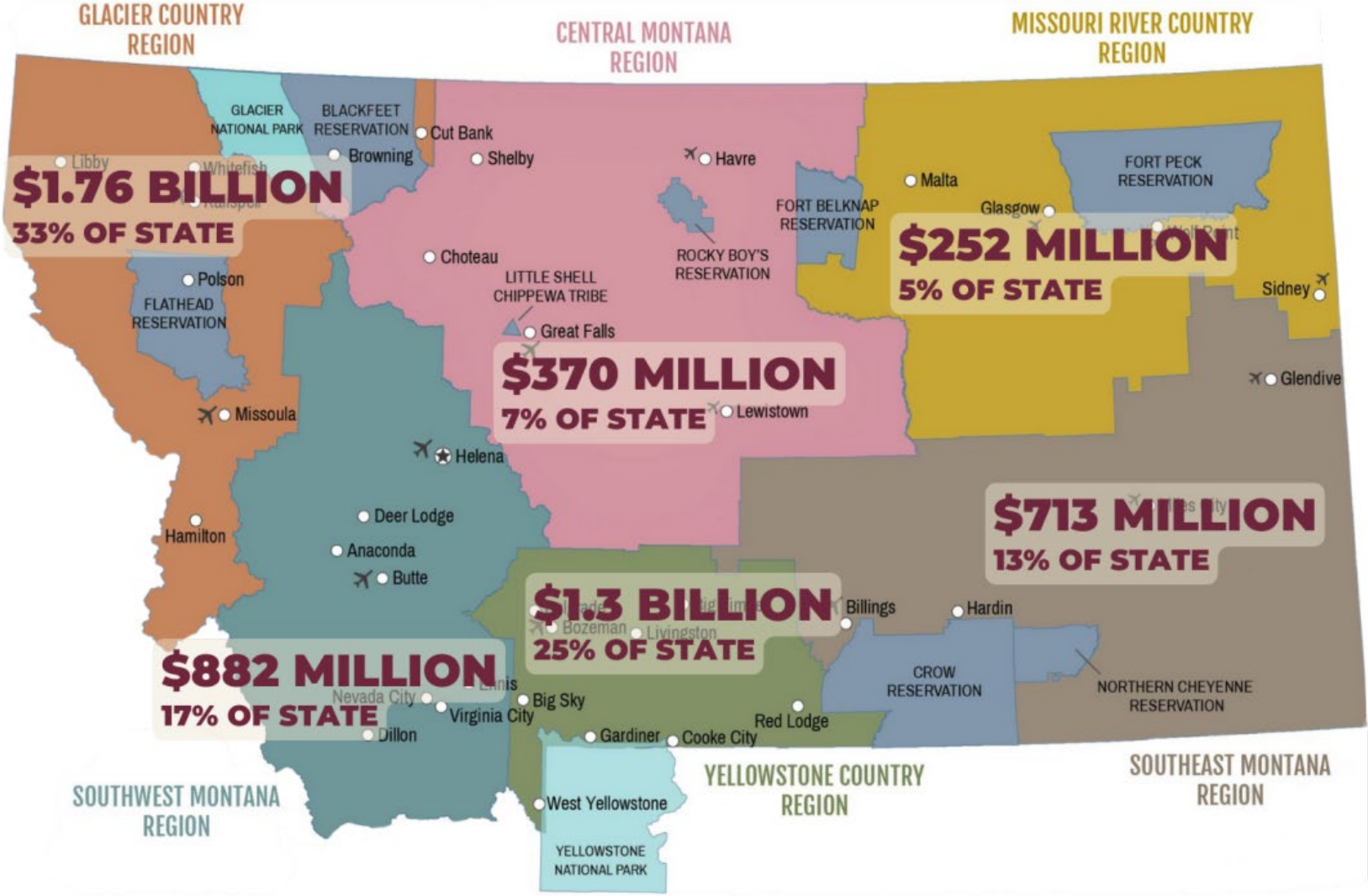
- Average Nights Spent = 5.4
- 75% Repeat Visitors
- 37% Couples
- 54% Male
- 73% Enter by Driving
- 65-69 Years Old; Largest Age Groups (Avg 58yo)
- 89% Report Satisfied/Very Satisfied with a Feeling of Being Welcomed
- Top Sites Visited
  - Yellowstone NP = 24%
  - Glacier NP = 24%
  - Hot Springs = 10%
  - Flathead State Park = 10%
- Top Reason
  - Vacation/Recreation = 44%
  - Passing through = 27%
  - Visiting Friends/Family = 24%
- Top Visiting States:
  - WA, ID, ND, WY, UT, & CA

# 2024 Contribution of Nonresident Traveler Expenditures to Montana's Economy

- Nonresident visitor spending: \$5.0 billion
- Total economic contribution: \$6.1 billion
- Spending Categories
  - Food & Beverage = \$1.4B
  - Transportation = \$1.3B
  - Lodging = \$1.2B
  - Outfitter/Guide = \$313M
  - Shopping = \$532M

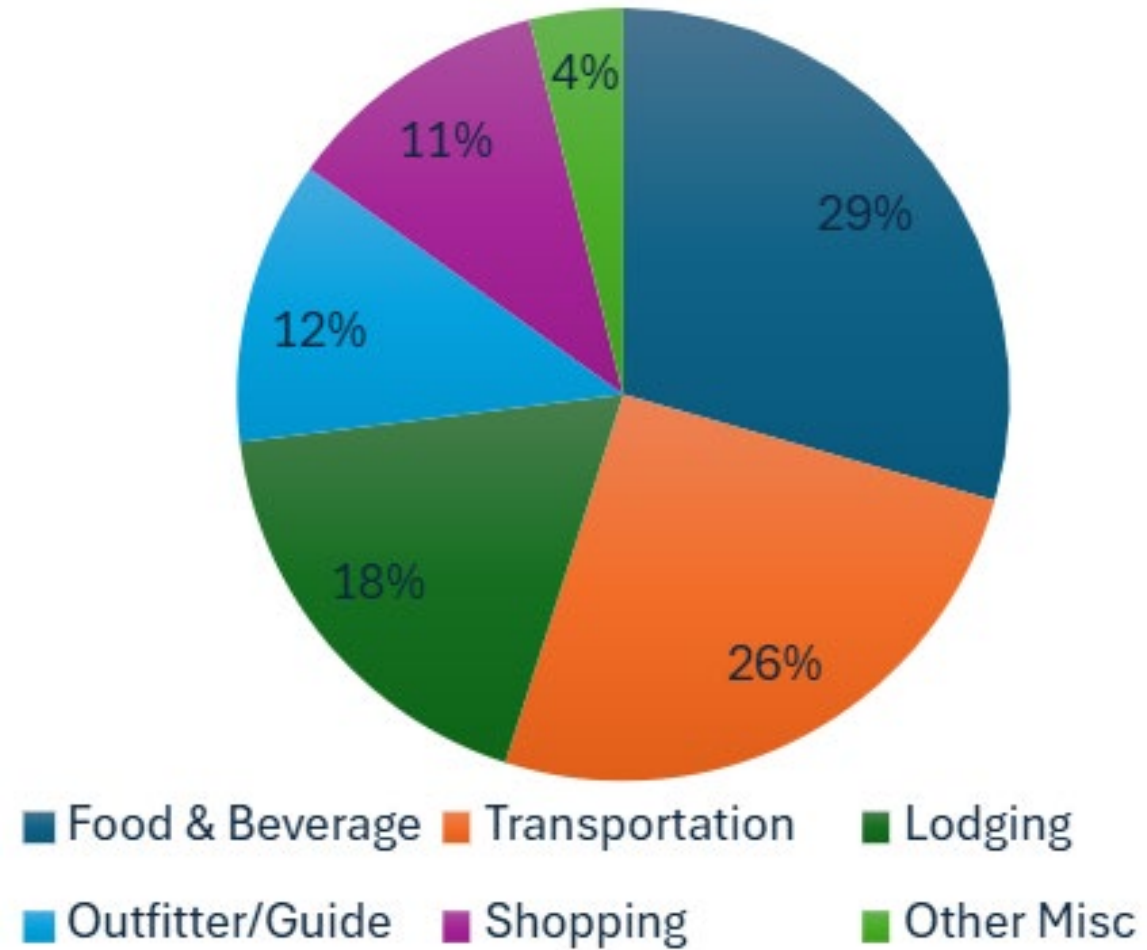


# MONTANA TRAVEL SPENDING BY REGIONS 2023/24



# 2025 Contribution of Nonresident Traveler Expenditures to Montana's Economy (PRELIM)

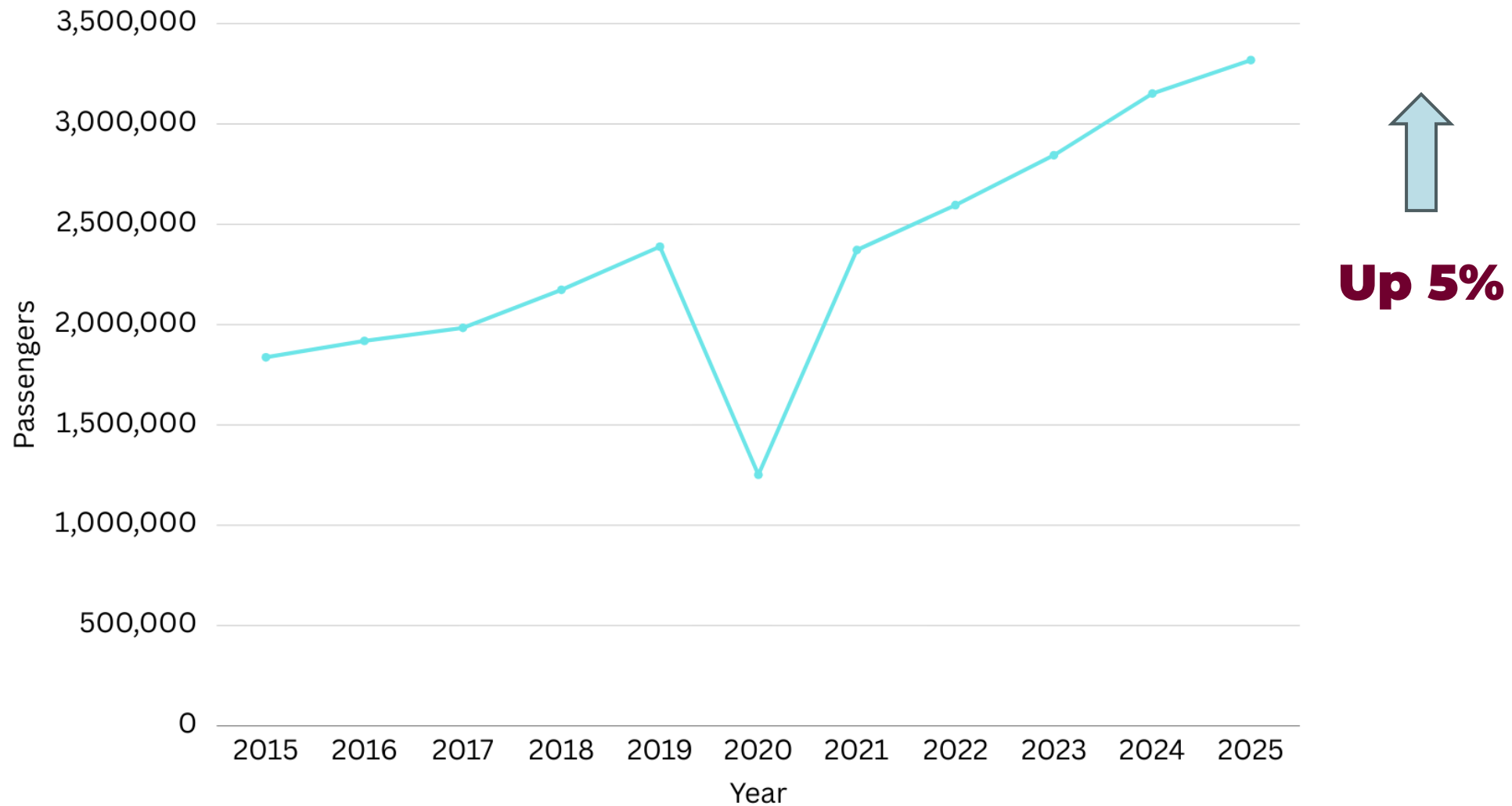
- Visitation: *~13.2M*
- Nonresident visitor spending: *~\$5.6 billion*
- Spending Categories
  - Food & Beverage = \$1.7B
  - Transportation = \$1.5B
  - Lodging = \$1.0B
  - Outfitter/Guide = \$689M
  - Shopping = \$646M



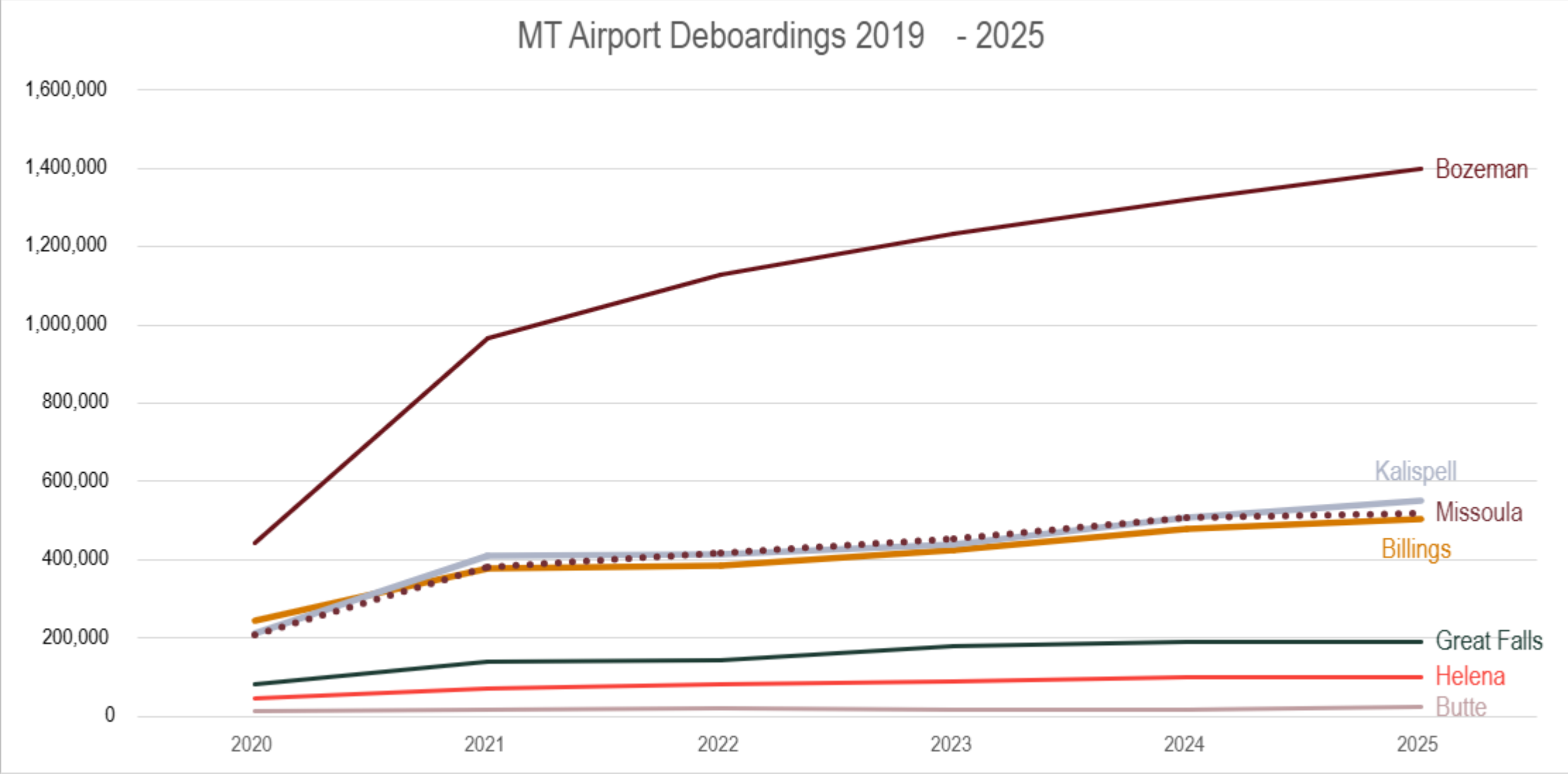
# SPENDING COMPARISON WITH YEAR-OVER-YEAR CHANGE

CATEGORY	2024	2025 (PRELM)	% CHANGE
Food & Beverage	\$1.4B	\$1.7B	+24%
Transportation	\$1.3B	\$1.5B	+11%
Lodging	\$1.2B	\$1.0B	-11%
Outfitter/Guide	\$313M	\$689M	+120%
Shopping	\$532M	\$646M	+12%

# STATEWIDE AIRPORT DEBOARDINGS – 2015-2025



# CITY AIRPORT DEBOARDINGS – 2020-2025



# CANADIAN BORDER CROSSING TRENDS

Total border crossings declined 17% statewide annually

- Most ports saw year-over-year decreases, especially from April to September
- Opheim (+2%) and Whitlash (+9%) saw annual increase;
- Largest annual declines: occurred:
  - Willow Creek (-30%)
  - Wildhorse (-28%)
  - Morgan (-28%)
  - Piegan (27%)

Quarter	Quarterly Change
Q1	-5%
Q2	-19%
Q3	-24%
Q4	-15%

# HOTEL PERFORMANCE SUMMARY (COSTAR METRICS)

- Montana hotels showed strong performance, with occupancy at 72.3% (+3.1% YoY) and ADR rising 5.8% to \$162.45
- Figures reflect chain hotels only; locally owned and independent properties are not included and may experience different trends

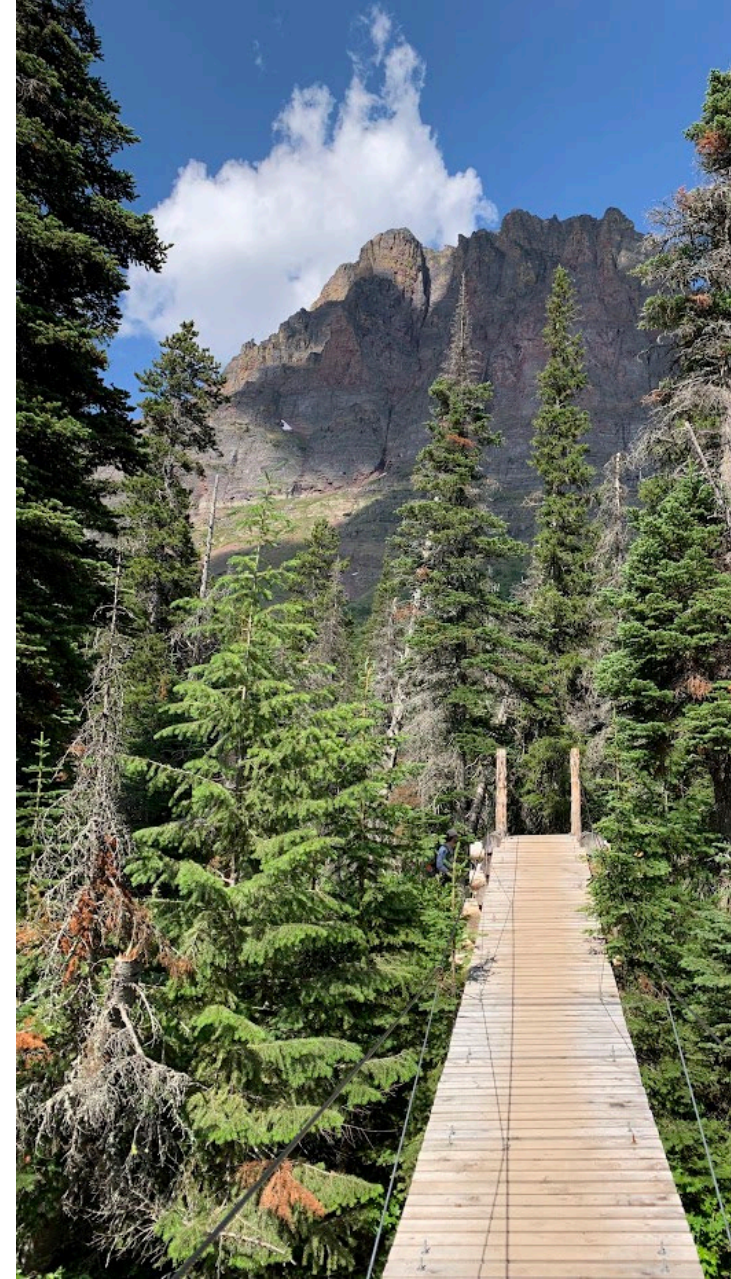
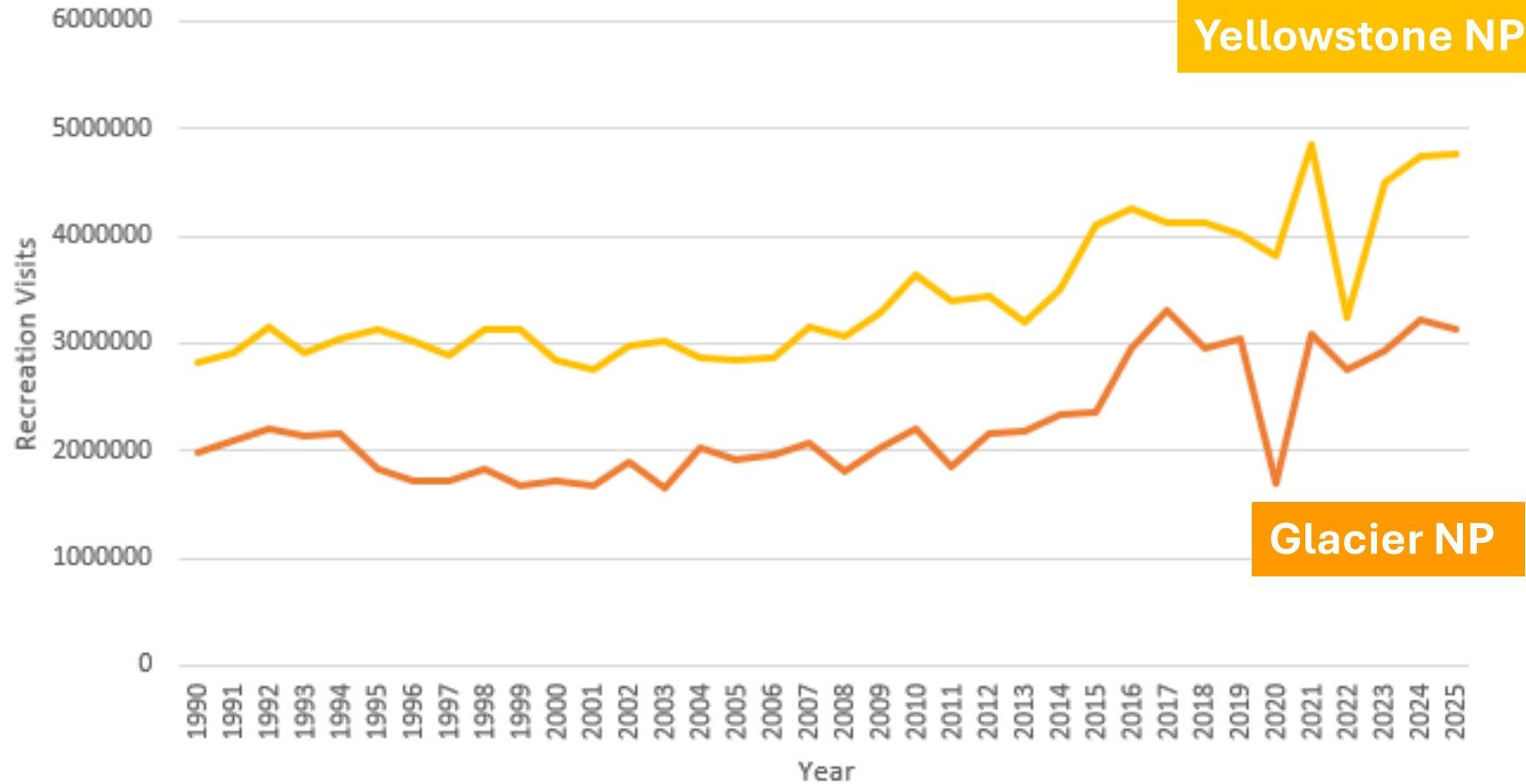
Metric	Value	YoY Change
Occupancy (Occ%)	72.3%	+3.1%
Average Daily Rate (ADR)	\$162.45	+5.8%
Revenue per Available Room (RevPAR)	\$117.45	+9.1%
Supply	120,000	+1.0%

# MONTANA PUBLIC LAND VISITATION



Year	State Park Visitation	National Park Sites	Visitation 2025
2025	~3,231,605*	Yellowstone NP	4.7 Million
2024	3,277,402	Glacier NP	3.1 Million
2023	3,108,268	Little Bighorn Battlefield NM*	42,405
2022	3,036,121	Bighorn Canyon NRA	213,938
2021	3,381,507	Big Hole NB*	20,750
2020	3,427,555	Grant-Kohrs Ranch NHS*	20,892
2019	2,646,886		
2018	2,572,890		

# NATIONAL PARK VISITATION 1990-2025



# OUTDOOR RECREATION ECONOMY 2023

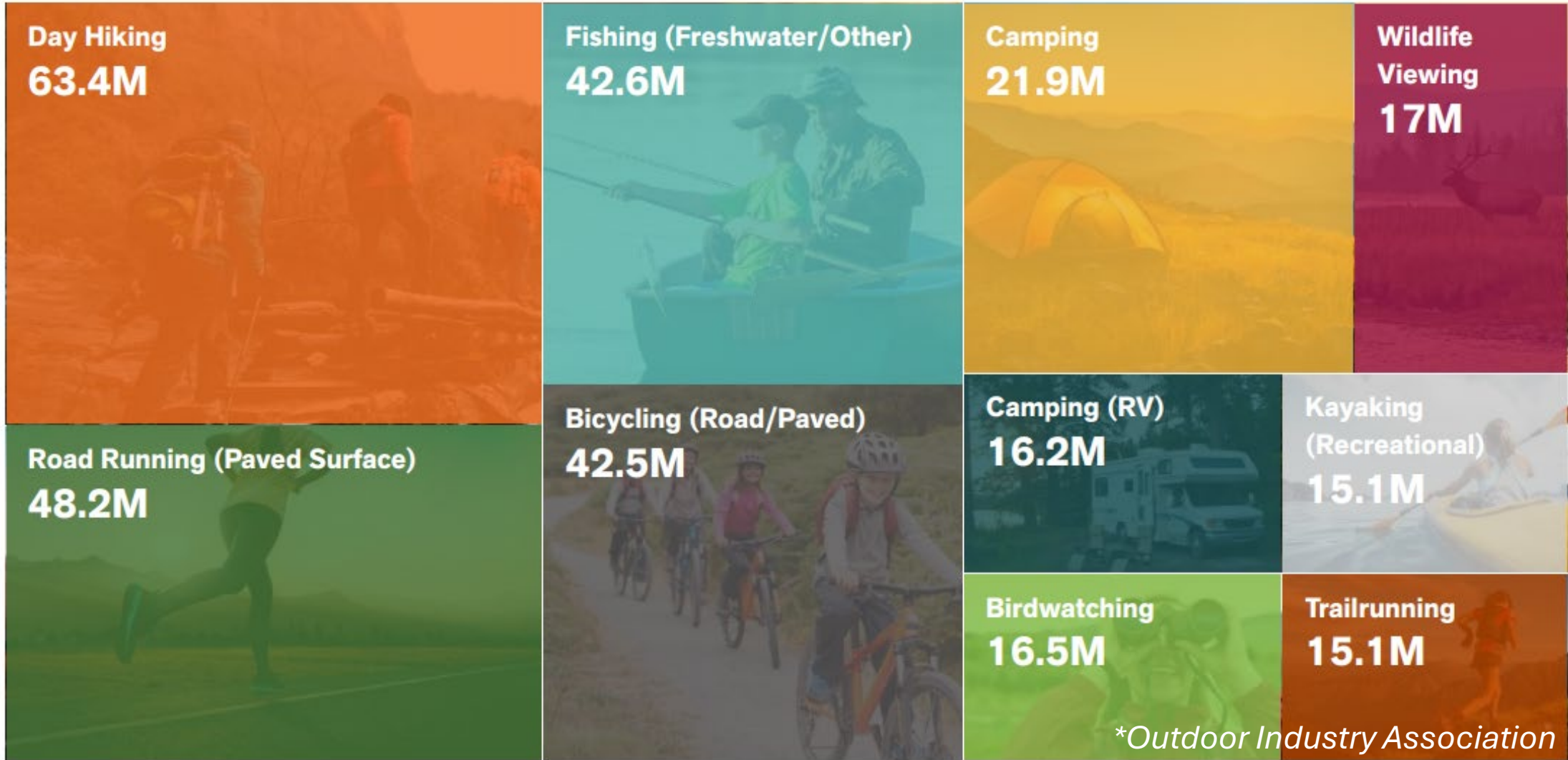
- \$1.2 trillion in nationwide outdoor recreation economic impact
- \$3.4 billion contributed to Montana's economy in 2023
- 7.2% industry growth year over year
- 4.6% of Montana's GDP comes from outdoor recreation
- 3rd highest in the nation (*tied with Alaska; behind Hawaii & Vermont*)(*Source: Bureau of Economic Analysis*)
- Nearly one-third of Montana is public land, supporting world-class recreation, hunting, and fishing activities and access
- Hundreds of outdoor businesses—outfitters, guides, gear makers, and tourism operators—drive jobs and rural economic vitality

# 2024 OUTDOOR PARTICIPATION TRENDS

- Participation grew 3% to a record 181.1M Americans
- Represents 58.6% of Americans age 6+
- Strong increases among:
  - Youth and seniors (65+)
  - \$100K+ income households residents
  - 65+ participation has more than doubled over the past decade
- Highest % of Core Participants:
  - Mountain & gravel biking
  - Target shooting (handgun)
  - Freshwater fishing
  - Paved cycling
  - Adventure racing
- Nearly all indicators point to sustained, long-term growth

*\*Outdoor Industry Association*

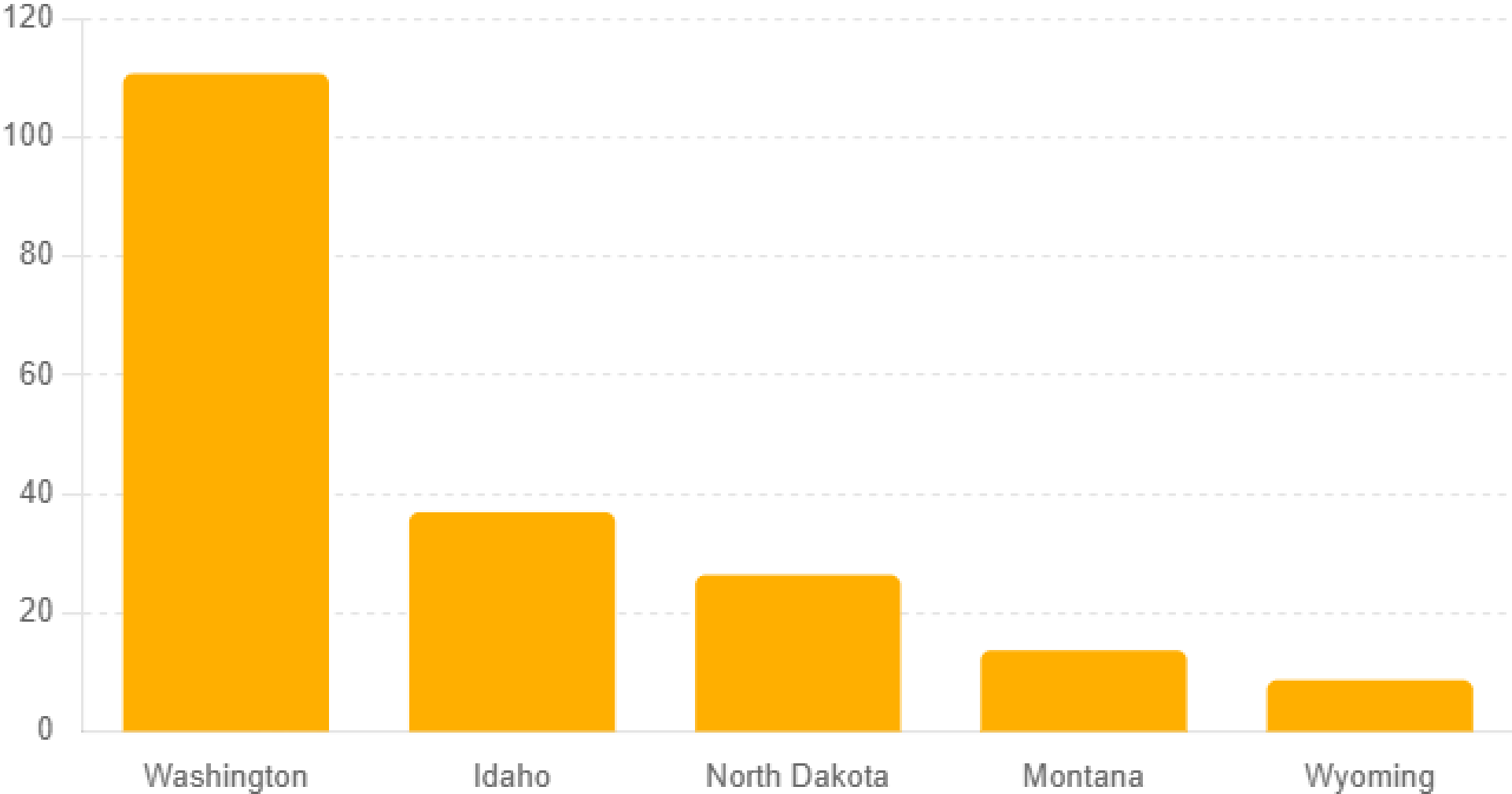
# 2024 MOST POPULAR ACTIVITIES



# WESTERN STATES TOURISM COMPARISONS

State	Visitation 2024	Lodging Tax 2023	Population	Total economic impact 2024
Washington	110.8M	\$79.9M	7.9M	\$25.1B visitor spend \$2.6B state+local tax
Idaho	36.9M (2023)	\$21M	2M	\$5.8B visitor spend \$438.6M local+state tax (2023)
North Dakota	26.3M	N/A	796k	\$3.4B visitor spend \$310.6M state+local tax
Montana	13.7M	\$58.3M	1.1M	\$5B visitor spend \$308M state+local tax
Wyoming	8.7M	\$24.5M	576k	\$4.9B direct travel spend \$277.2M state+local

# 2024 STATE VISITATION COMPARISONS (MILLIONS)



# RESIDENT QUALITY OF LIFE & TOURISM PROSPERITY

## Improved Amenities

Enhanced infrastructure like roads, restaurants, shopping, parks, and cultural facilities benefit residents.

## Economic Benefits

Creates jobs, boosts incomes, and diversifies the economy.

## Sustainable Management

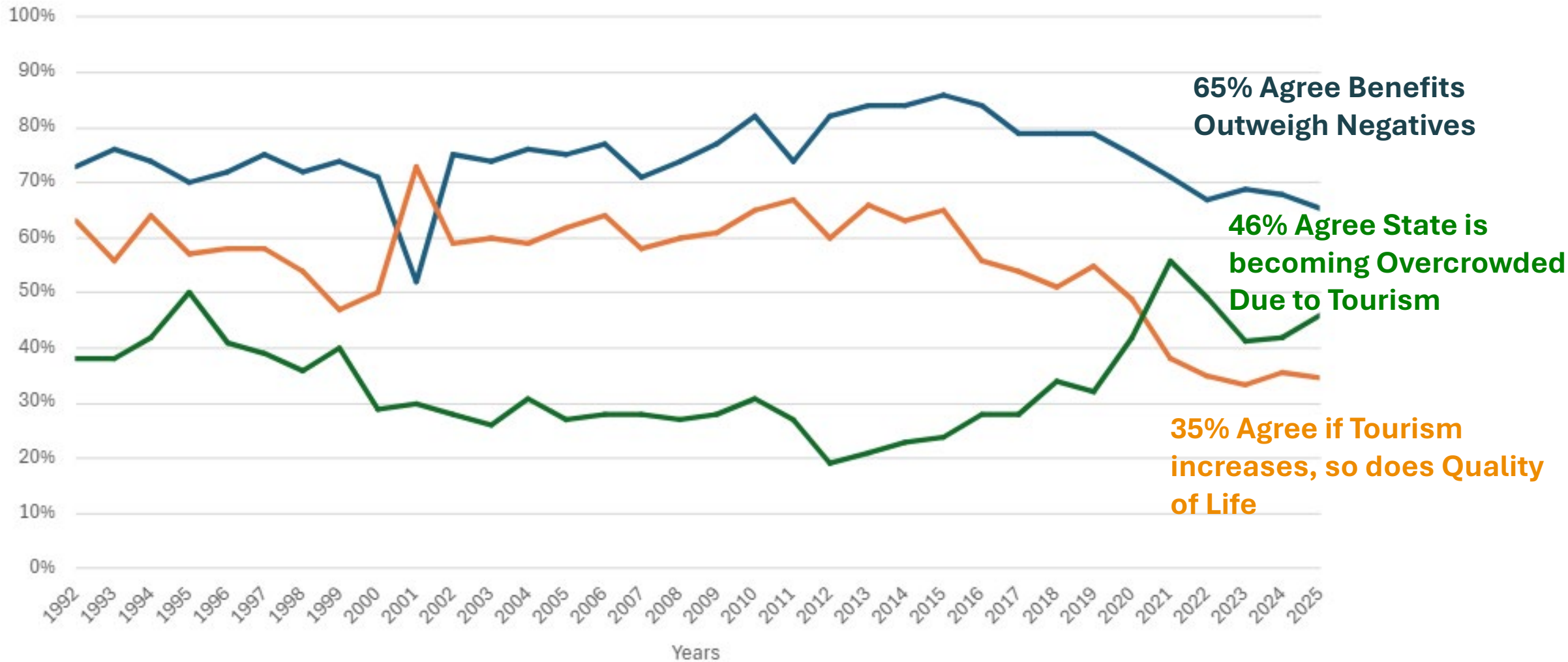
Sustainable tourism development, marketing, and management.



Lifestyle Improvements & Quality of Life  
Well-managed tourism supports quality of life without overwhelming resources.

Source: Adapted from (Cucculelli & Goffi, [Citation2016](#); Devi, [Citation2015](#); Fritz & Koch, [Citation2014](#), [Citation2016](#); Nunthasiriphon, [Citation2015](#); Yigitcanlar et al., [Citation2015](#)).

# RESIDENT ATTITUDES ON TOURISM (1992-2025)



# MONTANA TOURISM BUSINESS OWNER SURVEY RESULTS

## 2026 Business Outlook

- 81% in 2025 vs 87% in 2024 expect customer volume to increase/stay the same.
- 44% predict volume to stay the same as last year, indicating a cooling off of optimism.

Visitor Volume Change	2025	2024
Increased	31%	43%
Stayed the same	25%	30%
Decreased	44%	27%

# MONTANA TOURISM BUSINESS OWNER SURVEY RESULTS

<b>Operational Challenges</b>	<b>% of Businesses</b>
<b>Rising costs for fuel, goods, and services</b>	<b>67%</b>
<b>Workforce shortages</b>	<b>46%</b>
<b>Changes in visitor behavior</b>	<b>37%</b>
<b>Employee housing constraints</b>	<b>24%</b>
<b>Weather and climate impacts</b>	<b>24%</b>
<b>Infrastructure or transportation issues</b>	<b>9%</b>

# TOURISM BUSINESS ATTITUDES ON SALES TAX

Businesses express divided opinions on adopting a statewide sales tax.

- Many see potential to:
  - Capture more revenue from visitors
  - Reduce pressure on property owners
  - Support infrastructure in high-tourism areas
- Concerns include:
  - Regressive impacts on low-income residents
  - Added burdens for small businesses
  - Uncertainty about whether revenue would lower existing taxes
  - Need for transparency and clear allocation of funds

Perceived Impact on Tourism

- Survey findings:
  - **45% expect a negative impact**
  - **44% expect no impact**
  - **10% expect a positive impact**
- Potential risks:
  - Reduced spending or shorter trips by budget-conscious travelers
  - Loss of visitors who currently choose Montana to avoid sales tax
- Some believe most travelers are accustomed to sales taxes and would still come.

# RESIDENT ATTITUDES ON SALES TAX & TOURISM

## Overall Support for Sales Tax

- **66% oppose**
  - 48% strongly oppose
  - 18% somewhat oppose
- **22% support**
  - 14% somewhat support
  - 8% strongly support
- **12% unsure**

## Residents strongly favor exemptions for:

- Groceries and food
- Medicine and healthcare items
- Baby supplies
- Agricultural equipment
- Seniors and low-income residents
- Montana residents/local purchases

# RESIDENT ATTITUDES ON SALES TAX & TOURISM

Some residents would consider support if:

- Sales tax **replaces or reduces property taxes**
- Sales tax **replaces or reduces income taxes**
- Tax burden is shifted toward **tourists and nonresidents**

If implemented, residents want revenue to:

- Reduce property and income taxes
- Fund education
- Improve roads and bridges
- Support healthcare and affordable housing
- Stay **local** and be **transparent**

# 2026 TOURISM OUTLOOK & TRENDS

## Outlook

- Steady, but softening
- 81% of tourism business owners stated they anticipate visitor/customer volume to increase or stay the same
- Shoulder season opportunity
- Weather Concerns
- Economic concerns

## Trends

- Intentional Travel
- Price Sensitive
- AI Tools for Planning
- Strong Luxury Travel
- Music Festivals
- Detour Destinations
- Domestic Travel

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# QUESTIONS?

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