

SENATE BILL NO. 394

INTRODUCED BY M. BLASDEL

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE INTANGIBLE PERSONAL PROPERTY EXEMPTION  
5 AND UNIT VALUATION METHODOLOGY; EXPANDING THE DEFINITION OF "INTANGIBLE PERSONAL  
6 PROPERTY"; PROVIDING FOR REMOVAL OF INTANGIBLE PERSONAL PROPERTY FROM A CENTRALLY  
7 ASSESSED TAXPAYER'S UNIT VALUATION; AMENDING SECTION 15-6-218, MCA; AND PROVIDING AN  
8 APPLICABILITY DATE."

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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12 **Section 1.** Section 15-6-218, MCA, is amended to read:

13 **"15-6-218. Intangible personal property exemption.** (1) Intangible personal property is exempt from  
14 taxation and must be removed from the unit valuation of centrally assessed taxpayers.

15 (2) For the purposes of this section, "intangible personal property" means personal property that is not  
16 tangible personal property and that:

17 (a) has no intrinsic value but is the representative or evidence of value, including but not limited to  
18 certificates of stock, bonds, promissory notes, licenses, copyrights, patents, trademarks, contracts, software,  
19 engineering drawings, federal communications commission licenses, and franchises; or

20 (b) has intrinsic value but lacks physical existence, including but not limited to goodwill, contract rights,  
21 trade names, trade secrets, customer relationships, a going concern, and a workforce in place.

22 (3) To the extent that the department's determination of the unit value of a centrally assessed property  
23 taxpayer includes the value of intangible personal property, that value must be removed from the unit value after  
24 the unit value has been established.

25 (4) The value of intangible personal property that must be removed from a centrally assessed taxpayer's  
26 unit value must be the greater of:

27 (i) the asset value of the taxpayer's intangible personal property as reflected on the books and records  
28 of the taxpayer using generally accepted accounting principles as of the valuation date; or

29 (ii) the market value of the intangible personal property as of the valuation date."  
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