Consumption Taxes

ALICE HECHT, LFD

Sources of Consumption Taxes

General Revenue--FY 2026 Actuals Compared to HJ 2 Estimate
($ Millions)

Revenue Source	Actual FY 2025	HJ 2 FY 2026	Actual FY 2026	HJ 2 % Change	Actual % Change	Act.-HJ 2 $ Diff.	Act./HJ 2 % Diff.	Act./HJ 2 % Diff.
Largest Seven Sources								
Individual Income Tax	$2,329.580	$2,263.262	$2,423.489	-2.8%	4.0%	$160.227	7.1%	
Corporation Tax	321.208	326.235	296.635	1.6%	-7.6%	(29.600)	-9.1%	
Vehicle Taxes & Fees	135.877	127.009	147.537	-6.5%	8.6%	20.528	16.2%	
Oil & Natural Gas Taxes	58.665	69.156	61.198	17.9%	4.3%	(7.957)	-11.5%	
Insurance Tax	127.928	129.850	137.050	1.5%	7.1%	7.200	5.5%	
Video Gaming Tax	83.535	86.903	86.681	4.0%	3.8%	(0.222)	-0.3%	
Other Business Taxes								
Drivers License Fee	6.284	5.817	5.589	-7.4%	-11.1%	(0.228)	-3.9%	
Investment Licenses	21.858	22.311	23.072	2.1%	5.6%	0.761	3.4%	
Lodging Facilities Sales Tax	49.548	48.108	49.887	-2.9%	0.7%	1.780	3.7%	
Public Contractor's Tax	9.189	4.812	8.495	-47.6%	-7.6%	3.683	76.5%	
Railroad Car Tax	3.495	3.931	3.439	12.5%	-1.6%	(0.493)	-12.5%	
Rental Car Sales Tax	8.080	8.007	9.109	-0.9%	12.7%	1.102	13.8%	
Retail Telecom Excise Tax	8.054	7.755	8.184	-3.7%	1.6%	0.429	5.5%	
Other Natural Resource Taxes								
Coal Severance Tax	17.346	12.134	10.695	-30.0%	-38.3%	(1.439)	-11.9%	
Electrical Energy Tax	4.305	5.543	4.063	28.8%	-5.6%	(1.480)	-26.7%	
Metal Mines Tax	6.511	6.935	6.394	6.5%	-1.8%	(0.541)	-7.8%	
U.S. Mineral Royalties	24.154	14.133	17.952	-41.5%	-25.7%	3.819	27.0%	
Wholesale Energy Trans Tax	3.690	3.292	3.548	-10.8%	-3.9%	0.256	7.8%	
Other Interest Earnings								
Coal Trust Interest Earnings	20.337	21.895	22.015	7.7%	8.3%	0.120	0.5%	
TCA Interest Earnings	164.894	194.283	135.677	36.7%	17.7%	31.394	30.1%	
Other Consumption Taxes								
Beer Tax	2.905	2.851	2.908	-1.9%	0.1%	0.057	2.0%	
Cigarette Tax	18.488	19.231	17.526	4.0%	-5.2%	(1.704)	-8.9%	
Liquor Excise Tax	33.261	36.185	30.744	8.8%	-7.6%	(5.441)	-15.0%	
Liquor Profits	18.443	21.800	19.555	18.2%	6.0%	(2.245)	-10.3%	
Lottery Profits	8.630	20.130	32.722	133.3%	279.2%	12.592	62.6%	
Marijuana Tax	36.729	33.640	34.622	-8.4%	-5.7%	0.982	2.9%	
Tobacco Tax	4.828	5.390	4.567	11.6%	-5.4%	(0.823)	-15.3%	
Wine Tax	2.362	2.575	2.339	9.0%	-1.0%	(0.236)	-9.1%	
Other Sources								
All Other Revenue	78.703	69.219	82.982	-12.1%	5.4%	13.763	19.9%	
Highway Patrol Fines	3.440	3.534	3.463	2.7%	0.7%	(0.070)	-2.0%	
Nursing Facilities Fee	3.597	3.609	3.620	0.3%	0.6%	0.011	0.3%	
Public Institution Reimb.	5.385	5.927	9.462	10.1%	75.7%	3.535	59.6%	
Tobacco Settlement	2.903	2.776	2.694	-4.4%	-7.2%	(0.082)	-3.0%	
General Fund OTO and Transfers		68.541	79.637			11.096		
Ongoing General Fund Total	3,459.316	3,429.696	3,628.277	-0.9%	4.9%	198.581	5.8%	
Total General Fund	3,459.316	3,498.237	3,707.914	1.1%	7.2%	209.676	6.0%	
Property Tax (SEPTR)	$410.249	$462.208	$470.991	12.7%	14.8%	$8.783	1.9%	
Total General Revenues (GF, TCA, & SEPTR)	$4,034.369	$3,960.446	$4,178.905	-1.8%	3.6%	$218.459	5.5%	

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Sources of Consumption Taxes

Alcohol, Tobacco, Other	Gaming	Fuel and GVW
• Beer • Liquor Excise & License • Liquor Profit • Wine (and cider) • Cigarette • Tobacco • Marijuana – Not covered today	• Lottery Profits • Video Gambling	• Gasoline • Diesel • Gross Vehicle Weight (GVW) & Other fees

All information included in Volume 2:
https://archive.legmt.gov/content/Publications/fiscal/2027-Biennium/Budget-and-Revenue/Volume-II/Vol-2-Consumption-Taxes-27Bi.pdf

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Alcohol

Revenue by Fund

	General Fund FY 2026	Other Funds FY 2026	Total
Beer	$2.9 million	$0.9 million *DPHHS* $0.1 million *Tribal*	**$3.9 million**
Wine & Cider	$2.3 million	$1.1 million *DPHHS* $0.6 million *Tribal*	**$4.0 million**
Liquor License & Excise	$30.7 million	$10.2 million *DPHHS* $0.8 million *Tribal*	**$41.7 million**
Liquor Profits	$19.6 million		**$19.6 million**
Total	**$55.5 million**	**$12.2 million *DPHHS*** **$1.5 million *Tribal***	**$69.2 million**

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Tobacco

Revenue by Fund

	General Fund FY 2026	Other Funds FY 2026	Total
Cigarette	$17.5 million	$18.5 million *DPHHS* $2.4 million *Tribal* $4.9 million *Vets Home* $1.1 million *Major Repair*	**$44.5 million**
Other Tobacco	$4.7 million	$4.6 million *DPHHS* $0.5 million *Tribal*	**$9.6 million**
Total	**$22.2 million**	**$10.2 million *DPHHS*** **$0.8 million *Tribal***	**$55.1 million**

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Gaming and Lottery

Revenue by Fund

	General Fund FY 2026	Other Funds FY 2026	Total
Video	$86.7 million	$4.7 million *DOJ License Fee*	**$91.4 million**
Lottery Profits	$32.7* million *(excess transferred from prev. year)* Avg is $20 million	$2.25 *Stem Scholarships*	**$35.0 million**
Total	**$119.4 million**	**$4.7 million** ***DOJ License Fee*** **$2.25 million** ***Stem Scholarships***	**$126.4 million**

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Fuels and GVW

Revenue by Fund

	General Fund FY 2026	Other Funds FY 2026	Total
Gasoline	$0 million	$191.9 million *(mainly MDT)*	**$191.9 million**
Diesel	$0 million	$94.4 million *(mainly MDT)*	**$94.4 million**
GVW	$0 million	$43.1 million *MDT*	**$43.1 million**
Total	**$0 million**	**$10.2 million *DPHHS*** **$0.8 million *Tribal***	**$329.4 million**

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Rates of Consumption Taxes

Flat Rates	Percentage	Other
• Beer • Wine (and cider) • Cigarette • Tobacco • Gasoline • Diesel • GVW	• Video Gambling • Marijuana – Not covered today • Liquor Excise & License	• Liquor Profit • Lottery Profits

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Questions & Feedback

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