

SENATE BILL NO. 169

INTRODUCED BY M. DUNWELL, C. NEUMANN, W. CURDY, J. ELLIS, J. MORIGEAU, S. WEBBER, D.
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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT CERTAIN PERSONAL PROPERTY IS NOT
EXEMPT FROM PROPERTY TAXATION; REVISING THE DEFINITION OF "INTANGIBLE PERSONAL
PROPERTY"; AMENDING SECTION 15-6-218, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND
AN APPLICABILITY DATE."

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

Section 1. Section 15-6-218, MCA, is amended to read:

"15-6-218. Intangible personal property exemption -- definition. (1) Intangible personal property is
exempt from taxation.

(2) (a) For the purposes of this section, "intangible personal property" means the following property
if it is not integral to the operation of a business or an operating unit of a centrally assessed utility: ~~personal~~
~~property that is not tangible personal property and that:~~

(a) ~~_____ has no intrinsic value but is the representative or evidence of value, including but not limited to~~

(i) ~~_____ certificates of stock;~~

(ii) ~~_____ bonds;~~

(iii) ~~_____ promissory notes;~~

(iv) ~~_____ licenses;~~

(v) ~~_____ copyrights;~~

(vi) ~~_____ patents;~~

(vii) ~~_____ trademarks;~~

(viii) ~~_____ contracts;~~

(ix) ~~_____ software; and~~

(x) ~~_____ franchises; or~~

1 (b) _____ lacks physical existence, including but not limited to goodwill.

2 (3) _____ To the extent that the unit value of centrally assessed property includes intangible personal
3 property, that value must be removed from the unit value.

4 (b) _____ The term does not include property used as an integral part of:

5 (i) _____ the operation of a business; or

6 (ii) _____ an operating unit of centrally assessed property."

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8 NEW SECTION. **Section 2. Effective date.** [This act] is effective January 1, 2026.

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10 NEW SECTION. **Section 3. Applicability.** [This act] applies to tax years beginning after December
11 31, 2025.

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