



# Montana Department of Revenue



Dan Bucks  
Director

Brian Schweitzer  
Governor

## PROPERTY ASSESSMENT DIVISION

### FLOOD DISASTER UPDATE

As of Friday, June 10, 2011

The Department is either in contact or is in the process of contacting county officials and informing them of our Property Tax Relief information along with the appropriate form (AB-25 – Natural Disaster Application) to apply for a proration of 2011 property taxes. Department staff has also attended and provided property tax relief information at local informational meetings. Citizens attending the local meetings or visiting our local offices have also received the information.

At this time, citizens are not as concerned about receiving property tax relief as they are about receiving state and federal financial assistance for clean-up and preventive measures. We anticipate the bulk of property tax relief requests to occur after the water recedes and the damage can be ascertained.

The following is a status of activity and potential property loss in the Regions:

#### **Region 1 (Lincoln, Sanders, Flathead, Lake, Mineral, Ravalli)**

There is potential flooding. No major property loss reported to date.

#### **Region 2 (Glacier, Toole, Liberty, Pondera, Teton, Cascade, Hill, Blaine, Chouteau, Fergus, Judith Basin, Phillips, Petroleum, Valley, Garfield, McCone)**

Several counties have experienced a lot of road closures but not a lot of homes have been affected thus far. The rain is causing groundwater problems and the rivers are high.

#### **Region 3 (Daniels, Sheridan, Roosevelt, Richland, Dawson, Wibaux, Prairie, Fallon, Custer, Carter, Powder River, Rosebud, Treasure, Big Horn, Musselshell, Yellowstone, Carbon, Stillwater, Sweet Grass, Golden Valley, Wheatland, Meagher)**

The staff has had direct contact with property taxpayers regarding property tax relief in Golden Valley, Wheatland, Musselshell, and Big Horn counties, specifically. As the flooding subsides the staff will be able to have more contact with the property taxpayers.

#### **Region 4 (Park, Broadwater, Silver Bow, Gallatin, Madison, Beaverhead, Deer Lodge, Jefferson, Powell, Lewis and Clark, Granite, Missoula)**

Missoula, Lewis and Clark, and Park counties are the most affected counties in this region. Staff is working with the local officials and DES coordinator.



# 2011 Spring Flooding Disaster

Governor Brian Schweitzer has declared a statewide emergency as many parts of Montana are besieged with flooding. If you have experienced property loss or damage because of this current flooding disaster, you may be eligible for property tax relief. The Montana Department of Revenue is here to assist you with the process.

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## Property Tax Relief Information

Property tax relief is available to property owners who have experienced partial or complete property loss or damage due to a natural disaster. In general, this means that the property has been rendered unsuitable for its previous use. Eligible properties include these types:

- Real property dwellings
- Real property improvements (such as garages, sheds, barns, and grain bins)
- Manufactured housing / mobile homes
- Business equipment

Property tax relief related to the current flooding disaster is available for tax year 2011. For this specific tax year, the tax payments are due by November 2011 (first-half payment) and May 2012 (second-half payment). The tax relief is prorated based upon the number of days in tax year 2011 that the property was unsuitable for its previous use.

To apply for property tax relief, please follow these steps:

- Obtain a natural disaster application. The application, called Form AB-25, is available online and in all Department of Revenue local offices. You also can call your local Department of Revenue office to have a form mailed to you.
- Complete the application. If needed, your local Department of Revenue office can provide you with necessary property information to complete the form.
- Work with your local Department of Revenue office if an appraiser contacts you to review your property's damage.

The department also can assist you by issuing replacement copies of your property record, past-year tax returns or other revenue-related information that may have been lost or damaged.

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## Questions

If you have questions, we're here to help.

- Visit the department's website at [revenue.mt.gov](http://revenue.mt.gov).
- Contact your local Department of Revenue office.
- Call the department's call center toll free at (866) 859-2254 (in Helena, 444-6900).

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### Helpful Links

View more information about [natural disaster property tax relief and assistance](#).

View [natural disaster property tax reduction frequently asked questions](#).

Last updated 6/1/2011 10:43:13 AM

[Home](#) » [For Individuals](#) » [Tax Relief for Natural Disaster](#)

## Tax Relief and Assistance for Loss Due to Natural Disaster, Including Fires and Floods

### [Natural Disaster Property Tax Reduction FAQs](#) »

The Department of Revenue expresses sincere sympathy to those Montanans whose homes, lands and other property have been damaged or destroyed by a natural disaster. Please let us help. If you are a Montana property owner who has experienced a loss of your dwelling, other buildings, or forestland due to a natural disaster, you may be eligible for property tax relief or an income tax filing extension.

We can provide you with necessary information, as well as issue replacement copies of property records, past-year tax returns or other revenue-related information.

You can apply by completing a [Natural Disaster Application \(Form AB-25\)](#).

### Eligible Properties

Real property dwellings	All or partially destroyed
Real property improvements	All or partially destroyed
Manufactured housing and mobile homes	All or partially destroyed
Business equipment	All or partially destroyed

The property must have been rendered unsuitable for its previous use to qualify for property tax relief. The relief is prorated based on the number of days in the tax year that the property was unsuitable for its previous use. The relief is available for the current tax year.

[Local Department of Revenue office addresses and phone numbers](#)

### Eligible Lands

Forest lands upon which trees are destroyed so that the lands affected will not meet the minimum stocking requirements.

If the landowner shows that the forest lands have been destroyed to the point that minimum stocking requirements are not met, the Department of Revenue must reduce the value of the forest land by 50% of the original forest productivity value per year. The adjustment will be made for the first 20 tax years following the loss. The first relief will apply to the tax year following the loss, not to the current tax year.

### Federal Income Tax Deduction

Property owners may also be eligible for a federal income tax casualty loss deduction on Schedule A, Itemized Deductions. The same Form 4684, Casualties and Thefts, is required for both the Montana state return and the federal Form 1040. Additional information is available by visiting the [Internal Revenue Service](#) website, and typing "Tax Topic 507" in the search box.

Last updated 5/25/2011 2:11:30 PM

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## Natural Disaster Property Tax Reduction FAQs

### Real Property Dwellings, Real Property Improvements, Trailers and Mobile Homes, and Personal Property

#### Q. What is included in the term "natural disaster"?

A. Section [15-16-611\(6\)](#), MCA, states that "natural disaster" includes, but is not limited to, fire, flood, earthquake, or wind. A fire is considered a natural disaster regardless of the origin of the fire. However, if the taxpayer is convicted of arson for burning the property, property taxes may not be adjusted. If the taxes had already been adjusted prior to the conviction, the original amount must be collected.

#### Q. Which section of law provides for the reduction of property tax for the total or partial destruction, by natural disaster, of real property dwellings, real property improvements, trailers and mobile homes, and personal property?

A. Section [15-16-611](#), MCA

#### Q. What types of property are included in the term "real property improvements"?

A. The term includes dwellings and outbuildings on residential, agricultural, or forest land, and commercial/industrial buildings and structures.

#### Q. Is there an application deadline for this reduction?

A. No, there is no specific deadline for filing an application for these types of losses. However, the application must be filed during the current tax year. To what extent must the destruction demonstrate the affected properties are eligible for the reduction allowed in § [15-16-611](#), MCA? To be eligible for the reduction, the property must have been rendered unsuitable for its previous use by the natural disaster.

#### Q. How is the reduction in taxes calculated for destroyed real property dwellings, real property improvements, trailers and mobile homes, and personal property?

A. The amount of reduction for destroyed real property dwellings, real property improvements, and trailers and mobile homes is based on a proration of the taxes. It is calculated by determining a ratio of the number of days the property was impacted by natural disaster in the tax year, divided by 365.

The amount of reduction for destroyed personal property is also based on a proration of the taxes. It is calculated by determining a ratio of the number of days the property was destroyed by the natural disaster before being replaced in the tax year, divided by 365. To enable the proration calculation, the taxpayer is required to notify the DOR if the personal property is replaced in that same tax year. If a taxpayer fails to notify the department within 30 days from the date of the replacement of the personal property, they are subject to the penalty provided in § [15-1-303](#), MCA. (This allows for the DOR to add to the assessment an amount not to exceed 20% of the assessment as a penalty for the refusal or neglect.)

#### Q. If the property is destroyed after the property taxes have been paid for the current year, am I entitled to a refund?

A. Yes, the taxpayer is entitled to a refund of the amount of tax paid as indicated in Step 3(c), on the application form. Section [15-16-612](#), MCA, allows for the refund.

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# Natural Disaster Application

Montana  
Form AB-25  
Rev. 10-2006

Geocode:

Assessor #:

County Of: \_\_\_\_\_ Date Filed: \_\_\_\_\_

Owner: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State MT ZIP \_\_\_\_\_

Person filing this form (If different from above)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Return to:

Department of Revenue  
PO Box 8018  
Helena, MT 59604-8018  
  
Or  
Your Local Department of Revenue Office at:  
<http://mt.gov/revenue/abouttheagency/officelocations.asp>

**I/We request property tax relief on real or personal property which was partially or totally destroyed to the extent that it is unsuitable for its previous use due to natural disaster.**

Natural Disaster Happened On: \_\_\_\_\_

Location Address: \_\_\_\_\_

Legal Description: \_\_\_\_\_

\_\_\_\_\_

Description of Disaster: \_\_\_\_\_

\_\_\_\_\_

The property was  partially or  totally destroyed by: \_\_\_\_\_

If the property was destroyed after the property taxes were paid for the current year, the taxpayer is entitled to a refund of the amount of the tax paid prorated for the portion of the year that the property was unsuitable for use.

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_

Department of Revenue Response:

\_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_