

HOUSE BILL NO. 842

INTRODUCED BY B. BARKER, K. WALSH, G. KMETZ, G. NIKOLAKAKOS, G. PARRY, E. ALBUS, J.

DARLING, S. ESSMANN, S. KELLY

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE LEGISLATURE MAY ESTABLISH A SALES TAX NOT TO EXCEED 4% USED SOLELY TO REDUCE PROPERTY TAXES THAT FUND PUBLIC SCHOOLS AND THE MONTANA UNIVERSITY SYSTEM; AND PROVIDING THAT THE PROPOSED ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Sales tax to reduce education property taxes -- exemptions.** (1) The legislature may enact a sales tax not to exceed 4% to reduce property taxes that fund public schools and the Montana university system.

(2) If enacted, a sales tax should minimize repeated taxation by taxing final goods and services and exempt the following:

- (a) housing and utilities;
- (b) groceries;
- (c) fuel used for transportation and agriculture;
- (d) health care; and
- (e) financial and insurance services.

**NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 15, and the provisions of Title 15 apply to [section 1].

**NEW SECTION. Section 3. Effective date.** [This act] is effective on approval by the electorate.

**NEW SECTION. Section 4. Submission to electorate.** [This act] shall be submitted to the qualified

1 electors of Montana at the general election to be held in November 2026 by printing on the ballot the full title of

2 [this act] and the following:

3 ☐ YES on Legislative Referendum \_\_\_\_.

4 ☐ NO on Legislative Referendum \_\_\_\_.

5 - END -