



Montana

Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
5	19	10	3	18	21

Montana enacted individual income tax cuts in 2021, reducing the top marginal rate from 6.9 percent to 6.75 percent in 2022 and scheduling further reductions, bracket consolidation, and structural reforms for 2024. Initially, the 2021 law compressed the state’s seven individual income tax brackets into two, with rates of 4.7 and 6.5 percent, to be effective in 2024. However, in 2022, lawmakers further reduced the top marginal rate to 5.9 percent, effective in 2024. While the bottom bracket features an increased rate, conforming to the federal standard deduction in 2025 will help lower-income taxpayers. The individual income tax reforms also removed the marriage penalty by doubling the bracket widths for married filers.

Montana’s corporate taxpayers are subject to a single rate of 6.75 percent. Montana does not conform to federal net operating loss deductions and allows carryforwards for 10 years and carrybacks for 3. Montana is also among the minority of states that taxes global intangible low-taxed income (GILTI), with a 15 percent inclusion. The state applies a different formula to assess distinct property types, known as split roll taxation. This leads to higher property tax costs for businesses and for renters, since rental properties with four or more units are classified as commercial property. Montana has a generous de minimis exemption for tangible personal property, eliminating compliance costs for many smaller and mid-sized businesses.