



Revenue Interim Committee

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68th Montana Legislature

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TO: Committee Members

FROM: Jaret Coles, Staff Attorney

RE: Administrative Rule Activity

DATE: January 10, 2024

Department of Revenue

Proposal and Adoption Notices are available on the Internet:

Department of Revenue notices can be found on the Secretary of State's website at <http://www.mtrules.org>. Under the Montana Administrative Register heading, type the number "42" in the "Search by Notice No." box and click on the "Go" icon.

Notice of Proposed Rules:

Housekeeping -- Property Tax -- Industrial Property -- [Senate Bill No. 46 \(2023\)](#). [MAR 42-1070](#). A public hearing will be held on January 18, 2024, and the public comment period ends on January 22, 2024. The Department proposes to amend two rules and repeal 13 rules to implement [Senate Bill No. 46](#), which in turn repealed the new industrial property classification. The amendments to the rule are necessary to comply with the statutory changes.

The Department's statement of reasonable necessity provides: "Historically, new industrial property classification was an incentive to reduce the tax rate for class five qualifying assets to three percent. But over time the asset's tax rate shifted lower and lower, and once it was equal to the three percent tax rate for personal property, there was no incentive for a taxpayer to apply for new industrial property classification. The classification is irrelevant, and the department has seen no applications for over 20 years."

Housekeeping -- Livestock Reporting Deadline Revisions -- [House Bill No. 66 \(2023\)](#). [MAR 42-1074](#). No public hearing is contemplated, and the Department proposes to amend one rule ([42.21.165](#)) to implement [House Bill No. 66](#), which in turn revised the livestock per capita fee payment due date, provided a grace period for reporting livestock brought into the state, and made the livestock per capita fee payment due date the same as the reporting due date. The amendments to the rule are necessary to comply with the statutory changes.

Notice of Adopted Rules:

Property Taxation -- Residential Property Tax Assistance Program Improvements -- [House Bill No. 189 \(2023\)](#), [House Bill No. 325 \(2023\)](#), and [House Bill No. 459 \(2023\)](#). [MAR 42-1068](#). No public testimony or public comments were received, and the Department amended four rules pertaining to three residential property tax assistance programs as proposed. The amendments to the rule were necessary to comply with the statutory changes.

[House Bill No. 189](#) expanded PTAP by increasing the amount of residential property value eligible for tax assistance from \$200,000 to \$350,000, based on market value of residential real property. [House Bill No. 189](#) also requires the department to increase the property value eligibility amount after each two-year reappraisal cycle using an inflation index based on the change in the market value of the median home value of all residential real properties participating in PTAP.

[House Bill No. 325](#) expanded the definition of unusual circumstances in income that the department must consider when determining continued eligibility in MDV.

[House Bill No. 459](#) revised the statutory deadline for a property owner to apply for the Intangible Land Value Property Tax Assistance Program in the first year of the two-year valuation cycle from March 1 to within 30 days from the date on the owner's property classification and appraisal notice. [House Bill No. 459](#) also expands the exemption process for applications submitted after 30 days from the date on the classification and appraisal notice.

Property Taxation -- 2024 Personal Property Depreciation Schedules and Trend Tables. [MAR 42-1069](#). No public testimony or public comments were received, and the Department amended two rules. The amendments update the authority of the web-based [Personal Property Depreciation Schedules and Trend Tables publication](#) (publication), adopted and incorporated by reference in the rules, to the 2024 version. The publication is updated annually, effective January 1, and is located within the [Department's website](#). The 2024 publication reflects changes in personal property and industrial machinery and equipment depreciation and trend factoring data in the Department's valuation manuals and guides since last year.

Montana Tax Appeal Board

Notice of Proposed Rules: None

Notice of Adopted Rules: None