

SENATE BILL NO. 169

INTRODUCED BY M. DUNWELL, C. NEUMANN, W. CURDY, J. ELLIS, J. MORIGEAU, S. WEBBER, D.

FERN, J. WINDY BOY, P. FLOWERS, D. HAYMAN, A. OLSEN, C. POPE

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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