How Fire Tax is Calculated in Montana

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.

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%
Allied Lines (30% Presumptively Reasonable Allocation)		
1019	Allied Lines	0.75%
Fire Coverage (100% 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)		
9000*	Commercial Aircraft Hull and/or Liability*	0.375%*
9002*	Aviation Cargo*	0.375%*
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.

** Premiums for Commercial Aircraft Hull and/or Liability (Code 9000) and Aviation Cargo (Code 9002) are not subject to Montana fire tax when any of the following conditions are met:*

- *The insured aircraft is owned by the aircraft manufacturer.*
- *The insured aircraft is operated by the aircraft manufacturer.*
- *The insured aircraft is being operated on a scheduled interstate flight, and the coverage applies to the aircraft or to the insured cargo carried on that flight.*

Except for the limited circumstances described above, all other situations involving Commercial Aircraft Hull and/or Liability (Code 9000) and Aviation Cargo (Code 9002) coverages are subject to Montana fire tax. Please refer to 33-2-317, MCA Exemptions for more information.