

December 2, 2019

TAXES PAID PER \$100,000 VALUE

The table on the following page shows the property taxes that would be owed by property in each of the major classes of property under these conditions.

- The property has an assessed value as determined by the Department of Revenue of \$100,000 dollars. This value would be the market value of the property with the exception of Class 3 Agricultural Land and Class 10 Forest Land which are valued on their productive value.
- Each property is located in the same group of taxing jurisdictions where the total mill levy for this example is 500 mills. The mills vary depending upon location, but for ease of calculation 500 mills is used.

The table contains a column that shows the statutory tax rate set by the legislature for each of the classes of property.

The next column shows the ratio of the statutory tax rate for each class divided by the tax rate for Class 4 Residential property. This column basically shows the relation of the two tax rates. Class 4 Commercial property's rate is 1.4 times higher than Class 4 Residential property and Class 9 Pipelines and Electrical Distribution property is 8.89 times the rate of Residential. These ratios directly show the effect of the tax rate on taxes owed per dollar of value of a class of property compared to Residential property.

The final column shows the dollar amount \$100,000 of property would pay if they were in a 500-mill taxing district.

The point of this table is to show the wide range of tax obligations each property is encumbered with due to the many and disparate tax rates contained in the Montana property tax code.

Property Class	Tax Rate	Ratio to 4/R	Taxes / \$100,000	
			Market Value@500 mills	
3	Agricultural Land	2.16%	1.60	\$1,080.00
4	Residential	1.35%	1.00	\$675.00 *
4	Commerical and Industrial	1.89%	1.40	\$945.00
5	Pollution Control Equipment, Independent and rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Recduction Facilities, Research and Development Firms, and gasohol Production Property	3.00%	2.22	\$1,500.00
7	Noncentrally Assessed Utilities	8.00%	5.93	\$4,000.00
8	Business Equipment - First \$100,000 in market value is tax exempt; next six million dollars of market value is taxed at:	1.50%	1.11	\$750.00
8	Business Equipment/any property above \$6.1 million	3.00%	2.22	\$1,500.00
9	Pipelines and Nonelectric Generating Property of Electric Utilities	12.00%	8.89	\$6,000.00
10	Forest Land	0.37%	0.27	\$185.00
12	Airlines and Railroads	3.04%	2.25	\$1,520.00
13	Telecommunication Utilities and Electric Generating Poperty of Electric Utilities	6.00%	4.44	\$3,000.00
14	Renewable Energy Production and Transmission Property	3.00%	2.22	\$1,500.00
15	Carbon Dioxide and Liquid Pipeline Property	3.00%	2.22	\$1,500.00
16	High Voltage DC Converter Property	2.25%	1.67	\$1,125.00

*Example Formula: tax rate x 100,000 x 500 mills

$$.0135 \times 100,000 \times .500 = \$675.00$$



1/17/2017-100,000

bob story/property class