

**FACT SHEET PROVIDED BY GRANITE COUNTY ON
PROPOSED VEHICLE LUXURY TAX ON NOVEMBER 5, 2024 BALLOT
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Overview:

A luxury tax is one that's levied on certain purchases that cost more than a specific amount and aren't considered to be necessities to daily living. As the name suggests, they're "luxury" items. Per Montana state law, a luxury tax (Local Option Motor Vehicle Tax) is allowed on certain vehicles if agreed by a majority vote of the voters (also known as electorate) in each County. Granite County is proposing such a tax on light weight motor vehicles and motor homes as stated below. This matter is a ballot issue being decided upon on the upcoming November 5, 2024 election.

Summary:

- A luxury tax is imposed as a percentage of a purchase price over a certain threshold.
- This tax is aimed specifically at "luxury" purchases that aren't considered essential or necessary to daily life.
- Montana state law, since 1997, has allowed a luxury tax to be imposed on certain Motor vehicles.
- Per Montana Code Annotated Section 61-3-537(3) (2023), the Montana Legislature, gave counties the ability to impose a Local Option Motor Vehicle Tax (luxury tax) with approval of a majority of the County's voters.
- The funds collected will be distributed in accordance with the law as set forth in Montana Code Annotated Section 61-3-537(2) (2023) with fifty percent (50%) to the County and the other fifty percent (50%) to the County and incorporated towns within the County (Drummond and Philipsburg), apportioned on the basis of population established by the most recent U.S. Census. So Granite County would be distributed more than 50% of these tax dollars.
- Revenues generated by the tax are distributed across various local government programs that benefit the county population at large, not just those individuals who can afford to make purchases that would trigger the tax. These funds would likely, at least in part, be allocated to the Granite County Treasurer's Office for administrative expenses such as paying salaries of clerks and the like.
- This tax would impose an assessment of 0.5% of the manufacturer's suggested retail price ("MSRP") of \$90,000 or more on light weight motor vehicles such as cars, trucks, vans, and the like; and the same assessment for all motor homes with MSRP's of \$200,000 or more. MSRP means the priced suggested by the manufacturer for each given type, style, or model of motor vehicle to be originally sold by the manufacturer. This tax applies to all initial registrations and all subsequent annual registrations, but subsequent registrations use a "lost value" or depreciation percentage set by law for different motor vehicles. The depreciation schedule is attached to this fact sheet as Exhibit A.

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- Here is the specific ballot language on November 5, 2024 ballot:

The electorate of Granite County, will be requested to vote upon whether or not the County Commission may impose a Locate Option Motor Vehicle Tax with the issue being on the November 5, 2024 ballot, with the proposed ballot issue being as follows:

Granite County Ballot Issue No 1.:

Shall the Board of Granite County Commissioners be authorized to impose in Granite County a 0.5% local option motor vehicle tax upon all luxury light weight vehicles with a manufacturer's suggested retail price of \$90,000 or more and all motor homes with a manufacturer's suggested retail price of \$200,000.00 or more, as imposed under Montana Code Annotated Section 61-3-503 beginning January 1, 2025. The collection of these funds will be distributed according to the law as set forth in Montana Code Annotated Section 61-3-537.

- FOR local option motor vehicle tax
- AGAINST local option motor vehicle tax

FOR MORE INFORMATION, PLEASE CONTACT THE GRANITE COUNTY ATTORNEY, BLAINE BRADSHAW, TEL.: 406-859-3541.

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EXHIBIT A

**Depreciation Schedule for Type of Vehicle Per Montana Code
Annotated Section 61-3-503**

Age of Vehicle (in years)	Automobile	Truck	Van	Sport Utility
-1	100%	100%	100%	100%
0	90	96	93	98
1	80	91	86	94
2	69	86	78	90
3	58	80	69	84
4	49	73	60	76
5	41	66	52	67
6	33	57	45	57
7	26	49	38	48
8	21	43	32	39
9	17	37	27	33
10	14	31	22	29
11	12	26	18	25
12	10	22	15	22
13	09	18	13	21
14	09	15	11	19
15	09	13	09	17
16	09	12	09	15