

# Property Taxes

Montana Department of Revenue

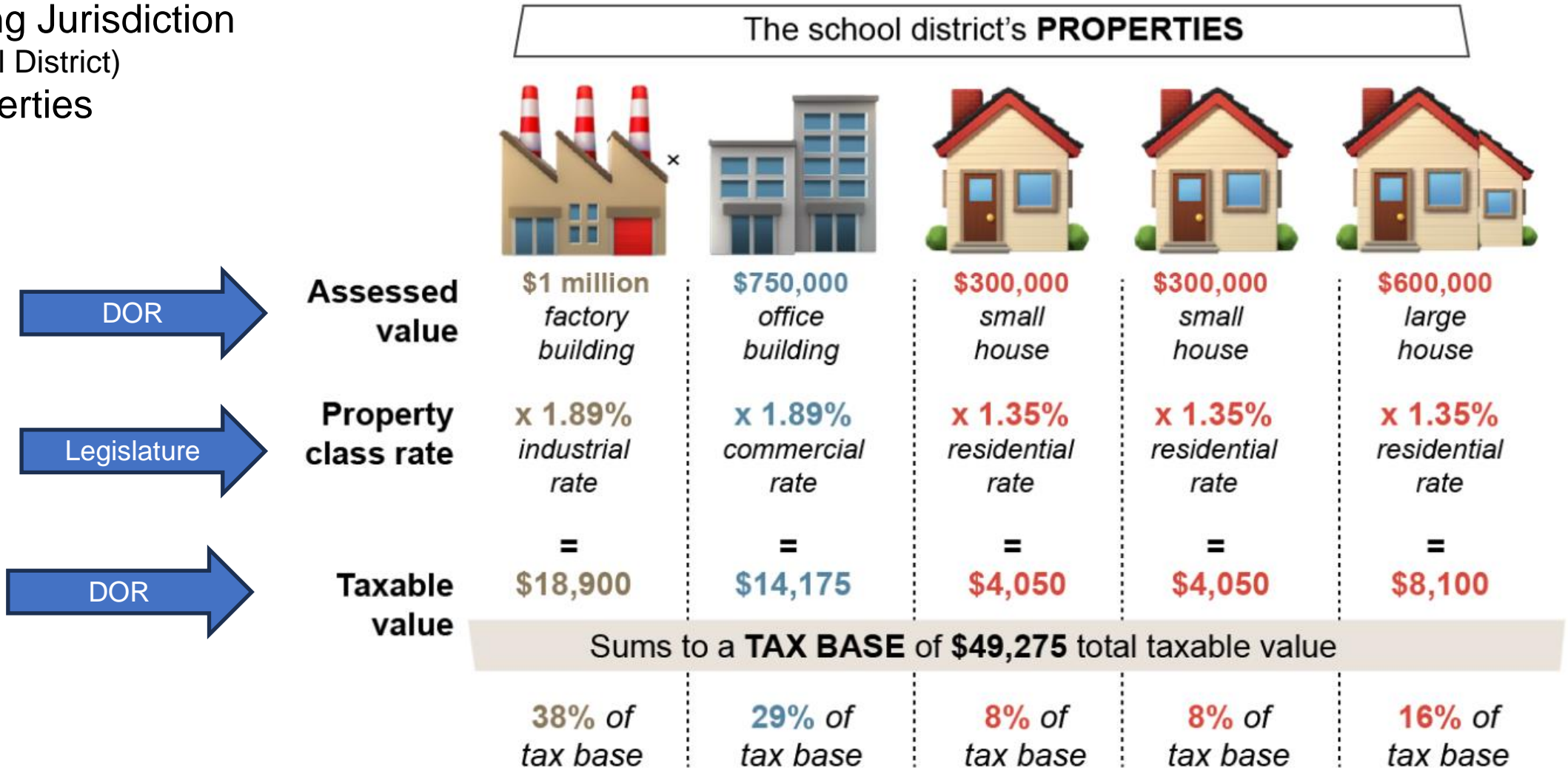


# Property Taxes

- A Property tax bill in Montana can be thought of as a combination of several taxes.
  - A property tax bill for a school district,
  - A property tax bill for a county government
  - A property tax bill for a city government
  - A property tax bill for the State equalization funding

# A Simplified Example

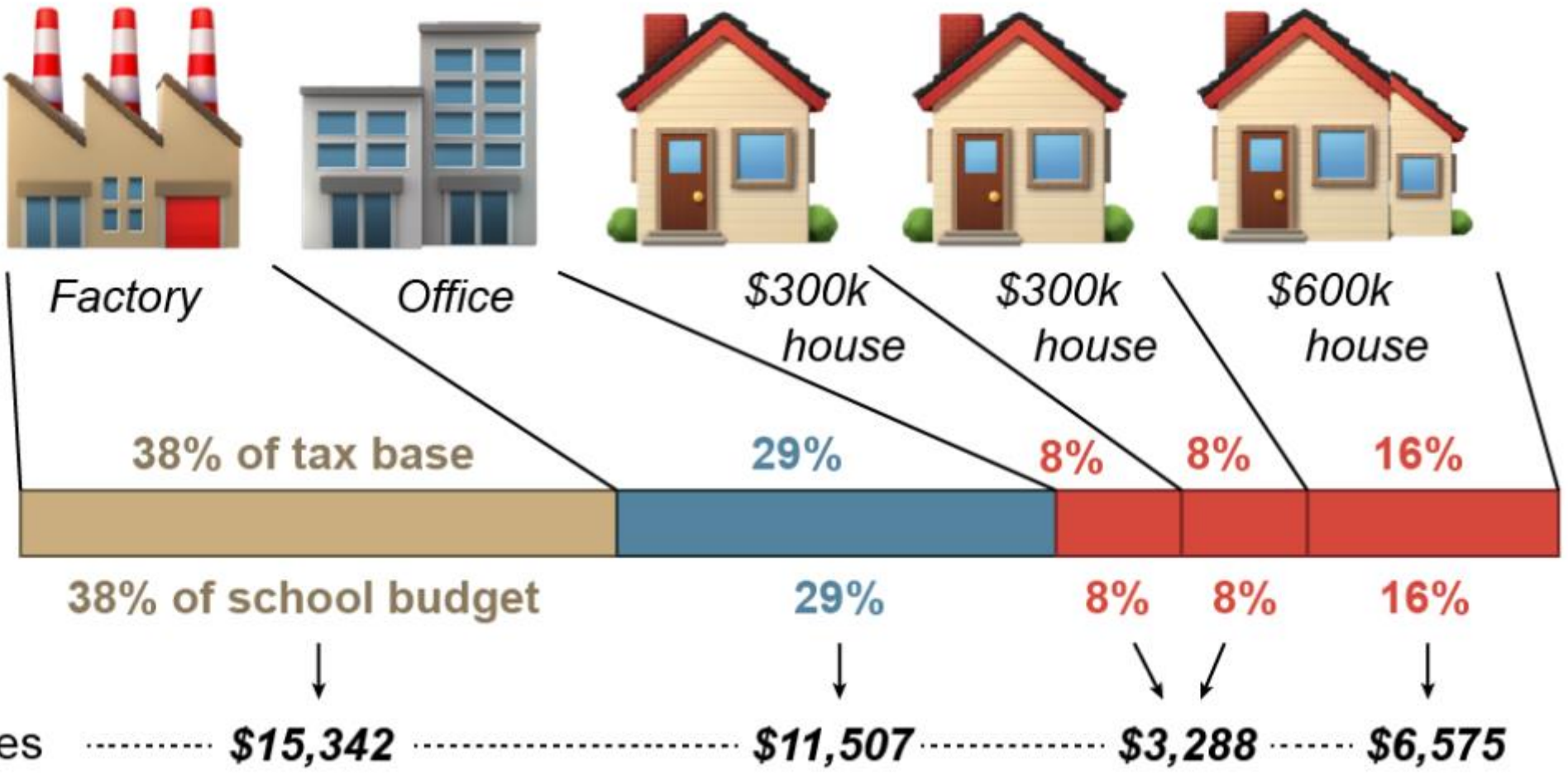
- One Taxing Jurisdiction
  - (School District)
- Five Properties



**Source:**  
 Dietrich, E. (n.d.). Property taxes, explained — with pictures. Montana Free Press.  
<https://montanafreepress.org/2023/06/22/property-taxes-explained-with-pictures/>

# What taxes are due

Local Trustees within Legal limits

Source:  
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Local Government sets Budget within Legal limits



**\$40,000**  
school budget

÷



**\$49,275**  
total tax value  
in tax base

×

**1,000**  
mill factor

= **812** mills of school taxes

	Taxable value	Millage rate	School tax
	\$18.9k	× 812 mills ÷ 1000	= \$15,342
	\$14.2k	× 812 mills ÷ 1000	= \$11,507
	\$4,050	× 812 mills ÷ 1000	= \$3,288
	\$4,050	× 812 mills ÷ 1000	= \$3,288
	\$8,100	× 812 mills ÷ 1000	= \$6,575
			<b>\$40,000</b>

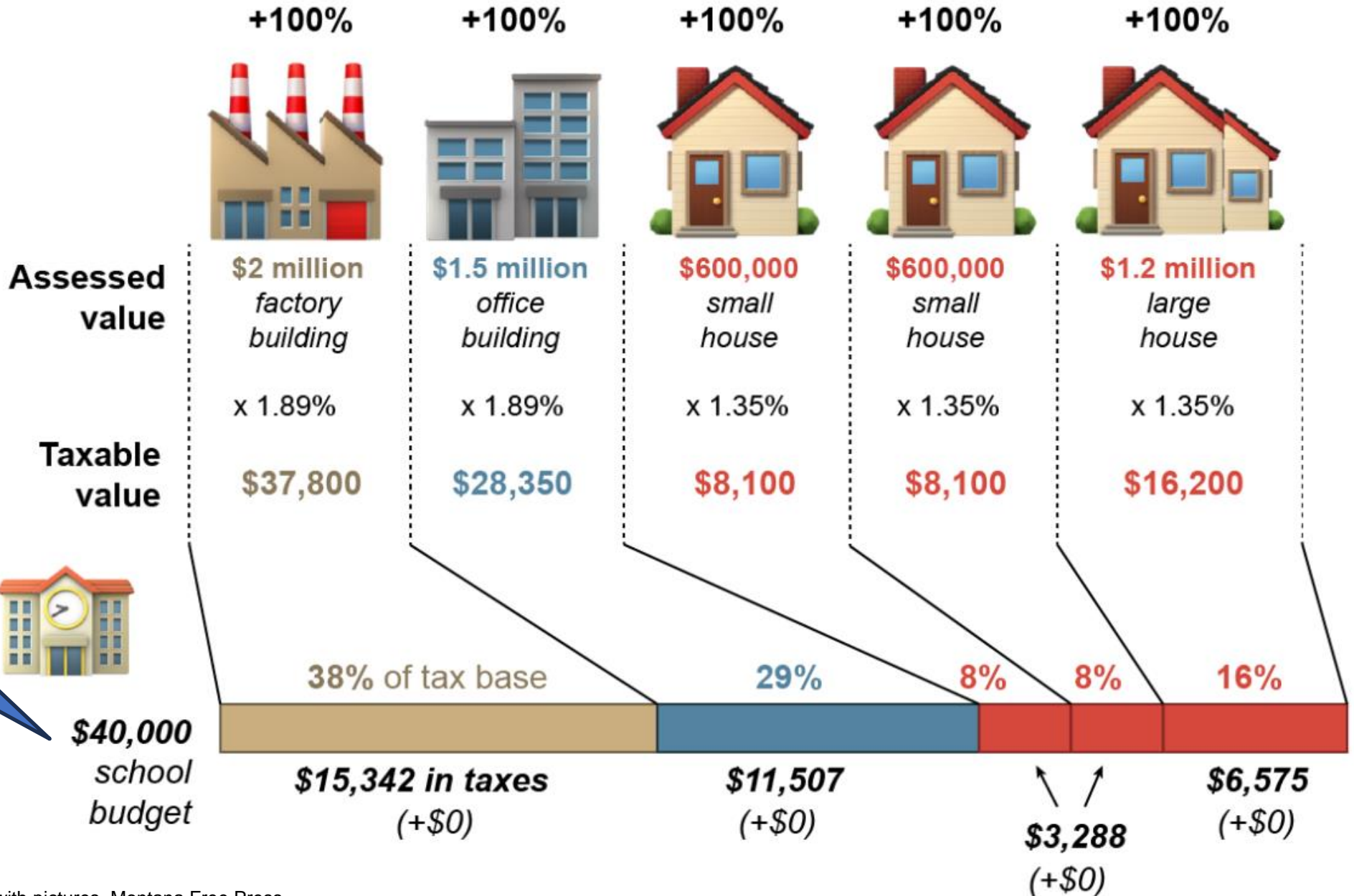


School budget

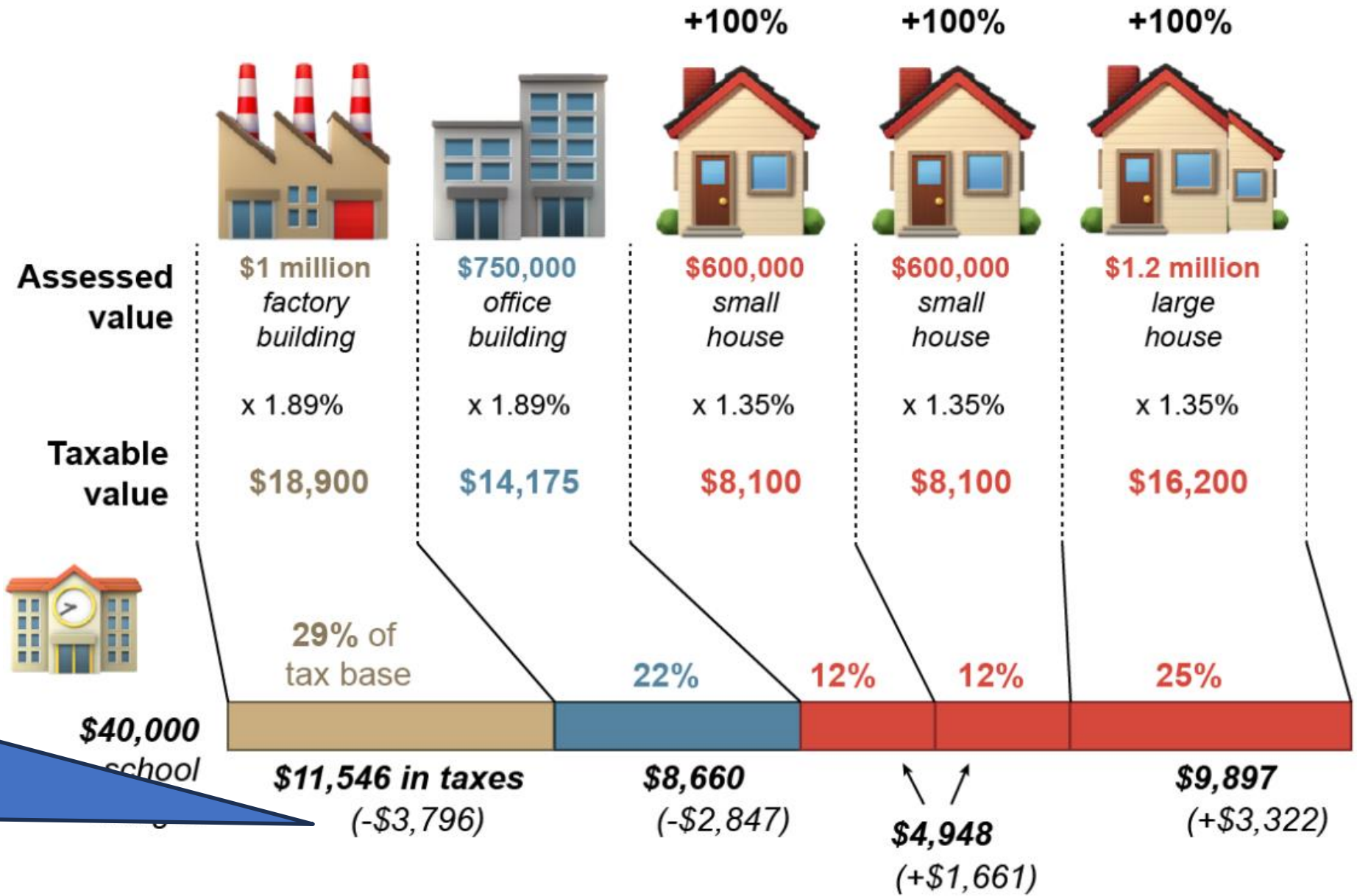
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# Case 1: All property values double

**Floating Mills:**  
Assuming no fixed mills, the mill will float down to offset market value increases.

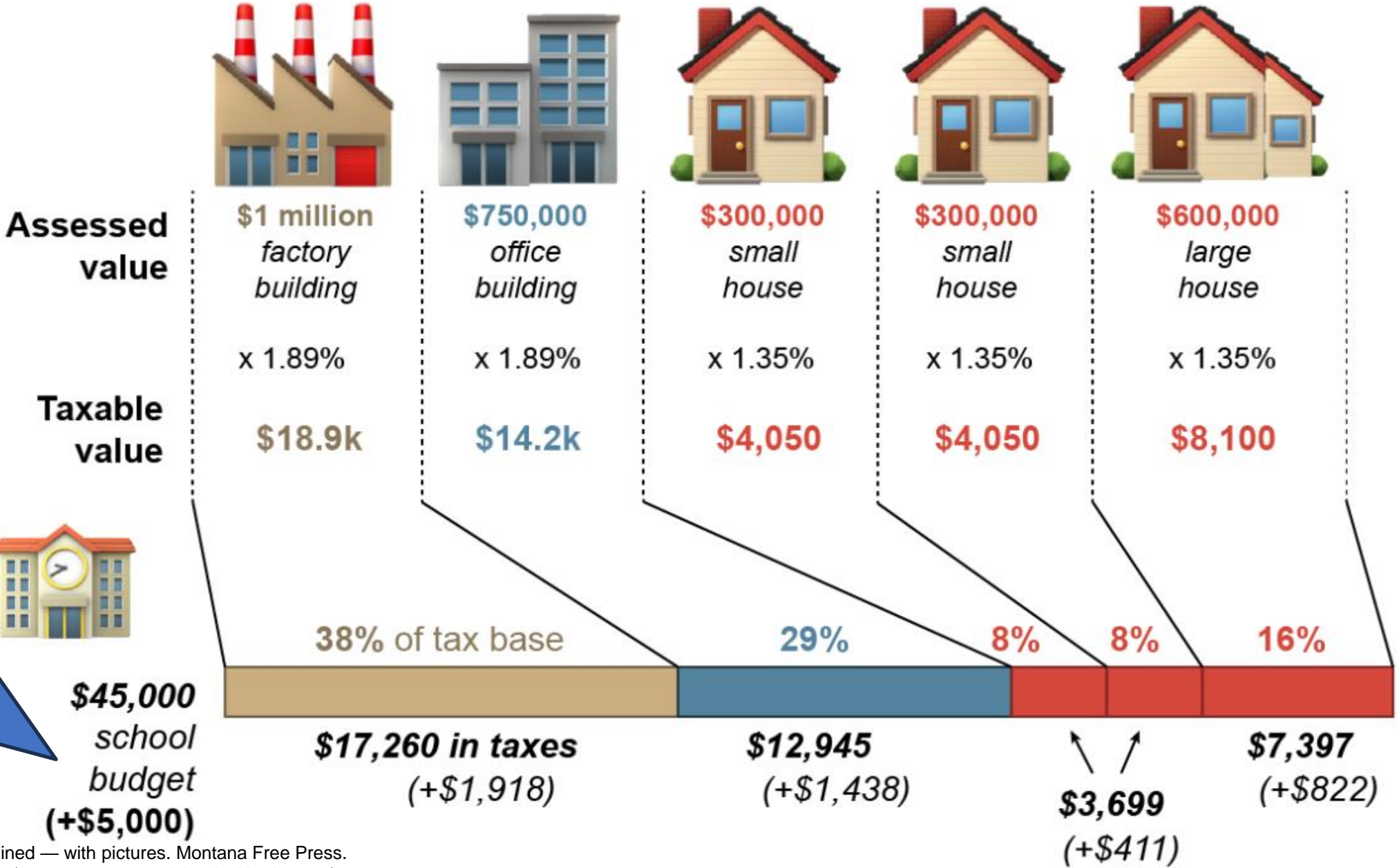


# Case 2: Home values double, other property values stay constant



**Source:**  
 Dietrich, E. (n.d.). Property taxes, explained — with pictures. Montana Free Press.  
<https://montanafreepress.org/2023/06/22/property-taxes-explained-with-pictures/>

# Case 3: School budget increases



**Spending Matters:**  
 When local government increases their budgets, the taxes go up, this is done via increasing the mills. Here the mills would grow to 913 from 812



**\$45,000**  
*school budget*  
**(+\$5,000)**

38% of tax base

**\$17,260 in taxes**  
 (+\$1,918)

29%

**\$12,945**  
 (+\$1,438)

8%

**\$3,699**  
 (+\$411)

8%

16%

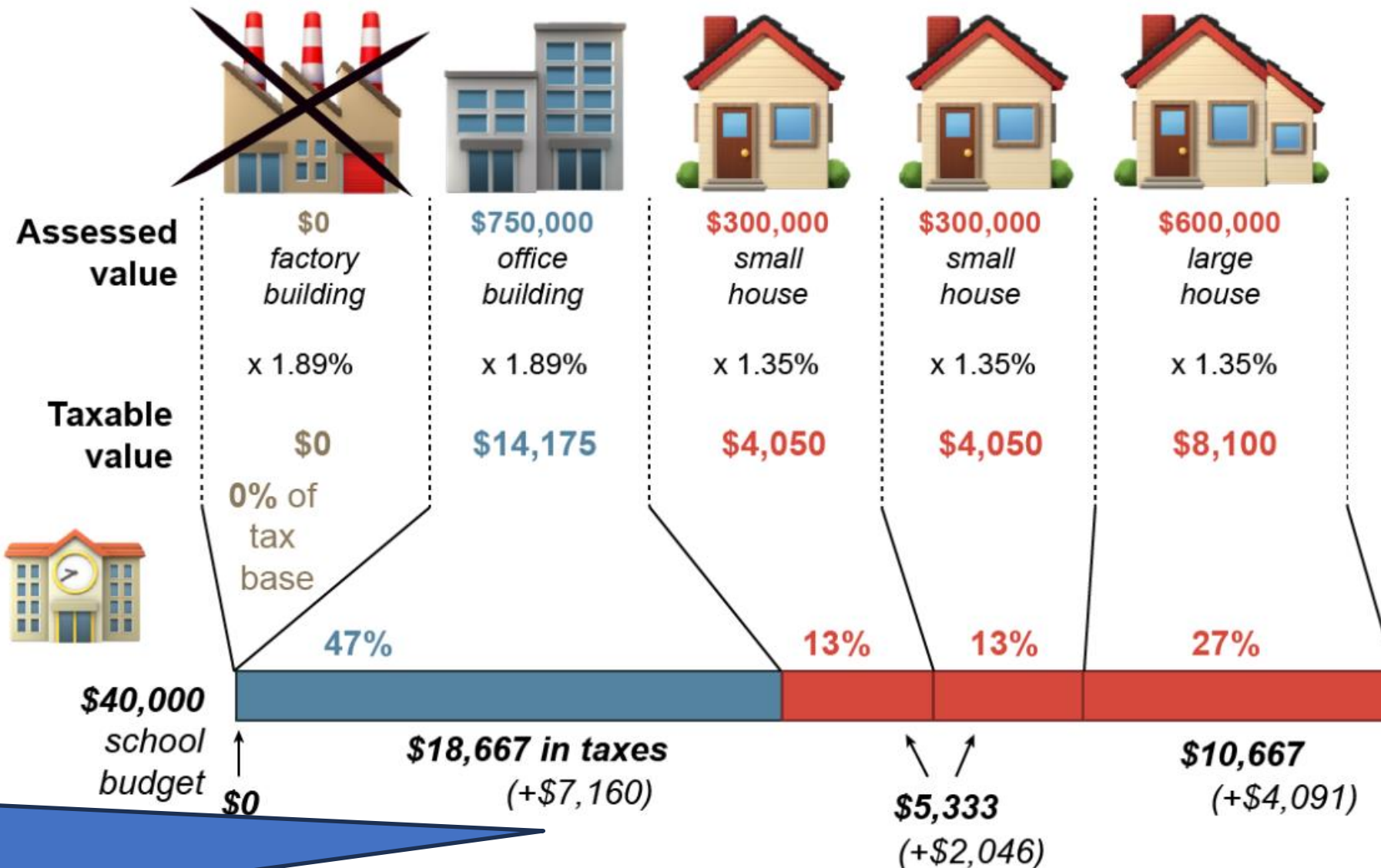
**\$7,397**  
 (+\$822)

Source: Dietrich, E. (n.d.). Property taxes, explained — with pictures. Montana Free Press. <https://montanafreepress.org/2023/06/22/property-taxes-explained-with-pictures/>



## Case 4: Factory shuts down

# Tax Shift



### Tax Obligation Floats:

When a taxable entity closes or gets a reduced rate, the tax transfers to the other remaining payers and tax classes. For example, if the rate on homes dropped from 1.35% to a lower factor, the Commercial and Industrial would pay more.

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\$45,000

Local  
Government  
(+\$5,000)



\$0  
factory  
building

+100%



\$600,000  
small  
house

+100%



\$600,000  
small  
house

+100%



\$1.2 million  
large  
house

From 2001 to 2022, growth in property tax collection has been 6.2% annually for counties, 6.1% for cities, and 4.4% for schools in Montana.

Environmental pressures, lawsuits, and changing demand have shut down a significant portion of Montana's industrial and commercial operations.

Montana has seen an increase in population growth and is becoming recognized as a scenic destination state with a boom in short term rentals and high-end vacation homes. This is driving residential property values higher.

Montana is experiencing the impact of all 3 of these factors. **Key**

**Concept: Cutting 1 tax transfers burden to the other classes.**

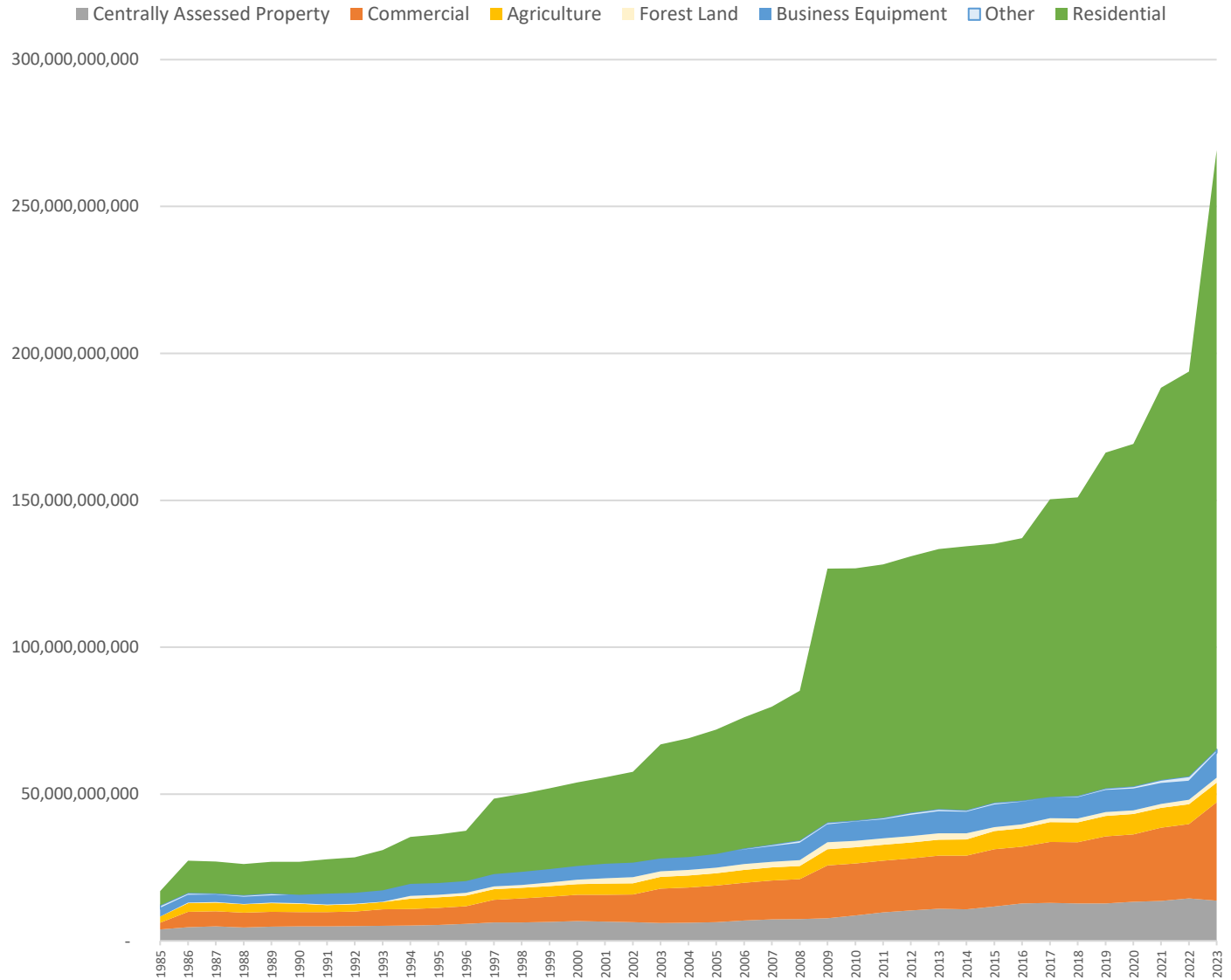
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# Market Value

Property Type	1985	1995	2005	2015	2023
Centrally Assessed Property	\$3,918	\$5,442	\$6,378	\$11,750	\$13,723
Residential	\$4,888	\$16,562	\$42,398	\$88,145	\$203,927
Commercial	\$2,297	\$5,809	\$12,489	\$19,428	\$33,450
Agriculture	\$2,053	\$3,602	\$4,138	\$6,263	\$6,719
Forest Land	\$21	\$832	\$1,941	\$1,330	\$1,642
Business Equipment	\$2,681	\$3,657	\$4,185	\$7,401	\$8,467
Other	\$1,093	\$333	\$449	\$903	\$1,225

Market Value by Property Type

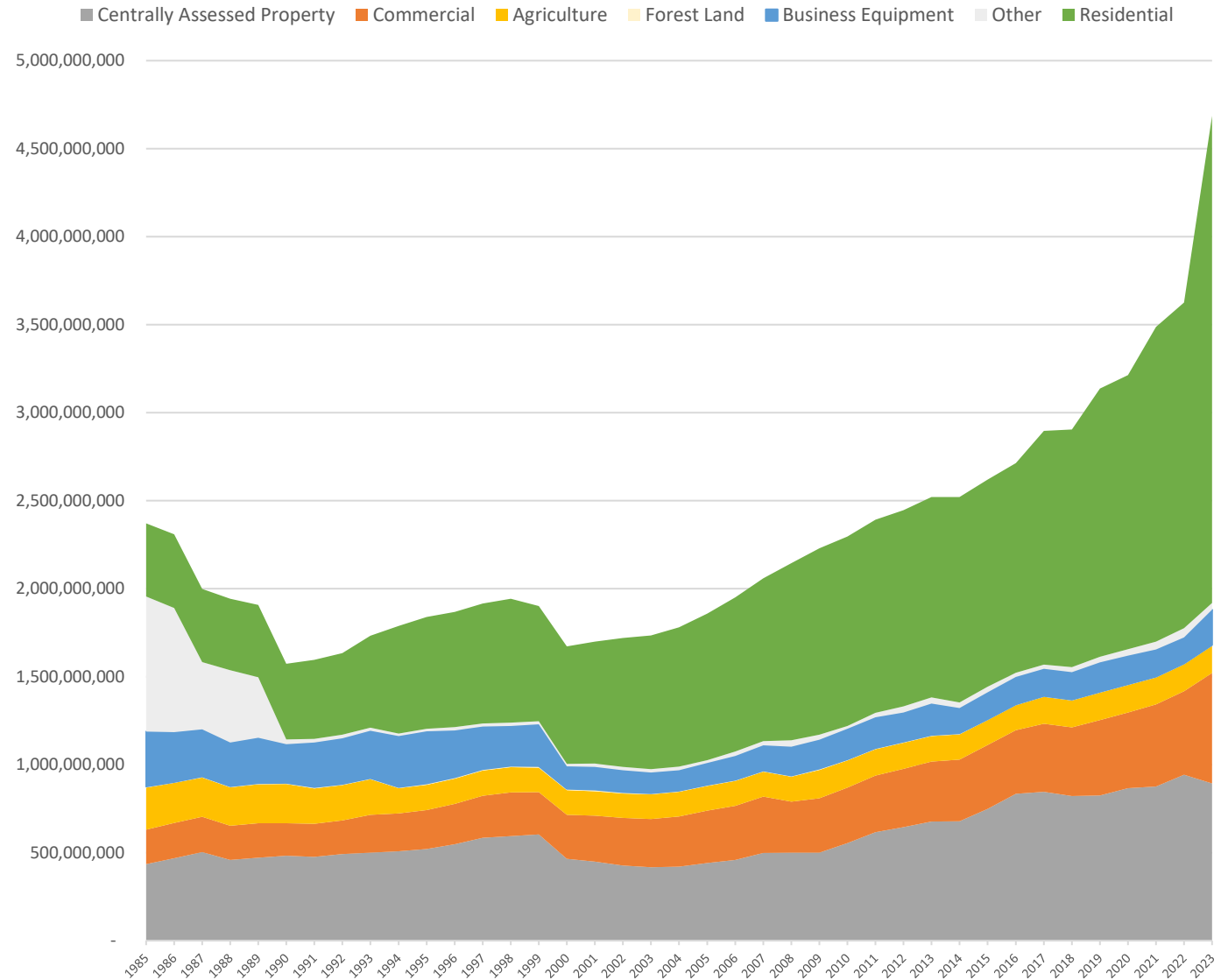


\*table in millions

# Taxable Value

Property Type	1985	1995	2005	2015	2023
Centrally Assessed Property	\$434	\$520	\$440	\$748	\$893
Residential	\$415	\$634	\$833	\$1,177	\$2,766
Commercial	\$196	\$222	\$297	\$363	\$628
Agriculture	\$240	\$143	\$141	\$141	\$153
Forest Land	\$6	\$7	\$7	\$5	\$5
Business Equipment	\$311	\$297	\$123	\$154	\$201
Other	\$768	\$15	\$17	\$32	\$39

Taxable Value by Property Type

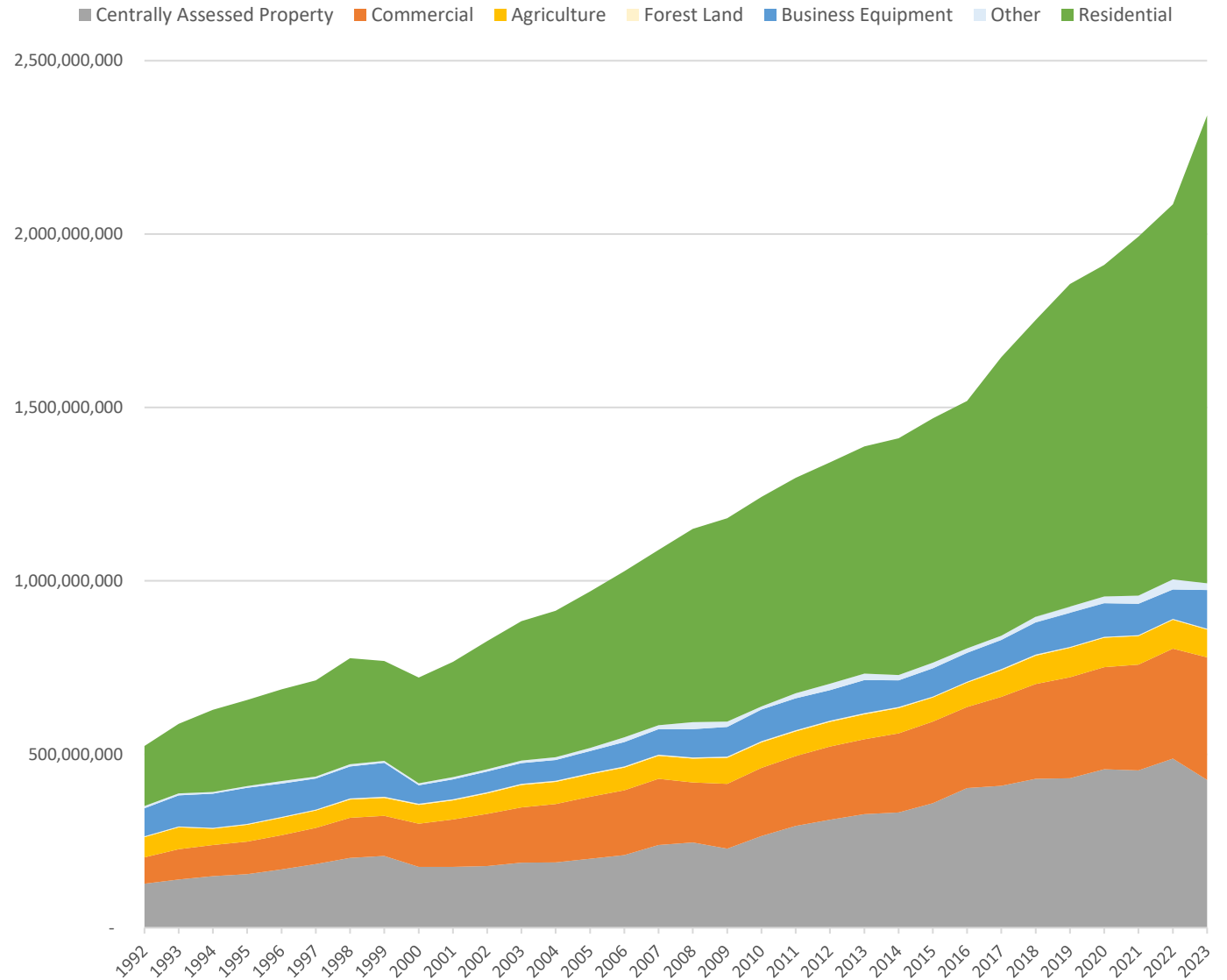


\*table in millions

# Taxes Paid

Property Type	1992	2002	2012	2023
Centrally Assessed Property	\$127	\$177	\$311	\$426
Residential	\$173	\$370	\$638	\$1,349
Commercial	\$76	\$150	\$211	\$354
Agriculture	\$58	\$60	\$71	\$80
Forest Land	\$2	\$3	\$3	\$2
Business Equipment	\$81	\$59	\$88	\$112
Other	\$6	\$7	\$19	\$19

Taxes Paid by Property Type

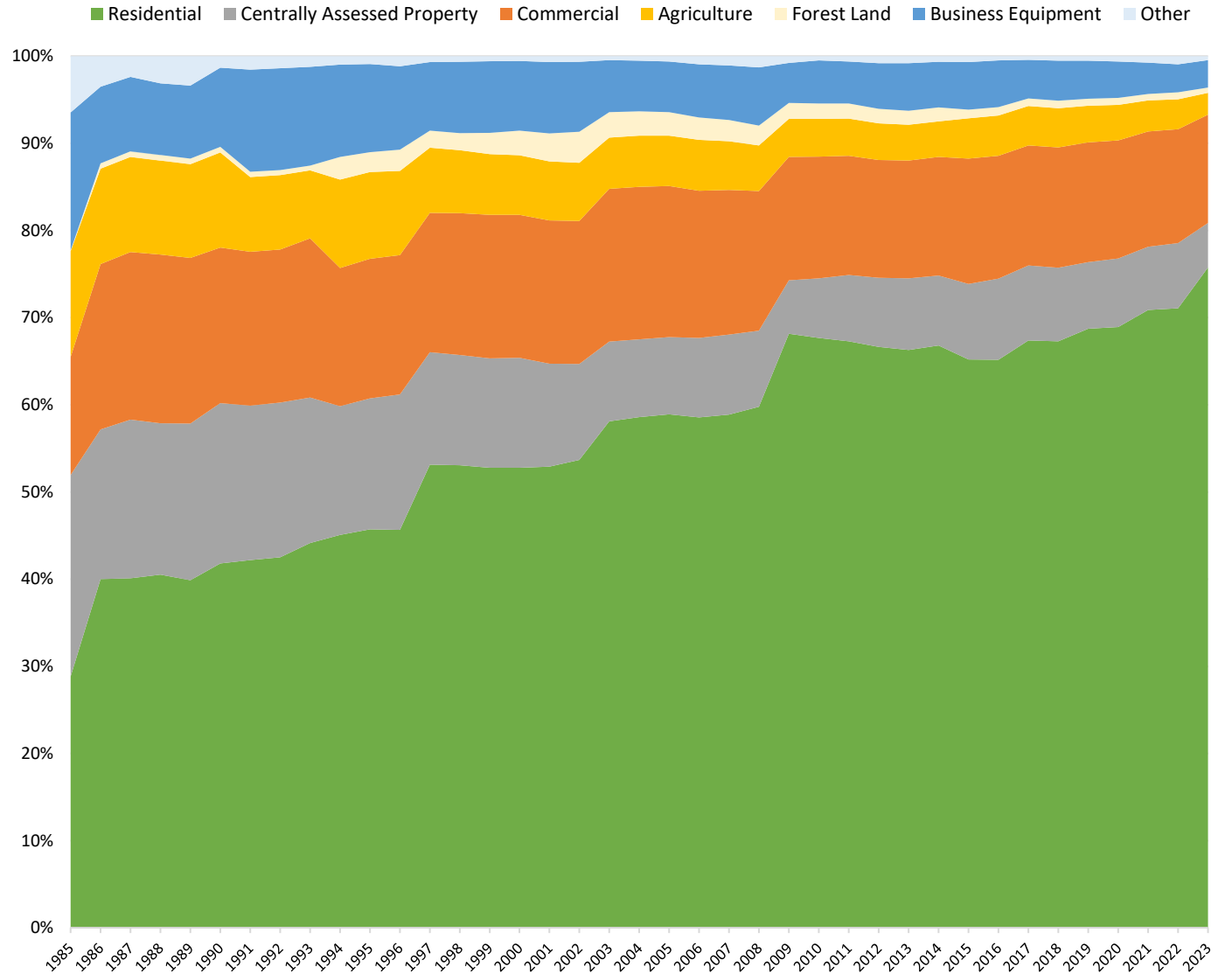


\*table in millions

# Percent of Total Market Value

Percent of Total Market Value by Property Type

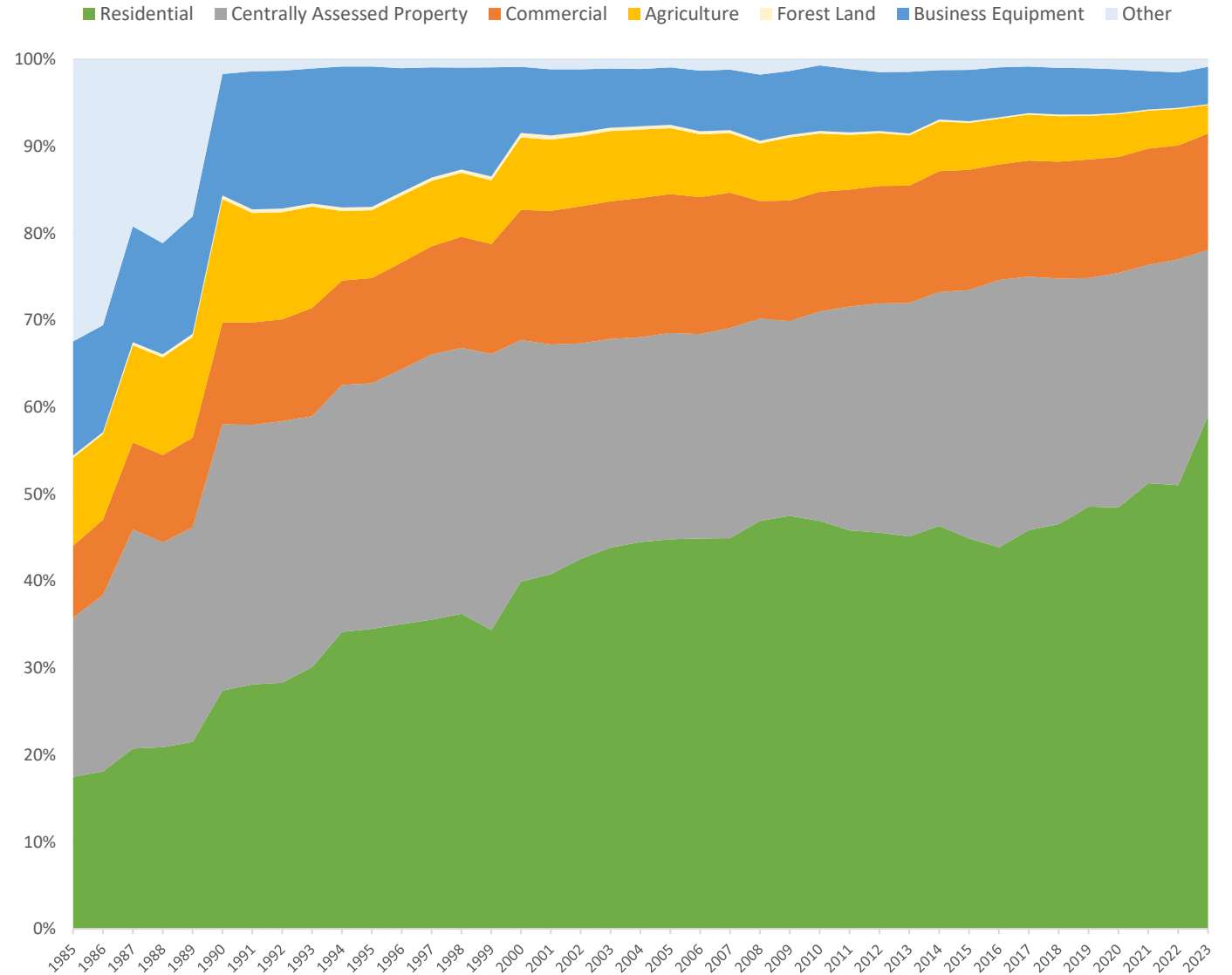
Property Type	1985	1995	2005	2015	2023
Centrally Assessed Property	23.11%	15.02%	8.86%	8.69%	5.10%
Residential	28.84%	45.71%	58.90%	65.19%	75.77%
Commercial	13.55%	16.03%	17.35%	14.37%	12.43%
Agriculture	12.11%	9.94%	5.75%	4.63%	2.50%
Forest Land	0.12%	2.30%	2.70%	0.98%	0.61%
Business Equipment	15.82%	10.09%	5.81%	5.47%	3.15%
Other	6.45%	0.92%	0.62%	0.67%	0.46%



# Percent of Total Taxable Value

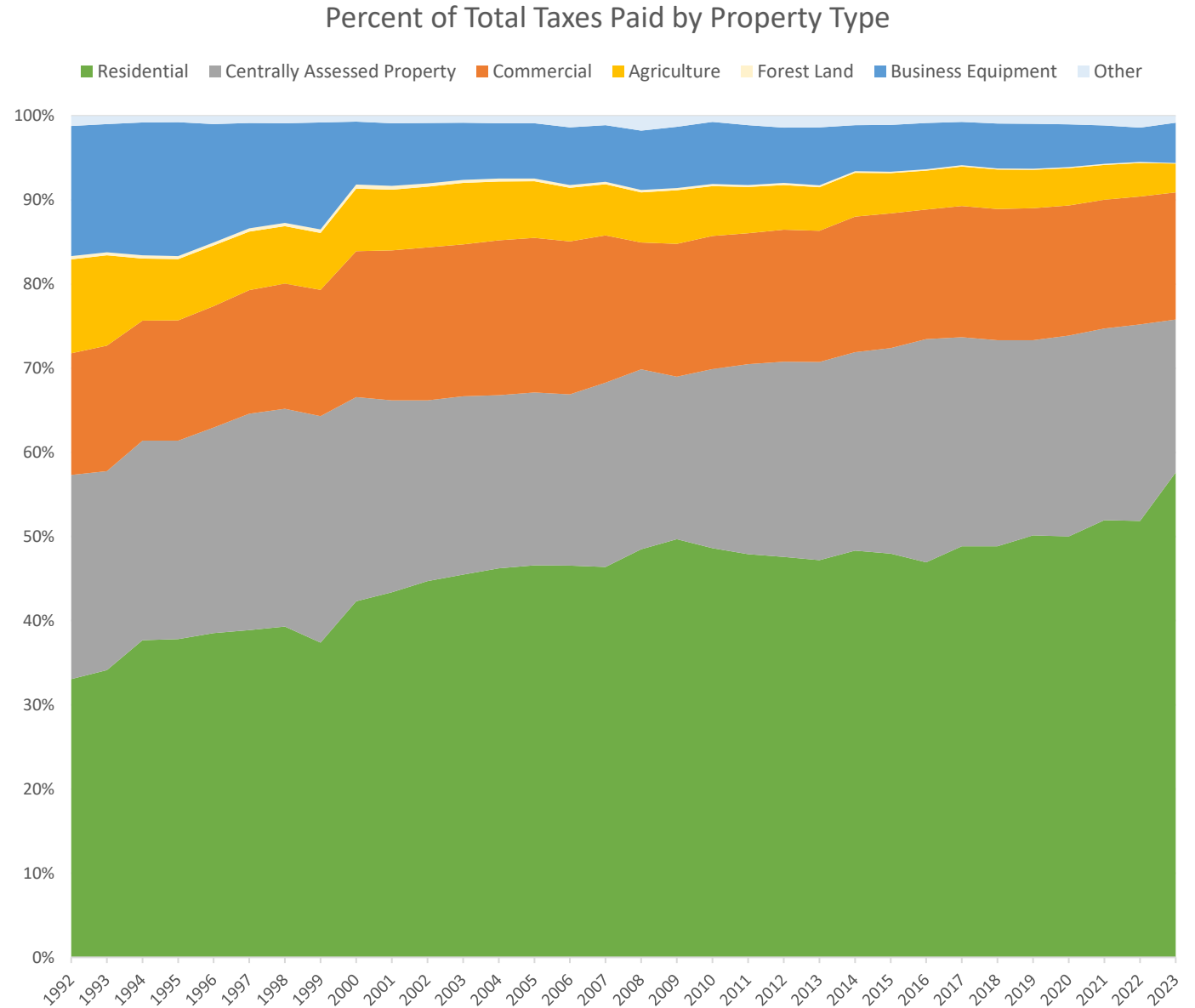
Property Type	1985	1995	2005	2015	2023
Centrally Assessed Property	18.31%	28.27%	23.71%	28.54%	19.06%
Residential	17.50%	34.50%	44.82%	44.93%	59.04%
Commercial	8.26%	12.08%	16.00%	13.86%	13.40%
Agriculture	10.11%	7.80%	7.59%	5.40%	3.27%
Forest Land	0.26%	0.40%	0.37%	0.19%	0.10%
Business Equipment	13.14%	16.14%	6.62%	5.88%	4.30%
Other	32.41%	0.81%	0.90%	1.21%	0.83%

Percent of Total Taxable Value by Property Type



# Percent of Total Taxes Paid

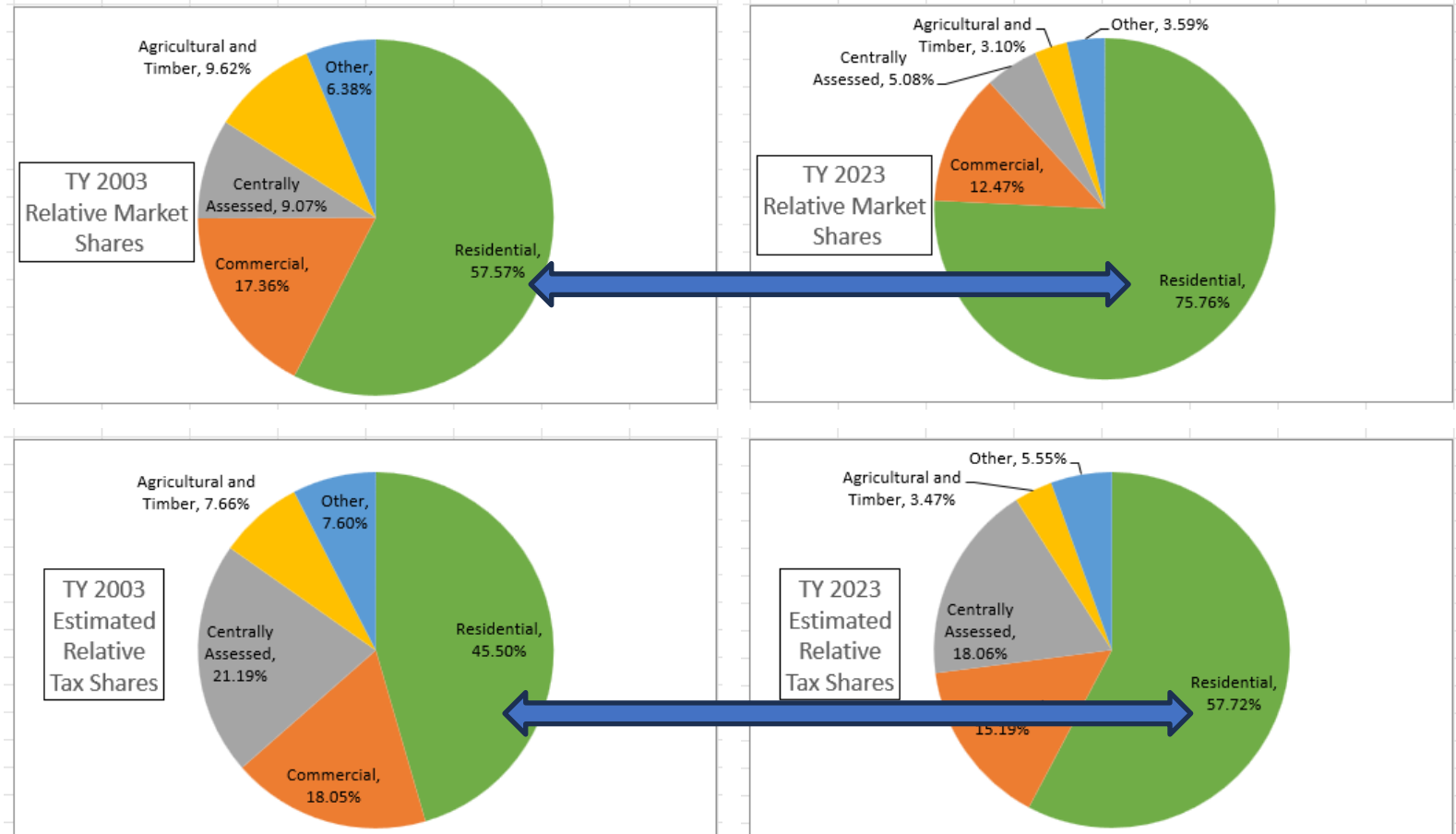
Property Type	1992	2002	2012	2023
Centrally Assessed Property	24.28%	21.47%	23.20%	18.18%
Residential	33.04%	44.71%	47.57%	57.61%
Commercial	14.47%	18.19%	15.70%	15.11%
Agriculture	11.15%	7.22%	5.32%	3.41%
Forest Land	0.39%	0.38%	0.24%	0.09%
Business Equipment	15.49%	7.18%	6.58%	4.79%
Other	1.18%	0.86%	1.39%	0.80%





**These Charts show some key concepts:**

- Residential Grew from 57.6% to 75.8% of Montana's total book of business in 20 years.
- Residential Tax Contribution grew from 45.5% to 57.72%
- In 2003 the Residential market value to tax contribution discount was 21% (57.6% MV paying 45.5% taxes)
- In 2023 the Residential market value to tax contribution discount is 23.8% (75.8%MV paying 57.72% taxes)
- **Tax Shift:** While residential is paying a lower tax share relative to its market value in 2023 than in 2003, other classes are paying more. For example, commercial grew from paying 4% more taxes than market value to 22% more.
- Reducing the residential rate lower than 1.35% will increase **the tax shift** .



This data and charts were calculated by the Montana Department of Revenue

## Tax Burden Chart across all classes

- There are 18 Property tax classes. Only Classes with numbers that are smaller than 1 in the Class 4 Residential Multiplier column pay a lower tax rate than residential.
- Class 4 Residential is the largest class now containing approximately 76% of all property value in the state, up from 53% from 20 years ago. Residential pays 58% of all property tax.
- Cutting the property tax rate on 1 class automatically transfers obligations to other classes, as it does not cut overall local taxes. **Critical Question: Transfer to Whom?**
- Each County/Tax Jurisdiction will have a different property mix and thus responds differently to tax rate changes.
- Market Value Comparison is not perfect as timber production and agriculture production generate assessed valuation.
- *Example Formula: tax rate x \$100,000 x 500 mills Thus for residential: .0135 x \$100,000 x .500 = \$675.00*

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%
	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%

\*Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

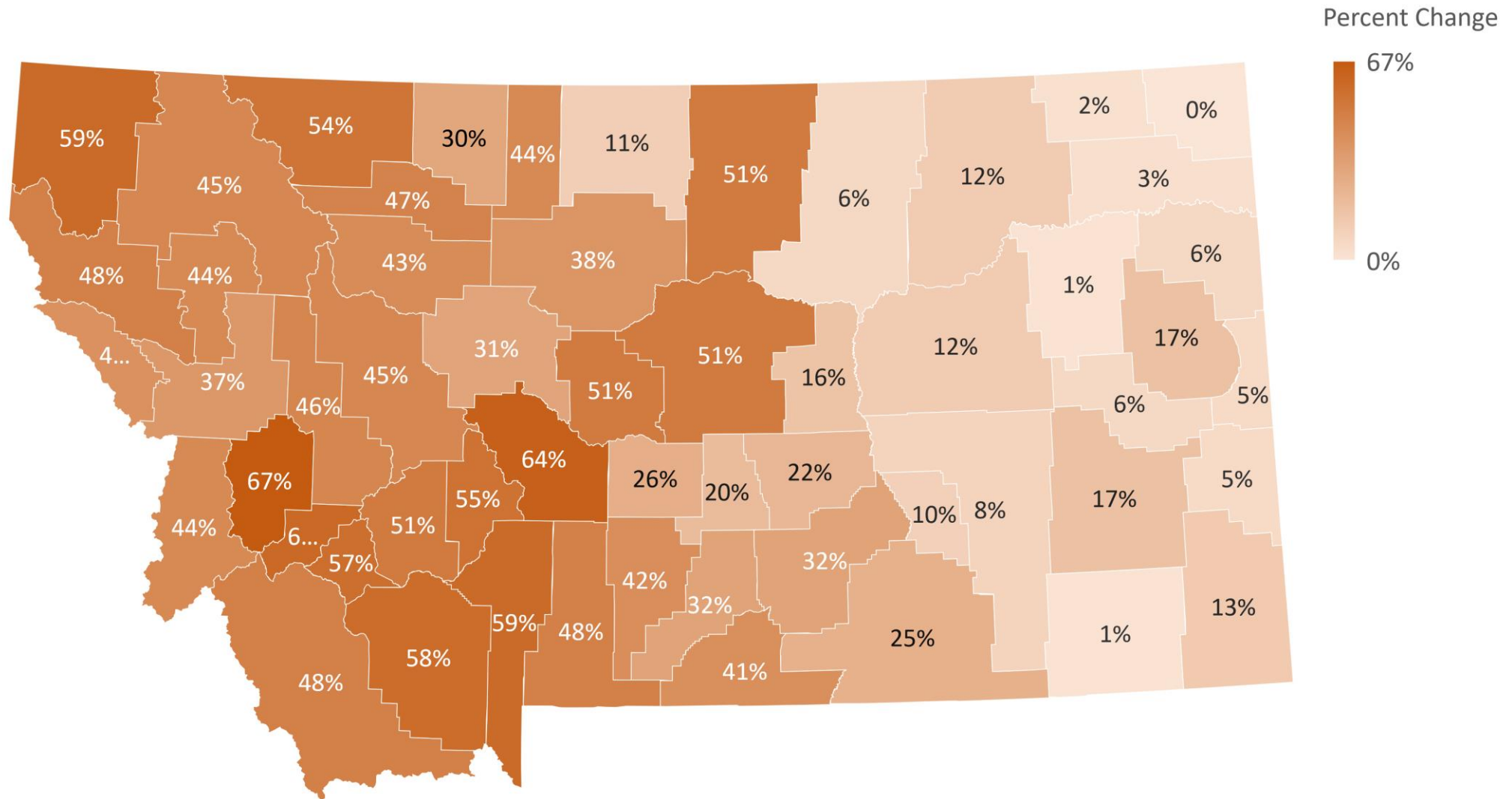
\*\*Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.

\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

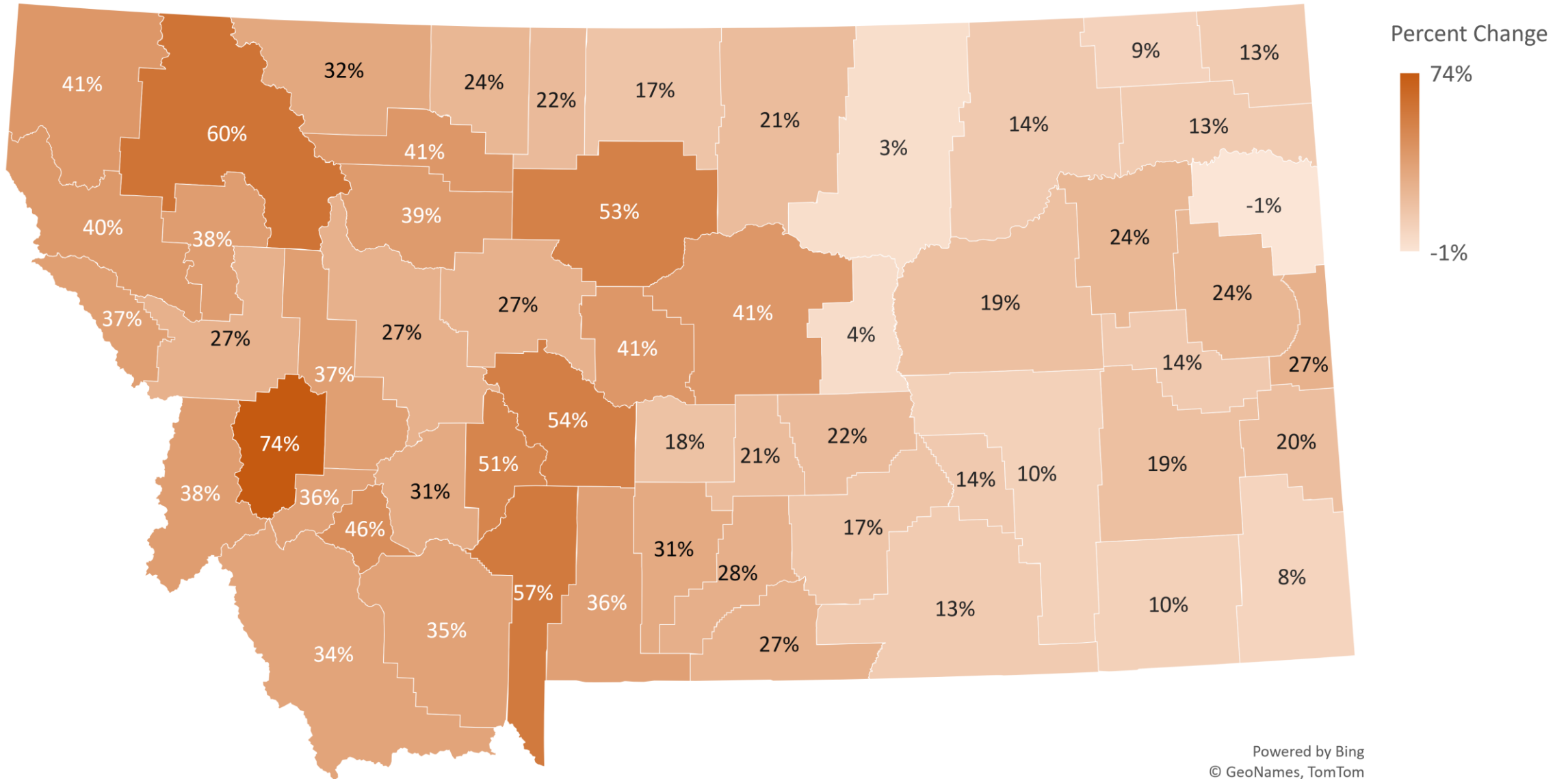
**Estimated TY 2023 Impact of Reducing the Class 4 Residential Tax Rate From 1.35% To 0.94%  
By Property Class**

Property Type	TY 2022			TY 2023 (Current Law)				TY 2023 (0.94% Residential Rate)			
	Taxable Value (Millions)	Mills	Taxes (Millions)	Taxable Value (Millions)	Mills	Taxes (Millions)	% Chg. from TY 22	Taxable Value (Millions)	Mills	Taxes (Millions)	% Chg. from TY 22
Res.	\$1,849.6956	584.59	\$1,081.3084	\$2,777.4383	486.85	\$1,352.2089	25.1%	\$1,933.9200	583.78	\$1,128.9930	4.4%
Comm.	\$475.7243	667.08	\$317.3465	\$631.7415	564.01	\$356.3099	12.3%	\$631.7415	670.46	\$423.5567	33.5%
Ag.	\$152.2359	547.13	\$83.2928	\$153.1526	519.77	\$79.6041	(4.4%)	\$153.1526	565.04	\$86.5367	3.9%
Other	\$1,152.8354	523.80	\$603.8566	\$1,139.5357	483.38	\$550.8272	(8.8%)	\$1,139.5357	539.07	\$614.2920	1.7%
<b>Total</b>	<b>\$3,630.4913</b>	<b>574.52</b>	<b>\$2,085.8043</b>	<b>\$4,701.8681</b>	<b>497.45</b>	<b>\$2,338.9501</b>	<b>12.1%</b>	<b>\$3,858.3497</b>	<b>584.03</b>	<b>\$2,253.3785</b>	<b>8.0%</b>

# Median Residential Home Market Value Increase TY 2022 - TY 2023



# Median Commercial Property Market Value Increase TY 2022 - TY 2023



# Taxable Value Distribution by County TY 2023

County	Residential		Commercial		Agricultural		Other		Total
	Taxable Value	Percent of Total	Taxable Value	Percent of Total	Taxable Value	Percent of Total	Taxable Value	Percent of Total	Taxable Value
Madison	301,994,983	88%	21,346,593	6%	2,851,536	1%	15,760,301	5%	341,953,413
Lake	96,212,908	87%	8,505,447	8%	1,522,748	1%	4,264,045	4%	110,505,148
Ravalli	116,744,142	80%	15,305,556	11%	1,142,842	1%	11,935,519	8%	145,128,059
Flathead	395,713,207	78%	77,112,799	15%	1,167,852	0%	34,047,739	7%	508,041,597
Lincoln	46,771,615	78%	4,845,690	8%	284,501	0%	8,257,002	14%	60,158,808
Gallatin	550,299,203	74%	140,744,843	19%	3,473,525	0%	49,180,618	7%	743,698,189
Park	68,519,695	73%	13,708,772	15%	2,166,611	2%	9,762,427	10%	94,157,505
Jefferson	31,870,133	70%	2,888,546	6%	1,022,701	2%	9,694,048	21%	45,475,428
Granite	15,174,466	70%	1,113,879	5%	710,311	3%	4,812,080	22%	21,810,736
Missoula	258,050,956	67%	84,794,628	22%	575,249	0%	39,194,066	10%	382,614,899
Lewis And Clark	142,787,043	66%	36,969,733	17%	2,008,734	1%	34,474,286	16%	216,239,796
Broadwater	17,429,344	64%	1,890,186	7%	1,469,250	5%	6,490,215	24%	27,278,995
Mineral	8,210,614	59%	1,133,697	8%	61,195	0%	4,613,818	33%	14,019,324
Beaverhead	20,481,124	58%	3,552,659	10%	2,869,644	8%	8,320,267	24%	35,223,694
Powell	12,808,628	53%	1,460,805	6%	1,169,344	5%	8,681,959	36%	24,120,736
Deer Lodge	15,218,232	52%	1,910,668	7%	461,409	2%	11,415,656	39%	29,005,965
Yellowstone	262,777,262	52%	97,752,995	19%	3,576,197	1%	141,665,700	28%	505,772,154
Cascade	113,712,382	51%	38,602,293	17%	4,635,453	2%	66,085,392	30%	223,035,520
Carbon	33,715,326	51%	3,571,047	5%	2,258,628	3%	26,802,951	40%	66,347,952
Sanders	24,154,399	49%	2,988,812	6%	597,953	1%	21,650,566	44%	49,391,730
Meagher	5,272,807	46%	689,535	6%	1,798,330	16%	3,598,199	32%	11,358,871
Silver Bow	48,685,022	46%	16,754,403	16%	425,781	0%	40,519,336	38%	106,384,542
Custer	10,849,407	42%	3,708,067	14%	3,301,970	13%	7,858,032	31%	25,717,476
Teton	10,373,611	40%	2,268,065	9%	4,958,788	19%	8,146,679	32%	25,747,143
Pondera	6,558,973	32%	1,954,194	9%	3,967,233	19%	8,109,168	39%	20,589,568
Stillwater	21,581,727	31%	2,487,715	4%	2,026,539	3%	42,587,316	62%	68,683,297
Musselshell	4,675,652	31%	973,097	7%	1,698,612	11%	7,541,436	51%	14,888,797
Fergus	17,875,805	31%	4,151,709	7%	5,279,341	9%	29,887,251	52%	57,194,106
Petroleum	598,047	31%	40,282	2%	975,074	51%	308,318	16%	1,921,721
Hill	14,569,856	31%	4,869,345	10%	7,624,863	16%	19,942,673	42%	47,006,737

County	Residential		Commercial		Agricultural		Other		Total
	Taxable Value	Percent of Total	Taxable Value	Percent of Total	Taxable Value	Percent of Total	Taxable Value	Percent of Total	Taxable Value
Sweet Grass	10,166,814	31%	1,697,073	5%	1,843,176	6%	19,565,273	59%	33,272,336
Dawson	7,682,773	29%	2,482,540	9%	3,558,507	14%	12,409,382	47%	26,133,202
Valley	8,713,397	28%	2,230,474	7%	5,240,810	17%	14,402,360	47%	30,587,041
Liberty	2,862,260	27%	1,039,626	10%	3,876,381	37%	2,706,653	26%	10,484,920
Blaine	4,280,320	26%	847,134	5%	4,995,439	31%	6,049,465	37%	16,172,358
Phillips	3,806,244	24%	794,211	5%	3,832,760	24%	7,445,615	47%	15,878,830
Daniels	1,618,066	23%	452,990	7%	3,092,509	45%	1,741,486	25%	6,905,051
Sheridan	3,356,792	23%	1,554,438	11%	4,691,089	32%	5,098,095	35%	14,700,414
Chouteau	6,899,890	21%	1,825,271	6%	9,151,874	28%	14,429,371	45%	32,306,406
Big Horn	5,315,111	21%	3,061,982	12%	3,246,568	13%	13,311,571	53%	24,935,232
McCone	1,733,051	21%	289,259	3%	3,967,456	47%	2,435,591	29%	8,425,357
Toole	4,650,915	20%	2,627,817	11%	4,818,033	21%	10,873,955	47%	22,970,720
Richland	11,986,819	20%	5,366,795	9%	4,301,546	7%	38,474,799	64%	60,129,959
Glacier	6,336,269	19%	2,913,804	9%	2,856,163	9%	20,674,323	63%	32,780,559
Garfield	1,628,727	16%	133,971	1%	3,680,220	36%	4,740,393	47%	10,183,311
Prairie	851,552	15%	112,325	2%	1,429,300	26%	3,137,674	57%	5,530,851
Judith Basin	3,671,127	15%	562,211	2%	2,939,768	12%	16,800,497	70%	23,973,603
Golden Valley	1,088,900	14%	109,676	1%	1,183,341	16%	5,233,540	69%	7,615,457
Powder River	1,549,982	14%	247,671	2%	1,829,695	17%	7,291,235	67%	10,918,583
Treasure	673,376	13%	113,232	2%	1,193,065	23%	3,213,365	62%	5,193,038
Wheatland	2,167,961	12%	314,073	2%	2,006,701	11%	14,323,015	76%	18,811,750
Roosevelt	3,728,462	11%	2,069,112	6%	4,544,141	14%	22,318,132	68%	32,659,847
Rosebud	4,043,277	7%	1,211,241	2%	3,632,392	6%	48,485,619	85%	57,372,529
Fallon	2,848,059	5%	1,372,107	2%	1,807,740	3%	55,857,656	90%	61,885,562
Wibaux	832,340	2%	112,632	0%	1,231,592	4%	32,896,222	94%	35,072,786
Carter	1,259,280	2%	103,734	0%	2,120,093	3%	70,013,339	95%	73,496,446
<b>Statewide</b>	<b>2,777,438,333</b>	<b>59%</b>	<b>631,741,459</b>	<b>13%</b>	<b>153,152,573</b>	<b>3%</b>	<b>1,139,535,689</b>	<b>24%</b>	<b>4,701,868,054</b>

Residentials contribution to taxable value ranges from 88% in Madison to 2% in Carter

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes	Gallatin Specifics			
									Class	MV	TV	%TV
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%	1	250,920	250,920	0%
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%				
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%	3	146,966,258	3,473,525	0%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%	4.1	40,088,014,519	550,299,203	74%
	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%	4.2	9,786,851,448	140,744,843	19%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%	5	38,729,523	802,194	0%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%				
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%	8	447,941,643	8,563,431	1%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%	9	246,826,891	29,619,221	4%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%	10	216,548,484	123,325	0%
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%	12	142,090,036	4,347,959	1%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%	13	93,368,215	5,473,568	1%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%				
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%				
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%				
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%				
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%				

\*Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

\*\*Starting in TY 2025, Class 10 property will move to a two-year valuation cycle.

\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after

Class	Description	Valuation Standard	Valuation Cycle	TY 2023 Tax Rate	Class 4 Residential Multiplier	Est. Taxes of \$100K in Market Value at 500 Mills	TY 2023 Share Of Total Market Valuation	TY 2023 Estimated Share Of Total Taxes	Toole County Specific			
									Class	MV	TV	%TV
Class 1	Net Proceeds of Mines	Net Proceeds	Annual	100.00%	74.07	\$50,000	0.00%	0.06%				
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual	3.00%	2.22	\$1,500	0.42%	0.72%				
Class 3	Agricultural Land	Productivity Value	2 Year	2.16%	1.60	\$1,080	2.49%	3.39%	3	233,234,083	4,818,033	21%
Class 4	Residential (land and improvements)	Market Value	2 Year	1.35%	1.00	\$675	75.76%	57.72%	4.1	358,252,785	4,650,915	20%
	Commercial and Industrial (land and improvements)	Market Value	2 Year	1.89%	1.40	\$945	12.47%	15.19%	4.2	207,401,222	2,627,817	11%
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual	3.00%	2.22	\$1,500	0.75%	1.27%	5	22,700,143	671,470	3%
Class 7	Noncentrally Assessed Utilities	Market Value	Annual	8.00%	5.93	\$4,000	0.00%	0.00%	7	39,036	3,123	0%
Class 8	Business Equipment	Market Value	Annual	1.50%*	1.11	\$750	3.13%	4.78%	8	30,462,155	490,934	2%
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual	12.00%	8.89	\$6,000	1.84%	11.39%	9	23,947,213	2,873,665	13%
Class 10	Forest Land	Productivity Value	6 Year**	0.29%	0.21	\$145	0.61%	0.09%				
Class 12	Airlines and Railroads	Market Value	Annual	3.06%	2.27	\$1,530	1.11%	2.10%	12	86,990,105	2,661,899	12%
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual	6.00%	4.44	\$3,000	0.79%	2.78%	13	3,137,118	188,231	1%
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual	3.00%	2.22	\$1,500	0.50%	0.45%	14	132,821,141	3,984,633	17%
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual	3.00%	2.22	\$1,500	0.08%	0.04%				
Class 16	High Voltage DC Converter Property	Market Value	Annual	2.25%	1.67	\$1,125	0.00%	0.00%				
Class 17	Qualified Data Centers	Market Value	Annual	0.90%	0.67	\$450	0.03%	0.02%				
Class 18	Green Hydrogen Facilities	Market Value	Annual	1.50%***	1.11	\$750	0.00%	0.00%				

\*Class 8 has a graduated tax rate. 0% of the first \$300,000; 1.5% for the next \$6 million; and 3% for all remaining class 8 property

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\*\*\*Qualified facilities are taxes at 1.5% for the first 15 years after construction commences and 3% after



Compound Annual Growth Rates of Property Tax Collections for Montana Counties and County Seats TY 2001 - TY 2022			
Growth Rate			
Population & Inflation		3.643%	
Growth in the Economy (Personal Income)		5.420%	
State Property Tax Growth Rate		3.751%	
Countywide Schools Property Tax Growth Rate		3.601%	
Local Schools Property Tax Growth Rate		4.402%	
County Property Tax Growth Rate*		6.191%	
City Property Tax Growth Rate		6.125%	
County	County Growth Rate*	County Seat	City Growth Rate
Beaverhead	4.828%	Dillon	5.900%
Big Horn	10.386%	Hardin	5.814%
Blaine	4.728%	Chinook	3.714%
Broadwater	6.577%	Townsend	1.306%
Carbon	6.350%	Red Lodge	3.352%
Carter	9.059%	Ekalaka	5.478%
Cascade	4.001%	Great Falls	5.608%
Chouteau	4.031%	Fort Benton	7.364%
Custer	5.036%	Miles City	3.721%
Daniels	4.931%	Scobey	4.876%
Dawson	4.207%	Glendive	3.741%
Deer Lodge	6.018%	Anaconda	2.680%
Fallon	12.583%	Baker	4.625%
Fergus	6.676%	Lewistown	3.469%
Flathead	5.971%	Kalispell	5.714%
Gallatin	8.535%	Bozeman	8.529%
Garfield	4.363%	Jordan	4.711%
Glacier	6.302%	Cut Bank	4.576%
Golden Valley	5.623%	Ryegate	3.815%
Granite	6.064%	Philipsburg	16.953%
Hill	4.734%	Havre	4.204%
Jefferson	6.487%	Boulder	3.895%
Judith Basin	4.461%	Stanford	5.170%
Lake	5.613%	Polson	6.504%
Lewis and Clark	5.439%	Helena	5.794%
Liberty	4.616%	Chester	4.057%
Lincoln	5.566%	Libby	3.184%
Madison	9.804%	Virginia City	3.827%

Compound Annual Growth Rates of Property Tax Collections for Montana Counties and County Seats TY 2001 - TY 2022			
Growth Rate			
Population & Inflation		3.643%	
Growth in the Economy (Personal Income)		5.420%	
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Countywide Schools Property Tax Growth Rate		3.601%	
Local Schools Property Tax Growth Rate		4.402%	
County Property Tax Growth Rate*		6.191%	
City Property Tax Growth Rate		6.125%	
County	County Growth Rate*	County Seat	City Growth Rate
McCone	4.345%	Circle	4.296%
Meagher	3.481%	White Sulphur Springs	4.114%
Mineral	5.336%	Superior	5.565%
Missoula	6.407%	Missoula	5.665%
Musselshell	4.716%	Roundup	1.900%
Park	6.123%	Livingston	5.174%
Petroleum	7.569%	Winnett	5.554%
Phillips	5.412%	Malta	3.796%
Pondera	4.753%	Conrad	4.428%
Powder River	4.709%	Broadus	2.774%
Powell	6.196%	Deer Lodge	3.501%
Prairie	5.279%	Terry	4.120%
Ravalli	5.056%	Hamilton	5.913%
Richland	8.499%	Sidney	6.372%
Roosevelt	6.010%	Wolf Point	5.402%
Rosebud	5.187%	Forsyth	4.298%
Sanders	5.696%	Thompson Falls	3.369%
Sheridan	7.583%	Plentywood	3.800%
Silver Bow	5.934%	Butte	
Stillwater	7.165%	Columbus	5.639%
Sweet Grass	9.284%	Big Timber	5.881%
Teton	3.628%	Choteau	2.479%
Toole	6.714%	Shelby	2.776%
Treasure	4.762%	Hysham	5.762%
Valley	3.475%	Glasgow	4.324%
Wheatland	5.872%	Harlowton	3.354%
Wibaux	11.167%	Wibaux	4.929%
Yellowstone	5.982%	Billings	7.083%
Overall	6.191%	Overall	6.125%

\*The county growth rate includes mills for fire districts and miscellaneous

# Growth in houses worth more than 1.5 million dollars.

15-6-134(3)(b) States:  
 “The tax rate for the portion of the market value of a single-family residential dwelling in excess of \$1.5 million is the residential property tax rate in subsection (3)(a) multiplied by 1.4.”

Only the improvement value (excluding the land) is subject to the additional tax rate.

Each residential building (and not each property) is entitled to the first \$1.5 million being taxed at a rate of 1.35%.

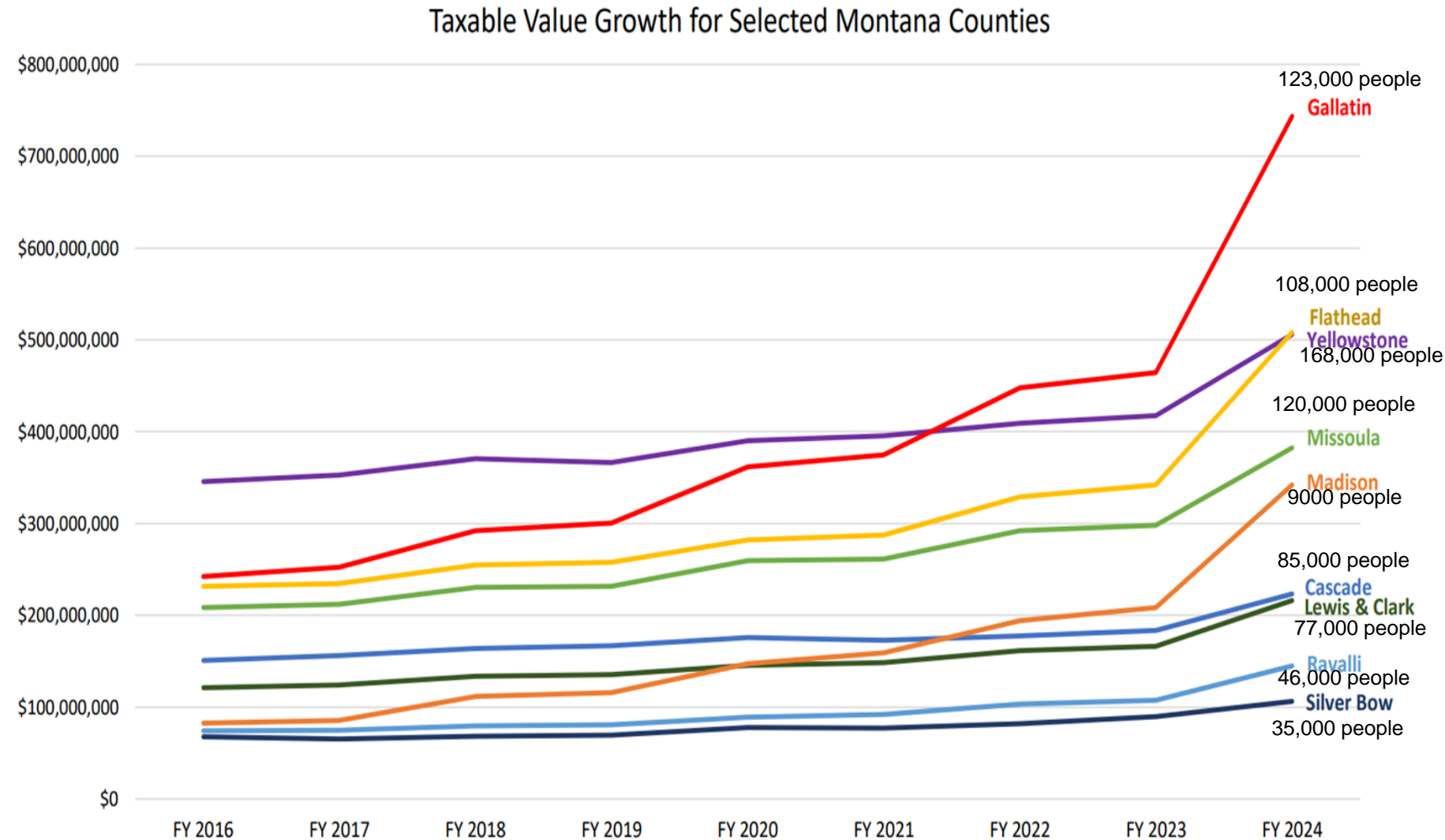
Properties are generally valued at much greater than \$1.5 million.

Tax Year	Number of properties	Sum of Market Value over 1.5 million per home.	Average home value
2009	587	\$ 423,229,755.98	\$ 2,221,004.70
2010	705	\$ 436,681,146.55	\$ 2,119,405.88
2011	716	\$ 475,082,040.03	\$ 2,163,522.40
2012	753	\$ 540,235,554.91	\$ 2,217,444.30
2013	775	\$ 587,157,221.79	\$ 2,257,622.22
2014	831	\$ 672,279,333.02	\$ 2,309,000.40
2015	869	\$ 1,283,178,202.96	\$ 2,976,614.73
2016	936	\$ 1,386,331,533.95	\$ 2,981,123.43
2017	1144	\$ 2,216,388,748.20	\$ 3,437,402.75
2018	1207	\$ 2,353,236,548.29	\$ 3,449,657.46
2019	1598	\$ 3,229,204,540.65	\$ 3,520,778.81
2020	1706	\$ 3,670,579,469.15	\$ 3,651,570.61
2021	2194	\$ 4,808,950,828.80	\$ 3,691,864.55
2022	2326	\$ 5,464,274,791.39	\$ 3,849,215.30
2023	4886	\$ 11,521,450,935.27	\$ 3,858,053.81

# Taxable Value Growth for Selected Counties Between FY 2016 (TY 2015) and FY 2024 (TY 2023)

Montana is increasingly a “scenery state” impacted by move ins, expensive vacation homes, and short-term rentals. Thus, we see some significant changes in where the market value wealth is held in Montana.

**Contrast: Yellowstone County** is known for its vast natural resources, including coal, oil, and natural gas. The Energy Capital initiative seeks to leverage these resources to attract energy-related businesses and investments to the area. It had the largest taxable value for decades. **Gallatin County** is known for its stunning natural beauty, high tech, and scenic attractions.



Class	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3	3.40%	3.30%	3.22%	3.14%	3.07%	3.01%	2.93%	2.82%	2.72%	2.63%	2.54%	2.47%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%
4 Res <sup>1</sup>	2.35%	2.26%	2.19%	2.12%	2.05%	1.99%	1.85%	1.71%	1.58%	1.47%	1.38%	1.31%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%
4 Com <sup>2</sup>	2.96%	2.86%	2.78%	2.69%	2.62%	2.56%	2.51%	2.37%	2.24%	2.13%	2.02%	1.94%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%
5	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
6																					
7	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
8 <sup>3</sup>	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
9	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
10 Forest	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.34%	0.33%	0.32%	0.31%	0.30%	0.29%	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%	0.34%	0.31%	0.29%
11																					
12	3.88%	3.81%	3.74%	3.55%	3.52%	3.44%	3.45%	3.40%	3.45%	3.45%	3.39%	3.28%	2.37%	3.04%	3.07%	3.12%	3.20%	3.20%	3.12%	3.06%	3.06%
13	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
14			3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
15					3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
16					2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
17															0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
18 <sup>4</sup>																				3.00%	3.00%

Two Year Appraisal for Residential from 2015 to current.

<sup>1</sup> Rate includes homestead exemption for tax years 1999 through 2014

<sup>2</sup> Rate includes comstead exemption for tax years 1999 through 2014

<sup>3</sup> Value less than \$20,000 exempt 2005 through 2013, \$100,000 exemption for all property 2014 to 2021, \$300,000 exemption 2022 to 2023; \$1M exemption goes into effect for 2024; 2% for first \$2 million in 2012 and 2013, 1.5% for first \$6 million 2014 to present

<sup>4</sup> Rate is 1.5% for first 15 years after construction or additional investment of \$25M

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
4 Res Exemption	31%	31.40%	32%	32.60%	33.20%	34%	36.80%	39.50%	41.80%	44%	45.50%	47%									
4 Com Exemption	13%	13.80%	13.80%	14.20%	14.60%	15%	14.20%	15.90%	17.50%	19%	20.30%	21.50%									

No mitigation of residential rates

The residential rate was 2.47% in 2014 and 47% of value was exempt for all residential properties. The last 6-year cycle was fully phased in for 2014. The bill implementing the 2-year cycle in 2015 adjusted the rates to account for the removal of the homestead exemption and for taxable value neutrality between classes (generally referred to as mitigation). The rates were 2.93% in 2009, 2.82% in 2010, 2.72% in 2011, 2.63% in 2012, 2.54% in 2013, and 2.47% after 2013. The homestead exemption also phased up each year. Ag has been on the 2-year cycle since 2015. Forest will be on the 2-year cycle beginning in TY25. The ag rate used to be the same as the residential rate, but the 2015 legislation changed the ag rate to a stand-alone rate of 2.16%, where it remains today.

In 2015, the overall residential rate was lowered to 1.35% from 2.47%, and the 47% homestead exemption removed. All classes were slated to go to a 2 yr or shorter appraisal, The tax mitigation shift has not occurred since.

# Property Tax Assistance



## Property Tax Assistance Program

- Reduces taxable value on \$200,000 of market value (\$350,000 in 2024) to 20%, 50%, or 70% of value, based on income
- Maximum 2023 income: \$24,607 single/\$32,810 married or head of household
- Ownership and occupancy for 7 months of the year



## Disabled Veteran Program

- Reduces taxable value of 100% disabled veteran or surviving spouse to 0%, 20%, 30%, or 50% of value, based on income
- Maximum 2023 income of \$56,892 single/\$65,645 married or head of household/\$49,599 surviving spouse
- Ownership and occupancy for 7 months of the year

# Property Tax Assistance



## Intangible Land Value Exemption

- For up to 5 acres of land valued disproportionately higher than the primary residence located on the land
- Land value above 150% of the primary residence value is exempt (subject to the statewide average value of land)
- Requires ownership by applicant or family for 30 years



## Elderly Homeowner & Renter Credit

- Refundable income tax credit of up to \$1,150 for homeowners and renters age 62+
- Credit for property taxes or 15% of rent paid, based on income
- Maximum income of \$45,000
- Must reside in Montana for 9 months of the year

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