

Iverson Proposal

First Step the DOR opens a TAP account for all property taxpayers. This is critical for the taxpayer to see the relief afforded them through this process. The relief coming from the TAP account or payment will keep their escrow accounts from being increased.

I have considered the 16 mills (95 less 79) as part of my proposal.

Raise the statutory school levy an additional mills by 30 mills. That will raise rural districts around 10% and urban districts 6 to 7%. Measured on their entire tax bill.

All residential property for Air B & B, VRBO, etc should be raised to commercial (1.35 to 1.89).

All residential property over \$5,000,000 FMV raise the rate to 2.35 on the excess. Currently, any excess over \$1.5 million is 1.89.

All residences (same as current program for \$675) would get relief of \$750. \$1 million residence would have \$647.50 additional tax. So, the small homes, elderly taxpayers, and all others under assistance programs would have the most relief.

The business, agriculture, industrial, and all other classes would be allowed to apply for relief of about 110 to 115 % of the additional mills paid. Multi-state taxpayers will only get the relief for the percentage of taxable income in Montana versus other states. If you do business in many states and 25% of your income is from Montana, you will get 25% of the relief calculated.

The process will be a form with your income tax return requesting the relief. If you do not file your return on time, you do not qualify for relief. If you fail to pay you property tax on time, you do not get the relief.

The County Treasurer will calculate and send out the property tax bill. The Taxpayer will be instructed to pay the tax bill through the TAP account. The State will remit the County's portion to the County (just the opposite of now). Delinquent taxes will still be the County's to collect. The TAP will make it easier for the taxpayers in multi-counties.

It will cost labor to set up the TAP accounts. There will be oversight on the money coming in electronically and the remittance back to the Counties. There could be a slight amount of relief in labor at the County level.

The TAP account will provide the taxpayer or their preparer the information on Taxable Value to calculate the relief. Everything at the County level is calculated on Taxable Value.

This proposal shifts the new tax revenue collected back to taxpayers from Montana that participate fully in both the income tax and property tax systems. It results in a shift from out-of-state to in-state taxpayers.