EXHIBIT 7
DATE 4.11.05
SB 48

Calculation of SB200 Trigger Mechanism
Tax Years 1995 - 2000

Year	Wage and Salary Disbursements	Percent Change	Consumer Price Index	Percent Change	Trigger Calculation
1994	7,310,598		148.2		
1995	7,661,643	4.80%	152.4	2.83%	1.91%
1996	8,093,740	5.64%	156.9	2.95%	2.61%
1997	8,485,743	4.84%	160.5	2.29%	2.49%
1998	8,965,663	5.66%	163.0	1.56%	**4.04%**
1999	9,395,542	4.79%	166.6	2.21%	2.53%
2000	9,986,875	6.29%	172.2	3.36%	2.84%
2001	10,456,381	4.70%	177.1	2.85%	1.80%
2002	10,906,351	4.30%	179.9	1.58%	2.68%
2003	11,450,009	4.98%	184.0	2.28%	2.65%
2004					

Source: Wage and salary disbursements are from the *Bureau of Economic Analysis, US Department of Commerce* website; CPI data is from *Bureau of Labor Statistics, US Department of Labor* website.

Note: Trigger calculation must be greater than 2.85% for trigger to take effect.

H:\DO_RSCH\TPR-NEW\Staff\Larry\Excel\Property Tax\Class 8\[SB200 trigger calculation-history2.xls]Sheet1

Change in Revenue From Eliminating Class 8 Business Equipment Tax [1]

Components of Change		Change in Tax Paid
Class 8 Revenue Reduction	$	(59,452,613)
Tax Shift to Other Property Classes		40,832,836
Net Change in Revenue	**$**	**(18,619,777)**

Distribution of Net Revenue Change

State General Fund (95 mills) [2]	$	(9,801,642)
University System (6 mills)		(709,777)
Tax Increment Financing Districts		(8,108,358)
Local Governments [3]		0
Total Reduction in Revenue	**$**	**(18,619,777)**

[1] Based on TY2003 Property Values and Mill Levies

[2] Does not include Impact to GTBA

[3] Local Governments Float Mill Levies to Hold Revenue Constant

Property Tax Shift From Eliminating Class 8 Business Equipment Tax [1]

Class 8 Revenue Reduction **$ (59,452,613)**

Property Tax Shift [2]

Property Type	Amount Shifted	% of Shift
Net/Gross Proceeds (Cls 1&2)	$ 841,390	2%
Ag & Forest Land (Cls 3 & 10)	5,126,519	13%
Residential Property (Cls 4)	14,989,605	37%
Commercial Property (Cls 4)	9,443,807	23%
Utility and Pollution Control (Cls 5,7,9,12,13)	10,431,516	26%
Total Shift in Revenue	**$ 40,832,836**	100%

Net Revenue Impact [3]

Revenue Reduction **$ (18,619,777)**

[1] Based on TY2003 Property Values and Mill Levies

[2] Local Governments Float Mill Levies to Hold Revenue Constant

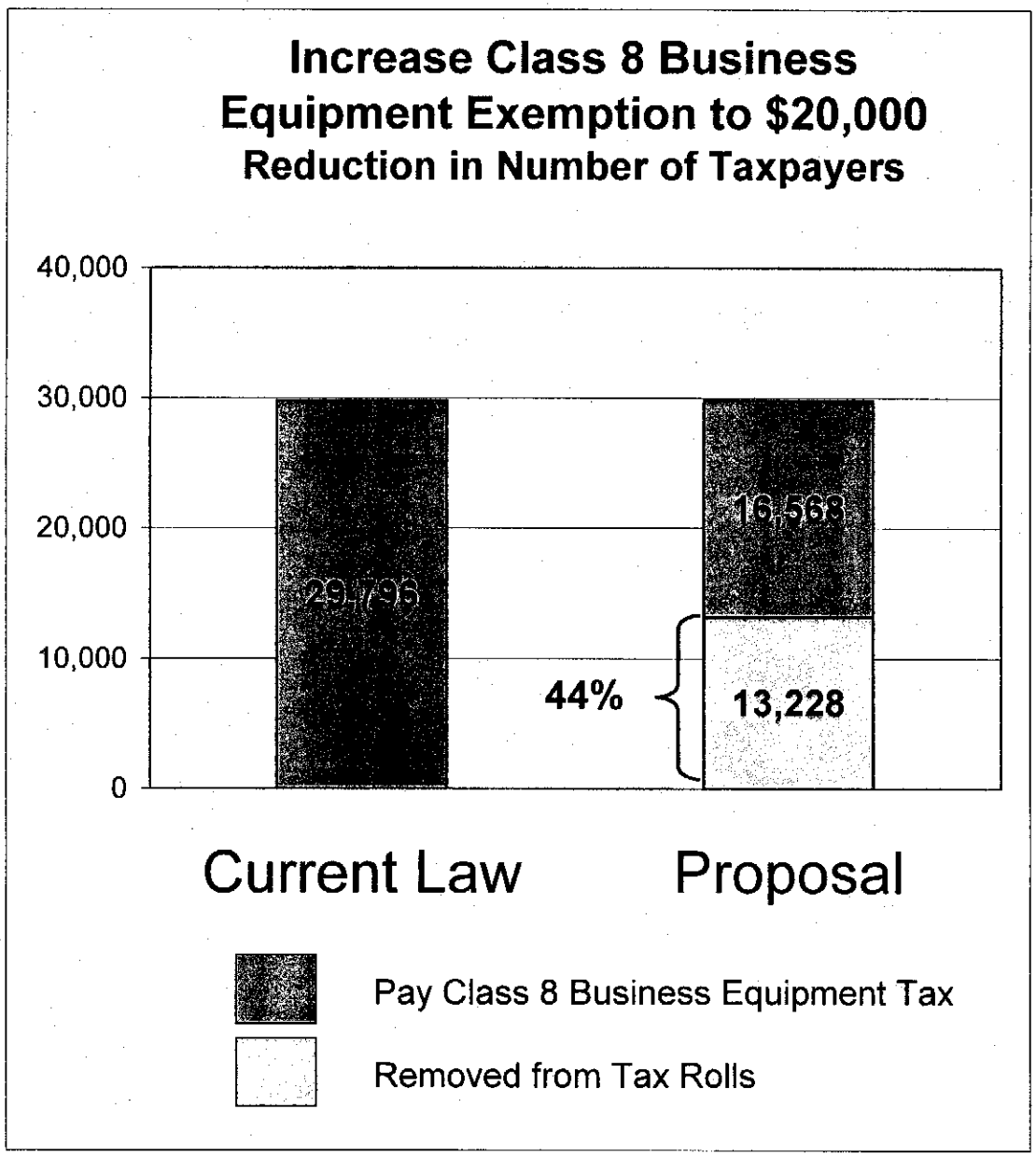
[3] Does not include Impact to GTBA

Estimated Impact of Increasing the Current Law Exemption from $5,000 to $20,000

Class 8 Business Equipment

Class 8 Taxpayer Group	Current Number of Taxpayers	Taxable Value	Total Property Taxes Paid	Property Taxes Paid to the State	Taxes Paid to Local Govts and Schools
$20,000 of Equipment or Less	13,228	$4,221,795	$2,217,583	$426,401	$1,791,182
More than $20,000 of Equipment	16,568	$113,019,189	$57,081,699	$11,414,938	$45,666,761
All Class 8 Taxpayers	29,796	$117,240,984	$59,299,283	$11,841,339	$47,457,943

Based on TY2004 Values and Mill Levies



Based on TY2004 Values

State Business Equipment Tax
Tax on $100,000 Market Value of Business Equipment

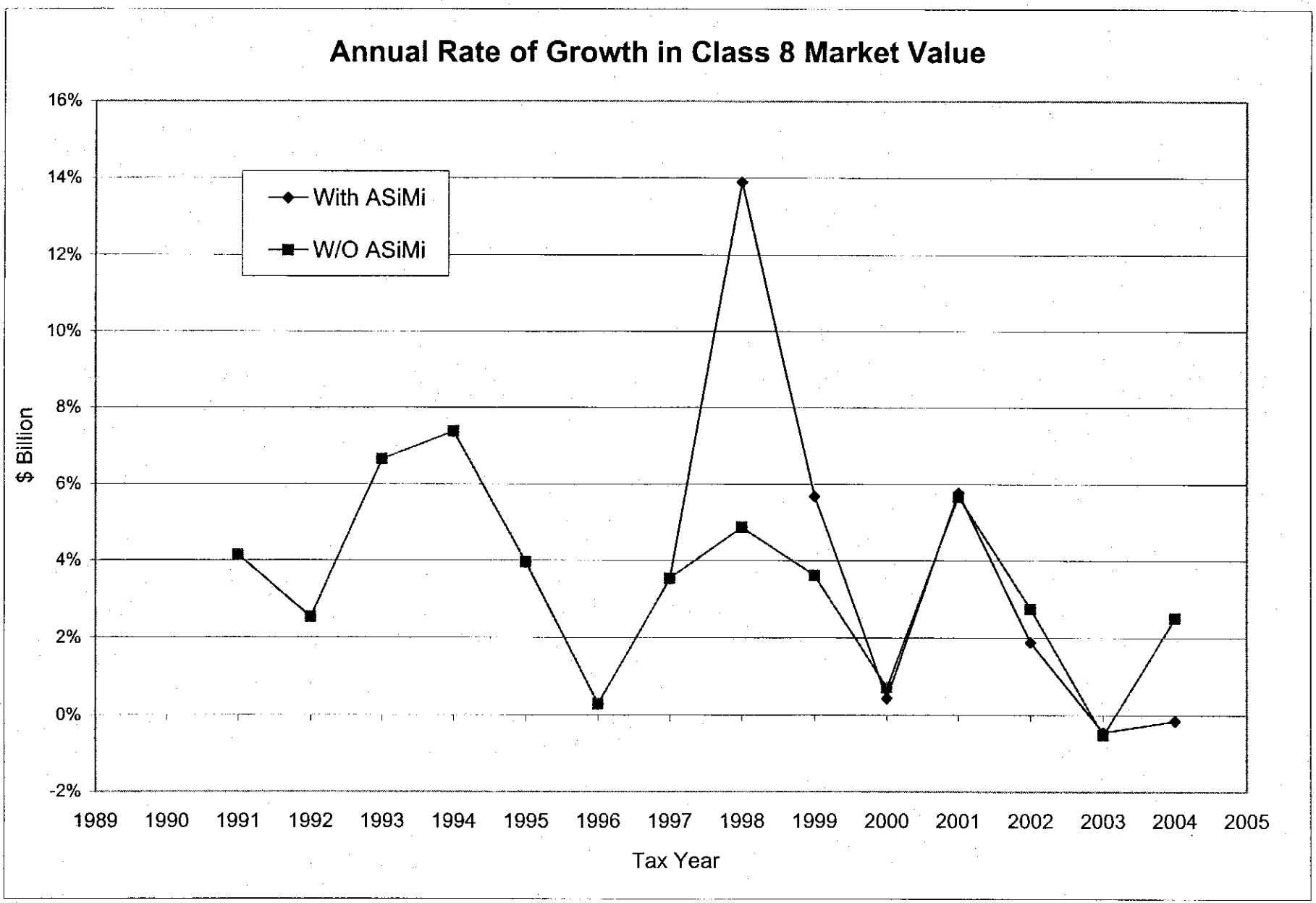
State	Property Tax	Rank
Colorado	$2,173	1
Idaho	$1,707	2
Oregon	$1,496	3
Washington	$1,339	4
Wyoming	$904	6
North Dakota	$0	7
South Dakota	$0	7
Montana (low)	$481	
Montana (ave.)	$1,286	5
Montana (high)	$2,264	

Montana taxable valuation rate of 3%.

State Business Equipment Tax and State and Local Sales Tax
Tax on $100,000 of True Market Value of Business Equipment in First Year

State	Property Tax	Sales Tax	Total Tax	Rank
Colorado	$2,173	$7,900	$10,073	1
Washington	$1,339	$8,600	$9,939	2
Wyoming	$904	$6,000	$6,904	3
North Dakota	$0	$6,750	$6,750	4
Idaho	$1,707	$6,000	$7,707	5
South Dakota	$0	$5,000	$5,000	6
Oregon	$1,496	$0	$1,496	7
Montana (low)	$481	$0	$481	
Montana (ave.)	$1,286	$0	$1,286	8
Montana (high)	$2,264	$0	$2,264	

Montana taxable valuation rate of 3%.


Annual Rate of Growth in Class 8 Market Value
16%
14%
12%
10%
8%
6%
4%
2%
0%
-2%
$ Billion
With ASiMi
W/O ASiMi
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
Tax Year