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Montana's Business Equipment Tax

Montana imposes a business equipment tax (personal property tax) on machinery, furniture, and other equipment used in commercial operations, but most businesses are exempt under a \$1 million threshold.

Key Points

- **Exemption:** Businesses whose total statewide market value of all business equipment is \$1 million or less are exempt from the tax. This covers the majority of small businesses, farms, and ranches in the state.
- **Tax Rates:** For equipment valued over the \$1 million exemption amount, the tax is applied as follows:
 - 1.5% on the market value between \$1 million and \$6 million.
 - 3% on the market value exceeding \$6 million.
- **Reporting Requirement:** Businesses owning equipment with an aggregate market value of more than \$1 million as of January 1 of the tax year must report their equipment to the Montana Department of Revenue (DOR) by March 1 to avoid a 20% penalty.
- **Compliance:** Eligible businesses can report their equipment and manage their property tax obligations online using the Montana DOR's TransAction Portal (TAP). Contact DOR for more information at (406) 444-6900 or through the official Montana Department of Revenue website.

If you are a startup, small business, or nonprofit, MyAdvisor LLC is here to help you with bookkeeping, accounting, and tax services at value-priced rates.



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