

42.15.216 EXCLUSION OF INTEREST ON OBLIGATIONS

(1) Interest on United States government obligations, as defined in ARM [42.15.204](#), and mutual fund dividends attributable to that interest, to the extent included in federal adjusted gross income, are exempt from Montana income tax. Interest on obligations of U.S. territories and government agency obligations specifically exempted by federal law, and mutual fund dividends attributable to that interest, are also exempt from Montana income tax.

(2) United States obligations that are exempt include:

- (a) series E, EE, F, G, H, and HH savings bonds;
- (b) U.S. treasury bills;
- (c) U.S. government notes; and
- (d) U.S. government certificates.

(3) Interest received from guarantees that do not conform to the definition in ARM [42.15.204](#), or obligations guaranteed by the United States government including mutual fund dividends attributable to Government National Mortgage Association (Ginnie Mae) bonds, Federal National Mortgage Association (Fannie Mae) bonds, and Federal Home Loan Mortgage Corporation (FHLMC) securities, are not tax-exempt.

History: [15-30-2620](#), MCA; [IMP](#), [15-30-2110](#), MCA; [NEW](#), 1984 MAR p. 2034, Eff. 12/28/84; [AMD](#) and [TRANS](#), from ARM [42.15.114](#), 2004 MAR p. 3147, Eff. 12/17/04; [AMD](#), 2010 MAR p. 1088, Eff. 4/30/10; [AMD](#), 2013 MAR p. 178, Eff. 2/1/13; [AMD](#), 2019 MAR p. 2384, Eff. 12/28/19.