

# MONTANA'S TOURISM FUNDING

In 1987, Montana's legislature recognized the vast importance of tourism to Montana's future economy. During that session, the legislature created a 4% Lodging Facility Use Tax, commonly referred to today as the "bed tax." Lodging facilities (such as hotels, motels, bed & breakfast inns, guest ranches, resorts and campgrounds) collect this tax from guests. In turn, these funds are directed to the various entities shown below. Importantly, no additional money for tourism funding comes from Montana's general fund. In 2003, an additional 3% Lodging Facilities Sales Tax was added to the existing 4% and is deposited directly into the state general fund. In FY08, the general fund received \$13,389,534 through this additional 3% sales tax.

**TOTAL PROJECTED 7% LODGING TAX REVENUE FY09** **\$31,124,333**

## Disbursements of Revenue

<b>3% Lodging Facility Sales Tax Revenue* (100% TO GENERAL FUND)</b>	<b>\$13,339,000</b>
<b>4% Lodging Facilities Use Tax Revenue</b>	<b>\$17,785,333</b>
<b>Montana Heritage Commission</b> <i>(Virginia City/Nevada City)</i>	<b>(\$400,000)</b>
<b>Department of Revenue**</b> <i>(Collection costs &amp; reimbursement to general fund of tax paid by state employees)</i>	<b>(\$380,000)</b>
<b>Available for Distribution</b> <i>(According to percentages established in statute)</i>	<b>\$17,005,333</b>
<b>State Parks - 6.5%</b> <i>(Operations &amp; Maintenance)</i>	<b>\$1,105,347</b>
<b>University System - 2.5%</b> <i>(Tourism &amp; Recreation Research)</i>	<b>\$425,133</b>
<b>Historical Society - 1%</b> <i>(Historical Sites &amp; Signage)</i>	<b>\$170,053</b>
<b>Regions/CVBs Marketing - 22.5%</b>	<b>\$3,826,200</b>
<b>Department of Commerce Programs - 67.5%</b> <i>Montana Promotion Division (Travel Montana/Film Office)</i>	<b>\$11,479,600</b>

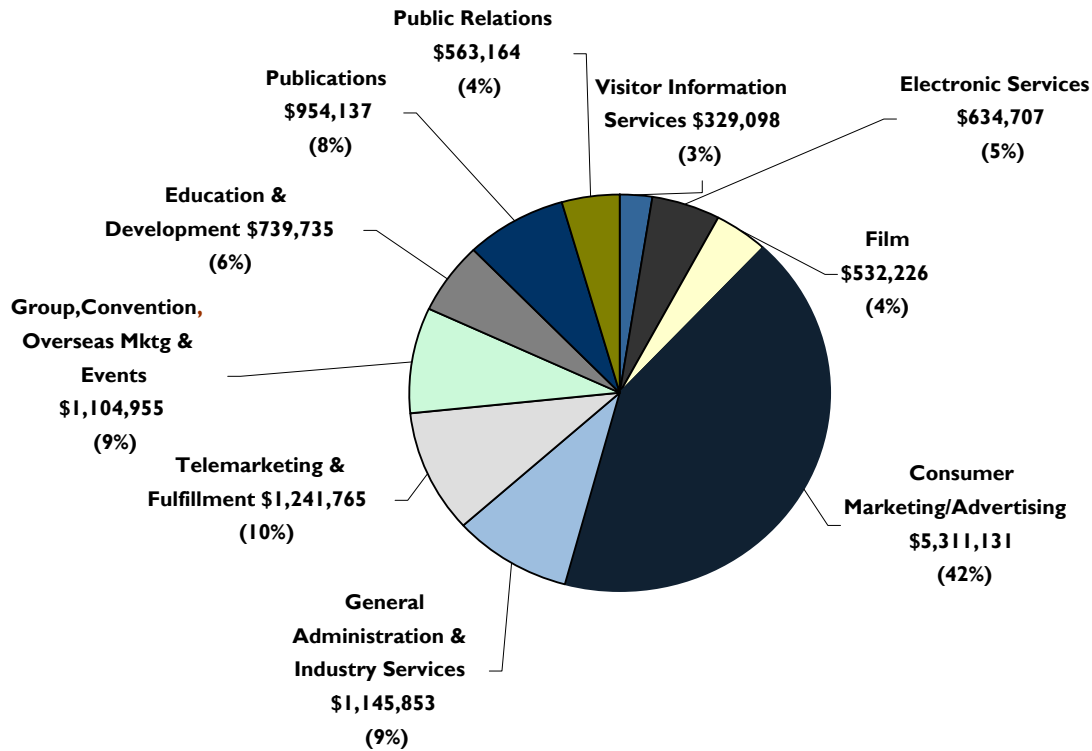
## DEPARTMENT OF COMMERCE MONTANA PROMOTION DIVISION FY09

<b>Funds from Accommodations Tax</b>	<b>\$11,479,600</b>
<b>Income from Ad Sales, Co-ops, etc. &amp; HB2</b>	<b>\$775,000</b>
<b>Montana Historical Society (Administrative Appropriation)</b>	<b>(\$458,310)</b>
<b>Projected Total Funds Available</b>	<b>\$11,796,290</b>

\*Based on HJ2 figures as of 1/15/09

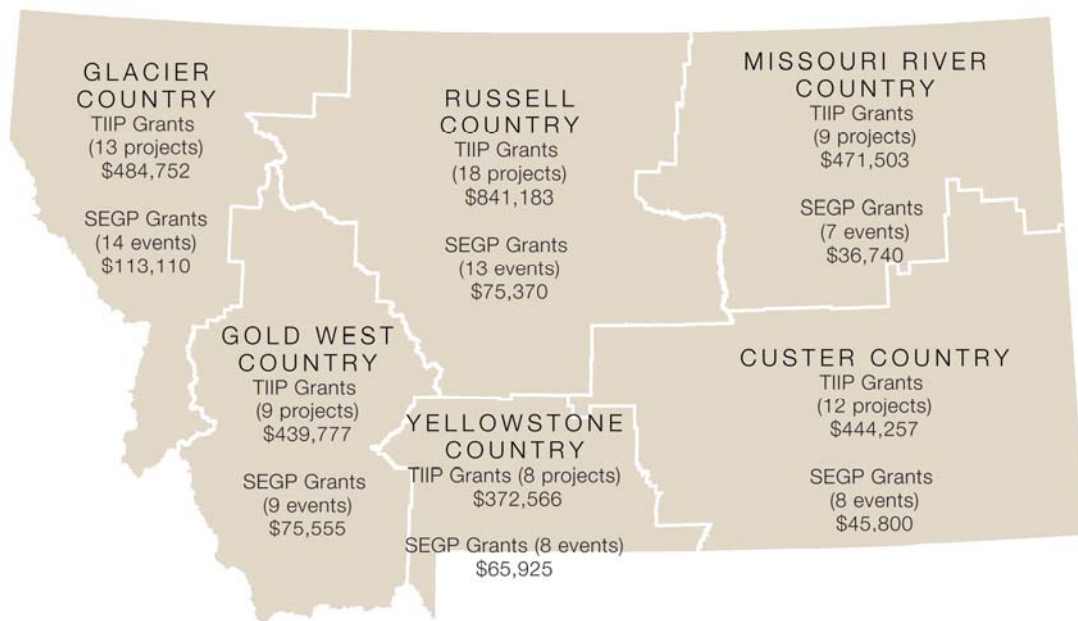
\*\*Volume 2 Governor's Budget Revenue estimates. Sales Taxes, pg. 8-7

# DISTRIBUTION OF MONTANA PROMOTION DIVISION FUNDS FY09



# TRAVEL MONTANA TOURISM DEVELOPMENT GRANT AWARDS

TIIP: Tourism Infrastructure Improvement Program  
 SEGP: Special Event Grant Program



Statewide Tourism "Bed Tax" Grants  
 TIIP Grants (1995-2007)—\$3.05 million  
 SEGP (2002-2008)—\$412,500

The \$3 million in TIIP funds (1995-2008) have leveraged \$36 million in other private and public funds for a 12/1 match.