

HOUSE BILL NO. 842

INTRODUCED BY B. BARKER, E. ALBUS, J. DARLING, S. ESSMANN, S. KELLY, G. KMETZ, G.  
NIKOLAKAKOS, G. PARRY, K. WALSH, D. FERN, G. HERTZ, D. BEDEY, M. BERTOGLIO, L. JONES

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.

**NEW SECTION. Section 4. Submission to electorate.** [This act] shall be submitted to the qualified

1 electors of Montana at the general election to be held in November 2026 by printing on the ballot the full title of

2 [this act] and the following:

3  YES on Legislative Referendum \_\_\_\_.

4  NO on Legislative Referendum \_\_\_\_.

5 - END -