

How Fire Tax is Calculated in Montana

<p>Fire tax in Montana is assessed at 2.50% pertaining to the portion of the policy where a fire coverage premium is charged. Montana uses a “Presumptively Reasonable Allocation” to determine the portion of a policy subject to fire tax, resulting in an effective tax rate as shown below. Coverages not on this list are exempt from fire tax.</p>		
Coverage Code	Coverage Description and Presumptively Reasonable Allocation	Effective Tax Rate
Commercial Multi-Peril (50% Presumptively Reasonable Allocation)		
1000	Commercial Property	1.25%
1001	Builders Risk	1.25%
1003	Apartments (Commercial)	1.25%
1005	Commercial Package (Property & Casualty)	1.25%
1006	Condominium Package (Commercial)	1.25%
1007	Crop Hail	1.25%
1009	Earthquake	1.25%
1011	Glass (Commercial)	1.25%
1012	Mortgagee Impairment	1.25%
1017	Collateral Protection	1.25%
Fire Coverage (100% Presumptively Reasonable Allocation)		
1018	Fire	2.50%
Homeowners and other Residential Property (40% Presumptively Reasonable Allocation)		
2000	Homeowners-HO-1	1.00%
2001	Homeowners-HO-2	1.00%
2002	Homeowners-HO-3	1.00%
2003	Tenant Homeowners-HO-4	1.00%
2004	Homeowners-HO-5	1.00%
2005	Condo Unit-Owners HO-6	1.00%
2006	Homeowners-HO-8	1.00%
2007	Dwelling Builders Risk	1.00%
2009	Dwelling Property	1.00%
2011	Mobile Homeowners	1.00%
Farmowners Multi-Peril (40% Presumptively Reasonable Allocation)		
2010	Farmowners Multi-Peril	1.00%
Inland Marine (15% Presumptively Reasonable Allocation)		
4000	Inland Marine (Commercial)	0.375%
4001	Inland Marine (Personal)	0.375%
4002	Motor Truck Cargo	0.375%
4003	Jewelers Block	0.375%
4004	Furriers Block	0.375%
4005	Contractors Equipment	0.375%
4006	Electronic Data Processing	0.375%

Auto Coverage (9% Presumptively Reasonable Allocation)		
8002	Commercial Auto Physical Damage	0.225%
8003	Dealers Open Lot	0.225%
8006	Private Passengers Auto-Physical Damage Only	0.225%
Aircraft (15% Presumptively Reasonable Allocation)		
9005	Personal & Pleasure Aircraft	0.375%

Please refer to the following Administrative Rules of Montana and Montana Code Annotated citations for more information: [ARM CHAPTER 6.6 INSURANCE DEPARTMENT SUBCHAPTER 48 FIRE TAX](#) and [50-3-109, MCA Tax On Fire Insurance Premiums](#).