



DEPARTMENT OF REVENUE

Fiscal Year 2026 Annual Plan

September 2025

*To be the nation's most citizen-oriented,
efficiently administered state tax agency*

The Department of Revenue administers approximately 40 Montana taxes and fees to achieve equity and integrity in taxation.

Additionally, the department:

- Values all property as accurately as possible and supervises Montana's property tax system
- Administers alcohol and cannabis laws to protect public health and safety
- Receives abandoned property and seeks to return it to its rightful Montana owners
- Administers unlocatable mineral trusts
- Informs and advises the governor, the legislature, and the public on tax trends and issues; and
- Cooperates with local, state, tribal, and federal governments to advance the public interest under the law

Director's Office

The Director's Office supports the agency's director and the other department divisions and is comprised of the Executive; Financial Services; Citizen Outreach; Taxpayer Advocate; Human Resources; Legal Services; Dispute Resolution; Procurement, Contracts, and Facilities; and Tax Policy and Research offices.

Technology Services Division

The Technology Services Division serves as the technological foundation for the department's business units, leveraging IT systems and services to increase internal business operations efficiencies and optimize citizen services.

Cannabis and Alcohol Regulation Division

The Cannabis and Alcohol Regulation Division effectively and efficiently administers and enforces Montana cannabis and alcohol laws, with an emphasis on customer service, education, and public safety.

Information Management & Collections Division

The Information Management and Collections Division provides consistent service to Montana citizens, businesses, and nonresident taxpayers through electronic data and records management, account registration, collection of delinquent accounts, and data and remittance processing operations.

Business and Income Taxes Division

The Business and Income Taxes Division is responsible for the administration and collection of roughly 40 Montana taxes and fees. The division also determines the valuation of all centrally assessed property in the state.

Property Assessment Division

The Property Assessment Division administers Montana's property tax laws, which includes the valuation and classification of all taxable property. The division ensures all classes of property are valued uniformly and equally throughout the state. These classifications include but are not limited to agricultural and forest land, residential and commercial property, industrial facilities, exempt properties, and business equipment personal property.

Department Goal

The department's primary objective in the coming year is improving its citizen service in order to administer the department's statutory requirements more effectively.

Director's Office

Strategic Outcome #1 Improve citizen interactions

Initiatives	Key Measures
• Track the number of cases the Taxpayer Assistance Office has resolved	🔑 Total resolved cases per year
• Create Public Information Request (PIR) Guide to provide information and instruction for submitting a PIR to employees and citizens.	🔑 Total cases submitted under Office of Public Information Request vs in-house
• Develop comprehensive citizen and stakeholder education plan to implement new property tax legislation	🔑 September 2025

Strategic Outcome #2 Alcoholic beverage and cannabis control regulation/efficiency

Initiatives	Key Measures
• Consolidate the two regulatory divisions into one	🔑 Complete by September 1, 2025

Strategic Outcome #3 Provide a simple and seamless process for business registration and licensing through the eStop Program

Initiatives	Key Measures
• Replace current antiquated system by transitioning to Department of Labor and Industry's licensing system	🔑 October 2025

Director's Office

Strategic Outcome #4

Hire and retain qualified and competent employees

Initiatives	Key Measures
• Town hall meeting with all staff	🔑 Quarterly
• Continual refinement formal professional development processes	🔑 Annual update of professional development strategic plan
• All managers meeting-yearly	🔑 October
• Review all job descriptions and update as necessary	🔑 25% of job descriptions reviewed each year
• Mastering Management Series-yearly	🔑 June
• Mentorship Program-yearly	🔑 March
• Implement a formal onboarding guide	🔑 December 2025
• Executive leadership personal welcome of all new staff	🔑 100%

Technology Services Division

Strategic Outcome #1

Secure confidential information

Initiatives	Key Measures
• Annual disclosure awareness and security awareness trainings	🔑 100% employee completion
• Annual signing of confidentiality and disclosure of information form	🔑 100% employee completion
• Dual approval on all security access and audit access regularly	🔑 100% reporting
• Monitor all systems and perform vulnerability scans	🔑 Weekly
• Resolve vulnerabilities within guidelines set by SITSD	🔑 100% within required standards

Cannabis and Alcohol Regulation Division

Strategic Outcome #1

Improve citizen interactions

Initiatives	Key Measures
• Respond to cannabis licensee inquiries timely	🔑 Respond to all licensee contacts within two business days
• Update the division's webpage with necessary resources including Enterprise Fund reports, fact sheets, and maps	🔑 Monthly
• Update the division's webpage with necessary resources including tutorials for worker training and packaging and labeling submissions	🔑 Completed by December 31 annually

Strategic Outcome #2

Alcoholic beverage and cannabis control regulation/efficiency

Initiatives	Key Measures
• Pursue efforts to streamline licensee approval processes through collaboration with Department of Justice	🔑 Reduce time it takes to process licenses
• Liquor warehouse expansion to improve the efficient operation of the warehouse	🔑 Increase capacity of the warehouse to keep up with demand

Strategic Outcome #3

Develop electronic filing and payment services

Initiatives	Key Measures
• Update and enhance user experience for license applications and renewals	🔑 Track service requests for annual review to ensure we are meeting this objective

Information Management & Collections Division

Strategic Outcome #1

Improve citizen interactions

Initiatives	Key Measures
• Update the Livestock Per Capita Fee Webpage	🔑 Annually
• Help ensure customers of our offsets program are familiar with the details of the program, especially as turnover occurs in those agencies.	🔑 Host quarterly webinars for clients of our SABHRS Offset and Bad Debts programs.
• Increase the electronic correspondence options under HB91 to enhance taxpayer communication and reduce mailing costs	🔑 Complete electronic correspondence option for Statement of Accounts by December 31, 2025

Strategic Outcome #2

Efficient processing of data and revenue

Initiatives	Key Measures
• Timely processing of paper returns	🔑 Open paper returns within 5 days of receipt
• Timely processing of money	🔑 All money is processed within 2 days of receipt
• Implement mandatory electronic payment for tax liabilities of \$50,000 or more, as required under SB 54	🔑 Completed by December 31, 2025
• Increase the data accuracy by 25% for W2s and 1099s using AI for OCR read rates.	🔑 Complete for Tax Year 2025 (CY26)

Information Management & Collections Division

Strategic Outcome #3

Develop electronic filing and payment services

Initiatives	Key Measures
<ul style="list-style-type: none">• Increase the use of the Federal/State Employment Taxes Application Program	<ul style="list-style-type: none">🔑 Track the number of enhanced or added services and number of users each tax year
<ul style="list-style-type: none">• Enhance user experience on the TransAction Portal	<ul style="list-style-type: none">🔑 Measure number of enhancements/user experience surveys

Strategic Outcome #4

Equitable collection practices

Initiatives	Key Measures
<ul style="list-style-type: none">• Implement customer level collections to leverage core products, system updates/enhancements, and provide more customer centric tools/options.	<ul style="list-style-type: none">🔑 Decrease the number of payment plans required for a single citizen with multiple delinquent accounts by 5%
<ul style="list-style-type: none">• Contract and implement a new third-party vendor with legal presence in every state.	<ul style="list-style-type: none">🔑 Increase third-party vendor collection recoveries by 5%
<ul style="list-style-type: none">• Implement Financial Institution Data Matching (FIDM) files to increase delinquent debt recoveries.	<ul style="list-style-type: none">🔑 Increase recoveries on delinquent collection accounts by 5%

Business and Income Taxes Division

Strategic Outcome #1

Improve citizen interactions

Initiatives	Key Measures
• Improve written communications with citizens	🔑 Review letters on a two-year basis; develop a new, standardized process for annual form/instructions.
• Update the division's webpage with current information related to taxes	🔑 Review information to ensure it migrates to new website; create and manage webpage for rebates and income tax simplification
• Provide taxpayer outreach by presenting at ABC clinics, webinars and tax forums, and via educational videos about filing requirements.	🔑 Complete 20 outreach activities per year
• Continue compliance efforts on residency matters by effectively utilizing drivers license data, voting records, and FWP information.	🔑 Monthly updates to dashboard charting progress
• Reduce tax gap for trust taxes (withholding; cannabis, etc.)	🔑 Complete project scope by December 31, 2025.
• Central Assessed property appraisals completed by Department deadline	🔑 Completed by June 1 annually

Property Assessment Division

Strategic Outcome #1

Improve citizen interactions

Initiatives	Key Measures
• Mail assessment notices to all property owners for both years of the biennium as required by recent legislation	🔑 100% of notices mailed by statutorily required deadline
• Meet with county treasurers to strengthen relationships and identify how PAD staff can support their needs	🔑 Develop a contract to be used during meetings to establish clear expectations for both PAD staff and treasurers. Complete by March 1 every reappraisal year
• Open additional offices in Gallatin County	🔑 Goal to open by December 31, 2026
• Develop and provide 5-day training in addition to the IAAO and Ag certifications for in-depth training on daily work.	🔑 Goal to complete by Dec. 31, 2026
• Track appraiser certifications and ensure all statutorily required courses are completed	🔑 A tracking spreadsheet has been created and checked monthly to ensure certifications are completed
• Appraisals of all residential, commercial, industrial, and agricultural/forest land properties in Montana are completed by the statutory deadline	🔑 Complete by June 30 every reappraisal year
• Provide accurate and timely certified taxable values to all taxing jurisdictions	🔑 Provided to counties no later than the first Monday in August

Strategic Outcome #2

Develop electronic filing and payment services

Initiatives	Key Measures
• Develop exemption, homestead, and long-term rental online application through Smart File	🔑 Goal to complete by December 1, 2025