



BIG SKY REBATE

**How to provide the most
relief to Montana Taxpayer.**

CONCEPT

How to raise same revenue with relief to Montana Taxpayer?

Originally, proposed to raise taxes to all and provide relief to Montana taxpayer.

Politics will not allow the concept to be received by the Voters completely. They stop listening at raising taxes. The lack of trust to the government comes to the surface.

FACTS TO UNDERSTAND

County and City revenues are not affected by changes in property value. They are restricted in budget and levy is established by dividing Budget by Taxable Value.

School and university taxes are affected by changes in taxable value.

The same revenue must be raised to support the school budget. Either property taxes or income taxes.

ADDITIONAL FACTS

Lowering taxable value for property gives a reduction to all property taxpayers. Out-of-State taxpayers get relief.

Reduction in property taxes collected result in an increase in Income Taxes needed to fund education.

The same revenue is needed. What revenue was coming in from Out-of-State Taxpayers being reduced, results in increases for In-State taxpayers.

WHAT IS THE SOLUTION?



Montana only has a two-legged stool for revenue. We have Income Tax and Property Taxes.

Let's give a break to the Taxpayers that participate in both methods of taxation.

We cannot access increased taxes, so let's use this method to rebate the relief to Montana Taxpayers and retain the Out-of_State revenues.

FIRST STEP

Change the collection of Property tax to the DOR TAP System.

The County would still do everything to assess their taxes and mailing the notices. The billing data would be transferred from the County to the DOR. Taxpayers would access the TAP system to pay.

The State would transfer the County's portion of the tax collected to the Counties. Just the opposite of what happens today.

NEXT STEP

The tax relief for the Property Taxpayers will show up in the TAP account.

This will allow the Taxpayer to see the relief when they pay their property taxes.

BENEFITS

When Taxpayers received the \$675, they forgot when the property tax bill came.

The increased tax payment required, increased the escrow accounts of the homeowners. The reduction of what the escrow company pays to the County, will keep the escrow from being increased.

The decrease in tax from Montanans is funded by the State. No decrease of effect on County Tax revenues.

WHO RECEIVES RELIEF

Homeowners would get a flat amount (determined by the Legislature). You would have it to primary residences and lived in for more than seven months.

All other property taxpayers (including second homes) would qualify for a reduction set by the legislature. This would be applied for on Income Tax returns and would be refunded at the same percentage as the Montana taxable income versus all income on the return.

People with no Montana income would receive zero reduction.

SUMMARY

People participating in both the income tax system and property tax will experience some relief.

A flat amount of relief to the Homeowners helps the smaller taxpayers, that generally include the elderly and low income.

This will provide relief to small businesses, farmers, industry, rental property, and all other types.

No impact on local governments.

Thank you!

Questions?