



ADMINISTRATIVE RULES OF MONTANA



42.15.1512 RESIDENT MILITARY SALARY EXCLUSION

- (1) The following items of military compensation received by a resident military servicemember are exempt from Montana income tax:
 - (a) basic, special, and incentive pay received for serving on active duty as a member of the armed forces;
 - (b) basic, special, and incentive pay received for serving on active duty as a member of the National Guard;
 - (c) basic, special, and incentive pay received by a member of a reserve component of the armed forces or a member of the National Guard, for active duty in a "contingency operation" as defined in 10 USC 101; and
 - (d) basic, special, and incentive pay received by a member of the National Guard performing a "homeland defense activity" as defined in 32 USC 901.
- (2) Military compensation that is not exempt from Montana income tax includes:
 - (a) salary received for annual training and inactive duty training for service not described in (1)(b) through (1)(d);
 - (b) salary received by a member of a reserve component of the armed forces for service not described in (1)(b) through (1)(d);
 - (c) salary received by a member of the National Guard engaged in "active Guard and Reserve duty" as defined in 10 USC 101, for service not described in (1)(b) through (1)(d); and
 - (d) retired, retainer, or equivalent pay, or allowances that do not fall under the subtraction for military retirement income found in 15-30-2120, MCA.

Authorizing statute(s): 15-30-2620, MCA

Implementing statute(s): 15-30-2101, 15-30-2120, MCA

History: Eff. 12/31/72; AMD, Eff. 7/5/75; AMD, 1982 MAR p. 10, Eff. 1/15/82; AMD, 1982 MAR p. 1124, Eff. 5/82/82; AMD and TRANS, from ARM 42.15.111, 2004 MAR p. 3147, Eff. 12/17/04; AMD, 2010 MAR p. 1088,

Eff. 4/30/10; AMD, 2015 MAR p. 2325, Eff. 12/25/15; AMD, 2017 MAR p. 1676, Eff. 9/23/17; TRANS and AMD, 2025 MAR, 42-1088, Eff. 1/25/25.