



ADMINISTRATIVE RULES OF MONTANA



42.26.101 ALTERNATIVE TAX

- (1) Effective with taxable periods beginning on and after January 1, 1971, a corporation deriving income from sources both within and without Montana and whose only activities in Montana consist of making sales and do not include owning or renting real or tangible personal property and whose dollar volume of gross sales made in Montana during the taxable period do not exceed \$100,000, may elect to pay a tax of 1/2 percent on the gross receipts from sales made in Montana during the taxable period. Such tax is in lieu of the tax based upon net income.
- (2) The election to pay the alternative tax is made by filing a return on Form CIT, reporting the dollar amount of Montana gross sales, and paying a tax determined on the basis of 1/2 percent of the amount of such sales. The \$50 minimum tax does not apply to the alternative tax. The gross receipts from sales made in Montana must be determined according to the provisions of ARM 42.26.255 and 42.26.257. A statement must be attached to the return to the effect that the corporation's only activities in Montana consist of making sales and do not include owning or renting real property or tangible personal property.

Authorizing statute(s): 15-31-501, MCA

Implementing statute(s): 15-31-101, MCA

History: Eff. 12/31/72; AMD, 1982 MAR p. 104, Eff. 1/29/82; AMD, 1993 MAR p. 572, Eff. 4/16/93; AMD, 2001 MAR p. 2469, Eff. 12/21/01; AMD, 2016 MAR p. 2198, Eff. 11/26/16; AMD, 2022 MAR p. 837, Eff. 5/28/22.