

HOUSE BILL NO. 842

INTRODUCED BY B. BARKER, E. ALBUS, D. BEDEY, M. BERTOGLIO, J. DARLING, S. ESSMANN, D.  
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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE LEGISLATURE MAY ESTABLISH A  
SALES TAX NOT TO EXCEED 4% USED SOLELY TO REDUCE PROPERTY TAXES THAT FUND PUBLIC  
SCHOOLS AND THE MONTANA UNIVERSITY SYSTEM; AND PROVIDING THAT THE PROPOSED ACT BE  
SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA."

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

**NEW SECTION. Section 1. Sales tax to reduce education property taxes -- exemptions.** (1) The  
legislature may enact a sales tax not to exceed 4% to reduce property taxes that fund public schools and the  
Montana university system.

(2) If enacted, a sales tax should minimize repeated taxation by taxing final goods and services  
and exempt the following:

- (a) housing and utilities;
- (b) groceries;
- (c) fuel used for transportation and agriculture;
- (d) health care; and
- (e) financial and insurance services.

**NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an  
integral part of Title 15, and the provisions of Title 15 apply to [section 1].

**NEW SECTION. Section 3. Effective date.** [This act] is effective on approval by the electorate.

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