

RENTAL VEHICLE TAX IN MONTANA

LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting. (5-4-105, MCA; [Chapter 309, Laws of 2017](#)) The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The links below open to the introduced bill. The other information is available by selecting the “Additional Bill Links” hyperlink at the top of the bill and then the link “Status of this Bill.”

Legislation can be complex and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.

Background Materials and Research

Topic Summary:

Montana imposes a 4% selective sales and use tax on vehicles rented for 30 days or less ([15-68-102](#), MCA). The base rental charge includes charges for time of use of the rental vehicle and mileage, charges accepted by the renter for personal accident insurance, charges for additional drivers or underage drivers, and charges for child safety restraints, luggage racks, ski racks, or other accessory equipment for the rental vehicle ([15-68-101](#), MCA). Rental vehicles subject to the tax include automobiles; vans; SUVs; trucks rated at one ton or less; a truck, trailer, or semitrailer that has a gross vehicle weight of less than 22,000 pounds; motorcycles; quadricycles; off-highway vehicles; motorboats; and sailboats. Vehicles designed to carry more than 15 passengers, farm vehicles, machinery, equipment, and vehicles rented with a driver are not subject to the tax ([15-68-101](#), MCA; see definition of motor vehicle).

Rental vehicle sales tax revenue is deposited into two accounts, with 75% deposited into the state general fund and 25% deposited into the state special revenue fund to the credit of the senior citizen and persons with disabilities transportation services account ([15-68-820](#), MCA).

Legislative Services Division Materials:

None

Other Materials:

[Department of Revenue – Biennial Report \(2014 – 2016\) – Other Taxes \(page 149\)](#)

Introduced Legislation

2017 November Special Session

[SENATE BILL NO. 6](#) - (S) Died in Standing Committee -- AN ACT TEMPORARILY REVISING THE TAX RATE ON ACCOMMODATIONS AND RENTAL VEHICLES; AMENDING SECTIONS 7-14-112, 15-68-102, AND 15-68-820, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE.

2017 Regular Session

[HOUSE BILL NO. 265](#) - (H) Died in Standing Committee -- AN ACT CREATING A SCHOOL SUICIDE PREVENTION COMPETITIVE GRANT PROGRAM; REQUIRING GRANTEE SCHOOL DISTRICTS TO ADOPT AND IMPLEMENT A SUICIDE PREVENTION PLAN; REQUIRING THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO DEVELOP A MODEL SUICIDE PREVENTION PLAN; REQUIRING GRANTEE SCHOOL DISTRICTS TO PROVIDE UNIVERSAL SCREENERS OR ANNUAL MENTAL HEALTH SCREENINGS OR BOTH; REQUIRING GRANTEE SCHOOL DISTRICTS TO NOTIFY PARENTS OF THE MENTAL HEALTH SCREENING AND ALLOWING PARENTS TO OPT A STUDENT OUT OF THE MENTAL HEALTH SCREENING THROUGH PASSIVE CONSENT; INCREASING THE RENTAL VEHICLE SALES AND USE TAXES; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 15-68-102, 15-68-820, AND 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE.

[HOUSE BILL NO. 309](#) - (H) Died in Standing Committee -- AN ACT CREATING A HOUSING IN NEED TO SUCCEED PROGRAM TO PROVIDE HOUSING ASSISTANCE TO CERTAIN LOW-INCOME INDIVIDUALS WITH A CRIMINAL CONVICTION; REQUIRING THE BOARD OF HOUSING TO ADMINISTER THE PROGRAM AND TO ADOPT RULES; REQUIRING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES AND THE DEPARTMENT OF CORRECTIONS TO VERIFY CERTAIN ELIGIBILITY INFORMATION AND COLLECT CERTAIN DATA; INCREASING THE SALES AND USE TAX ON THE BASE RENTAL CHARGE FOR A RENTAL VEHICLE; REVISING THE ALLOCATION OF PROCEEDS FROM THE TAX; AMENDING SECTIONS 7-14-112, 15-68-102, AND 15-68-820, MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE.

[HOUSE BILL NO. 408](#) - (H) Died in Standing Committee -- AN ACT ESTABLISHING THE AIR SERVICE DEVELOPMENT GRANT PROGRAM FOR ESTABLISHING OR EXPANDING COMMERCIAL AIR SERVICE; ASSIGNING ADMINISTRATION OF THE PROGRAM TO THE DEPARTMENT OF TRANSPORTATION; INCREASING THE SALES AND USE TAX ON RENTAL VEHICLES TO FUND THE PROGRAM; PROVIDING A STATUTORY APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION; PROHIBITING THE ACCOUNT USED TO FUND THE GRANT PROGRAM FROM EXCEEDING A CERTAIN AMOUNT; PROVIDING FOR ELIGIBILITY FOR THE GRANT PROGRAM; PROVIDING MATCHING GRANT AWARD GUIDELINES; REQUIRING THE DEPARTMENT OF TRANSPORTATION TO ADOPT RULES GOVERNING THE PROCESS FOR GRANT APPLICATIONS AND AWARDS; REQUIRING GRANT FUNDS TO BE EXPENDED WITHIN

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A CERTAIN AMOUNT OF TIME; AMENDING SECTIONS 7-14-112, 15-68-102, 15-68-820, AND 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE.

2015

[SENATE BILL NO. 180](#) - Chapter Number Assigned -- AN ACT REVISING THE FUNDING SOURCE FOR THE SENIOR CITIZEN AND PERSONS WITH DISABILITIES TRANSPORTATION SERVICES ACCOUNT; ALLOCATING REVENUE FROM THE RENTAL CAR SALES AND USE TAX TO THE ACCOUNT; REMOVING A GENERAL FUND TRANSFER TO THE ACCOUNT; REVISING THE PROVISION OF FUNDS FROM THE ACCOUNT; AMENDING SECTIONS 7-14-112, 10-3-801, 15-1-122, AND 15-68-820, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE.

[SENATE BILL NO. 264](#) - (H) Died in Standing Committee -- AN ACT REVISING THE DISTRIBUTION OF SALES AND USE TAX PROCEEDS; CREATING A GRANT PROGRAM FOR HERITAGE PROPERTIES; GRANTING RULEMAKING AUTHORITY TO THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS TO ADMINISTER THE GRANT PROGRAM; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 15-68-820 AND 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE.

2013

[HOUSE BILL NO. 585](#) - (H) Died in Standing Committee -- AN ACT REVISING THE FUNDING SOURCE FOR THE SENIOR CITIZEN AND PERSONS WITH DISABILITIES TRANSPORTATION SERVICES ACCOUNT; INCREASING THE RENTAL CAR SALES AND USE TAX; DECREASING VEHICLE AND VESSEL REGISTRATION FEES; AMENDING SECTIONS 15-1-122, 15-68-102, 61-3-321, 61-3-562, AND 61-3-721, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE.

2011

No relevant legislation located

2009

No relevant legislation located