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Letter Date:
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Subject: Change to Lodging Facility Sales and Uses Taxes and Allowances

Name: <<Name>>

Senate Bill 338, signed into law by Gov. Steve Bullock on May 10, 2019, makes changes to the lodging sales tax to help fund the Montana Heritage Center and create the Historic Grant Preservation Program.

As you may be aware, the Montana lodging taxes currently consist of a 4% lodging facility use tax and a 3% lodging sales tax. They are both reported on the same form for a combined 7% tax. Below are the items that will be changing.

Lodging Sales Tax

The lodging sales tax on accommodations and campgrounds increases from 3% to 4% (§15-68-102, Montana Code Annotated (MCA)).

Vendor Allowance

The sales tax statute allows a person timely filing their return to claim a vendor allowance in the amount of 5% of the tax determined to be payable to the state, not to exceed \$1,000 per quarter. Senate Bill 338 removes the \$1,000 maximum vendor allowance (§15-68-510, MCA).

Effective Date

The changes go into effect January 1, 2020. The tax return for the first quarter of 2020 will reflect these updates.

How do I report?

We encourage all lodging facilities sales and use taxpayers to file and pay electronically through our TransAction Portal (TAP) at <https://tap.dor.mt.gov>.

To learn more about your business or organization's reporting requirements please call us at (406) 444-6900 or visit our website at MTRevenue.gov.

Thank you.

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