

Fiscal Note 2027 Biennium

Bill#/Title:	anent				
Primary Sponsor:	Ed Byrne	<i>4</i> 1	Status:	As Introduced	
☐ Included in the Executive Budget		☐ Needs to be included in HB 2		☐ Significant Local Gov Impact	
☐ Significant Long-Term Impacts		☐ Technical Concerns		☐ Dedicated Revenue Form Attached	
		FISCAL SI	UMMARY	\$2.000	
		FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Expenditures General Fund (01)	\$0	\$0	\$0	\$0
Revenues				v	
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact General Fund Ba	alance	\$0	\$0	\$0	\$0

Description of fiscal impact

HB 329 reinstates a property tax exemption for businesses that manufacture ammunition components, subject to several criteria. This property tax exemption existed from 2015 to 2024. The law sunset after 2024. HB 329 adds exemptions for personal income tax, corporate income tax, and any other business tax (other than local property taxes) for a qualifying entity. HB 329 also exempts interest income from loans to entities qualified for the exemption created by the bill. There is no tax base immediately affected by HB 329.

FISCAL ANALYSIS

Assumptions

Department of Revenue

- 1. HB 329 reinstates a preferential property tax exemption for businesses that are primarily engaged in the business of manufacturing ammunition components subject to several criteria ensuring access of ammunition to consumers in Montana.
- 2. Business equipment (class 8 property) owned by these qualified businesses are exempt from taxation, and any real property associated with the business is exempt from state levied mills.
- 3. This same property tax exemption existed from 2015 to 2024. It was authorized by SB 122 of the 2015 Legislature. No business took advantage of this exemption from 2015 to 2024.
- 4. HB 329 also exempts personal income, corporate income, and any other tax on business activity levied by the state.
- 5. Section 2 of HB 329 also exempts interest income earned on loans to businesses that qualify for the HB 329 exemption.
- 6. As of TY 2024, no business qualified for this exemption. One business approached the Department of Revenue about the exemption authorized by SB 122 of 2015.

Fiscal Note Request - As Introduced

(continued)

- 7. The inquiring business did not engage in any manufacturing of ammunition in TY 2024, therefore did not qualify for the exemption in that year and the sunset of the exemption resulted in them not pursuing it further. There is no guarantee this business would have qualified since they did not submit an application.
- 8. The business does not have established income history or property to estimate a fiscal impact if they successfully pursed the benefits of HB 329, therefore there is no fiscal impact that can be estimated.
- 9. The department will absorb implementation costs.

Sponsor's Initials

Date

Budget Director's Initials

2/3/2025

Date