

Frequently Asked Questions #3 - Proposed Philipsburg Resort Tax

May 2, 2024

How does the Montana Code Annotated define Luxuries, Medical Supplies, & Medicine?

As defined in MCA 7-6-1501:

- **"Luxuries"** means any gift item, luxury item, or other item normally sold to the public or to transient visitors or tourists. The term does not include food purchased unprepared or unserved, medicine, medical supplies and services, appliances, hardware supplies and tools, or any necessities of life.
- **"Medical supplies"** means items that are sold to be used for curative, prosthetic, or medical maintenance purposes, whether or not prescribed by a physician.
- **"Medicine"** means substances sold for curative or remedial properties, including both physician prescribed and over-the-counter medications.

According to the MCA, which types of businesses are subject to the Resort Tax?

As defined in MCA 7-6-1503:

The resort tax is a tax on the retail value of all goods and services sold, except for goods and services sold for resale, within the resort community or area by the following establishments:

- **Hotels, motels, and other lodging or camping facilities;**
- **Restaurants, fast food stores, and other food service establishments;**
- **Taverns, bars, night clubs, lounges, and other public establishments including not-for-profit organizations that serve beer, wine, liquor, or other alcoholic beverages by the drink.**

Which goods and services would be further defined as luxuries?

As well, as guided by the MCA, the term “**Luxuries**” shall be further defined by the Philipsburg Town Council to include, but NOT be limited to:

- Conference, convention or event room or space rentals, except for those rented for not-for-profit events;
- Any lodging based on a rental period of less than thirty (30) days;
- Any and all souvenir items, such as:
 - Any and all embellished clothing and accessories;
 - Any and all embellished drinking receptacles;
 - Stickers, key fobs, etc;
 - photographs, pictures, posters, postcards, including framed and not framed, including copies both printed and re-printed;
- Cut flowers and floral arrangements, both living and otherwise;
- Jewelry;
- Rocks and gems;
- Art, both original and copied;
- Sporting goods, except for firearms and ammunition;
- Toys, puzzles, playing cards and board games;
- Candy, sold prepackaged AND by volume and/or weight;
- Ice cream, sold by the serving AND by volume and/or weight;
- Recreational services including tours, guides and outfitters;