

MONTANA DEPARTMENT OF REVENUE

BIENNIAL REPORT

JULY 1, 2016 - JUNE 30, 2018



Montana Department of
REVENUE

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Gene Walborn
Director

Montana Department of Revenue



Steve Bullock
Governor

December 17, 2018

Letter of Transmittal

Governor Steve Bullock
Members of the Sixty Sixth Montana Legislature:

With this letter I am transmitting the Biennial Report of the Department of Revenue for the period July 1, 2016 through June 30, 2018, as required in 15-1-205, MCA. This report provides detailed information on taxes administered by the department and related collections activity for the above specific biennium.

We hope you find this report an effective tool for understanding Montana's Tax System.

Respectfully submitted,

Gene Walborn,
Director

ABOUT THE AGENCY



Montana Department of
REVENUE

What is the Department of the Revenue?

A Department with many parts

In 1972, the Montana Legislature ratified the state's new Constitution, creating the Montana Department of Revenue.

This reorganization of state government brought liquor control, property valuation, and the assessment and collection of state taxes into one agency.

Today, the department:

- Administers more than 40 state taxes and fees, including income taxes, natural resource taxes, corporation taxes and miscellaneous taxes;
- Determines values for all taxable property, including agricultural land, residential real estate, commercial real estate, forest land, business equipment, railroads and public utilities;
- Administers agency liquor store franchise agreements, manages the state's wholesale liquor operations, and administers laws governing the sale, taxation and licensing of alcoholic beverages; and
- Returns unclaimed property to its rightful owners.

A discussion of the department's organizational structure and responsibilities can be found in the Administrative Rules of Montana.

TAX STRUCTURE AND TRENDS



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Introduction

The Department of Revenue collects state taxes and values property for state and local property taxes. These taxes provide funding for state and local governments, local schools, and the state university system. This section puts the department's tax-related activities in context by giving an overview of state and local government finance in Montana, and by comparing Montana's tax system to other states' tax systems.

This section starts with a brief introduction to state and local government finance in Montana. It gives a breakdown of spending by state and local governments in Montana, including school districts, and it shows the sources of funds for that spending. Next, it gives a summary of all the taxes the Department of Revenue collects or administers. This is followed by a history of tax collections, with taxes combined into four broad groups. The section ends with information comparing Montana's state and local taxes to state and local taxes in other states.

Government Functions and Revenue Sources

Governments provide several types of services to individuals, businesses, and other entities in their jurisdictions. Governments raise the revenue to pay for those services in a variety of ways.

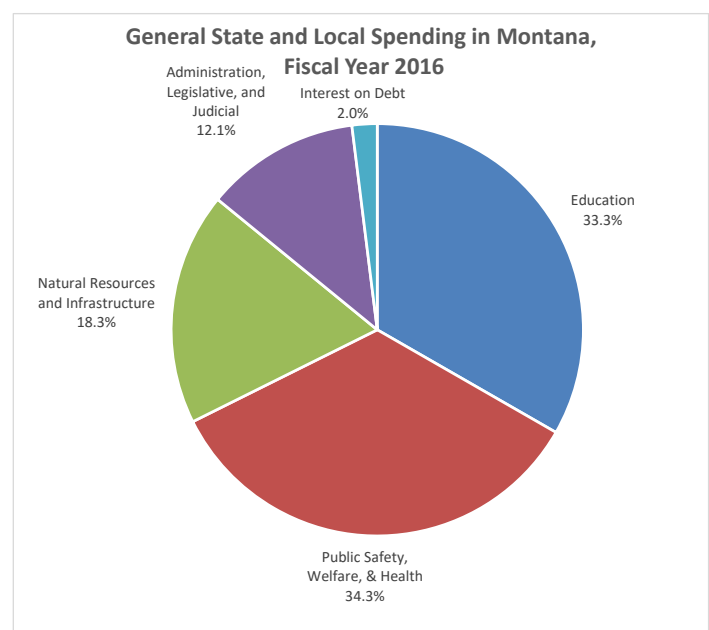
In the United States, private businesses and non-profit groups provide many of the goods and services that people want. Businesses provide goods and services that can be sold to their customers at a profit. Non-profit groups provide goods and services that donors and customers are willing to pay for, or volunteers are willing to provide. Governments provide other services that lawmakers have concluded their constituents want and are willing to finance. Governments provide services, such as police and fire protection, that are designed to benefit everyone in the community. Governments also provide services like road systems, where the costs of charging individual users and excluding those who don't pay are prohibitive. In other cases, governments provide services such as sewer systems, where benefits - in this case public health - are obtained only if everyone participates. In some cases, governments provide services, such as the education of children, to ensure that they are available to everyone regardless of their ability to pay.

Governments pay for the services they provide by raising revenue from several different sources, such as the collection of taxes, user fees, interest, the selling of property and transfers from other governments.

Taxes are payments to a government that are not made in exchange for a particular good or service. Examples are income and property taxes. The amount of the tax generally depends on characteristics of the taxpayer, such as the taxpayer's income or the value of the taxpayer's property. Tax revenue may be earmarked for specific uses or deposited in the government's general fund.

Fees are payments that are made in exchange for particular goods or services. Tuition at a state college and charges for filing legal documents are fees. The amount of the fee generally depends on the service received, not on the person receiving it. Some payments, such as for vehicle licenses, could be considered either taxes or fees.

Governments also receive revenue from normal business transactions. For example, governments earn interest on investments and sell surplus



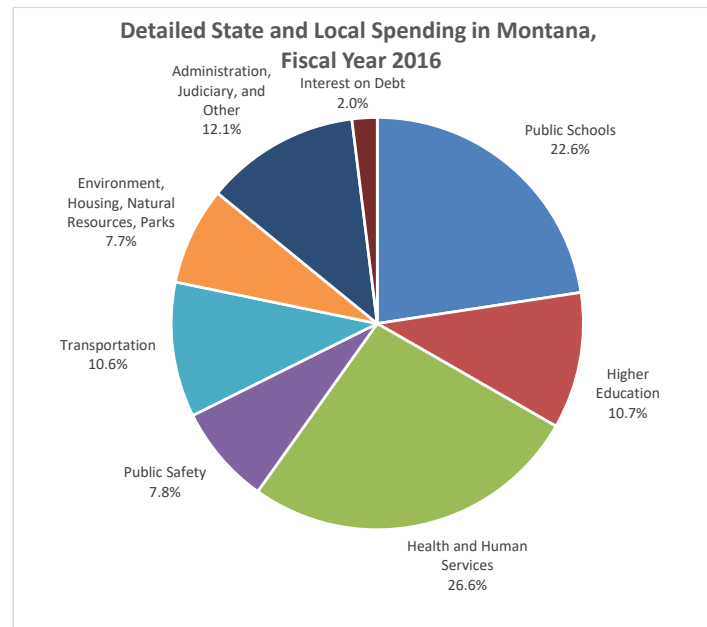
State and Local Government Finance in Montana

property. Local governments operate utilities that may sell water, electricity, or natural gas. State and local governments also receive intergovernmental transfers from the federal government and local governments receive transfers from state governments. These transfers include federal payments to states for Medicaid and state support for local school districts. In Montana, transfers include entitlement share payments to local governments, which replaced local taxes brought to the state beginning in 2001 with the passage of HB 124.

State and Local Spending

The chart on the right shows the percentage of state and local spending in Montana in each of eight general categories for the Fiscal Year ending June 30, 2016.¹ Education, including public schools and the university system, accounted for one-third of total spending. Health and human services accounted for a little more than one-third of total spending. This includes Medicaid, public health programs, and income support programs. Other categories account for smaller shares of total spending.

Somewhat more than half of total state and local government spending occurs at the state level, and somewhat less than half at the local level. The table below shows the breakdown for Fiscal Year 2016. It shows direct spending to provide government services. It excludes state transfers of funds to local governments and school districts because those amounts are included in local spending.



State and Local Government Direct Expenditures on Government Services, FY 2016 (Excludes Local Government Utilities and State Liquor Enterprise)		
	\$ million	% of Total
State Direct Expenditures (Excludes Transfers to Local Governments and School Districts)	\$4,945	56%
Local Expenditures	\$3,831	44%
Total	\$8,776	100%

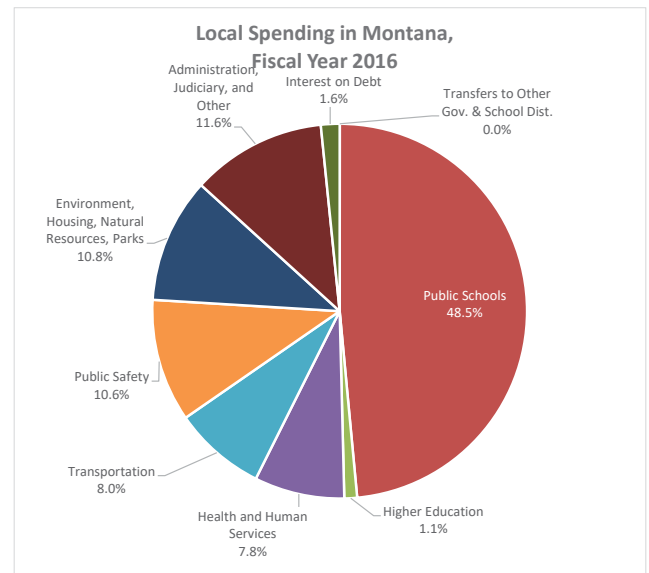
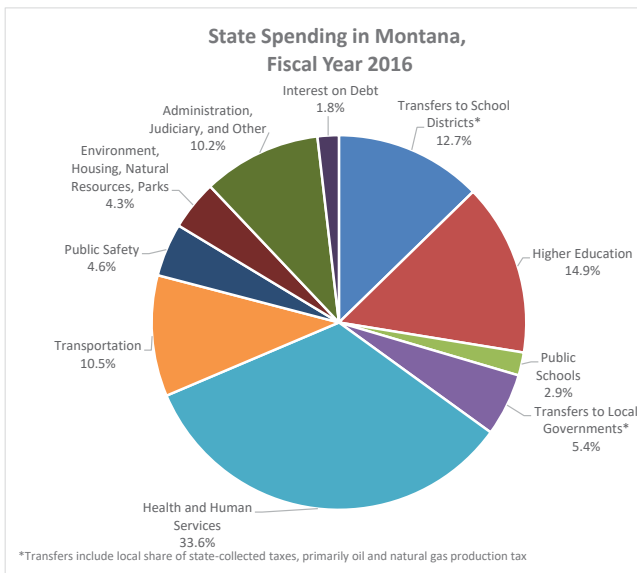
The next two charts on Page 10 show state and local spending separately. The left-hand chart shows state spending, including transfers to local governments and school districts as well as direct spending. The right-hand chart shows local spending.

Almost 20 percent of state spending is transfers to local governments and school districts.

The transfers to local governments include the local share of state-collected taxes, primarily the oil and gas production tax, and Entitlement Share payments. The local share of oil and gas tax was originally a local tax. In the 1990s, the Legislature combined state and local taxes on oil and gas production into a single state-collected tax with revenue split between the state and local taxing jurisdictions. Before 2001, a large number of revenue sources, including gambling taxes and motor vehicle license fees, were divided among the state and local governments. HB 124, passed by the 2001 Legislature, moved collection of almost all these taxes and fees to the state and replaced the local revenue with formula-based Entitlement Share payments.

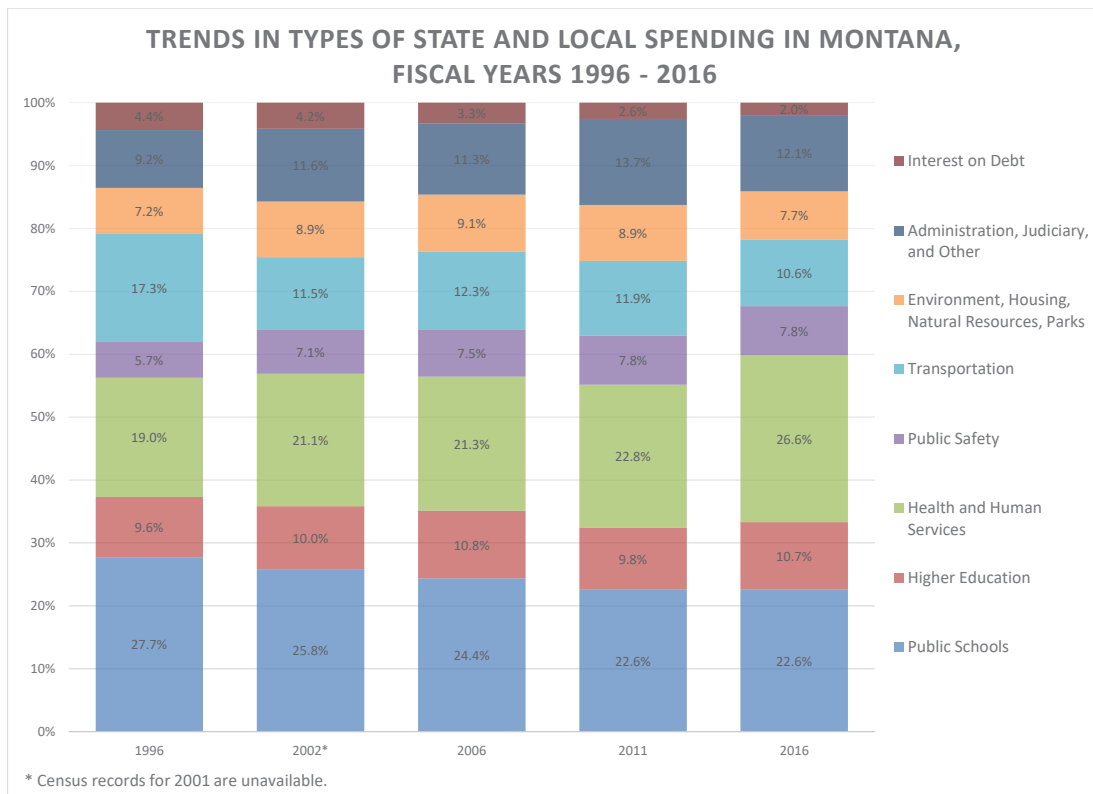
¹ In this section, information on combined state and local spending and state and local revenue from all sources is from the U.S. Census Bureau's annual survey of state and local governments. This is the only source for combined state and local data that is collected consistently across states. For comparisons between states, it is important to use combined state and local data because taxing and spending are divided between state and local governments differently in different states. The most recent Fiscal Year for which the Census Bureau has compiled data is 2016. Information on Montana state and local tax collections through Fiscal Year 2018 is from the state accounting system and Department of Revenue records.

State and Local Government Finance in Montana



The transfers to school districts include direct state payments for education along with school districts' shares of state-collected taxes and Entitlement Share payments.

Direct spending for public schools is primarily local, accounting for almost half of local spending. Higher education spending is almost all at the state level, accounting for about 15 percent of state spending. Health and human services spending is significant at both the state and local level, accounting for 33.6 percent of state spending and 8 percent of local spending. Spending on other functions also occurs at both levels. This includes transportation, public safety and general government administration.



State and Local Government Finance in Montana

Over the past 20 years, the types of spending at the state and local levels has shifted in several areas. The share of spending on public schools has declined from 27.7 percent in Fiscal Year 1996 to 24.4 percent in Fiscal Year 2006 and to 22.6 percent in Fiscal Year 2016. At the same time, the share of state and local government spending on Public Safety, and Health and Human Services has increased, from 24.7 percent in Fiscal Year 1996 to 34.4 percent in Fiscal Year 2016. The chart on the previous page shows the percentage of state and local spending in Montana for each of the eight general spending categories for fiscal years 1996, 2002, 2006, 2011 and 2016.

State and Local Revenue

The charts on the following page show the sources of funds to pay for state and local spending. The top left-hand chart shows state government revenue, and the top right-hand chart shows revenue for local governments and school districts.

State taxes are the largest source of state revenue, making up 44 percent of the total. Transfers from the federal government, at 41 percent of the total, are the next largest source of state revenue. This includes federal funding for Medicaid and other state programs and federal education funds that are passed on to school districts.

Charges and fees make up 8 percent of state revenue. More than 80 percent of the charges and fees are university system tuition and fees. This category also includes income from state lands. Interest earnings on trust funds and other state accounts are about 4 percent of state revenue, and about 3 percent is from miscellaneous sources.

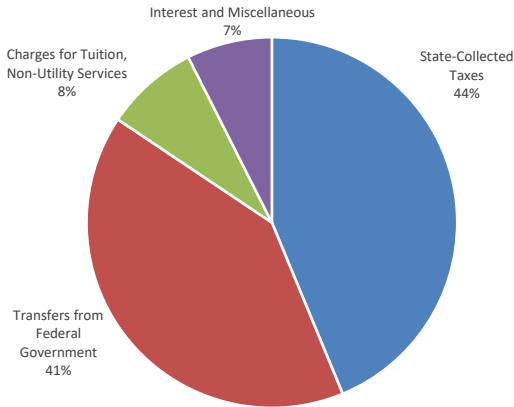
Transfers from the state government, including the local share of state-collected taxes, and local taxes each are slightly more than one-third of local revenue. Charges for local services make up 17 percent of local revenue. Transfers from the federal government and revenue from miscellaneous sources, including interest, each account for 6 percent.

The remaining four charts show combined state and local revenue. Because state and local governments and school districts are combined in these charts, transfers between levels of government are not shown. The chart on the left side of the middle of the page shows that revenue is almost evenly split between taxes and all other sources. The chart on the right shows total revenue with taxes broken down into five types and other revenue sources broken down into three types.

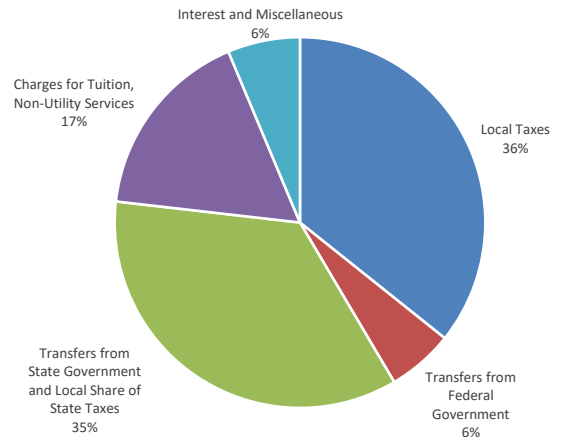
The charts on the bottom of the page show state and local tax revenue, on the left, and non-tax revenue, on the right.

State and Local Government Finance in Montana

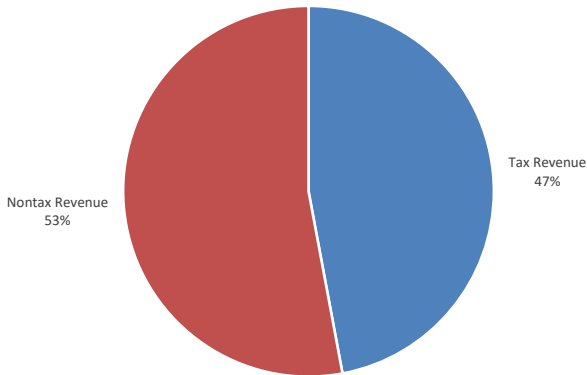
State Revenue in Montana, Fiscal Year 2016



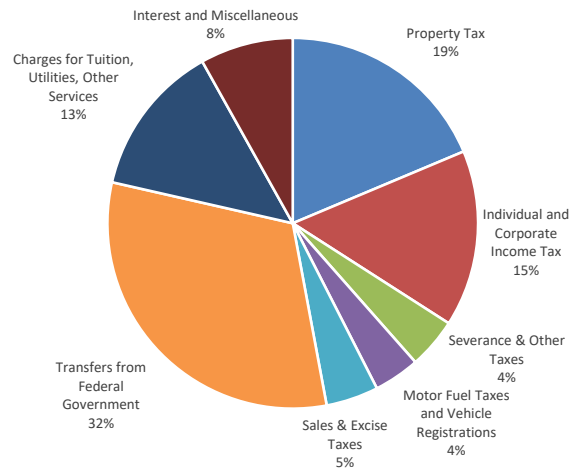
Local Revenue in Montana, Fiscal Year 2016



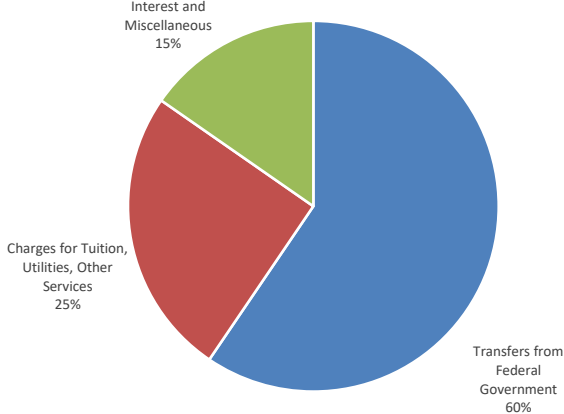
Tax and Nontax State and Local Revenue in Montana, Fiscal Year 2016



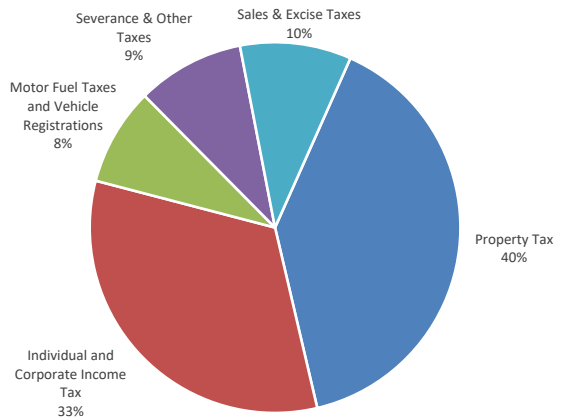
Detailed State and Local Revenue in Montana, Fiscal Year 2016



State and Local Nontax Revenue in Montana, Fiscal Year 2016



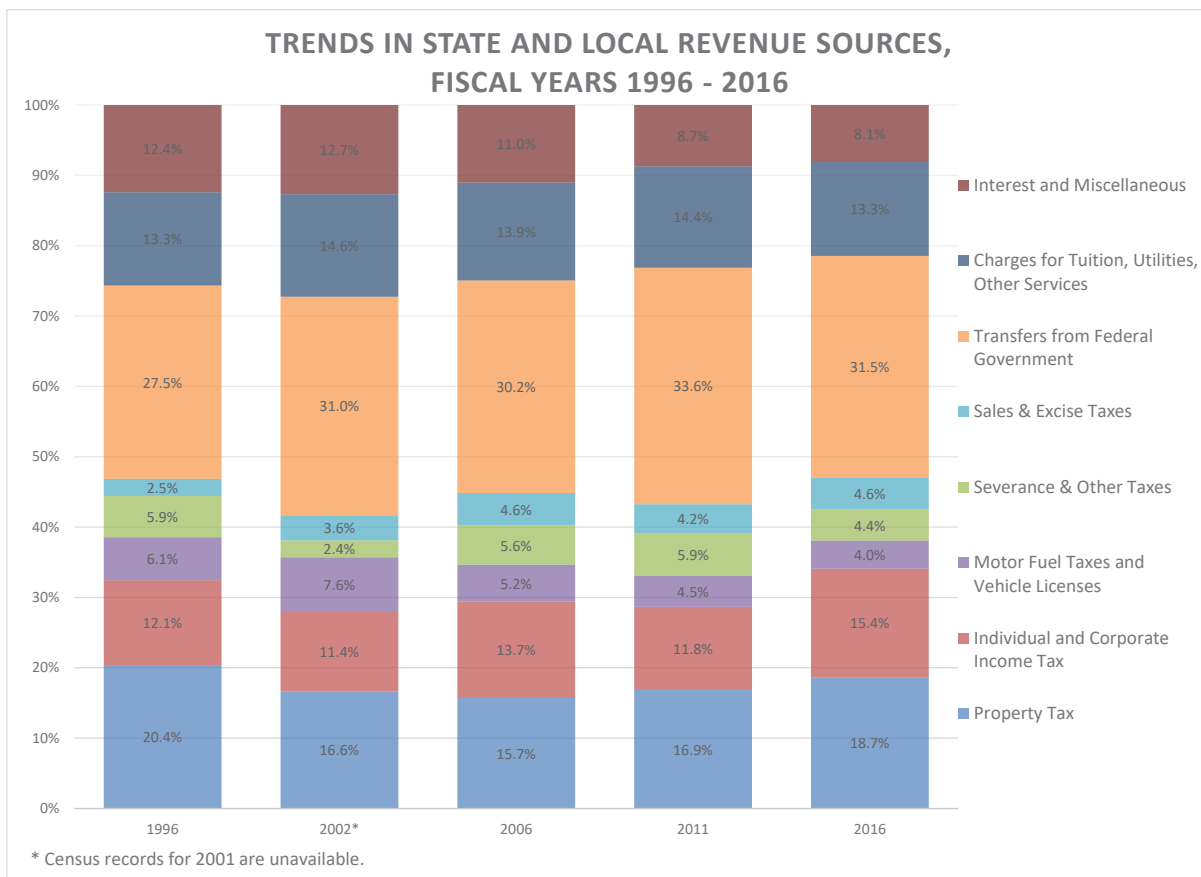
State and Local Tax Revenue in Montana, Fiscal Year 2016



State and Local Government Finance in Montana

The sources of state and local revenue have changed in relative importance over time. This is shown in the following graph. Transfers from the federal government have varied over time, partly due to the fact that state revenue tends to grow slowly or even fall in a recession while the federal transfers to state and local governments continue or are even increased. From 1996 to 2011, the share of state and local revenue coming from the federal government increased from 27.5 percent to 33.6 percent. In 2016, it had decreased to 31.5 percent.

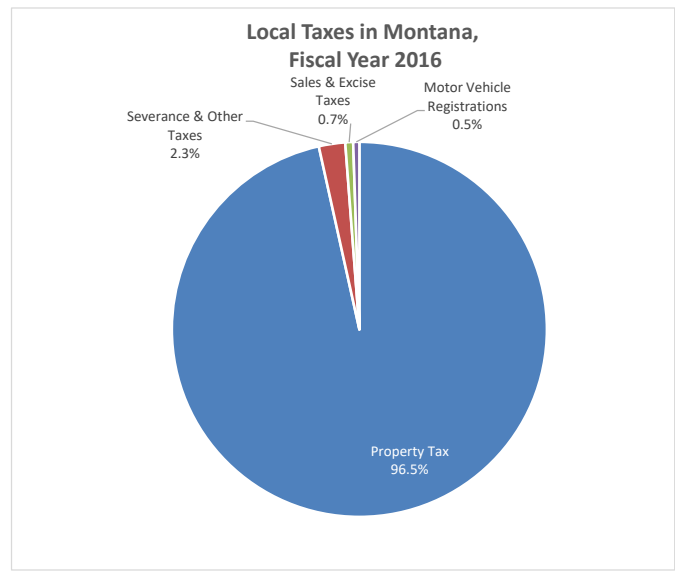
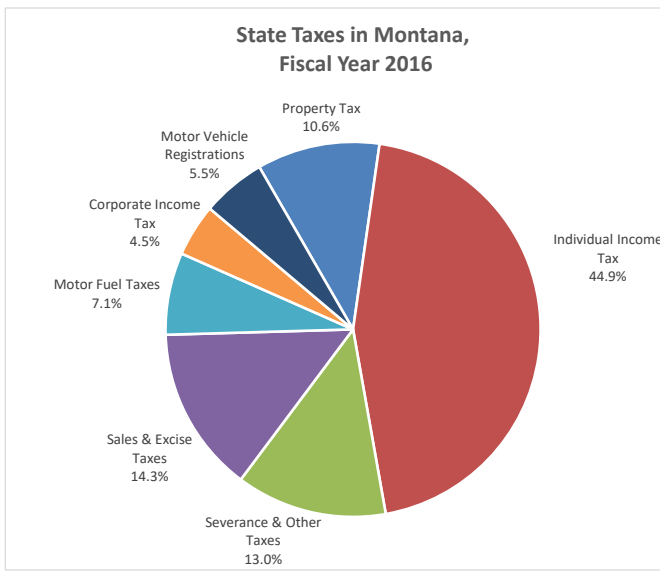
Changes in the other shares reflect both changes in the state economy and state and local legislative actions. For example, the share of severance and other taxes decreased from 1996 to 2002 as low oil and gas prices led to falling production. This share increased from 2002 to 2011 as higher prices and new technology led to increased production. As another example, the share of sales and excise taxes increased between 1996 and 2016 due, in part, to new taxes on lodging and rental cars.



State and Local Taxes

The two pie graphs on the next page show state and local tax revenue. The state collects a wide variety of taxes. The largest source of state tax revenue is the individual income tax. In Fiscal Year 2016, sales and excise taxes made up the second largest category, generating more than 14 percent of state tax revenue. The share of state taxes generated by severance and other taxes decreased from 17.3 percent in 2013 to 13 percent in 2016. The oil and gas production tax was about two-thirds of this category in fiscal 2013, with the remainder composed of mining taxes and other miscellaneous taxes. While it is collected at the state level, about half of the oil and gas tax is distributed to local governments and school districts. Statewide property taxes are earmarked for public schools and the university system. Revenue from the 95 mills levied for schools is deposited in the state general fund, where it covers about one-third of state funds transferred to school districts. Motor fuel taxes are earmarked for the highway system and other related uses.

Department of Revenue Tax Collections



Local government and school district tax collections come almost entirely from property taxes. The coal gross proceeds tax, which is the locally collected severance tax, was originally a property tax, but the legislature changed it to a flat rate tax on the value of production in 1975 so that all mines would pay the same rate. Local option sales taxes collected by resort communities and local option vehicle taxes are each less than 1 percent of local tax collections.

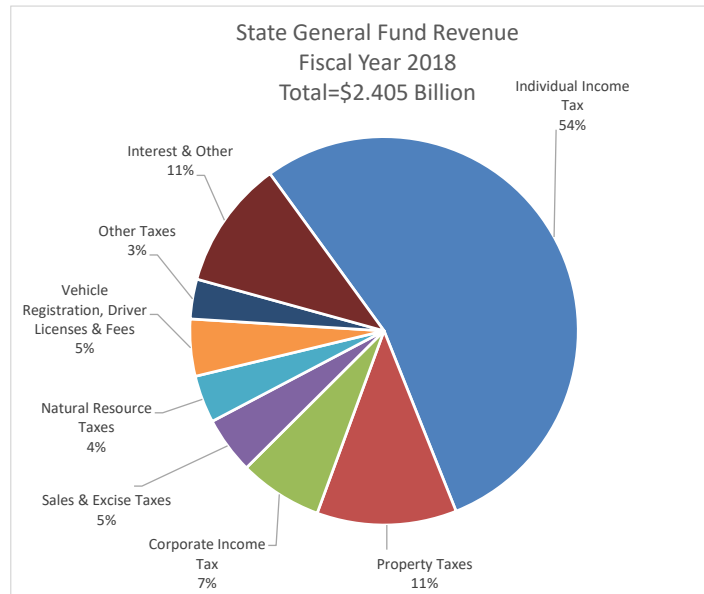
The following table shows how each type of tax was allocated between state and local governments in the Fiscal Year ending June 30, 2018. For the state share, it shows the allocation between the state general fund and earmarked uses. Each column shows the allocation of one type of tax. The bottom row shows the percentage of total state and local tax revenue from each type of tax. The rest of each column shows the percentage of collections of each type of tax that went to local governments, school districts, the state general fund, and various earmarked state funds in Fiscal Year 2018.

For taxes that are collected by the state, the table shows the share that is distributed to local governments and school districts. However, it does not reflect the fact that half of revenue going into the state general fund is distributed to local governments and school districts.

Allocation of Montana State and Local Taxes, FY 2018							
	Property Tax	Individual Income Tax	Severance & Other Taxes	Sales & Excise Taxes	Motor Fuel Taxes	Corporate Income Tax	Motor Vehicle Licenses
Local							
Governments & Special Districts	40.90%	-	15.38%	0.84%	-	-	-
Schools	41.47%	-	16.74%	-	-	-	-
State							
General Fund	16.57%	100.00%	38.12%	44.06%	-	100.00%	69.72%
University System	1.06%	-	0.81%	1.08%	-	-	-
Health & Human Services	-	-	-	20.09%	-	-	-
Regulation & Agency Operations	-	-	1.73%	15.09%	-	-	4.62%
Public Safety	-	-	2.07%	1.46%	0.05%	-	-
Transportation	-	-	-	0.22%	95.78%	-	22.71%
Environment	-	-	5.01%	0.30%	4.17%	-	-
State Buildings	-	-	3.78%	0.29%	-	-	-
Trust Funds (inc. Retirement)	-	-	16.36%	0.27%	-	-	0.16%
Parks, Recreation, Tourism	-	-	-	16.30%	-	-	2.80%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
% of Total from Each Tax	39.94%	30.36%	4.34%	13.54%	4.13%	4.09%	3.61%
Total From Each Tax (\$ millions)	\$1,703.136	\$1,294.934	\$184.991	\$577.407	\$175.973	\$174.393	\$153.857

Department of Revenue Tax Collections

The graph to the right shows the breakdown of general fund revenue for the Fiscal Year ending June 30, 2018, including taxes and non-tax revenue. The individual income tax is by far the largest single source of revenue for the general fund, and accounts for over half of state general fund revenue. The second largest source is property tax from the 95-mill statewide school equalization levy, which accounted for 11 percent of general fund revenue. Nearly all other revenue categories each accounted for less than 10 percent of general fund revenue.

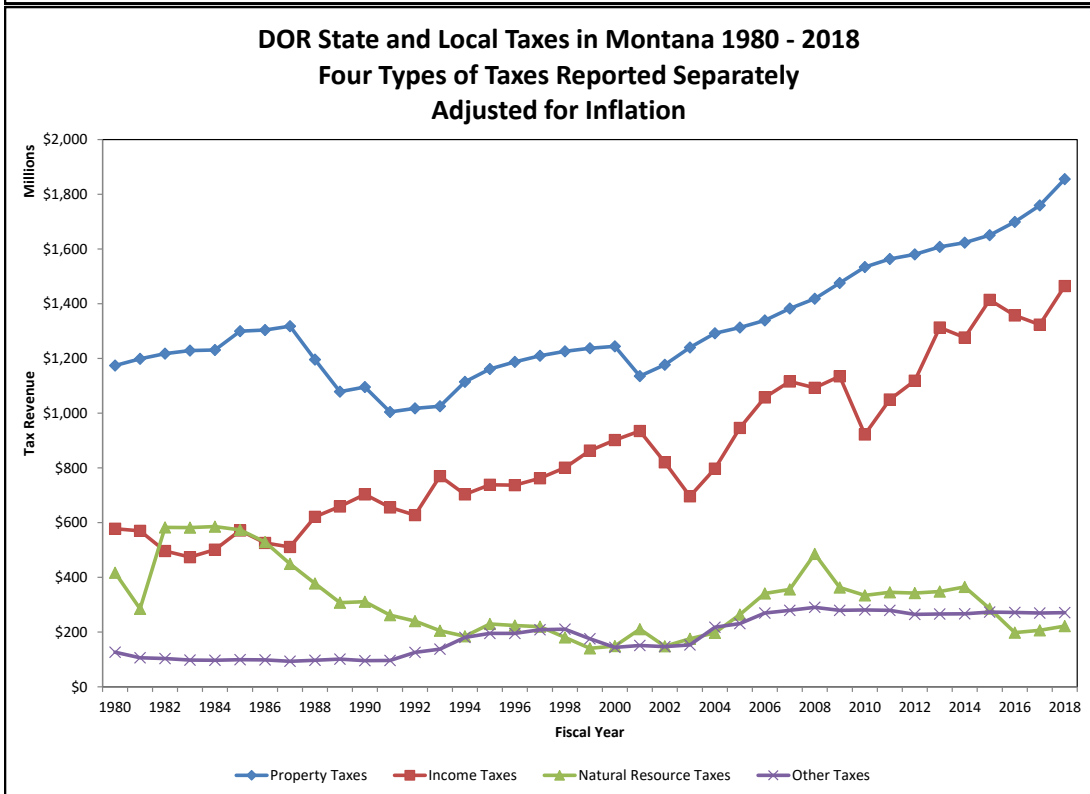
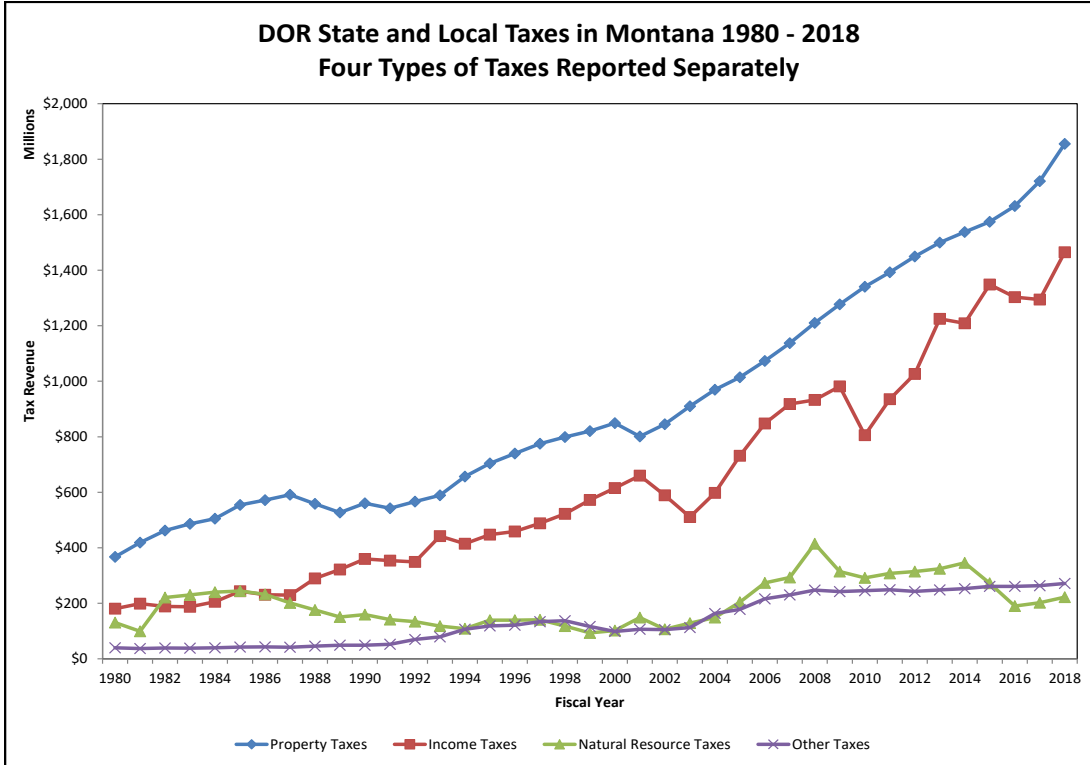


The following table shows Department of Revenue collections of state taxes for Fiscal Years 2012 through 2018. For taxes where revenue is split between the state and local governments, this table shows only the state share. Details on each tax can be found in later sections of this report. The Department of Revenue collects about 80 percent of state tax revenue. Other agencies that collect at least 1 percent of state tax revenue are the Department of Transportation (motor fuel taxes), the Commissioner of Securities and Insurance (insurance taxes), and the Department of Justice (gambling taxes).

Department of Revenue State Collections - Fiscal Years 2012 - 2018							
	2012	2013	2014	2015	2016	2017	2018
Individual Income Tax							
Income Tax Withheld	\$ 734,240,351	\$ 783,631,123	\$ 816,681,159	\$ 875,304,260	\$ 904,652,951	\$ 941,987,699	\$ 998,390,078
Income Tax All Other	164,610,850	264,158,862	246,603,249	300,440,621	280,174,810	226,236,943	299,386,508
Subtotal	898,851,201	1,047,789,985	1,063,284,408	1,175,744,881	1,184,827,762	1,168,224,644	1,297,776,586
Corporation License Tax	127,774,092	177,500,421	147,550,091	172,731,561	118,386,603	125,991,635	167,099,816
Natural Resources Taxes (State Portion)							
Bentonite Tax	494,248	352,050	172,039	219,172	286,081	266,623	291,255
Coal Severance Tax	52,742,627	56,573,818	57,676,184	60,891,414	60,358,548	58,808,035	60,097,399
Oil and Gas Production Tax	110,123,693	120,794,398	135,766,496	92,502,365	45,537,806	54,846,008	65,514,847
Resource Indemnity Trust Tax	2,343,678	2,112,327	2,278,971	3,303,038	2,335,153	2,622,658	2,531,336
Metalliferous Mines License Tax	9,936,518	13,222,539	10,457,348	10,947,952	5,691,074	6,698,782	8,700,599
Subtotal	175,640,765	193,055,132	206,351,039	167,863,941	114,208,662	123,242,105	137,135,436
Other Taxes, Licenses and Services							
Cigarette Tax	75,533,075	74,790,040	73,839,772	71,843,320	73,219,123	71,872,218	65,495,811
Telecommunications Excise Tax	21,459,017	20,651,872	19,656,770	18,256,517	16,774,868	15,602,798	13,725,924
Lodging Facility Use Tax	22,257,882	23,332,178	24,486,047	27,127,478	27,910,664	29,539,381	32,805,856
Inheritance/Estate Tax (Net)	59,718	1,676	3,741	35	62	-	-
Sales Tax - Accommodations	15,606,496	16,719,931	17,725,159	19,696,526	21,492,606	21,780,133	24,091,089
Nursing Facility Bed Tax	14,294,205	13,719,662	13,929,619	13,485,243	13,232,878	13,109,763	16,959,437
Hospital Utilization Fee	21,238,158	21,703,642	22,179,418	23,626,972	22,667,834	22,282,214	22,619,596
Emergency Telephone 911 System	13,212,111	13,062,990	13,009,356	12,947,304	13,120,489	13,020,367	13,003,639
Electrical Energy Production Tax	4,481,361	5,066,602	4,279,845	5,132,926	4,536,484	4,313,577	4,301,551
Abandoned Property	7,188,318	8,827,032	12,882,668	10,196,308	9,554,713	12,068,348	13,868,626
Tobacco Products Tax	12,024,144	12,386,794	12,562,721	12,894,293	13,131,013	13,268,717	12,864,522
Wholesale Energy Transaction Tax	3,427,411	3,558,221	3,112,284	3,795,377	3,516,131	3,463,834	3,628,180
Public Service Commission Tax	2,461,936	2,608,068	4,910,861	3,254,094	2,897,229	4,745,981	3,936,916
Sales Tax - Rental Vehicles Tax	3,419,763	3,523,211	3,521,324	3,906,745	4,269,438	4,536,234	4,958,598
Contractor's Gross Receipts Tax	(3,041,921)	(137,587)	887,078	3,256,741	2,397,493	3,078,111	4,266,687
Rail Car Tax	2,273,412	2,178,957	2,418,072	3,706,309	3,594,460	3,790,195	3,648,993
Consumer Counsel Tax	1,523,517	1,063,563	1,444,344	1,469,750	1,002,553	1,365,518	919,347
TDD Telecommunications Service Fee	1,325,236	1,317,336	1,430,128	1,321,811	1,334,146	1,352,174	1,365,782
Intermediate Care Utilization Fee	882,024	951,767	906,220	906,155	1,036,982	743,617	614,244
Other Taxes and Licenses	127,592	152,681	151,784	165,793	160,547	152,789	225,566
Subtotal	219,753,456	225,478,635	233,337,211	236,989,696	235,849,713	240,085,969	243,300,363
Liquor Taxes, Profits, and Licenses							
Liquor Profits and License Fees (to GF)	9,559,079	10,584,631	10,560,209	11,253,438	11,373,175	12,034,865	12,459,988
Liquor, Beer, and Wine Taxes	30,266,107	31,438,970	32,471,220	33,908,378	34,706,138	35,545,414	36,450,544
Subtotal	39,825,185	42,023,600	43,031,429	45,161,815	46,079,313	47,580,279	48,910,532
TOTAL COLLECTIONS	\$ 1,461,350,452	\$ 1,685,847,774	\$ 1,693,554,177	\$ 1,798,491,894	\$ 1,699,352,053	\$ 1,705,124,632	\$ 1,894,222,733

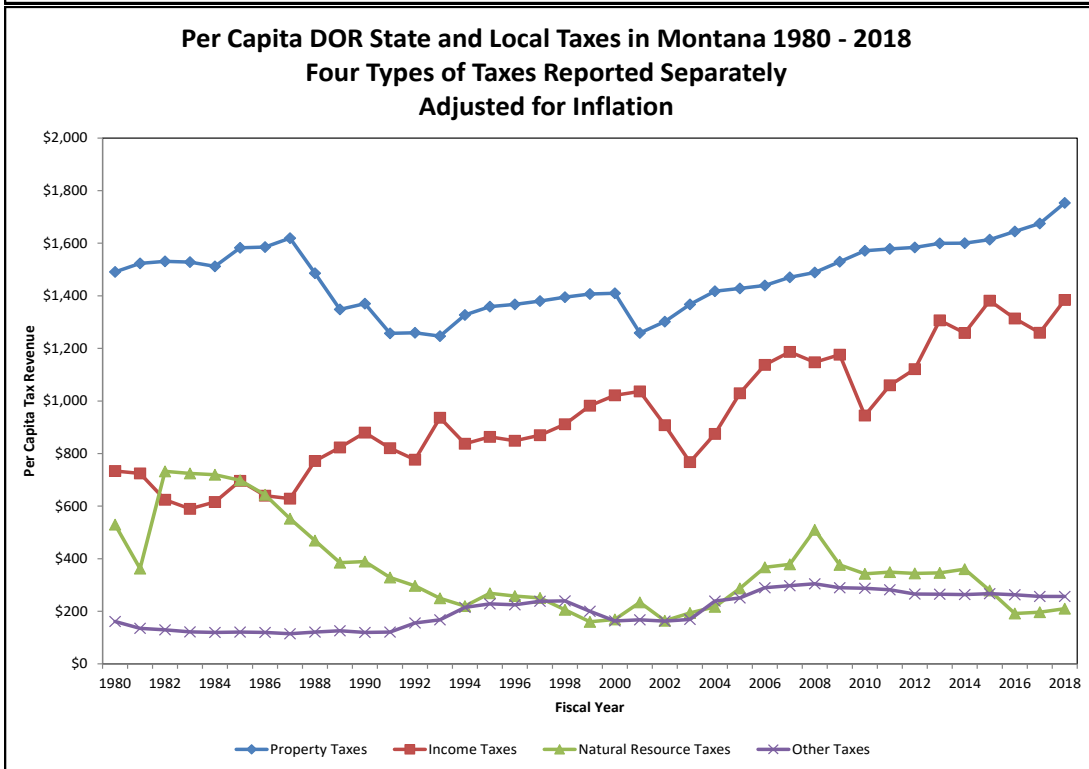
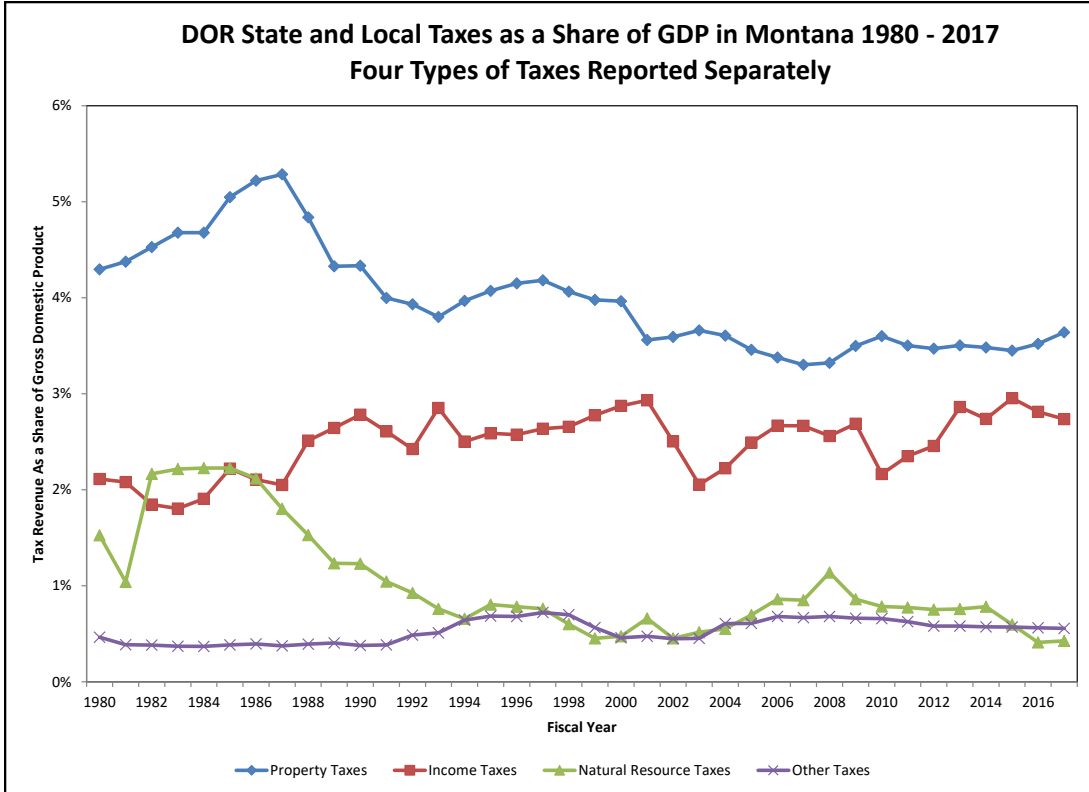
Montana Tax Trends

The two graphs on this page show total collections of taxes, divided into four categories, for Fiscal Years 1980 through 2018. The first shows the actual amount of collections each year. The second shows collections adjusted for inflation, with each year's collections shown in terms of their value in 2018.



Montana Tax Trends

The two graphs on this page also show total collection of taxes in Montana, divided into the same four categories, for Fiscal Years 1980 through 2018. The first graph shows the amount of collections for each tax type as a share of Montana's gross domestic product for the same period. The second shows the amount of revenue collected on a per capita basis. The second chart is also adjusted for inflation, with each year's collections shown in terms of their 2018 value.



Taxes and Spending in Montana and Other States

The following table shows how taxes are grouped in the graphs on the previous page:

<p><u>Property Tax</u></p> <ul style="list-style-type: none"> ● Taxes Based on Mill Levies ● Special Improvement Districts (SID) ● Rural Improvement Districts (RID) ● Other Fees 	<p><u>Income Taxes</u></p> <ul style="list-style-type: none"> ● Individual Income Taxes ● Corporate Income Taxes
<p><u>Natural Resource Taxes</u></p> <ul style="list-style-type: none"> ● Coal Severance Tax ● Coal Gross Proceeds Tax ● Metal Mines License Tax ● Metal Mines Gross Proceeds Tax ● Resource Indemnity and Groundwater Assessment Tax ● Miscellaneous Mines Net Proceeds Tax ● Bentonite Tax ● Oil and Natural Gas Severance Tax ● Cement and Gypsum Taxes 	
<p><u>Other Taxes</u></p> <ul style="list-style-type: none"> ● Lodging Facility Use Tax ● Accommodations Sales Tax ● Rental Vehicle Tax ● Cigarette Tax ● Tobacco Product Tax ● Cigarette Seller Licenses ● Liquor License Tax ● Liquor Excise Tax ● Beer Tax ● Wine Tax ● Alcoholic Beverage License Fees ● Marijuana Tax ● Telephone Company Tax and Retail Telecommunication Tax ● Emergency Telephone System Fee ● TDD Telecommunications Fee ● Electrical Energy Producers' Tax ● Wholesale Energy Transaction Tax ● Consumer Council Tax ● Public Service Commission Tax ● Unclaimed Property ● Public Contactor's Gross Receipts Tax ● Inheritance and Estate Tax ● Nursing Facility Bed Tax ● Intermediate Care Facility Utilization Fee ● Invasive Species Fee ● Hospital Facility Utilization Fee ● Rail Car Tax 	

The charts on the next page show the mix of taxes in Fiscal Year 2016 for Montana, for the average of all 50 states, and for Idaho, North Dakota, South Dakota, and Wyoming. The charts on the following page show the mix of state and local spending for the same states.

The chart in the upper left corner of the next page shows the average percentage of tax revenue from each tax type for all states. Property taxes, sales taxes, and individual income taxes together account for 87 percent of state and local tax revenue. This combination of taxes is often referred to as the “three legged stool” of state and local taxation.

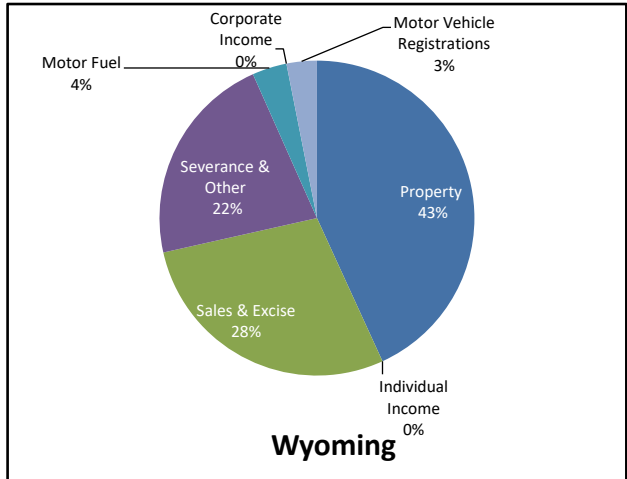
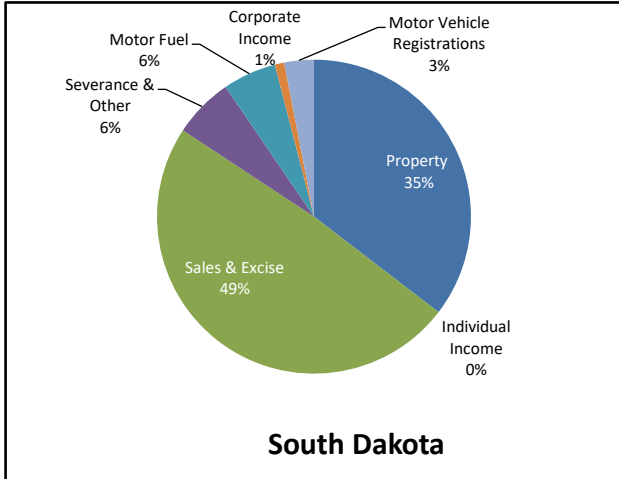
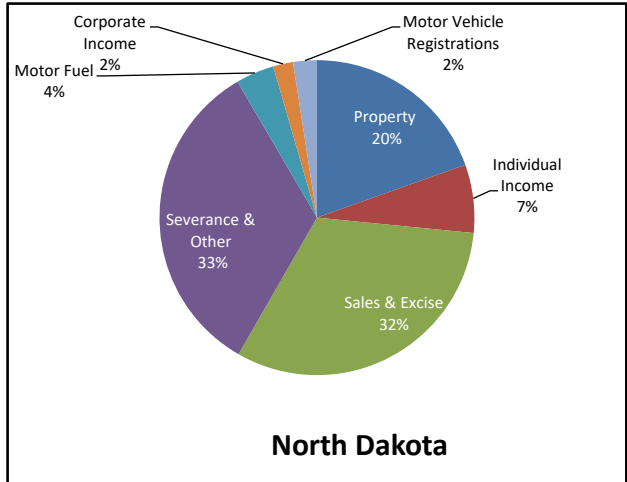
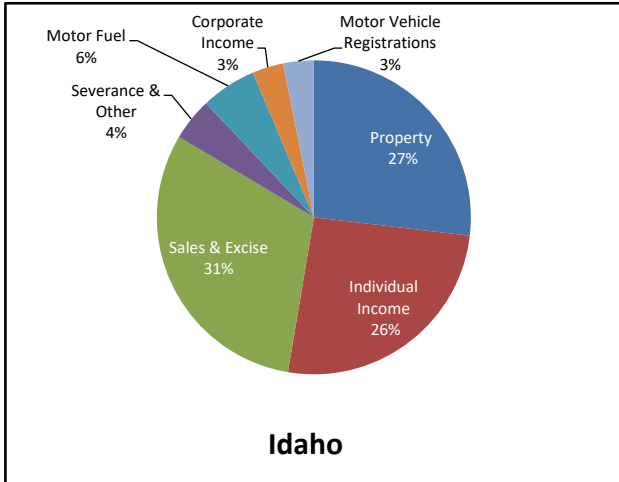
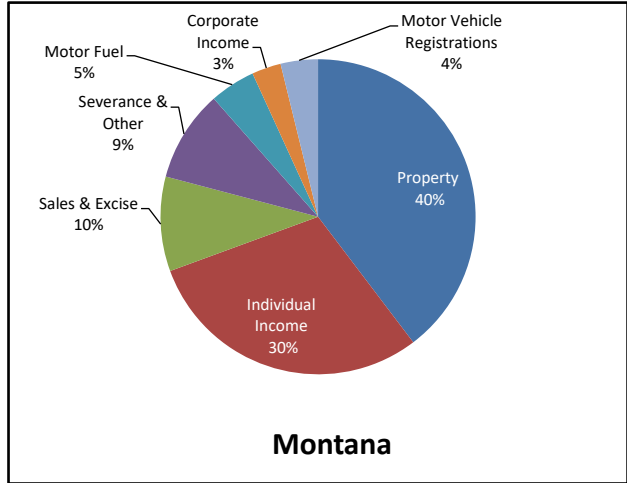
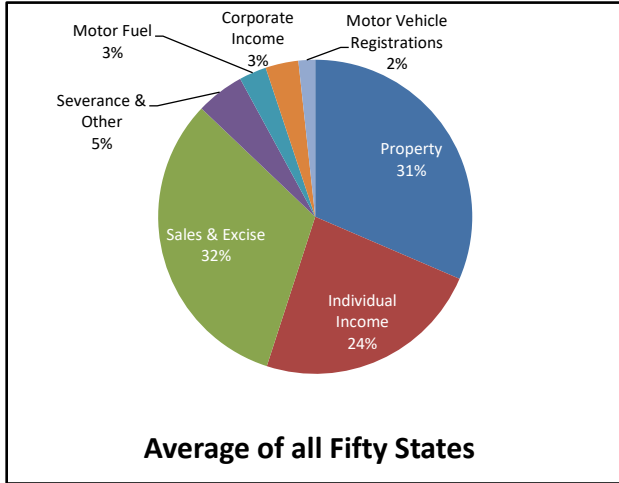
Compared to the average, Montana gets a much smaller share of tax revenue from sales and excise taxes and a somewhat larger share from each of the other types. Of the four neighboring states, only Idaho looks like the average state. In North Dakota, severance and other taxes were over 33 percent of total collections in Fiscal Year 2016. North Dakota’s share of revenue from sales and excise taxes was about average, but the shares from income and property taxes were a little less than half the average. South Dakota and Wyoming do not have individual income taxes and Wyoming does not have a corporate income tax. South Dakota compensates by receiving a somewhat higher proportion of tax revenue from property taxes and a much higher proportion from the sales tax. Wyoming receives a much higher-than-average proportion of tax revenue from the severance and other categories.

The mix of spending shows much smaller differences between states. All the states in the region devote an average share of spending to public schools. Montana, Idaho, and Wyoming devote the same proportion

Taxes and Spending in Montana and Other States

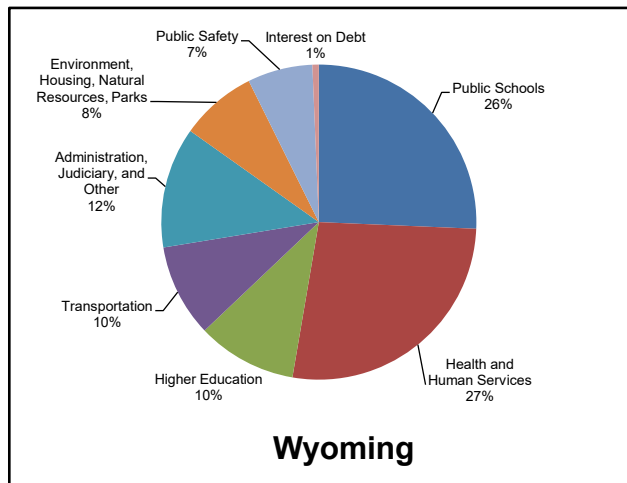
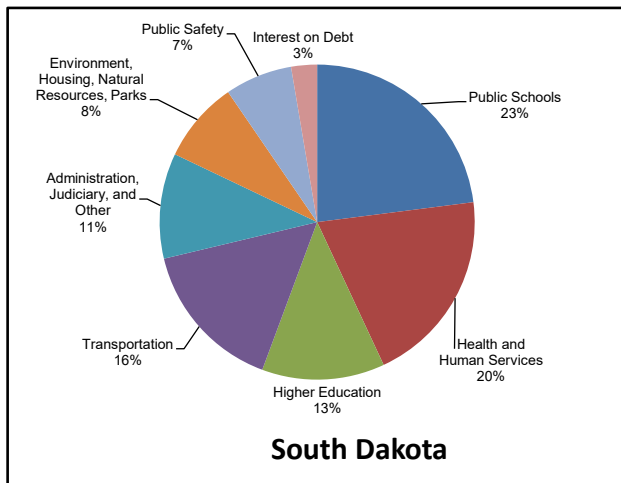
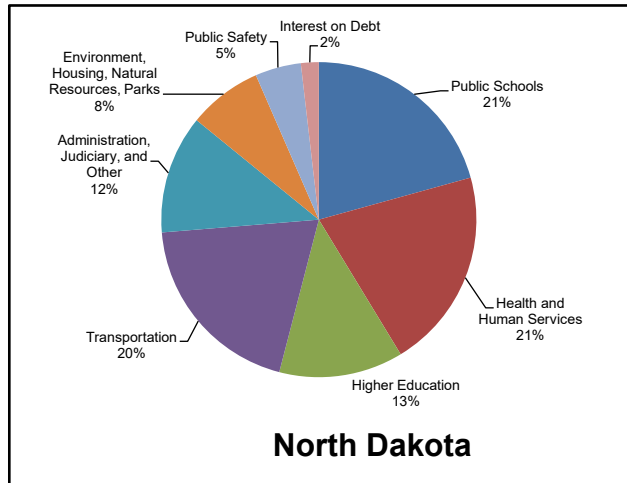
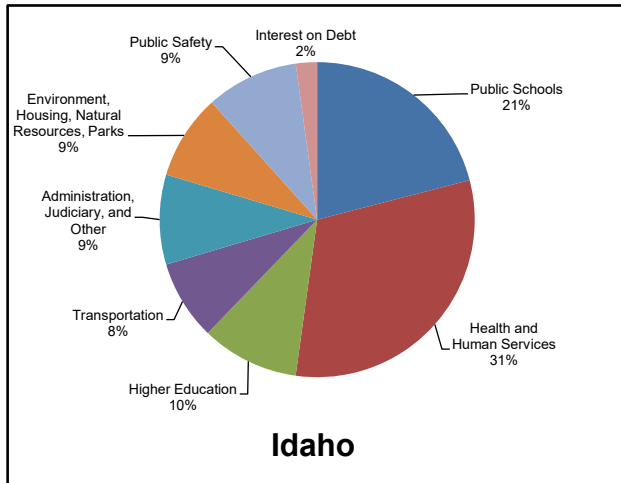
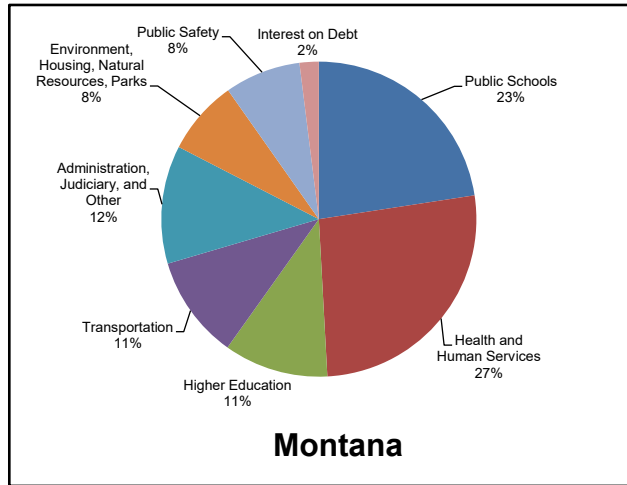
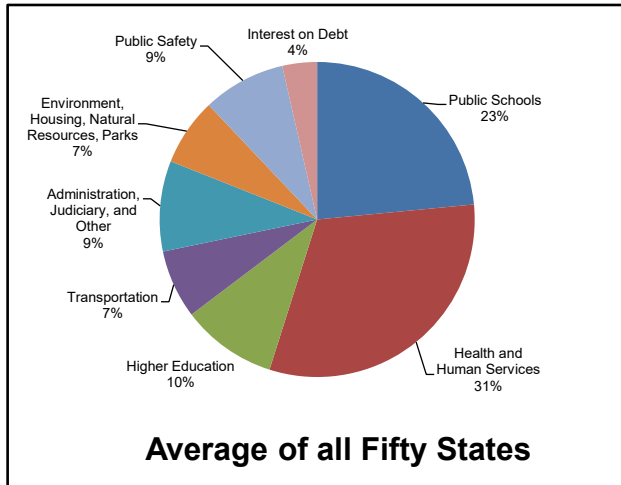
to higher education as the average state, while the proportion is slightly higher in North Dakota and South Dakota. Montana, Wyoming and the Dakotas devote a smaller-than-average share of spending to health and human services while Idaho is close to the average. Transportation's share of spending is higher than average in all the states in the region.

State and Local Taxes in Fiscal Year 2016



Comparison of State Taxes

State and Local Spending in Fiscal Year 2016



How Does Montana's State and Local Revenue System Measure Up?

There are many ways to evaluate state and local revenue systems. People and businesses care about different aspects of revenue systems because state and local taxes affect them differently: A tax system that is attractive to one person or business may be unattractive to another. For example, a family with a large mortgage may benefit from itemized deductions for property taxes and home mortgage interest while a family who live in an apartment would not. A business with large investment in buildings and fixed equipment may prefer a location with low property taxes even if it has a high sales tax, while a business with few fixed assets but large expenses for supplies may prefer the opposite.

This section presents an analysis of Montana taxes based on the ideas in the National Conference of State Legislatures' (NCSL) Principles of a High Quality State Revenue System. The NCSL first published this document in 1992 and has updated it several times since then.² The NCSL's nine principles can be stated as follows:

1. The elements are complementary rather than contradictory. Individual state taxes should harmonize with each other, and state and local taxes should complement each other rather than conflict.
2. Revenue should be reliable for both government and taxpayers. Revenue should be adequate to fund state and local government functions, and there should not be wide fluctuations in revenue from one year to the next. Taxpayers should not face frequent and significant changes in tax rates and structures.
3. There should be a balanced mix of revenue sources. All taxes have strengths and weaknesses, and a system with multiple taxes is more likely to be able to offset the weaknesses of one with the strengths of another. Multiple taxes also allow lower rates for individual taxes.
4. The revenue system should be fair. While there are many disagreements about tax fairness, there are a few widely accepted principles: Taxpayers in similar circumstances should pay similar taxes. The ratio of taxes to income should not be higher for low income taxpayers than for higher income taxpayers. And, taxes on low-income people should be low.
5. Taxes should be easy to understand and easy to comply with.
6. Taxes should be easy to administer in a fair, efficient, and effective manner.
7. A state's taxes should be competitive with taxes in other states and countries while financing a competitive level of infrastructure and public services. Competitiveness should be measured by the state's entire package of taxes and public services, not by the special treatment given to specific groups of taxpayers.
8. A high-quality revenue system minimizes its impacts on taxpayer decisions and state budgeting decisions, and any such impacts should be explicit. Tax systems affect taxpayer decisions by imposing higher taxes on some activities than on others. Sometimes this is intentional, as with targeted tax credits, and sometimes it is a consequence of adopting certain types of taxes. Tax systems affect budgeting decisions primarily through earmarking of particular taxes.
9. A high-quality revenue system is accountable to taxpayers. The processes for setting and changing taxes should be public and accessible. Taxpayers should be aware of the taxes they pay, and special provisions of the tax code should be reviewed regularly.

² The latest version can be found on the NCSL website at <http://www.ncsl.org/research/fiscal-policy/principles-of-a-high-quality-state-revenue-system.aspx>.

Comparison of State Taxes

For each of the NCSL's principles, the rest of this section presents information on ways that Montana either conforms to or differs from the principle. Where possible, it also compares Montana to the other states.³

Complementary

The Principles document lists several ways that state and local taxes can fail to be complementary: State and local governments may compete for the same tax base, the state may impose spending mandates on local governments, and the state may impose limits on local governments' ability to raise revenue.

In Montana, both the state and local governments levy property taxes, so there is some degree of competition for tax base. In the past, the state and local governments shared a variety of taxes. The 2001 Legislature replaced this with a system where these taxes are collected by the state, and local governments and school districts receive fixed entitlement share payments. The oil and natural gas production tax continues to be shared. Before 2003, the state and local shares were partly determined by property tax mill levies, but the 2003 Legislature made state and local shares fixed percentages.

The state mandates minimum and maximum spending levels for school districts, but also provides state funding.

The state imposes a limit on annual property tax revenue growth, but allows voter-approved levies to exceed the limit.

The state limits local government taxing authority to property taxes, a local sales tax in communities that qualify as resort areas, a local option gasoline tax, and a local option vehicle registration fee.

Reliable

The Principles document gives three aspects of reliability: Revenue does not fluctuate too much, taxpayers are not subject to frequent rate and base changes, and revenue grows at about the same rate as desired spending.

The graph on the following page compares states on the variability of state and local tax revenue. It shows states and the District of Columbia ranked by a measure of the relative variability⁴ of revenue growth over the period 2007 to 2016. Montana is highlighted in blue, and the four surrounding states and the U.S. average⁵ have darker shading than other states.

Montana ranks 39th, with higher-than-average relative variability. The stability of a state's revenue depends on its tax structure and how that structure interacts with the state's economy. In general, states with the most volatile taxes tend to have less diverse tax structures and to be more dependent on volatile taxes such as corporation tax and severance taxes.

Balance

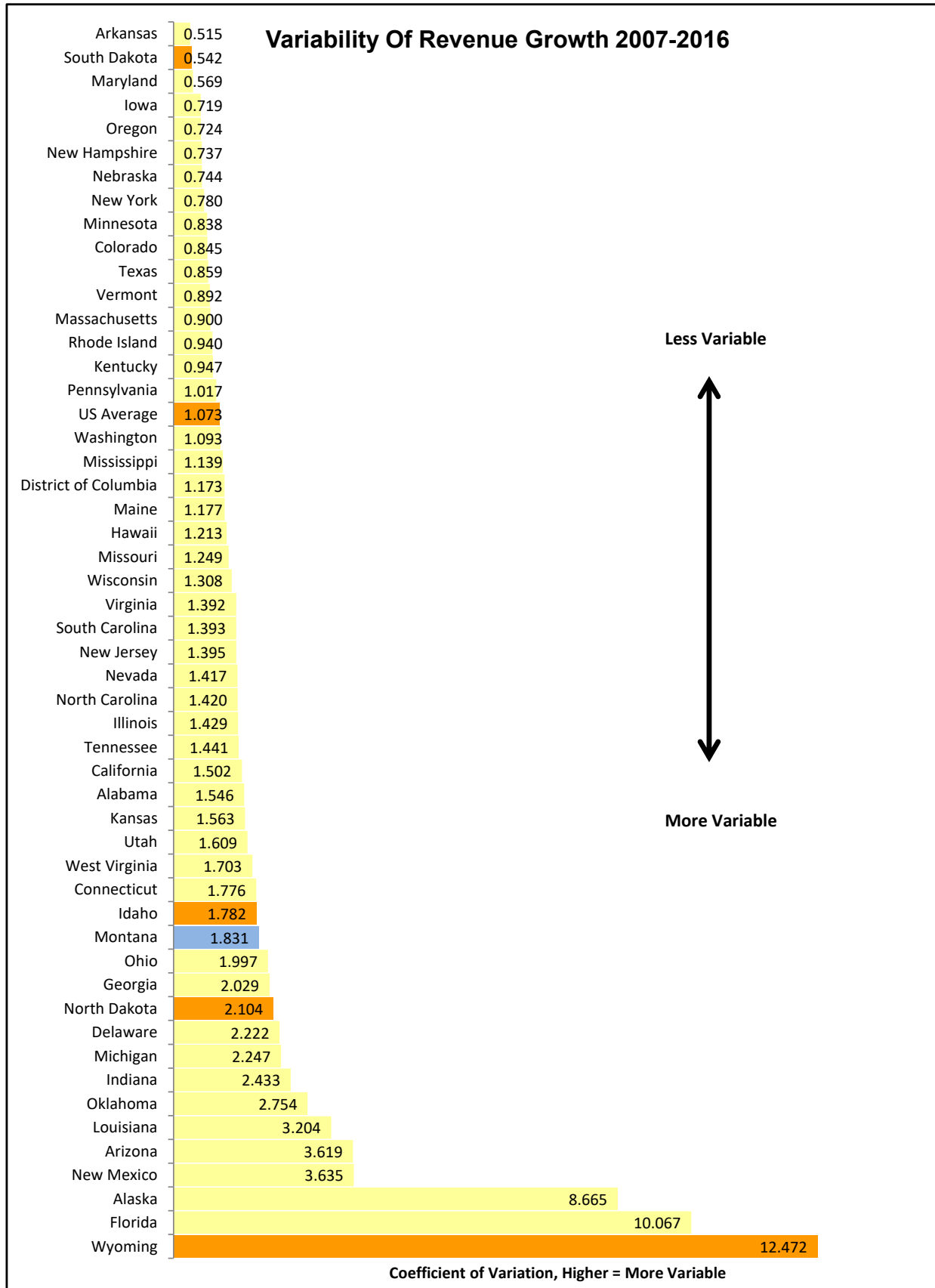
The Principles document states, "All taxes have their advantages and disadvantages, but reliance on a diverse assortment can cancel out their biases." An unbalanced tax system relies on one or two taxes for most of its revenue. The graphs on pages 24 and 25 compare states on their share of taxes from the largest tax type and from the two largest tax types.

³ A number of organizations publish state tax comparisons that reflect the particular interests of that organization. For example, The Tax Foundation (www.taxfoundation.org) publishes an annual "State Business Tax Climate Index," The Institute on Taxation and Economic Policy (www.itepnet.org) periodically publishes "Who Pays? A Distributional Analysis of the Tax Systems in All 50 States," The Council on State Taxation (www.cost.org) produces an annual report "Total State and Local Business Taxes," and the Office of the Chief Financial Officer of the District of Columbia (cfo.dc.gov) publishes an annual report "Tax Rates and Tax Burdens in the District of Columbia – A Nationwide Comparison."

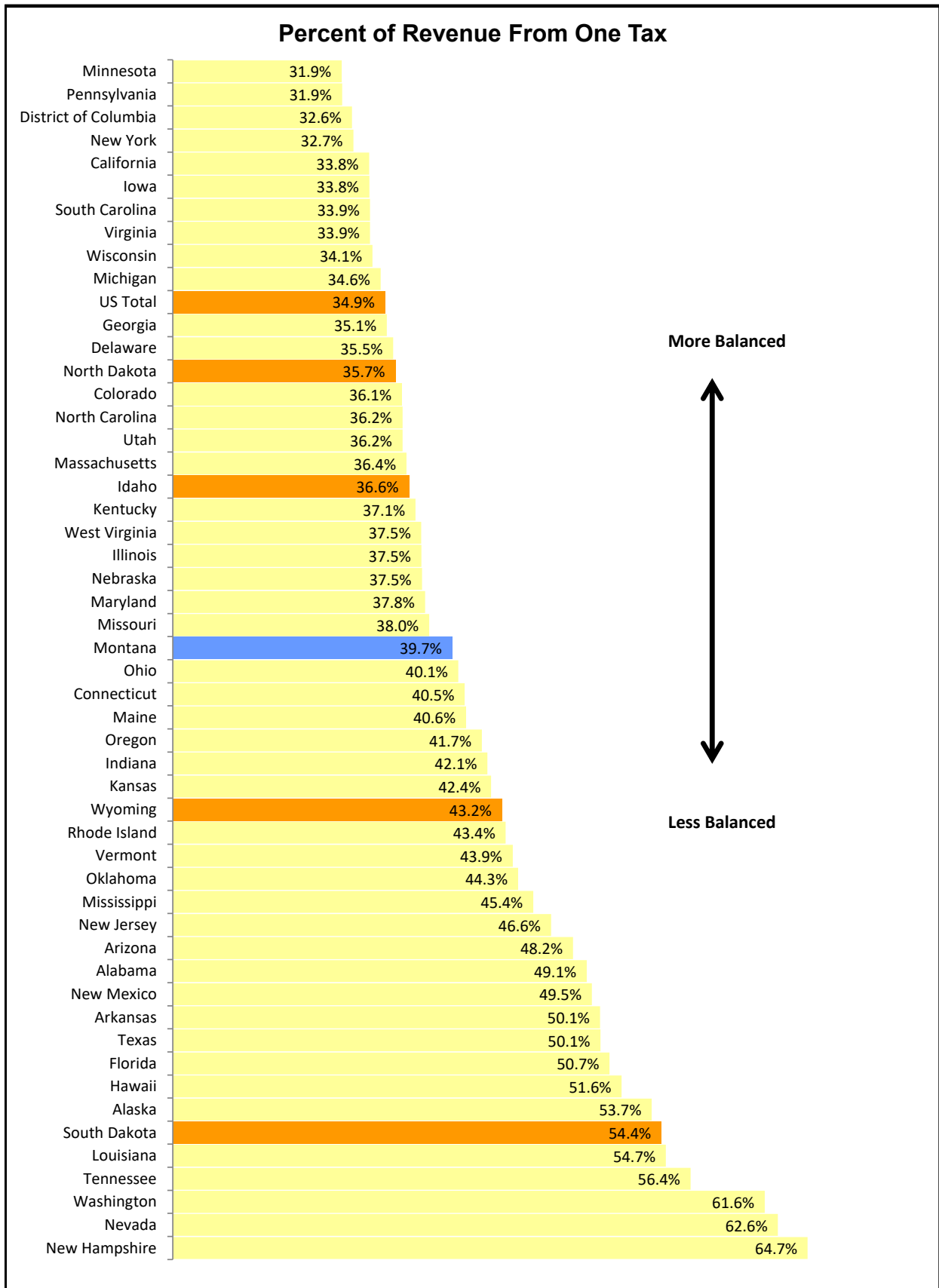
⁴ The coefficient of variation is a measure of relative variability. A higher CV indicates that the variation in annual growth rates is a larger percentage of the average growth rate.

⁵ In this section, U.S. averages are calculated from total revenue for all fifty states. They are not the average of the fifty state numbers.

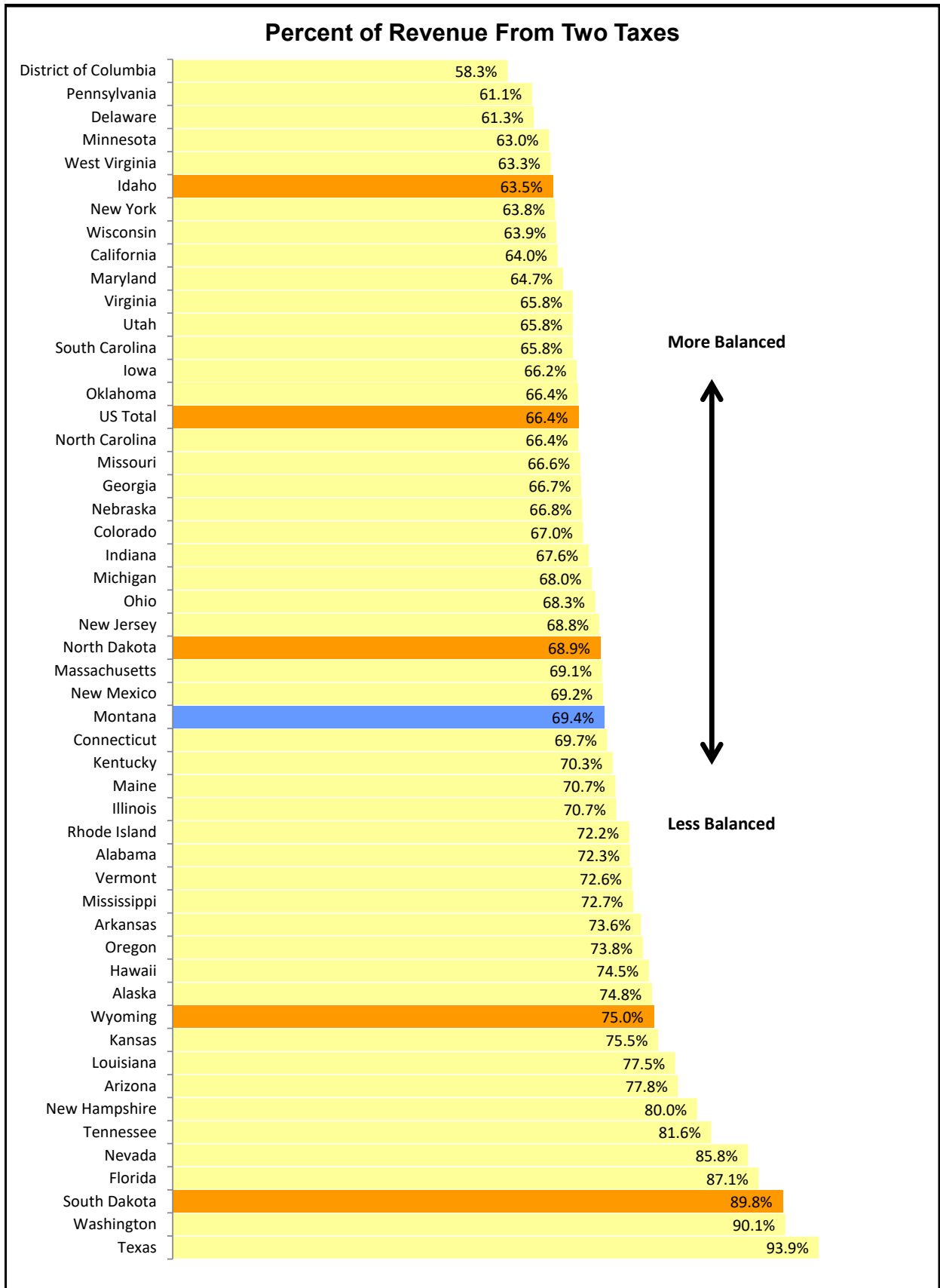
Comparison of State Taxes



Comparison of State Taxes



Comparison of State Taxes



Comparison of State Taxes

The conventional view is that a balanced tax system would get most of its revenue from the “three-legged stool” of income, property, and sales taxes, but balance can be achieved in other ways. Despite not having a general sales tax, Montana has one of the more balanced tax systems, as measured by the percent of revenue from one or two taxes, with 39.7 percent from one tax and 69.4 percent from two taxes. For Montana, selective sales and excises taxes and severance taxes together make up about the same share of revenue as general sales taxes do for other states.

Equity

The Principles document recognizes that views on equity differ, but gives three minimal principles of tax equity: taxpayers in similar circumstances should pay similar taxes, regressivity should be minimized, and taxes on low-income individuals should be minimized.

Similar Circumstances and Similar Taxes

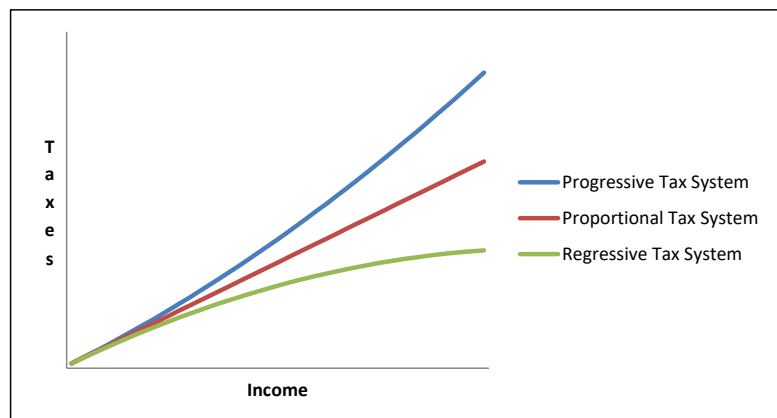
For most Montana taxes, taxpayers who are similar, in terms of having similar tax bases, pay similar taxes. There are two exceptions. One is the income tax, where taxpayers with similar income may have very different tax liabilities if they differ in their ability to take advantage of the itemized deductions and tax credits that the state allows. For example, a taxpayer with a mortgage on a house can claim itemized deductions for mortgage interest and property taxes. This is likely to result in this taxpayer having lower income tax liability than an otherwise identical taxpayer who rents and cannot claim these deductions.

In general, the Montana property tax system is designed so that similar properties will have similar taxable values and any differences in taxes will be due to differences in local mills. In some cases, differences in local mills reflect differences in local services. For example, if residents of one town choose to have more parks and recreation facilities than residents of a similar town, the first town is likely to have higher property taxes to pay for the additional facilities. Differences in local mills may also reflect differences in the costs of providing local services. If the cost of living is higher in one area than another, school districts in the higher-cost area may have to levy more mills so they can pay teachers higher salaries to induce them to live and work in the higher-cost area.

However, one of the main determinants of mill levies in a taxing jurisdiction is the amount of industrial and commercial property in the jurisdiction. Jurisdictions with large amounts of industrial and commercial property relative to the population tend to have low mill levies. Otherwise similar jurisdictions with little or no industrial or commercial property tend to have higher mill levies. This can result in similar properties with similar taxable values paying very different amounts of property tax for the same public services.

Taxes as a Proportion of Income

A tax system is defined to be proportional if the ratio of taxes to income is the same for taxpayers with different incomes. It is progressive if the ratio of taxes to income is higher for taxpayers with higher incomes and regressive if the ratio of taxes to income is lower for taxpayers with higher incomes. The graph below illustrates these concepts. The red line shows a proportional tax system, where taxes are the same proportion of income at all income levels. The blue line shows a progressive tax system, where taxpayers with higher incomes pay a higher percentage of their incomes in



Comparison of State Taxes

taxes. The green line shows a regressive tax system, where taxpayers with lower incomes pay a higher percentage of their incomes in taxes.

The graph on the next page shows a measure of progressivity or regressivity, the Suits index, for each of the 50 states and the District of Columbia. The Suits index is positive for a progressive tax system, zero for a proportional tax system, and negative for a regressive tax system. A larger negative number indicates a more regressive tax system. The Suits index is always between -1 and 1. If all taxes were paid by the person with the highest income, the Suits index would be equal to 1, and if all of taxes were paid by the person with the lowest income, the Suits index would be equal to -1.⁶

As the graph shows, almost all state tax systems are regressive – taxpayers with higher incomes pay a smaller portion of their income in taxes. While state income taxes often are progressive, property and sales taxes together generate more revenue than the income tax in all states except for Delaware and Oregon.

Property taxes are regressive because, while higher-income individuals typically have more expensive houses, taxpayers' personal real estate holdings generally do not increase proportionally with their income. Taxpayers with higher incomes are more likely to own business property, but property taxes, like other costs, generally are passed along to customers.

Sales taxes generally are regressive because services and other non-taxable purchases make up a larger percentage of higher-income taxpayers' spending and because higher-income taxpayers typically spend a smaller fraction of their income. Higher-income taxpayers are more likely to be accumulating wealth by spending less than they receive, both in any year and over their lifetimes.

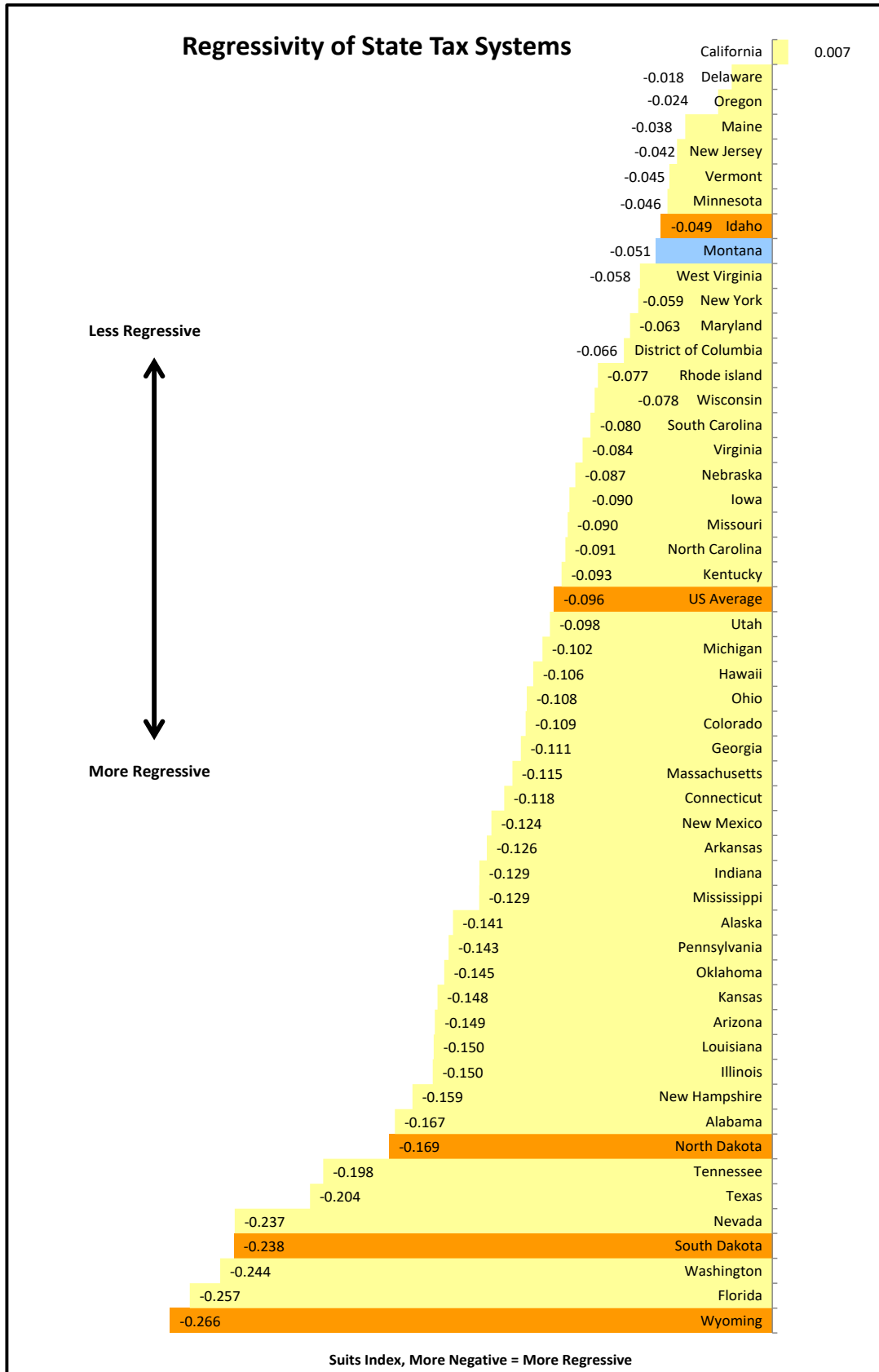
Montana has one of the least regressive tax systems as measured by the Suits index, due in part to our lack of a general statewide sales tax.

Taxes on Low Income Households

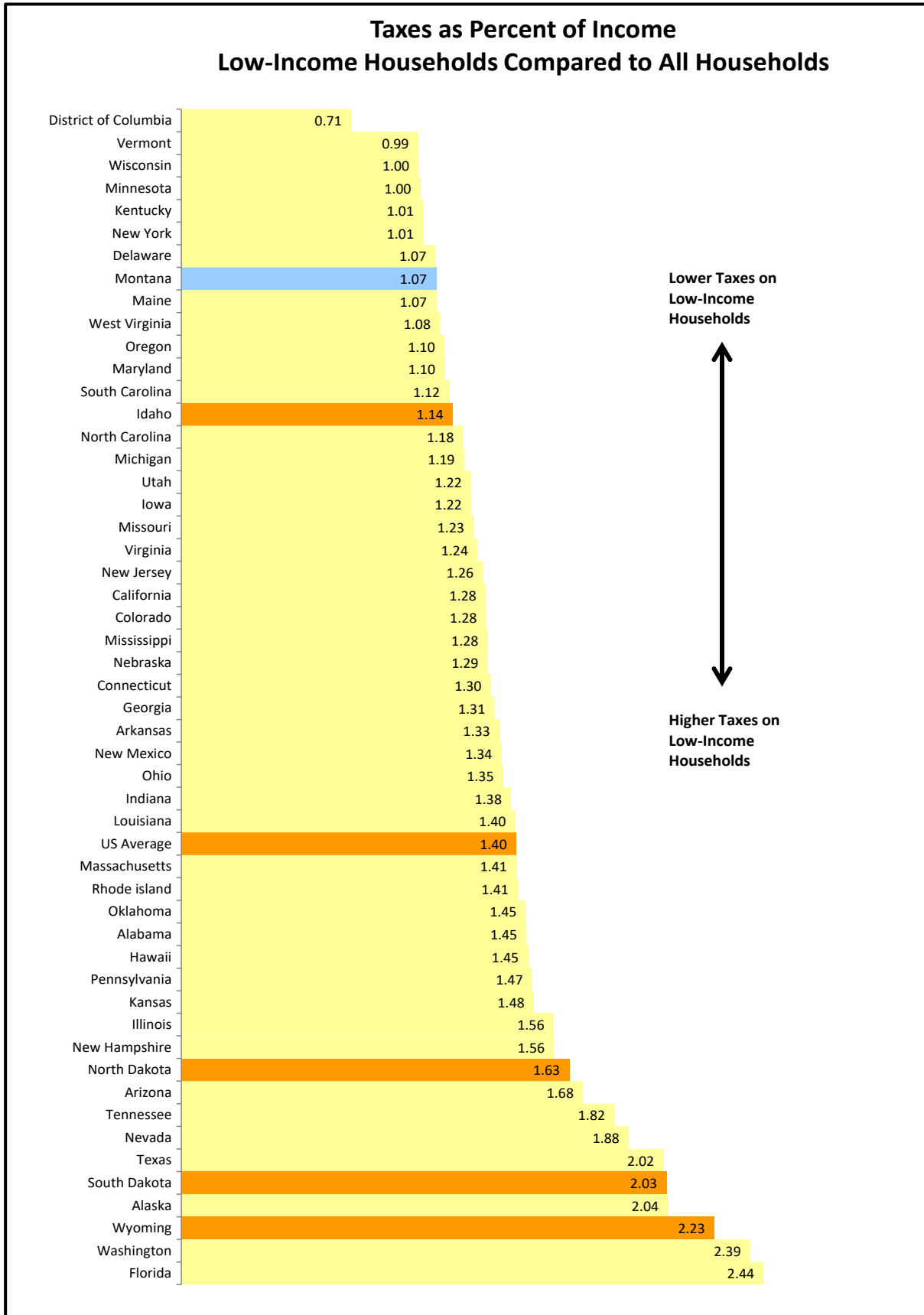
The graph on Page 29 compares the percentage of income going to state and local taxes for the fifth of taxpayers with the lowest incomes to the same percentage for all taxpayers. The number for a state is less than one if low-income taxpayers pay a smaller share of their income in state and local taxes than other taxpayers. It is more than one if low-income taxpayers pay a larger share of their income in state and local taxes.

Montana low-income taxpayers pay 1.07 times as large a share of their income in state and local taxes as taxpayers as a whole. This is one of the lower ratios, and well below the national average of 1.40. There are four states where the ratio is 1 or less. The seven states with no income tax have the highest ratios, with low-income taxpayers paying at least twice as large a share of their income in state and local taxes in six of the seven.

⁶ Suits Indices in the graph are calculated from information in Carl Davis, Kelly Davis, Matthew Gardner, Harley Heimovitz, Sebastian Johnson, Robert S. McIntyre, Richard Phillips, Alla Sapozhnikova and Meg Wiehe, *Who Pays: A Distributional Analysis of the Tax Systems in All 50 States*, 5th ed, Institute on Taxation & Economic Policy, 2015.



Comparison of State Taxes



Comparison of State Taxes

Easy to Understand and Comply

Ideally, paying for public services would be as simple and straightforward as possible. The taxpayer would receive a bill, would easily be able to verify that the amount was correct, and would have a convenient way to pay.

Whether a state's tax system is easy to understand and easy to comply with depends on the types of taxes collected as well as on the details of the specific taxes. Some taxes are inherently harder to understand or harder to comply with. The way a tax is implemented can also make it easier or more difficult to understand and comply with. A state that relies more on taxes that are hard to understand and comply with will have a tax system that is harder to understand and comply with than a state that relies more on taxes that are inherently easy to understand and comply with.

Characteristics of a tax that influence whether it is easy to understand and comply with include:

- Whether the taxpayer receives a bill or self-assesses (files a return),
- If the tax is self-assessed, the ease or difficulty of the process,
- If tax is billed, whether the taxpayer can easily verify that the tax assessment is correct, and
- How the tax is paid.

The process for resolving disputes between the taxpayer and the taxing jurisdiction also affects the ease of complying with a tax, but is generally similar between taxes and across states. In general, the taxpayer can request an informal review, proceed to a formal review with the department, an appeal before a quasi-judicial body such as the state tax appeals board, and ultimately an appeal before state, and possibly federal, courts. One difference between taxes is who initiates the process. With taxes that are billed, the process generally begins with the taxpayer disagreeing with the taxing authority's assessment. With taxes that are self-assessed, the process generally begins when the taxing authority audits the taxpayer's return, disagrees with the self-assessed tax, and assesses additional tax.

Billed or Self-Assessed

The property tax is billed to taxpayers, though some types of property are self-reported.

Sales taxes and excise taxes generally are assessed by the vendor as part of the ultimate taxpayer's bill for the taxable good or service.

Individual and corporate income taxes are self-assessed. So are the severance taxes and most business taxes.

Unlike the typical state, Montana does not have a general sales tax. Because of this, a taxpayer in Montana self-assesses a larger proportion of tax transactions than a taxpayer in the typical state. However, the effort required to self-assess taxes depends on the number of returns a taxpayer must file and the effort each return requires, not on the tax due with each return. A taxpayer in a state with a sales tax in addition to income and property taxes will have to file about the same number of returns as they would in Montana.

Ease or Difficulty of Self-Assessment

How difficult it is for taxpayers to file returns for a tax depends on the length and complexity of the return and on additional record-keeping the tax requires.

Personal Income Tax

The income tax is self-assessed. Taxpayers are required to complete and file an annual return. This requires some degree of record-keeping, organization and planning. The ease of filing returns differs between

Comparison of State Taxes

taxpayers. For taxpayers whose income is all in forms for which they receive a W-2 or 1099 at the end of the year, such as wages or interest, and who take the standard deduction and do not claim any credits, filling out a return can be simple. For taxpayers who have business income, itemize deductions, or claim a credit, there is a greater need to keep records, and completing a return takes more time and effort.

Like most states, Montana has tied its income tax closely to the federal income tax. For taxpayers who are required to file a federal income tax return, the closer the state return is to the federal return, the easier it is for taxpayers to file their state return. Montana's income tax return is modeled on the federal return, and for many taxpayers, all of the information on income and deductions used in calculating their state income tax is the same information they used on their federal returns.

All states have some differences from federal law – in types of income that are taxed or exempt and in the itemized deductions and credits allowed. Montana has more differences from federal law than its surrounding states.

One significant difference is that Montana is one of a few states that do not require married couples to make the same choice between a joint return and separate returns that they made for the federal income tax. Federal law provides different rate tables for joint and separate returns, and almost all married couples have lower federal tax liability if they file a joint return. Montana has one rate table for all taxpayers. Most married couples with two incomes have lower state tax liability if they file separate returns, while married couples with one income generally have lower state tax liability if they file a joint return. Many couples file a joint federal return and separate state returns, which makes the process slightly more complex. In addition, many couples calculate their state tax both ways because it is not immediately obvious which will result in lower tax liability. This can significantly increase the time and effort required to file a state return.

Federal law prohibits states from taxing some types of income that the federal government taxes, and many states have chosen to exempt some other types of income. States are also allowed to tax some income that the federal government has chosen to exempt. All state income taxes have a definition of taxable income that has some differences from the federal definition. As the following table shows, Montana has more differences than its surrounding states.

State Income Tax Components - Tax Year 2017					
	Idaho	Montana	North Dakota	South Dakota	Wyoming
Federal Income Type Used	Federal Adjusted Gross Income	Federal Adjusted Gross Income	Federal Taxable Income		
Additions to Federal Income	6	15	4		
Subtractions to Federal Income	22	35	9	No Income Tax	No Income Tax
Itemized Deductions	Federal Itemized Deductions	Additional Deductions Allowed	Federal Itemized Deductions		
Credits	14	26	24		

Taxpayers who itemize deductions need to keep track of deductible expenditures and to fill out additional schedules on their tax returns. States that either allow the same itemized deductions as federal law or do not allow any itemized deductions impose the smallest costs for additional record keeping and filing returns. A majority of states that have itemized deductions have at least one difference from federal law – they do not allow the itemized deduction for state income tax that federal law allows. Some states have more differences from federal law, either allowing additional deductions or not allowing some federal deductions. As the previous table shows, Montana has more differences from federal itemized deductions than its surrounding states.

Montana law also provides for a smaller standard deduction than federal law, which results in more taxpayers itemizing deductions on their state returns than on their federal returns. Fifty-five percent of Montana income tax returns itemize deductions while only 29 percent of federal returns filed from Montana itemize.

Tax credits reduce taxes for eligible taxpayers but require them to keep track of expenditures that are the basis of a credit and to fill out additional schedules. As the previous table shows, Montana has more credits than the other states. The additional work can vary greatly between credits, and only a subset of taxpayers

Comparison of State Taxes

claim any one credit, so the number of credits measures only one aspect of the additional compliance cost from tax credits

For taxpayers who do not use them, these provisions do not make complying with the income tax more difficult. However, a majority of Montana taxpayers are affected by one or more of the differences from federal law. A little more than half of Montana married couples file separate returns on the same form while 95 percent of married couples file joint federal returns. A little more than half of Montana returns are subject to at least one of the state additions to or subtractions from federal adjusted gross income. About 55 percent itemize deductions and 20 percent claim at least one tax credit.

Corporation Income Tax

The corporate income tax also is tied to federal law. The Montana return begins with federal taxable income from the taxpayer's federal return. Montana has some adjustments to federal taxable income, and most taxpayers are affected by at least one. In particular, taxpayers must add back any Montana corporation tax deducted in calculating federal taxable income. Montana also has a large number of tax credits for corporations, but only about 2 percent of corporate returns claim a credit.

The most difficult state-specific aspect of the Montana return is the apportionment of the income of multi-state corporations to Montana. The form itself is not difficult, but filling it out requires keeping records of the location of the corporation's sales, payroll, and property. However, a multi-state corporation has to make an apportionment calculation for each of the states where it pays corporation tax, so the extra record-keeping is not all attributable to Montana.

Selective Sales and Excise Taxes and Severance Taxes

The returns for Montana's sales and excise taxes and severance taxes generally are relatively short and straightforward. Most are one page, and ask the taxpayer to list either total or taxable sales, subtract a few deductions, and multiply the net amount by a tax rate. However, having the information to fill out the forms may require significant record keeping. Much of the information needed to fill out the tax forms is information that most businesses would be keeping anyway, such as total sales and various expenses, but some records may only be needed for taxes, such as which sales are taxable and which are exempt.

The ease of self-assessing can be partly judged by the fraction of returns with problems. For taxes where returns are filed by a business, the fraction of returns with math errors or other inconsistencies ranges from about one in 10 to almost one in two. For comparison, the error rate on individual income tax returns is about one in four.

Ease of Verifying Tax Bills

Property Tax

Property tax payers receive an annual statement showing the department's valuation of their property and an annual bill showing the calculation of tax. To verify the valuation, the taxpayer generally needs to contact the department's regional office and talk with an appraiser. Montana has a more complicated tax calculation than many states, and it can be difficult to understand. Then an assessment ratio, which differs between classes of property, is applied to give taxable value.

The tax on a property is calculated by multiplying the taxable value by state and local mill levies and adding any local fees. Few taxpayers understand the local budgeting processes that determines mill levies. This often leads taxpayers to expect a change in their property taxes based on their assessment notice which turns out to be quite different from any change that they see when they ultimately receive their tax bills.

To verify that the correct mill levies and fees have been applied to the taxable value, the taxpayer generally

Comparison of State Taxes

needs to contact the county treasurer's office.

Selective Sales and Excise Taxes

These taxes are billed to the ultimate taxpayer as part of the bill for the taxed goods and services. Generally, the tax is stated separately. If the tax applies to the entire amount of the sale, it is straightforward for the taxpayer to check that the rate was applied correctly. If part of the sale is taxable and part is exempt, it may be difficult for a taxpayer to check whether the rate was applied only to taxable transactions.

Ease of Payment

Property Tax

Property tax payments are due twice a year. The need to make two significant cash payments requires planning on the part of the taxpayer. Most homeowners who have a mortgage make monthly payments to a financial institution that then makes the biannual tax payments.

Personal Income Tax

Taxpayers are required to make payments during the year of at least 90 percent of the current year's tax liability or 100 percent of the previous year's tax liability. Any excess payments are refunded when the taxpayer files a return, and any shortfall must be paid at that time. Payments during the year may be made by withholding or quarterly estimated payments. Most taxpayers who receive periodic payments can choose to have income tax withheld from these payments. Taxpayers must complete a form W-4 to begin the withholding process or to adjust the amount withheld. After that, withholding is automatic for the taxpayer but adds another step to the payroll process for employers and other payers. Taxpayers who make estimated payments generally have to keep track of their income, calculate the amount to pay each quarter, and make sure that funds are available to make the payments. About eight in 10 individuals or couples have taxes withheld from wages or other periodic payments, and about one in 10 make estimated payments. About one in 20 do both.

Corporation Income Tax

Corporations are required to make quarterly payments during a tax year. Any excess or deficiency is made up when the corporation files its return. Making periodic tax payments generally will not be significantly different from making payments to suppliers or employees or paying dividends to shareholders. These are things businesses do routinely, and making four additional payments a year should have minimal cost.

Selective Sales and Excise Taxes

The ultimate consumers pay these taxes as part of their payment for taxable goods and services. There generally is no additional effort involved.

Vendors who collect these taxes from their customers must calculate the tax, track the amount collected and remit it to the state periodically. The tax calculation generally can be automated as part of the billing process, and is done as part of a transaction the vendor would be making anyway. Remitting the tax generally is no different from making the other types of payments that a business makes and should have minimal additional costs.

Severance Taxes

Severance tax payments are due with the taxpayer's periodic return. Making these periodic payments generally is no different from making other payment a business makes and should have minimal additional costs.

Comparison of State Taxes

Easy to Administer Fairly, Efficiently, and Effectively

A tax that is easy to administer fairly, efficiently and effectively will have a low cost for the tax agency to either assess the tax or process and verify tax returns. It will have few opportunities for taxpayers to evade the tax, and it will not create disparities in how taxpayers are treated.

Cost to Assess or Process Returns

The tax agency's cost to administer a tax depends on the number of taxpayers and the time and effort the agency must expend per taxpayer. The number of taxpayers varies between types of taxes. Taxes that are paid directly by most individuals or businesses have many returns. Taxes that are paid by a few taxpayers or that are collected from many taxpayers by a few vendors have fewer returns to process.

The time spent per taxpayer depends on the length of the return and the amount of information that must be recorded. It also depends on the time that must be spent verifying and correcting a typical return.

To some extent, there may be a trade-off between taxpayers' ease of compliance and the tax agency's ease of administration. For example, having a tax billed rather than self-assessed shifts most of the effort of calculating the tax from the taxpayer to the tax agency. Conversely, requiring taxpayers or third parties to provide additional information on sales or income would increase the effort required to comply with the tax but could reduce the auditing effort required to administer a tax effectively.

Property Tax

The property tax is a relatively expensive tax to administer, primarily because it is billed rather than self-assessed. Montana's property tax has some complexities that make it more expensive to administer than property taxes in some states, but does not have some complications found in some other states.

The Department of Revenue assesses all property in the state, certifies the total taxable value for each taxing jurisdiction, and certifies the value of new property to be used in calculating each taxing jurisdiction's spending limits under Section 15-10-420, MCA. Each local taxing jurisdiction calculates its mill levy or levies based on its budget and taxable value. The department calculates tax for each taxable property, and then county treasurers print and mail property tax bills to each property owner. This process is relatively expensive. The budget for the Property Assessment Division is almost twice as large as the budget for the Business and Income Tax Division, which administers the individual and corporate income taxes and all the excise and selective sales taxes other than alcohol taxes.

These functions are common to the property tax systems in all states. In Montana, more of these functions are performed by the state and fewer are performed by local jurisdictions than in other states. Montana is one of the few states where all property assessment is a state function. In most states, property assessment is mostly or entirely a local function. In most states, a state agency oversees and supports local assessors, and in most states, property that crosses county lines, such as railroads or pipelines, is assessed by the state.

Property assessment is a state function in Montana for a combination of historic and practical reasons. The 1972 Constitutional Convention made property assessment a state function after hearing widespread concerns about lack of uniformity in appraisals done by county assessors. Montana is one of 11 states with state-wide property taxes, and in these states it is important that assessments be uniform statewide as well as within local jurisdictions.

Identical properties need to have the same assessed value within a taxing jurisdiction to ensure that they pay the same taxes. However, the taxes on individual properties in a jurisdiction will be the same whether assessments are all at market value or are uniformly high or low. This is because property taxes are based on a taxpayer's share of taxable value in a jurisdiction, not on the absolute value of the taxpayer's property.

Comparison of State Taxes

A taxpayer with 0.01 percent of the taxable value in a jurisdiction will pay property taxes equal to 0.01 percent of the taxing jurisdiction's revenue requirement. Millage rates are set by dividing a jurisdiction's revenue requirement by its taxable value. If, for example, all properties in a jurisdiction are over-assessed by 10 percent, the mills will be 10 percent lower than if assessments were at market value, and taxes will be the same as if assessments were at market value.

In states with only local property taxes, assessments need to be uniform within each local taxing jurisdiction, but do not need to be uniform across jurisdictions. If assessments are 10 percent higher than market value in Town A and 10 percent lower than market in Town B, taxpayers in both jurisdictions pay the same taxes as if both towns assessed at market value.

When the state levies property taxes, either assessments need to be uniform statewide or some adjustment needs to be made for differences between local assessment practices. Montana has made assessment a state function. Most of the other states with state property taxes provide state oversight for local assessors. Washington conducts annual sales-assessment ratio studies and uses the results to adjust state mills in each county to compensate for differences in local assessment practices.

While assessing property at the state level increases the state cost of administering the property tax, it eliminates most local costs. It is not clear how state assessment affects the total of state and local costs.

The basis for property taxation is the market value of property. Determining the tax from market value can be simple or complex. In some states, all property is assessed at its market value and the tax equals market value multiplied by a tax rate. In other states, property is assessed at a percent of its market value. The percentage may vary between classes of property, some types of property may be assessed on something other than market value, part of a property's value may be exempt from taxes, or different rates may apply to different properties.

When property is assessed at less than full market value, the ratio of assessed value to market value is called the assessment ratio. Property tax rates give the ratio of tax to taxable value. In Montana, they are expressed in mills, or dollars of tax per thousand dollars of taxable value. Some states express rates as a percent, or dollars of tax per hundred dollars of taxable value. Property tax rates may either be set in statute or determined annually by dividing a taxing jurisdiction's revenue requirement by its total taxable value.

The following table shows the number of states with uniform taxation of all property (except agricultural land, which is generally assessed on its value in its current use rather than its market value), and the number that treat classes of property differently either through different assessment ratios or different mill levies.

More than half of states have some departure from uniform taxation. The largest group, which includes Montana, has classes of property with different assessment ratios, but uniform millage rates. Montana has the largest number of different assessment ratios –

twelve, including two for business equipment depending on how much the taxpayer owns. Six states have uniform assessment ratios, but have at least one situation where a property class pays a different millage rate. Three states have classes with different assessment ratios and different millage rates. One state, California, does not base taxes on market value. Property taxes in California are based on purchase price partially adjusted for inflation. This is equivalent to having a different assessment ratio for property sold each year.

State With Uniform and Nonuniform Taxation of Property Classes

One Assessment Ratio and Uniform Mills	22
One Assessment Ratio and Nonuniform Mills	6
Multiple Assessment Ratios and Uniform Mills	19 - including Montana
Multiple Assessment Ratios and Nonuniform Mills	3
Tax Not Based on Market Value	1

Comparison of State Taxes

Montana's property tax does not have some features that make property tax administration more complex and more costly in other states. Some states have mill levies that apply to some classes of property and not to others. For example, in some states school district levies may be applied to residential property but not commercial property or public safety levies may be applied to buildings but not land. This requires a layer of record keeping and a step in the tax calculation that are not required in Montana. Some states have caps on increases in the assessed value of individual properties. These caps take several forms, and in some cases require assessors to track several values for each property, such as current market value, purchase price adjusted for inflation, or purchase price adjusted by an arbitrary growth rate, and use the lowest. This also requires additional layers of record keeping and additional steps in the tax calculation that are not required in Montana.

States With Cap on Assessed Value Growth	
Cap	9
No Cap	42 - including Montana

Personal Income Tax

The provisions of the Montana income tax that make it more difficult for taxpayers to file returns also generally make it more expensive for the department to process and audit returns. Building the ability to handle separate returns filed on the same form and the large number of line items into the department's data processing system required significant up-front costs. They also require considerable extra work when the system is upgraded and somewhat increase the cost of processing each return and storing the information on it. The large number of state credits and the differences from the federal definition of income and federal itemized deductions create more line items on returns that must be verified and may need to be audited to ensure high compliance. The table on the next page contains a list of the tax credits and other tax expenditures that currently exist in Montana's personal income tax rules in Tax Year 2017. Additional information on each of the tax expenditures listed on the next page, as well as tax expenditure information for other tax types, can be located in the Tax Expenditure section of this report.

Increasing electronic filing has affected the cost of administering the income tax in both positive and negative ways. The department has had to invest in additional data processing systems to allow taxpayers to file electronically. As more taxpayers have filed electronically, the department has been able to print fewer tax booklets. Electronic filing also greatly reduces the kind of mistakes in adding and copying numbers that taxpayers tend to make when filling out returns by hand. The table below contains a breakdown on the number of personal income tax returns that are filed by Montana taxpayers. The share of e-file returns has increased from 55 percent of returns filed in Tax Year 2007 to more than 86 percent in 2017.

Income Tax Returns File in Montana				
Tax Year	Total	Paper	E-file	% E-file
2007	511,235	230,490	280,745	54.9%
2008	542,625	219,182	323,443	59.6%
2009	533,161	193,843	339,318	63.6%
2010	522,381	165,237	357,144	68.4%
2011	526,902	123,179	403,723	76.6%
2012	535,682	109,058	426,624	79.6%
2013	547,558	103,101	444,457	81.2%
2014	552,189	93,924	458,265	83.0%
2015	562,647	88,524	474,123	84.3%
2016	571,114	81,333	489,781	85.8%
2017	568,961	78,196	490,765	86.3%

Comparison of State Taxes

Individual Income Tax Expenditures - 2017	Number	\$
Federal Income Tax Deduction	242,669	\$74,238,304
Special Treatment for Capital Gains	72,881	\$48,144,173
Credit for Other States' Taxes	14,070	\$33,984,000
Medical Insurance Premium Deduction	103,991	\$22,600,177
Medical and Dental Expenses Deduction	60,310	\$11,795,070
Exempt Military Salary	4,759	\$9,059,626
Elderly Homeowner/Renter Credit	13,567	\$6,955,393
Unemployment Compensation Deduction	21,741	\$5,072,028
Partial Pension Exemption	44,862	\$3,965,750
Exempt Tips	20,718	\$3,861,857
Energy Conservation Credit	7,266	\$3,484,878
Qualified Endowment Credit	728	\$2,981,018
Long Term Care Insurance Premium Deduction	10,451	\$1,627,086
Partial Interest Exclusion for Elderly Taxpayers	69,725	\$1,569,092
Infrastructure Users Fee Credit	21	\$1,457,532
Montana Medical Care Savings Account Deduction	6,101	\$1,157,835
Family Education Savings Account Deduction	3,807	\$832,099
College Contribution Credit	3,089	\$350,872
Alternative Energy Systems Credit	742	\$315,904
Recycling Credit	106	\$283,047
Adoption Credit	175	\$169,555
Geothermal Heating System Credit	91	\$135,223
Third-Party Repayment of Health Care Professional's Student Loans Deduction	455	\$91,905
Small Business Investment Company Dividend Deduction	*	\$79,110
Political Contribution Deduction	6,832	\$49,728
Health Insurance for Uninsured Montanans Credit	52	\$47,564
First Time Homebuyer Account Deduction	217	\$43,658
Health Benefits Limited to Highly-Compensated Employees Deduction	155	\$38,671
Alternative Energy Production Credit	*	\$29,765
Historic Property Preservation Credit	13	\$29,281
Worker's Compensation Deduction	155	\$28,841
Student Scholarship Organization Credit	123	\$26,270
Elderly Care Credit	57	\$24,893
Business Purchases of Recycled Material Deduction	90	\$13,425
Temporary Emergency Lodging Credit	20	\$10,051
Innovative Education Credit	39	\$8,572
Dependent Care Assistance Credit	*	\$7,215
Child and Dependent Care Expenses Deduction	496	\$5,321
ABLE Account Deduction	35	\$4,244
Partial Exclusion of Capital Gains on Pre-1987 Installment Sales	12	\$3,291
Alternative Fuel Credit	12	\$3,129
Research Credit	*	\$3,068
Exempt Disability Retirement Income Deduction	37	\$2,408
Mineral Exploration Credit	*	\$2,020
Unlocking State Lands Credit	*	\$1,973
National Guard Life Insurance Premiums Deduction	28	\$1,325
Sales of Land to Beginning Farmers Deduction	*	\$195
Empowerment Zone Credit	0	\$0
Biodiesel Credits	0	\$0

* Not disclosed due to confidentiality concerns

Comparison of State Taxes

Sales and Excise Taxes

Not having a general sales tax significantly reduces the cost of administering Montana's tax system. In states that have both a general sales tax and an income tax, the costs of administering the two taxes generally are in the same range. Sales tax is collected by almost all businesses making retail sales and many businesses making wholesale sales. Thus, there are a large number of sales tax returns to process. And, significant effort is required to verify that an individual taxpayer has applied the tax to the correct transactions and collected and remitted the correct amount of tax.

Montana's selective sales and excise taxes generally have a relatively small number of taxpayers, ranging from a few hundred up to about 10,000. Processing and verifying individual returns can take significant resources. Some of these taxes have relatively high rates of errors on returns and verifying that the tax was applied to the correct sales can be time-consuming.

Severance Taxes

Most severance taxes have a small number of taxpayers and relatively simple returns. The oil and gas production tax is an exception. Part of the revenue from this tax is allocated to the county and school district where each well is located. This means that, in addition to the normal processing and verifying of returns, the department must calculate the distribution of revenue separately for each return.

Opportunities for Non-Compliance or Gamesmanship by Taxpayers

The more opportunities a tax has for non-compliance or gamesmanship the more expensive it will be to administer fairly, efficiently and effectively because the tax agency will have to spend more time auditing taxpayers, searching for non-filers and non-payers, and dealing with questionable appeals.

Property Tax

Taxpayers are responsible for reporting business equipment annually. The department attempts to identify new construction, but taxpayers are also asked to self-identify new construction or other changes to real estate. The only real opportunity for non-compliance for most property is a failure to report business equipment or new construction.

The appeals process offers some opportunities for gamesmanship. Taxpayers who appeal their assessments merely have to assert that the assessment is too high. They do not have to provide an alternative valuation. This essentially places the burden of proof on the department to explain and defend its valuation. There is also a procedural asymmetry. The department must argue that its valuation is correct, while the taxpayer argues that one or more components of the department's assessment result in a value that is too high. There is no party questioning whether the department's value might be too low. This can give taxpayers an incentive to appeal in the hope that the Tax Appeals Board or a court will find some reason to lower the department's assessment with essentially no risk that it will be raised. For homeowners and small businesses with limited resources and expertise this probably is not a significant problem. For large industrial taxpayers, the potential savings from significantly reducing property tax assessments can pay for in-house or hired expertise and drawn-out appeals. For these taxpayers, the structure of the appeals process makes it rational to automatically appeal in the hope that the Montana Tax Appeals Board or a court can be convinced that there is something wrong with the department's assessment or the department can be convinced to settle for a lower valuation.

Comparison of State Taxes

Personal Income Tax

Since the income tax is self-assessed, taxpayers have numerous opportunities not to comply with the tax. They can understate their income, overstate their deductions, and claim credits that they are not eligible for. When taxes are withheld from taxpayers' income and there is third-party reporting of income, taxpayers are much more likely to comply. Taxpayers must either risk a high probability of being caught or convince their employers to collude with them in evading tax. The IRS estimates that income is under-reported by less than 5 percent for types of income such as interest and dividends where the payer is required to report payments on a form 1099. For wages and salaries, where employers withhold tax and report income on form W-2, the IRS estimates that income is underreported by about 1 percent. The IRS estimates that income from sole-proprietor businesses and pass-through entities, where neither withholding nor third-party reporting is required, is underreported by at least 50 percent.

Sales and Excise Taxes

Since sales and excise taxes are included in the bill the taxpayer receives for another transaction, the ultimate taxpayer has little choice about complying. The main compliance issues with these taxes are vendors who do not collect the tax or do not remit tax they collect and ensuring that the tax is applied to the correct base. Sometimes new or temporary businesses do not collect a tax, either from ignorance or because they do not expect to be caught. Vendors sometimes do not apply tax to taxable transactions because they are misinformed. Vendors also sometimes collect tax from customers but either under-report sales or misreport some taxable sales as non-taxable.

With a general sales and use tax, the main compliance issue arises from out-of-state purchases. In all states with a general sales and use tax, the tax is on the buyer, but is collected by the seller. When a resident of a sales tax state buys something from an out-of-state seller, the buyer has a legal obligation to pay the tax, but the seller may not have a legal obligation to collect it. This is not a problem with Montana's selective sales and excise taxes.

Severance Taxes

Since severance taxes are self-reported, there are opportunities for non-compliance. Producers may not file returns because they are unaware of the tax or because they do not think they are likely to be caught. Producers may under-report production or under-report the value of production, particularly if there is no arms-length transaction to measure the value of production at the point in the process where the tax is imposed.

Fairness of Administration

Whether a tax is administered fairly is a different question than whether the tax is fair. A tax may be unfair if, for example, it imposes wildly different taxes on taxpayers in similar circumstances. Administration of a tax may be unfair if, for example, the cost to comply is much higher for some taxpayers than for others or if some group of taxpayers find it easy to evade the tax while others pay.

The property tax and the personal income tax are the two taxes that pose the greatest challenges for fairness in administration.

Property Tax

Two properties with the same value and in the same class should only have different property taxes if they face different local mill levies. This will be the case if the department's assessments of property value are uniform.

Assessing property values is a much more difficult and involved process than determining the tax base for

Comparison of State Taxes

other taxes. For most other taxes, the tax base is either the value of a market transaction, such as income earned or goods sold, or some physical quantity, such as tons of a mineral mined or packs of cigarettes sold.

For property tax, there is an observable, current market transaction only for a fraction of properties every year. For properties that have not sold recently, the department has to estimate the price at which they would sell. And even for properties that have sold recently, the department has to estimate how much, if any, the value changed between the date when it sold last and the reappraisal date.

The department has a number of tools for making these estimates. For residential property, the main tool is statistical modeling which uses the prices and characteristics of homes that have sold recently to estimate the contribution to a home's price of various characteristics such as location, size, age, number and type of rooms, type of construction, etc. Another tool is direct comparison with a limited number of similar properties that have sold recently. Other tools used for estimating the value of income-producing properties include estimates of the cost of constructing a similar building and estimating the present value of the stream of rent or other income that the property could produce.

For all of these appraisal tools, there is a trade-off between the effort and cost that goes into appraisal and the accuracy of the estimated value of individual properties. For example, statistical models do a good job of estimating the average value of a certain type of house in a certain neighborhood, but may not pick up unique features that make the value of a particular house higher or lower than average. Collecting additional information and using it to build more sophisticated models can lead to more accurate individual appraisals, but increases the cost of the appraisal process.

Personal Income Tax

The primary difficulty in administering the income tax fairly comes from differences in the ease of non-compliance for taxpayers in different circumstances. Taxpayers with income from wages and salaries, interest, corporate dividends, or pensions have their income reported to the IRS and the department and may have tax withheld from their payments. Taxpayers with income from a sole proprietor business or a pass-through entity do not have the same third-party reporting and withholding requirements. IRS research indicates that taxpayers whose income is not subject to third-party reporting or withholding under-report income and under-pay tax at much higher rates. Most credits and deductions also are based on information that is self-reported by the taxpayer with little or no third-party verification.

Maintaining acceptable compliance and fairness between taxpayers requires the department to audit and verify a sample of returns with items where there is no third-party verification and to search for non-filers. Increasing fairness of administration by reducing non-compliance by taxpayers with income, deduction, or credit items without third-party reporting can be done, but only by imposing additional costs, either on the department for additional auditing or on taxpayers through additional reporting requirements.

Competitive

People and businesses consider taxes and government services in deciding where to locate. State and local governments often compete by providing special tax treatment for specific industries or groups of residents. However, with their requirements to have a balanced budget, state and local governments can only cut taxes for one group by raising taxes for another or by cutting services. Governments can compete by giving special treatment to favored groups at the cost of higher taxes or fewer services for everyone else, or they can compete by efficiently providing a level of services that citizens want at the lowest possible cost.

Even without consciously competing, states make themselves more or less attractive to certain types of taxpayer because of their mix of taxes and the features of individual taxes. Taxpayers generally prefer the taxes they pay to be lower, and may not care about taxes they do not pay. For example, retirees may be attracted by low property taxes, while young families may find large income tax exemptions for dependents

attractive. Taxpayers may also be attracted by the quality of specific public services, such as schools or roads.

The next 12 tables show taxes per person and taxes per dollar of income received by state residents for the 50 states and the District of Columbia for the Fiscal Year ending June 30, 2016. Both tables show property taxes, sales and gross receipts taxes, individual and corporate income taxes, other taxes, and the total of all taxes. These tables show state and local taxes adjusted for the size of each state's population and the size of its economy. They also show the relative importance of each type of tax in each state.

These tables do not show taxes paid by a typical individual or the percent of income a typical individual pays in taxes. States differ in the shares of taxes paid by individuals and businesses and by residents and non-residents. Several organizations publish comparisons that attempt to adjust for these differences. The Tax Foundation⁷ attempts to adjust for taxes each state receives from out-of-state taxpayers. The District of Columbia⁸ compares taxes for hypothetical families in each state. The Institute on Taxation and Economic Policy⁹ estimates taxes as a percent of income for income groups in each state.

Accountability

In an accountable tax system, taxpayers know what they pay and what their taxes buy. Taxpayers also know how taxing and spending decisions are made and have the opportunity to participate in and influence those decisions.

Taxes differ in how obvious they are to taxpayers and in how easy it is for taxpayers to compare the amount they are paying for public services to the amount they pay for other goods and services. With taxes that are billed or that require taxpayers to file a periodic return, taxpayers can easily see the total amount they pay for the period. In the case of property taxes, the bill can also tell taxpayers what they are paying for particular public services, such as roads, schools, and public safety. With sales and excise taxes, it is much less obvious to a taxpayer how much they are paying per period. Even when excise taxes are stated on a bill, customers paying the bill are likely to be only vaguely aware of the amount of tax. When businesses are taxed with the intention that they pass the tax on to customers, the ultimate taxpayers will be unaware of the tax. When businesses are taxed to pay for public services that the businesses use, the cost will be passed on to customers in the same way as other costs of doing business.

In Montana, taxing and spending decisions are made by the Legislature and elected local officials. In addition, local property tax increases that exceed half the rate of inflation must be put to a vote.

The principles document also stresses that provisions of the tax code that have aims other than raising revenue should be explicit and should be reviewed regularly, ideally every budget cycle. Tax preferences are an alternative to spending as a way to accomplish legislative goals, and they should be given the same type of scrutiny. One of the tools of that scrutiny is a tax expenditure report. Such a report should explain each tax expenditure's purpose and how it works, measure its revenue cost, and evaluate its effectiveness and cost-effectiveness in accomplishing its purpose. Montana is one of the states that produce a periodic tax expenditure report. It is the last section of this Biennial Report.

7 <http://www.taxfoundation.org>

8 <http://cfo.dc.gov>

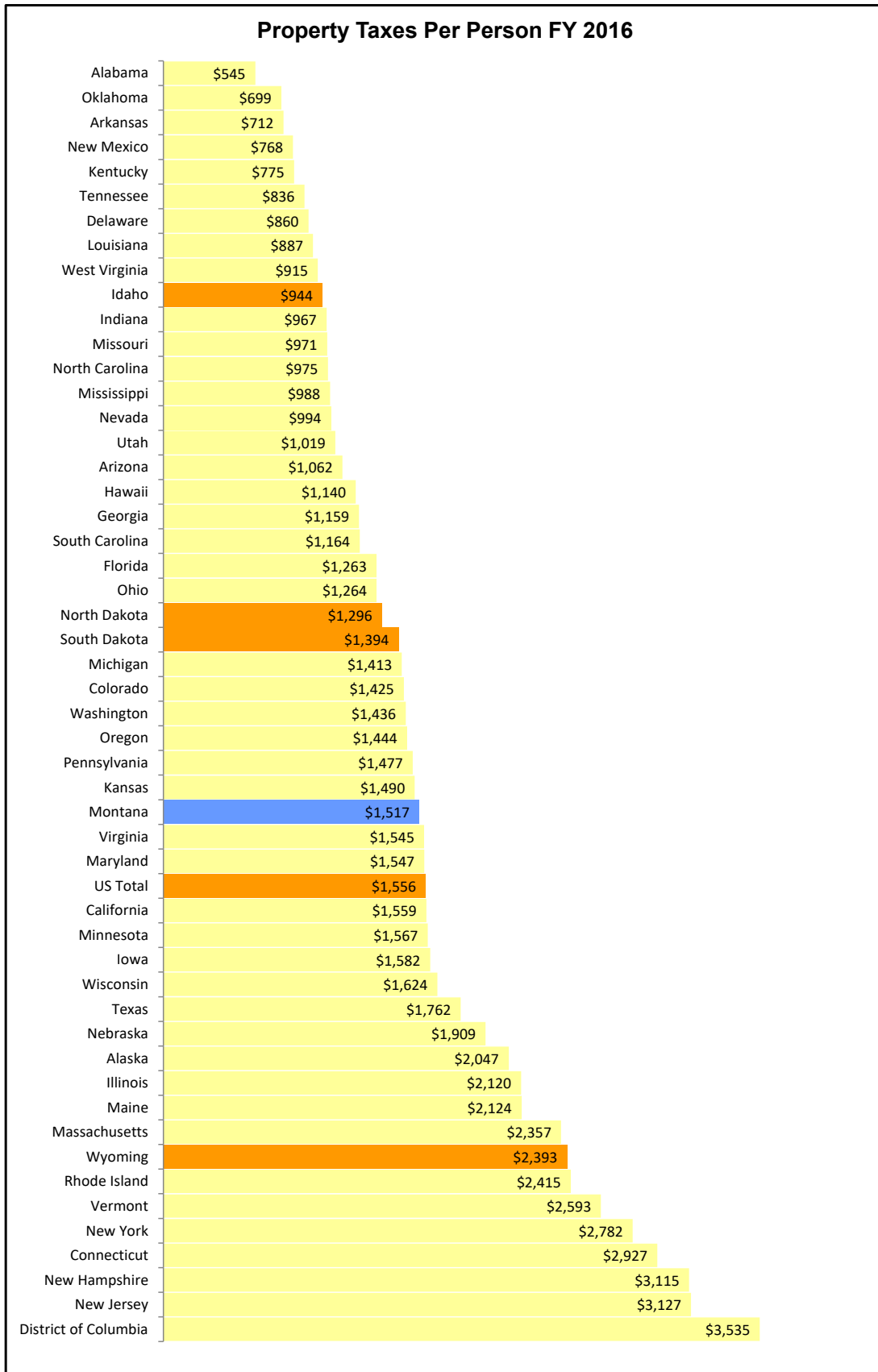
9 <http://www.itepnet.org>

Comparison of State Taxes

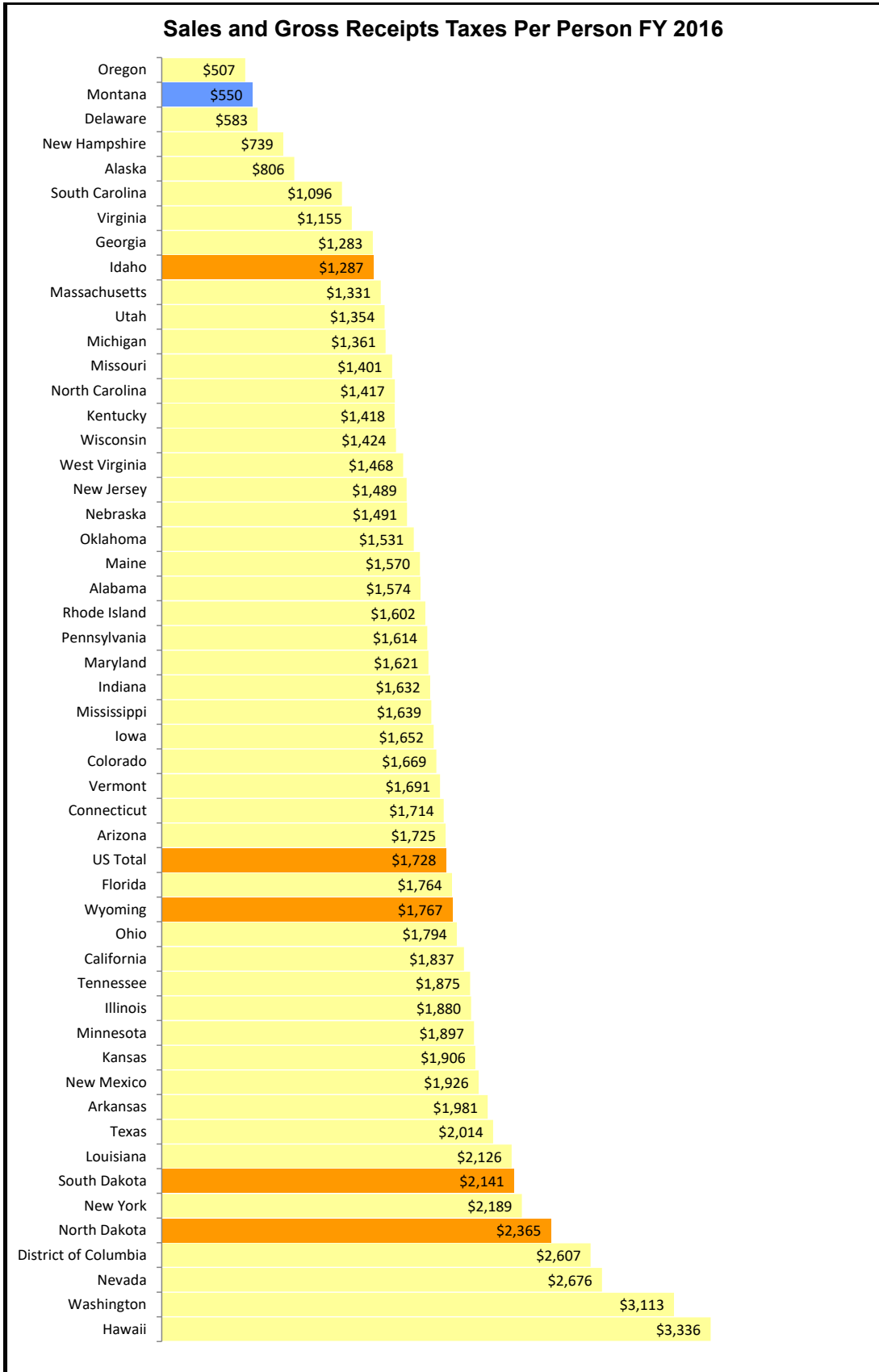
Taxes Per Person - FY 2016

State	Property Tax		Sales and Gross Receipts		Individual and Corporate Income Tax		Other Taxes		Total	
	\$	Rank	\$	Rank	\$	Rank	\$	Rank	\$	Rank
Average of All States	\$1,556		\$1,728		\$1,331		\$330		\$4,946	
Alabama	\$545	51	\$1,574	30	\$821	37	\$264	33	\$3,203	51
Alaska	\$2,047	12	\$806	47	\$286	44	\$673	5	\$3,812	40
Arizona	\$1,062	35	\$1,725	20	\$657	40	\$138	49	\$3,582	45
Arkansas	\$712	49	\$1,981	10	\$1,081	31	\$183	46	\$3,958	31
California	\$1,559	18	\$1,837	16	\$2,307	5	\$374	18	\$6,077	9
Colorado	\$1,425	26	\$1,669	23	\$1,286	22	\$241	38	\$4,622	23
Connecticut	\$2,927	4	\$1,714	21	\$2,307	6	\$272	31	\$7,220	3
Delaware	\$860	45	\$583	49	\$1,568	10	\$1,746	2	\$4,757	22
District of Columbia	\$3,535	1	\$2,607	4	\$3,601	1	\$1,098	4	\$10,841	1
Florida	\$1,263	31	\$1,764	19	\$110	46	\$340	24	\$3,478	47
Georgia	\$1,159	33	\$1,283	44	\$1,107	29	\$110	51	\$3,660	43
Hawaii	\$1,140	34	\$3,336	1	\$1,557	11	\$434	13	\$6,467	7
Idaho	\$944	42	\$1,287	43	\$1,018	33	\$265	32	\$3,514	46
Illinois	\$2,120	11	\$1,880	14	\$1,338	17	\$316	27	\$5,654	12
Indiana	\$967	41	\$1,632	26	\$1,142	27	\$131	50	\$3,872	37
Iowa	\$1,582	16	\$1,652	24	\$1,288	21	\$361	21	\$4,884	19
Kansas	\$1,490	22	\$1,906	12	\$903	34	\$196	44	\$4,494	26
Kentucky	\$775	47	\$1,418	37	\$1,449	15	\$181	47	\$3,823	39
Louisiana	\$887	44	\$2,126	8	\$648	41	\$227	43	\$3,888	36
Maine	\$2,124	10	\$1,570	31	\$1,270	23	\$264	34	\$5,227	15
Maryland	\$1,547	19	\$1,621	27	\$2,463	3	\$396	16	\$6,027	10
Massachusetts	\$2,357	9	\$1,331	42	\$2,457	4	\$324	26	\$6,469	6
Michigan	\$1,413	27	\$1,361	40	\$1,077	32	\$231	41	\$4,082	29
Minnesota	\$1,567	17	\$1,897	13	\$2,217	7	\$409	15	\$6,090	8
Mississippi	\$988	38	\$1,639	25	\$758	38	\$228	42	\$3,613	44
Missouri	\$971	40	\$1,401	39	\$1,119	28	\$191	45	\$3,682	42
Montana	\$1,517	21	\$550	50	\$1,252	24	\$505	9	\$3,824	38
Nebraska	\$1,909	13	\$1,491	33	\$1,338	16	\$349	23	\$5,087	16
Nevada	\$994	37	\$2,676	3	\$0	48	\$606	6	\$4,277	28
New Hampshire	\$3,115	3	\$739	48	\$590	43	\$373	19	\$4,818	20
New Jersey	\$3,127	2	\$1,489	34	\$1,736	9	\$357	22	\$6,709	4
New Mexico	\$768	48	\$1,926	11	\$731	39	\$466	11	\$3,891	35
New York	\$2,782	5	\$2,189	6	\$3,464	2	\$522	7	\$8,957	2
North Carolina	\$975	39	\$1,417	38	\$1,291	20	\$236	40	\$3,919	33
North Dakota	\$1,296	29	\$2,365	5	\$601	42	\$2,368	1	\$6,630	5
Ohio	\$1,264	30	\$1,794	17	\$1,172	26	\$244	37	\$4,473	27
Oklahoma	\$699	50	\$1,531	32	\$848	36	\$379	17	\$3,458	48
Oregon	\$1,444	24	\$507	51	\$2,051	8	\$505	8	\$4,508	25
Pennsylvania	\$1,477	23	\$1,614	28	\$1,551	12	\$416	14	\$5,058	17
Rhode Island	\$2,415	7	\$1,602	29	\$1,305	19	\$239	39	\$5,562	13
South Carolina	\$1,164	32	\$1,096	46	\$869	35	\$306	29	\$3,435	49
South Dakota	\$1,394	28	\$2,141	7	\$38	47	\$365	20	\$3,938	32
Tennessee	\$836	46	\$1,875	15	\$280	45	\$331	25	\$3,322	50
Texas	\$1,762	14	\$2,014	9	\$0	48	\$244	36	\$4,020	30
Utah	\$1,019	36	\$1,354	41	\$1,218	25	\$153	48	\$3,744	41
Vermont	\$2,593	6	\$1,691	22	\$1,329	18	\$291	30	\$5,904	11
Virginia	\$1,545	20	\$1,155	45	\$1,544	13	\$316	28	\$4,560	24
Washington	\$1,436	25	\$3,113	2	\$0	48	\$501	10	\$5,050	18
West Virginia	\$915	43	\$1,468	35	\$1,088	30	\$445	12	\$3,917	34
Wisconsin	\$1,624	15	\$1,424	36	\$1,468	14	\$254	35	\$4,770	21
Wyoming	\$2,393	8	\$1,767	18	\$0	48	\$1,384	3	\$5,545	14

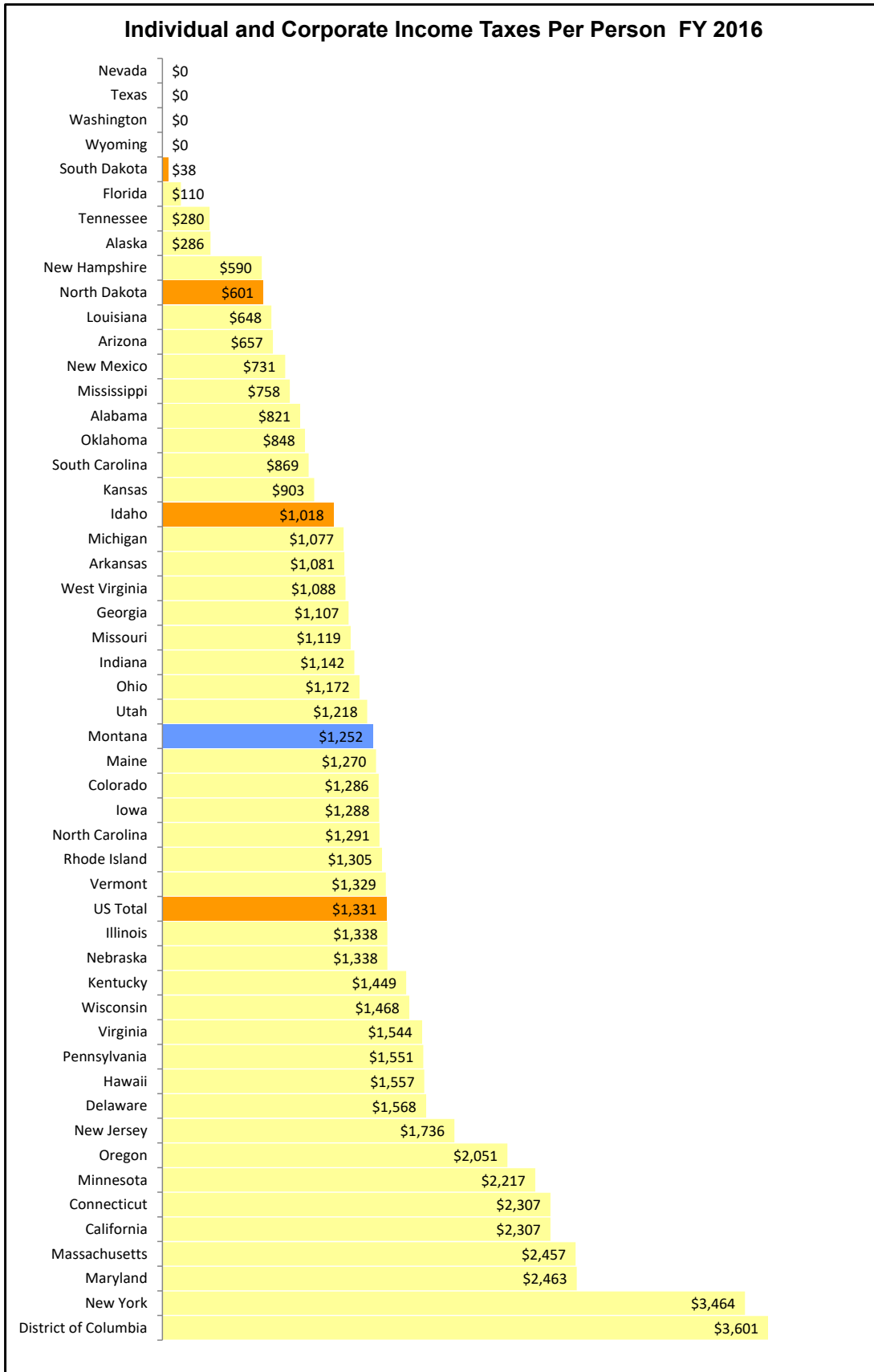
Comparison of State Taxes



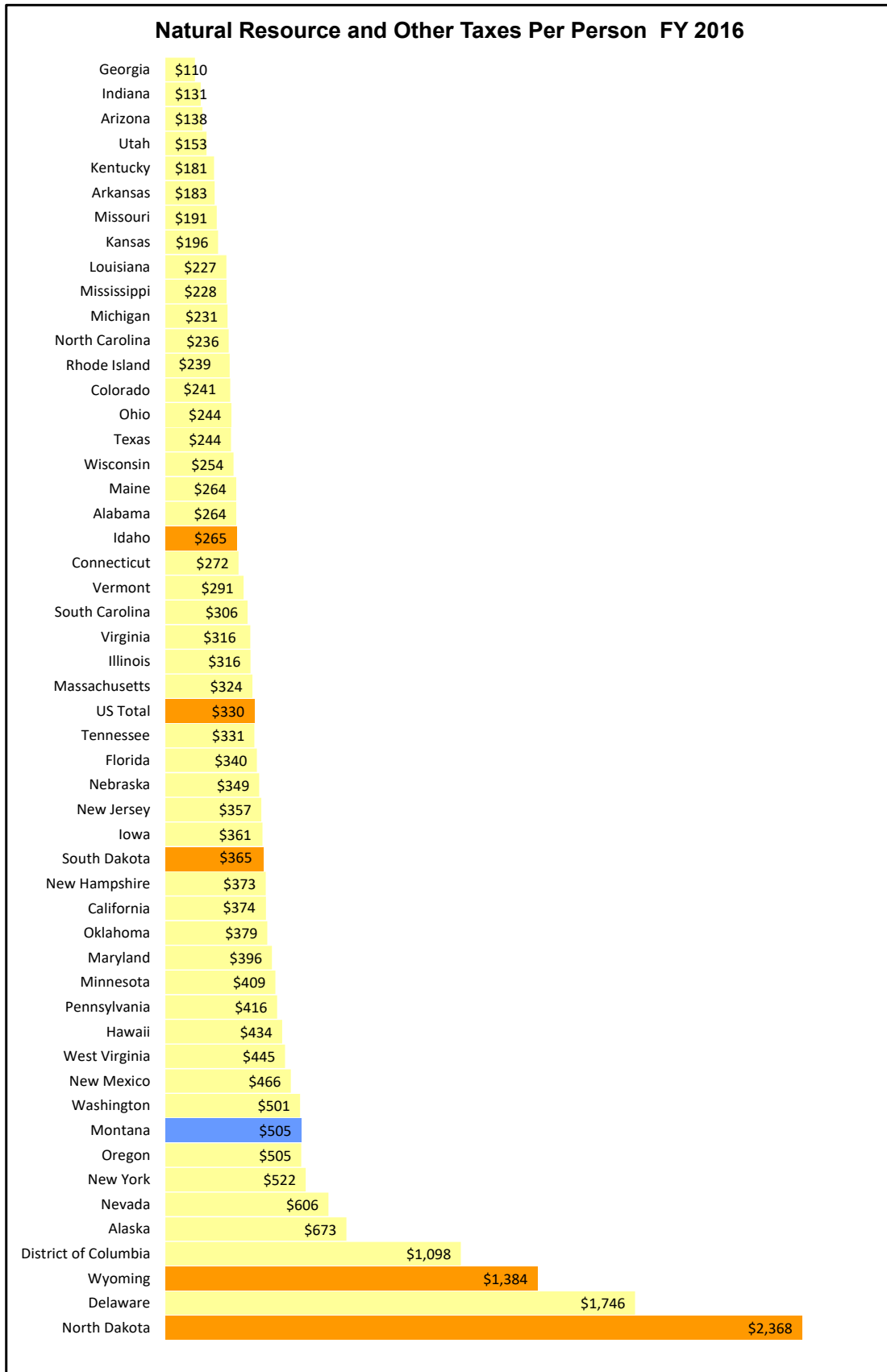
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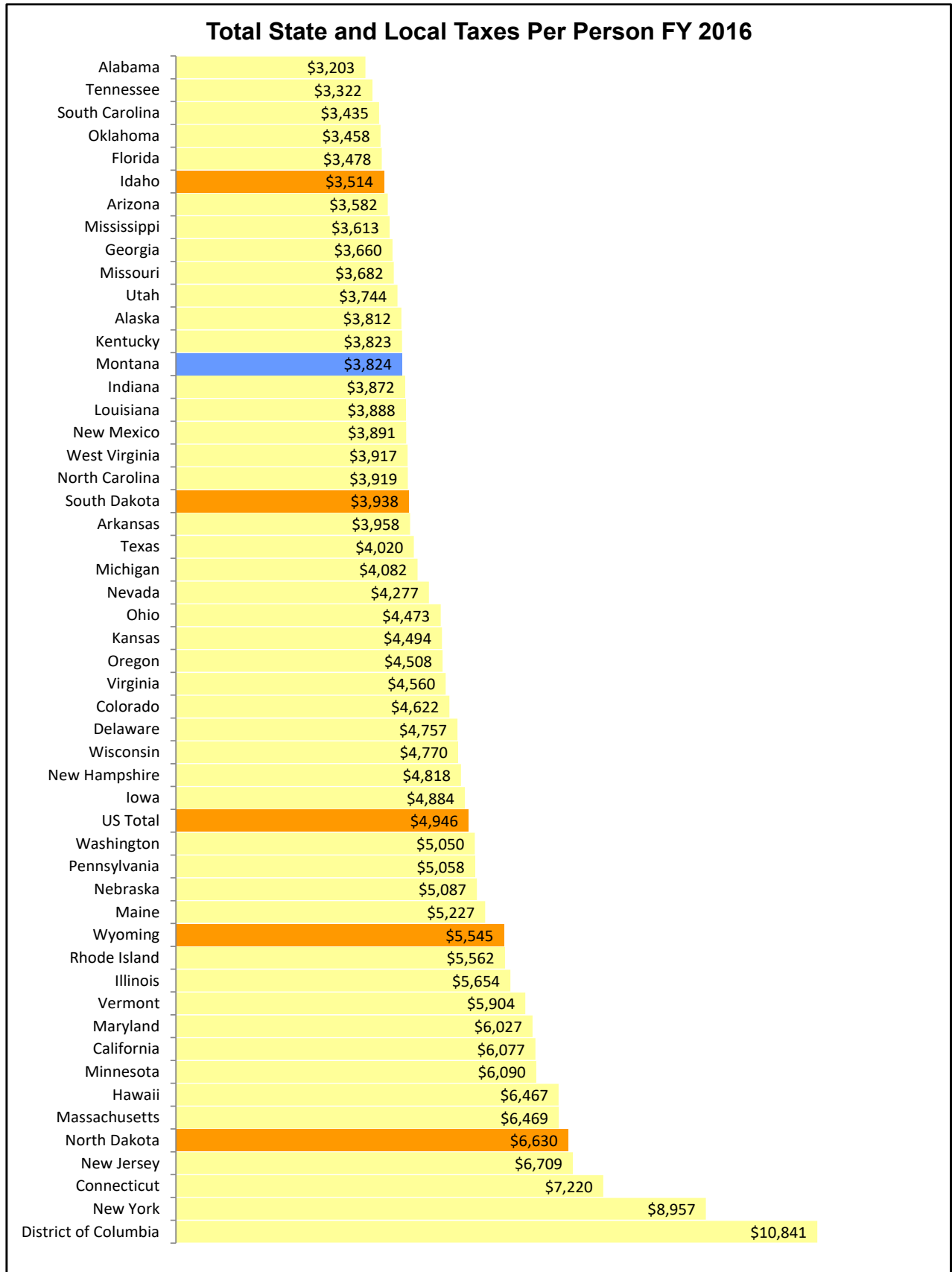
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Comparison of State Taxes



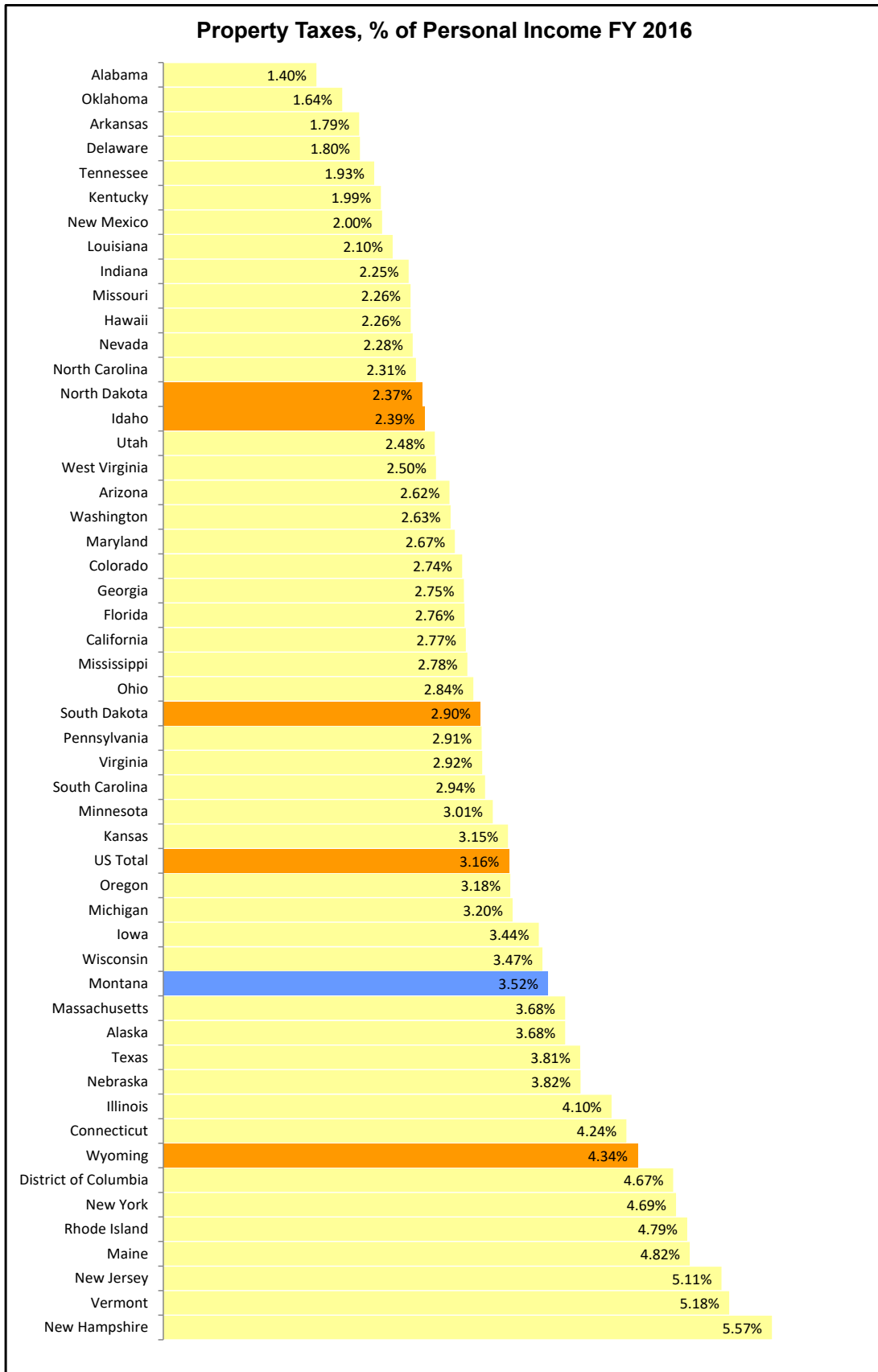
Comparison of State Taxes



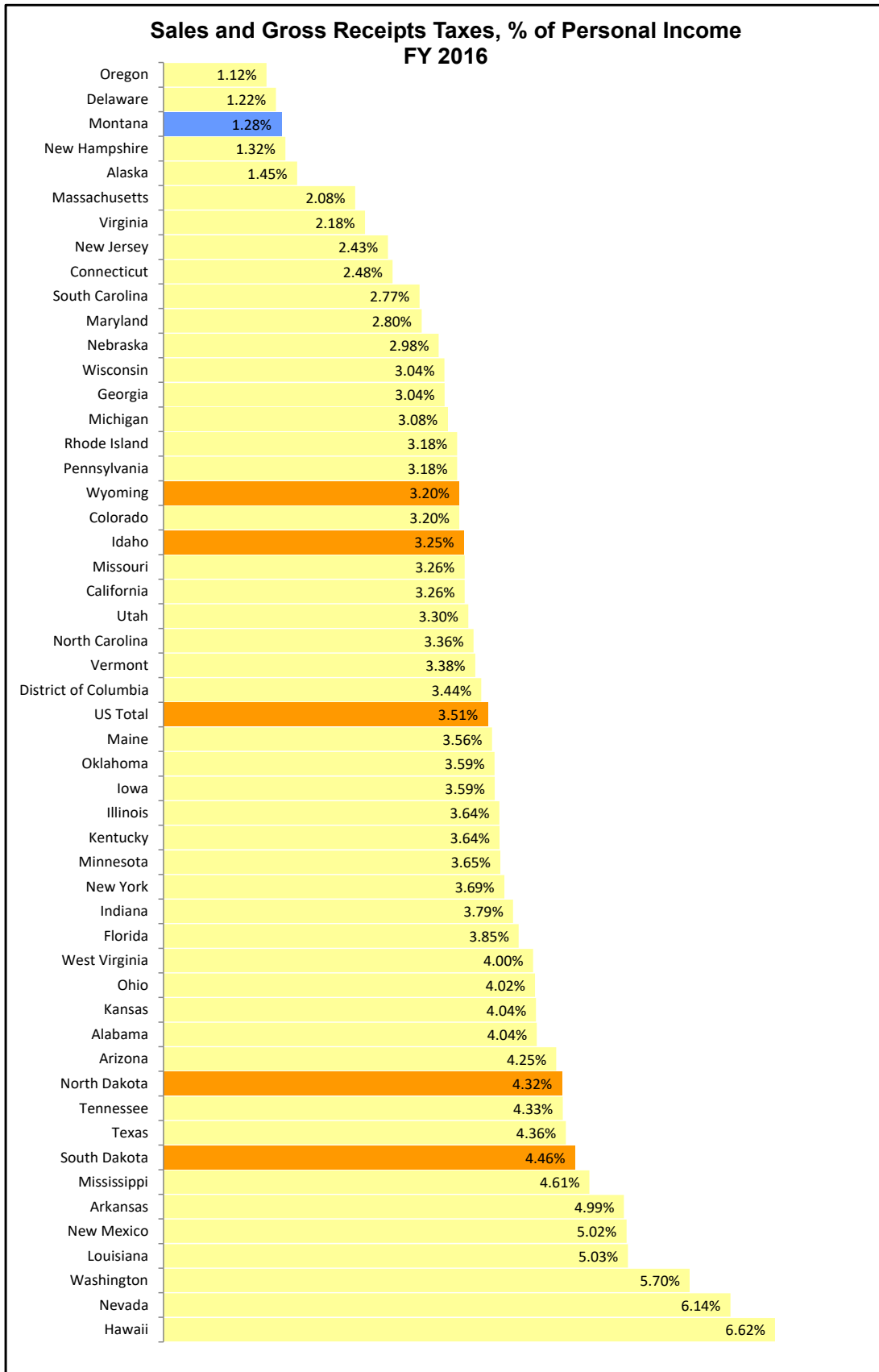
Comparison of State Taxes

Taxes as a Percent of Personal Income - FY 2016										
State	Property Tax		Sales and Gross Receipts		Individual and Corporate Income Tax		Other Taxes		Total	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Average of All States	3.16%		3.51%		2.71%		0.67%		10.05%	
Alabama	1.40%	51	4.04%	13	2.11%	36	0.68%	24	8.23%	46
Alaska	3.68%	13	1.45%	47	0.51%	45	1.21%	8	6.85%	51
Arizona	2.62%	34	4.25%	12	1.62%	40	0.34%	49	8.83%	39
Arkansas	1.79%	49	4.99%	6	2.72%	22	0.46%	44	9.96%	24
California	2.77%	28	3.26%	30	4.10%	6	0.66%	27	10.79%	11
Colorado	2.74%	31	3.20%	33	2.47%	32	0.46%	43	8.87%	37
Connecticut	4.24%	9	2.48%	43	3.34%	9	0.39%	47	10.45%	14
Delaware	1.80%	48	1.22%	50	3.28%	10	3.65%	2	9.94%	25
District of Columbia	4.67%	7	3.44%	26	4.75%	2	1.45%	4	14.31%	2
Florida	2.76%	29	3.85%	17	0.24%	46	0.74%	21	7.59%	50
Georgia	2.75%	30	3.04%	38	2.63%	27	0.26%	51	8.68%	42
Hawaii	2.26%	41	6.62%	1	3.09%	12	0.86%	14	12.84%	3
Idaho	2.39%	37	3.25%	32	2.57%	31	0.67%	25	8.89%	36
Illinois	4.10%	10	3.64%	22	2.59%	30	0.61%	29	10.94%	10
Indiana	2.25%	43	3.79%	18	2.65%	25	0.31%	50	8.99%	35
Iowa	3.44%	17	3.59%	23	2.80%	21	0.78%	17	10.60%	13
Kansas	3.15%	20	4.04%	14	1.91%	38	0.42%	46	9.52%	29
Kentucky	1.99%	46	3.64%	21	3.72%	8	0.47%	42	9.82%	27
Louisiana	2.10%	44	5.03%	4	1.53%	41	0.54%	37	9.20%	33
Maine	4.82%	4	3.56%	25	2.88%	19	0.60%	30	11.85%	5
Maryland	2.67%	32	2.80%	41	4.25%	5	0.68%	23	10.40%	15
Massachusetts	3.68%	14	2.08%	46	3.83%	7	0.50%	40	10.09%	20
Michigan	3.20%	18	3.08%	37	2.43%	33	0.52%	39	9.23%	32
Minnesota	3.01%	21	3.65%	20	4.26%	4	0.79%	16	11.71%	7
Mississippi	2.78%	27	4.61%	7	2.13%	35	0.64%	28	10.17%	18
Missouri	2.26%	42	3.26%	31	2.61%	28	0.44%	45	8.58%	45
Montana	3.52%	15	1.28%	49	2.90%	18	1.17%	9	8.87%	38
Nebraska	3.82%	11	2.98%	40	2.68%	23	0.70%	22	10.17%	17
Nevada	2.28%	40	6.14%	2	0.00%	48	1.39%	5	9.81%	28
New Hampshire	5.57%	1	1.32%	48	1.06%	43	0.67%	26	8.61%	44
New Jersey	5.11%	3	2.43%	44	2.83%	20	0.58%	32	10.96%	9
New Mexico	2.00%	45	5.02%	5	1.90%	39	1.21%	6	10.13%	19
New York	4.69%	6	3.69%	19	5.84%	1	0.88%	13	15.11%	1
North Carolina	2.31%	39	3.36%	28	3.06%	13	0.56%	34	9.29%	30
North Dakota	2.37%	38	4.32%	11	1.10%	42	4.32%	1	12.10%	4
Ohio	2.84%	26	4.02%	15	2.63%	26	0.55%	35	10.04%	22
Oklahoma	1.64%	50	3.59%	24	1.98%	37	0.89%	12	8.09%	48
Oregon	3.18%	19	1.12%	51	4.51%	3	1.11%	10	9.91%	26
Pennsylvania	2.91%	24	3.18%	35	3.06%	14	0.82%	15	9.97%	23
Rhode Island	4.79%	5	3.18%	36	2.59%	29	0.47%	41	11.04%	8
South Carolina	2.94%	22	2.77%	42	2.20%	34	0.77%	18	8.69%	41
South Dakota	2.90%	25	4.46%	8	0.08%	47	0.76%	20	8.20%	47
Tennessee	1.93%	47	4.33%	10	0.65%	44	0.76%	19	7.67%	49
Texas	3.81%	12	4.36%	9	0.00%	48	0.53%	38	8.70%	40
Utah	2.48%	36	3.30%	29	2.97%	15	0.37%	48	9.13%	34
Vermont	5.18%	2	3.38%	27	2.65%	24	0.58%	33	11.79%	6
Virginia	2.92%	23	2.18%	45	2.92%	17	0.60%	31	8.61%	43
Washington	2.63%	33	5.70%	3	0.00%	48	0.92%	11	9.24%	31
West Virginia	2.50%	35	4.00%	16	2.97%	16	1.21%	7	10.68%	12
Wisconsin	3.47%	16	3.04%	39	3.14%	11	0.54%	36	10.19%	16
Wyoming	4.34%	8	3.20%	34	0.00%	48	2.51%	3	10.05%	21

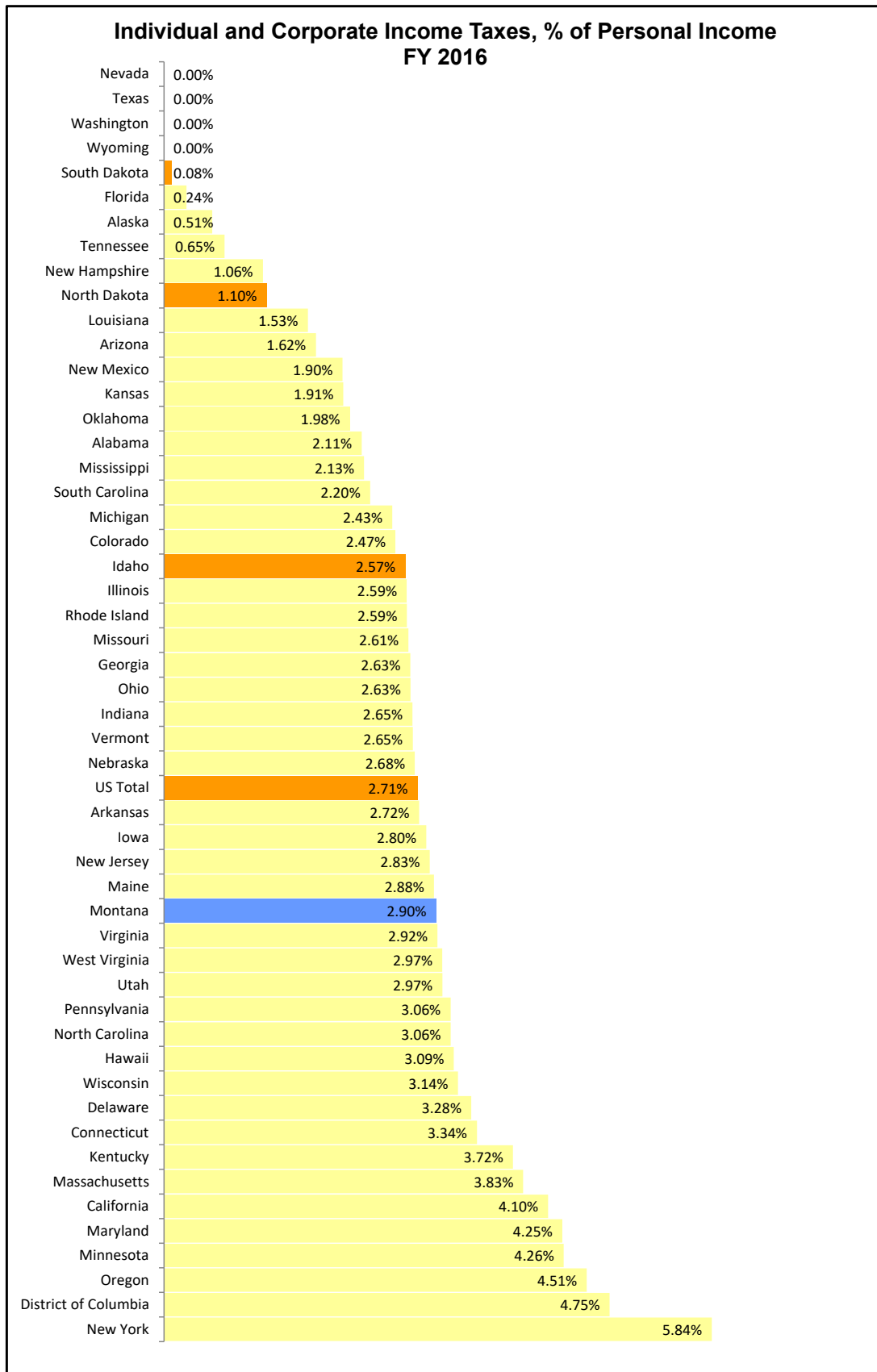
Comparison of State Taxes



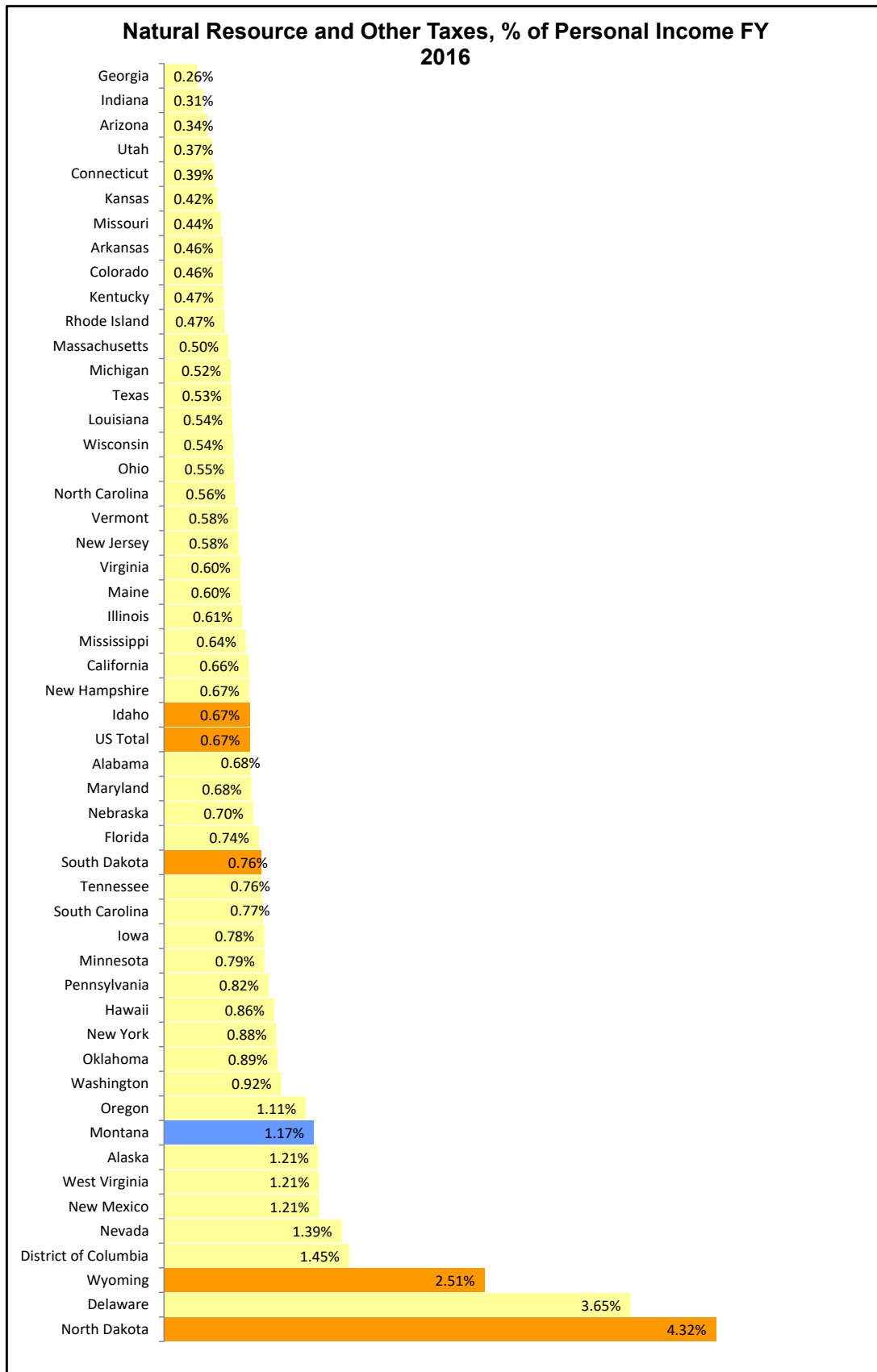
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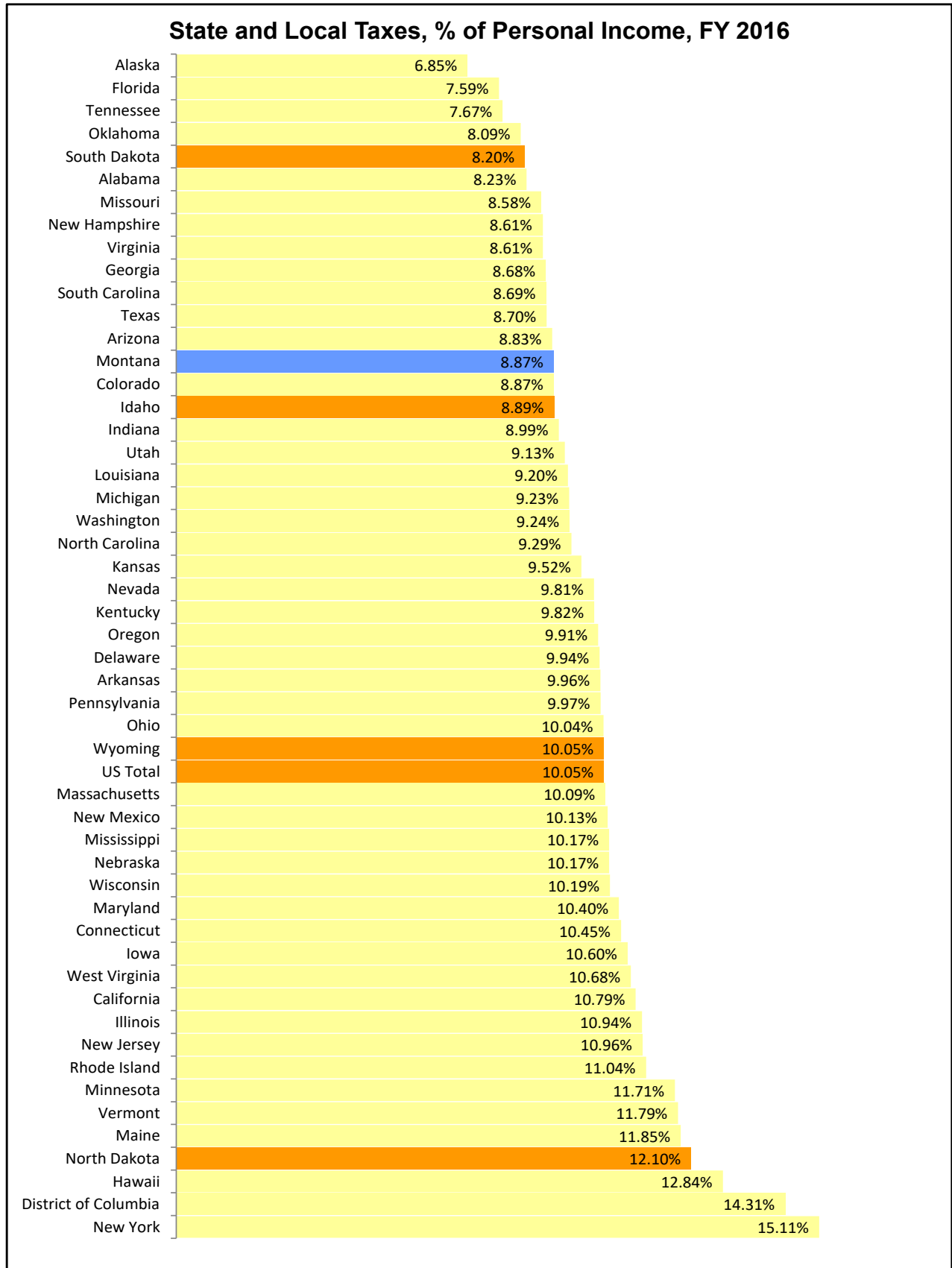
Comparison of State Taxes



Comparison of State Taxes



Comparison of State Taxes



INDIVIDUAL AND CORPORATE INCOME TAX

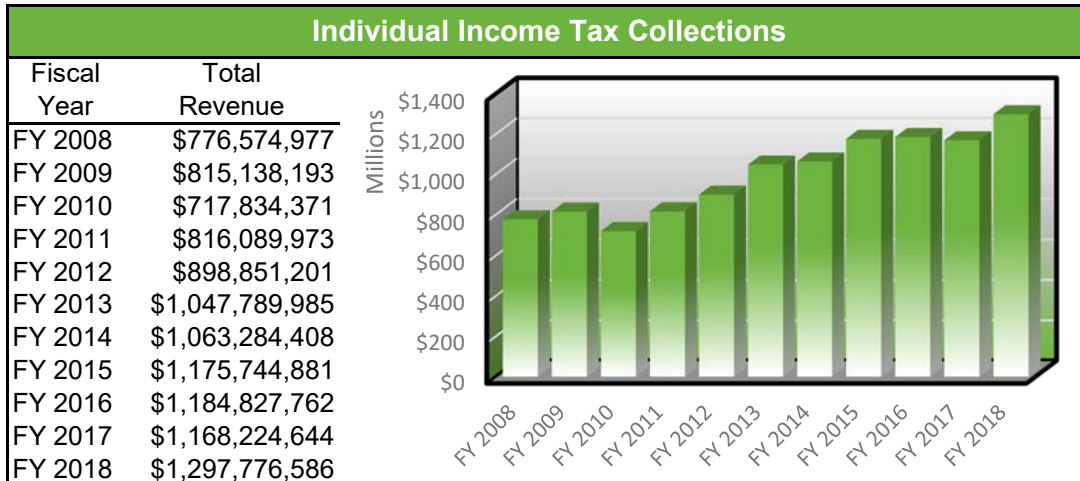


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Overview of Individual Income Tax

The individual income tax is the largest source of state tax revenue. All income tax revenue is allocated to the state general fund, accounting for 54 percent of general fund revenue for Fiscal Year 2018. Income tax revenue is collected primarily through withholding from wages and other periodic payments, quarterly estimated tax payments, and payments made when a return is filed.

The following tables show income tax revenue and return filings. Income tax revenue is closely related to the state economy. The large drop in revenue for Fiscal Year 2010 and in returns for 2009 is due to the national recession.



Income Tax Returns and Refunds
Timely Filed Current Year Returns

Calendar Year	Returns	Returns with Refund	Percent with Refund	Average Refund
2004	547,623	294,025	66%	\$468
2005	554,224	297,993	66%	\$491
2006	572,256	311,789	66%	\$464
2007	591,874	345,972	71%	\$506
2008	601,078	345,172	70%	\$598
2009	587,425	337,714	70%	\$545
2010	596,021	335,904	68%	\$532
2011	604,758	341,057	68%	\$538
2012	611,360	343,678	68%	\$523
2013	626,655	348,137	67%	\$532
2014	635,045	350,760	67%	\$536
2015	647,329	357,902	67%	\$546
2016	647,855	364,936	68%	\$578
2017	657,720	366,734	67%	\$591

The Legislature enacted the income tax in 1933 and has made major changes infrequently. The latest change was enacted in 2003 (effective 2005), and it reduced the number of rates, lowered the top rate, capped the itemized deduction for federal taxes, and provided preferential treatment for capital gains income.

Most differences between the federal and Montana income tax structure reflect the legislative decisions to allow married couples to file separate in Montana when the file jointly for federal tax purposes, and to use Montana specific additions, subtractions and deductions in determining Montana taxable income.

Overview of Individual Income Tax

Federal law provides different rate tables for married couples who file joint and separate returns, and couples generally have lower federal tax if they file a joint return. Most states either require couples to make the same choice between joint and separate returns as they did for their federal taxes, have different rate tables for joint and separate returns, or have a single tax rate so that the choice does not matter. Montana is one of only five states that do not have at least one of these provisions. Because of this, most two-income married couples find their tax is lower if they file a joint federal return and separate Montana returns. This is because when they file separately, the spouses can apply the lower brackets of the tax table twice on their combined income, instead of only once when they file jointly.

Montana also is one of only six states that allows a deduction for federal income taxes. Montana and two other states have a cap on the deduction, while the deduction is uncapped in three states. Most states do not allow this deduction because not having it allows lower rates. To raise the same revenue, a state that allows the deduction must have higher rates to compensate for the smaller tax base. The 2003 Legislature partially offset the revenue reduction from lower rates by capping the deduction for federal taxes.

Before 1981, the Legislature occasionally adjusted rate tables and other tax parameters for the effects of inflation. The 1981 Legislature assigned this task to the department, and each year the department adjusts rate brackets, standard deductions, personal exemptions, and the partial exemption for pension income for inflation. This prevents increases in individual tax liabilities that are due simply to inflation: Without this inflation adjustment, a person whose income just kept up with inflation would pay higher effective tax rates over time as inflation moved them to higher rate brackets.

Recent Legislative Changes to Individual Income Tax

The following bills passed by the 2015 Legislature affected the individual income tax:

House Bill 122 clarified that the wages of agricultural laborers are not subject to withholding.

House Bill 359 changed the schedule for inflation indexing of the rate table, personal exemption, standard deduction, and partial pension exemption. Beginning with 2016, the inflation indexing process began at the beginning of the tax year, rather than two-thirds of the way through the year, as was done before 2016.

House Bill 379 changed penalties and interest for late returns, late payments, or intentionally filing an inaccurate return to be more consistent with federal penalties and interest. It also reduced the time when the department may audit a return from five years to three years.

Senate Bill 175 expanded the credit for providing emergency lodging to victims of domestic violence. Previously, the credit was available for providing emergency lodging to an individual. This bill changed the wording to allow the credit for providing emergency lodging to a family.

Senate Bill 309 expanded the credit for allowing access across private land to isolated parcels of state land. It allowed the credit to be claimed for allowing access to national forest or U.S. Bureau of Land Management parcels.

Senate Bill 378 clarified the language exempting the military salaries of National Guard and Reserve members when they are called up for active duty or for homeland defense activity or a contingency operation.

Senate Bill 386 made changes to the circumstances where a pass-through entity is required to either file a composite return or make payments on behalf of its owners. It also reduced the maximum penalty for a pass-through entity failing to file a return.

Senate Bill 399 created a new type of tax-deferred savings account to be used to pay expenses of a family member with a disability. Deposits of up to \$3,000 a year and earnings retained in the account would be exempt from state income tax.

Senate Bill 410 provides a tax credit for contributions to organizations that give scholarships to private school students or to a state account to fund grants to public schools for supplemental programs.

The following bills passed by the 2017 Legislature affected the individual income tax:

House Bill 42 changed the due date for partnership returns from the 15th day of the fourth month after the end of the tax year to the 15th day of the third month.

House Bill 63 changed the filing date for forms MW-3, RW-3 and related W-2 and 1099s from February 28th to January 31st.

House Bill 137 removed references to the Insure Montana tax credit from the state's statutes. It also extended the Securities Restitution Assistance Fund end date to July 1, 2021.

House Bill 175 increased the deduction for contributions to medical savings accounts from \$3,000 to \$3,500 in Tax Year 2018 and \$4,000 for 2019. The bill also requires the amount to be adjusted for inflation each tax year after 2019. The bill also limits contributions to the medical savings accounts to the deductible amount. Finally, the bill also changed medical savings accounts to allow the funds to be withdrawn for long-term care, long-term care insurance and family leave expenses.

House Bill 308 created a non-refundable tax credit of \$750 per apprentice, and \$1,500 per veteran apprenticeship, for employers who participate in a Department of Labor and Industry registered apprenticeship program. The credit becomes available to employers in Tax Year 2018.

Calculation of Individual Income Tax

House Bill 391 created a state earned income tax credit that is equal to 3 percent of the federal earned income tax credit. The credit is fully refundable and is available starting Tax Year 2019.

House Bill 498 extended the termination date of the unlocking state lands credit from the end of Tax Year 2020 to the end of 2027.

House Bill 511 revises the Multistate Tax Compact to allow the market sourcing of sales when apportioning the Montana source income of some pass-through businesses.

House Bill 574 allows some individual income taxpayers to deduct wages, salaries, or business expenses from Montana income when the expenses cannot be deducted at the federal level, due to the taxpayer claiming a credit.

House Bill 597 created a deduction for taxpayers on their income taxes for donations made to the state's public land access network grant program.

Senate Bill 10 repealed the income tax credit for residential property tax on a principal residence.

Senate Bill 138 extended the time a taxpayer can claim an income tax refund to one year after the overpayment or filing of the income tax return.

Senate Bill 252 expands the current waiver from having to file a composite return, or withholding tax, for certain second-tier pass-through entities to qualifying C Corporations and other entities.

Calculation of Individual Income Tax

Calculation of Montana individual income tax begins with the taxpayer's Federal Adjusted Gross Income. Several adjustments are made to determine Montana Adjusted Gross Income:

- Income taxed by the state but exempted by the federal government is added.
- Income exempted by the state but taxed by the federal government is subtracted.
- Deposits to Montana tax-advantaged savings accounts are subtracted.
- Taxable withdrawals from Montana tax-advantaged savings accounts are added.
- Net adjustments from filing a joint federal return and separate state returns are added.
- Recoveries of costs deducted in previous years (primarily refunds of federal taxes previously deducted) are added.

The values of the taxpayer's exemptions and either itemized or standard deductions are subtracted from Montana Adjusted Gross Income to determine Montana Taxable Income. The state's standard deduction amount is set at 20 percent of the taxpayer's Montana Adjusted Gross Income, with minimum and maximum deduction amounts set. The value of exemptions and maximum and minimum standard deductions are adjusted for inflation each year.

Personal Income Tax Exemptions and Deductions					
Tax Year	Exemption Amount	Single and Separate Returns		Joint Returns	
		Min. Standard Deduction	Max. Standard Deduction	Min. Standard Deduction	Max. Standard Deduction
2014	\$2,330	\$1,940	\$4,370	\$3,880	\$8,740
2015	\$2,330	\$1,940	\$4,370	\$3,880	\$8,740
2016	\$2,380	\$1,980	\$4,460	\$3,960	\$8,920
2017	\$2,410	\$2,000	\$4,510	\$4,000	\$9,020
2018	\$2,440	\$2,030	\$4,580	\$4,060	\$9,160

Income, Deductions, Credits, and Tax Liability

Tax liability is calculated from the rate table. The rate table shows tax rates to apply to taxable income, i.e. income after making all federal and state adjustments and subtracting exemptions and deductions. The rate table is adjusted for inflation each year. The following table shows the upper limit on taxable income subject to each rate.

Marginal Tax Rate Income Limits					
Tax Year	2014	2015	2016	2017	2018
1.0%	\$2,800	\$2,800	\$2,900	\$2,900	\$3,000
2.0%	\$5,000	\$5,000	\$5,100	\$5,200	\$5,200
3.0%	\$7,600	\$7,600	\$7,800	\$7,900	\$8,000
4.0%	\$10,300	\$10,300	\$10,500	\$10,600	\$10,800
5.0%	\$13,300	\$13,300	\$13,500	\$13,600	\$13,900
6.0%	\$17,100	\$17,100	\$17,400	\$17,600	\$17,900
6.9%	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

Any credits the taxpayer may claim are subtracted from the tax liability to give the net tax. Non-refundable credits can partially or completely offset a taxpayer's tax liability. Refundable credits can more than offset a taxpayer's tax liability so that the taxpayer receives a payment from the state general fund rather than paying tax. Taxpayers with capital gains income are allowed a non-refundable credit equal to 2 percent of their capital gains. In effect, this credit reduces the taxes on capital gains to a maximum rate of 4.9 percent, compared to the maximum rate of 6.9 percent for other types of income. Other credits generally are a percentage of a certain type of qualifying expenditure the taxpayer has made.

The next six tables show information about individual line items on timely-filed full-year residents' income tax returns for 2016 and 2017. For each line item, the table shows the count of the number of returns with a value on that line and the sum of those values. The total in each counts column is the number of returns with a number on at least one line. It is not the sum of the counts for individual lines.

Information in these tables is from unaudited returns as filed by taxpayers. It does not reflect changes or adjustments that taxpayers or the department may make after the extension filing deadline. It also does not include information from late-filed returns.

Income, Deductions, Credits, and Tax Liability

Montana Individual Income Tax Income Reported on Full-Year Residents' Returns 2016 and 2017				
	2016		2017	
	Count	Total	Count	Total
Income Items				
Wage and salary income	440,429	\$16,791,932,650	444,434	\$17,474,821,673
Taxable interest income	184,220	\$295,852,987	192,536	\$297,882,239
Ordinary dividend income	117,897	\$690,231,697	120,354	\$774,329,625
Taxable refunds of state/local income taxes	103,029	\$111,925,258	102,120	\$109,337,852
Alimony received	814	\$16,123,328	773	\$15,181,215
Business income (Schedule C)	78,872	\$862,601,508	80,309	\$886,398,751
Capital gains income	114,704	\$1,616,569,882	120,423	\$2,188,181,373
Ordinary income gains	16,429	\$80,014,927	16,491	\$107,080,958
IRA distributions - Taxable amount	57,554	\$782,897,577	61,137	\$870,507,097
Pension and annuity income - Taxable amount	104,443	\$2,215,680,872	106,410	\$2,322,603,691
Rent, royalty, partnership, etc. income	103,650	\$2,650,879,193	103,393	\$2,552,538,401
Farm income	18,555	-\$230,848,734	18,330	-\$231,614,976
Unemployment compensation	23,794	\$94,926,088	22,084	\$87,578,113
Taxable social security benefits	89,908	\$981,544,899	95,137	\$1,072,023,315
Other income	33,488	-\$545,398,888	33,685	-\$551,154,101
Total income	561,552	\$26,414,933,244	569,228	\$27,975,695,226
Federal Adjustments to Income				
Educator expenses	10,969	\$2,563,221	10,646	\$2,542,462
Business expenses	766	\$2,149,868	706	\$1,962,930
Health savings account deduction	12,408	\$41,310,075	12,737	\$43,149,496
Moving expenses	2,925	\$5,160,564	2,652	\$4,753,851
One-half self-employment tax	64,296	\$88,099,153	64,881	\$89,951,840
Self-employed SEP, SIMPLE, and qual. plans	2,804	\$50,148,146	2,805	\$51,530,999
Self-employed health insurance deduction	25,897	\$145,127,725	24,739	\$152,651,623
Penalty on early withdrawal of savings	1,599	\$280,108	1,628	\$314,640
Alimony paid	1,189	\$18,942,254	1,174	\$18,847,494
IRA deduction	15,393	\$66,073,642	15,302	\$67,053,676
Student loan interest deduction	49,805	\$46,125,127	50,616	\$46,843,507
Tuition & fees deduction	5,330	\$11,292,573	3,654	\$7,716,922
Domestic production activities deduction	8,039	\$57,962,441	7,635	\$57,849,388
Federal write-ins	222	\$1,571,465	263	\$1,645,204
Total adjustments to income	148,923	\$536,806,362	148,824	\$546,814,032
Federal Adjusted Gross Income	561,634	\$25,878,126,882	569,324	\$27,428,881,194

Income, Deductions, Credits, and Tax Liability

Montana Individual Income Tax Additions Reported on Full-Year Residents' Returns 2016 and 2017				
	2016		2017	
	Count	Total	Count	Total
Montana Additions to Federal Adjusted Gross Income				
Interest on other states' municipal bonds	19,349	\$95,925,034	19,639	\$89,749,187
Dividends not included in FAGI	1,057	\$633,479	931	\$467,217
Taxable federal refunds	79,838	\$109,638,481	83,053	\$116,256,063
Recoveries of amounts deducted in earlier years	135	\$382,825	212	\$277,561
Additions to federal taxable social security or railroad retirement	9,689	\$16,592,639	9,893	\$17,622,237
Allocation of compensation to spouse	375	\$6,824,402	350	\$5,832,675
Medical savings account nonqualified withdrawals	57	\$93,482	73	\$122,519
First-time homebuyer's account nonqualified withdrawals	14	\$27,839	*	\$11,317
Farm and ranch risk management account taxable distributions	*	\$3,500	*	\$0
Dependent care assistance credit adjustment	34	\$74,913	48	\$96,664
Smaller federal estate and trust taxable distributions	76	\$177,318	69	\$180,223
Federal net operating loss carryover	5,121	\$553,978,303	5,587	\$585,869,318
Federal taxes paid by your S. corporation	45	\$202,147	59	\$214,057
Title plant depreciation	*	\$0	*	\$1,413
Other additions	2,539	\$13,266,865	2,511	\$14,102,800
Total Montana Additions	106,612	\$797,821,227	110,424	\$830,803,251
* Not disclosed due to confidentiality concerns				
Montana Individual Income Tax Subtractions Reported on Full-Year Residents' Returns 2016 and 2017				
	2016		2017	
	Count	Total	Count	Total
Montana Subtractions from Federal Adjusted Gross Income				
Federal bonds exempt interest	19,244	\$23,737,395	21,259	\$25,990,828
Exempt tribal income	6,336	\$216,137,415	6,248	\$254,049,703
Exempt unemployment compensation	23,794	\$94,926,088	22,084	\$87,578,113
Exempt worker's comp benefits	124	\$699,707	155	\$774,048
Capital gains from small business investment companies	13	\$24,738	*	\$1,449,364
State tax refunds included in FAGI	103,014	\$111,911,544	102,088	\$109,313,706
Recoveries of amounts deducted in earlier years	14	\$102,822	16	\$87,493
Exempt active duty military salary	4,621	\$174,056,632	4,735	\$180,870,093
Nonresident exempt military income	144	\$5,389,119	111	\$4,919,395
Exempt life insurance premiums reimbursement (National Guard)	28	\$15,633	28	\$28,304
Exempt pension income	47,308	\$173,070,990	47,059	\$173,734,004
Elderly interest exclusion	75,163	\$30,687,228	80,940	\$33,284,834
Exempt retirement disability income (under age 65)	37	\$171,297	37	\$170,951
Exempt tip income	19,418	\$71,768,259	20,945	\$80,661,372
Exempt income of child taxed to parent	135	\$498,424	150	\$351,252
Exempt health insurance premiums taxed to employee	139	\$563,180	165	\$646,073
Student loan repayments taxed to health care professional	435	\$1,278,928	462	\$1,315,847
Medical care savings account exempt deposits	7,750	\$19,419,283	7,817	\$19,759,187
First-time homebuyer exempt savings account deposits	256	\$706,088	255	\$691,899
Family education savings account exempt deposits	4,744	\$11,083,019	5,187	\$12,361,878
ABLE account exempt deposits	20	\$42,190	42	\$78,670
Farm and ranch risk management accounts exempt deposits	*	\$1,941	*	\$1,056
Subtraction to federal taxable social security/Tier 1 railroad retirement	41,878	\$187,960,115	43,058	\$195,388,439
Subtraction for federal taxable Tier II railroad retirement	3,062	\$48,318,083	3,135	\$50,097,081
Subtraction for spouse filing joint return: passive loss carryover	44	\$272,056	42	\$388,522
Subtraction for spouse filing joint return: capital loss adjustment	1,021	\$2,205,698	1,146	\$3,194,491
Allocation of compensation to spouse	377	\$6,849,766	351	\$5,835,675
Montana net operating loss carryover	3,538	\$335,530,053	3,845	\$364,609,113
40% capital gain exclusion on pre-1987 installment sales	37	\$166,133	14	\$75,280
Business expense of recycled material	118	\$327,567	100	\$279,218
Sales of land to beginning farmers	*	\$27,569	*	\$4,377
Larger federal estate and trust taxable distributions	249	\$751,486	300	\$1,557,038
Wage deduction reduced by federal targeted jobs credit	42	\$234,434	59	\$559,348
Certain gains recognized by liquidating corporation	*	\$188,516	*	\$17,361
Other subtractions	4,000	\$162,303,303	3,516	\$178,548,038
Total Montana Subtractions	249,013	\$1,681,426,699	252,470	\$1,788,672,051
* Not disclosed due to confidentiality concerns				

Income, Deductions, Credits, and Tax Liability

Montana Individual Income Tax Deductions Reported on Full-Year Residents' Returns 2016 and 2017				
	2016		2017	
	Count	Total	Count	Total
Deductions				
Deductible medical expenses	57,749	\$293,717,332	62,282	\$307,625,176
Medical insurance premiums not deducted elsewhere	119,445	\$445,884,104	120,710	\$473,418,359
Long-term care insurance premiums	13,309	\$30,987,121	13,020	\$30,898,836
Federal Income Tax				
Federal income tax withheld*	284,041	\$2,079,268,149	292,337	\$2,228,448,744
Federal income tax estimated payments*	53,029	\$891,748,134	53,215	\$887,518,427
Last year's federal income tax paid (e.g. with return)*	72,620	\$795,786,733	69,141	\$512,524,941
Federal income tax from previous years*	4,518	\$20,685,669	4,771	\$23,267,963
Total federal income tax deduction	313,779	\$1,325,330,899	321,141	\$1,367,118,010
State or local sales tax	450	\$441,878	527	\$669,560
Local income taxes	417	\$125,825	506	\$163,412
Real estate taxes	220,880	\$491,661,308	225,604	\$542,165,526
Personal property taxes	176,536	\$58,464,448	179,538	\$61,716,979
Other deductible taxes	17,666	\$6,342,633	16,412	\$6,262,752
Home mortgage interest	166,068	\$909,386,335	168,358	\$932,109,767
Qualified mortgage insurance premiums	24,647	\$29,761,138	13,085	\$15,411,102
Investment interest	7,882	\$28,383,859	7,761	\$29,594,202
Contributions by cash or check	170,477	\$502,946,119	171,371	\$490,356,062
Contributions other than cash or check	82,231	\$148,637,209	82,012	\$118,484,126
Carryover of contributions from previous years	3,228	\$33,937,186	3,647	\$42,384,106
Child and dependent care expenses	591	\$1,206,246	530	\$1,093,360
Casualty and theft losses	328	\$6,744,568	286	\$5,112,316
Business Expenses				
Unreimbursed employee business expenses*	61,627	\$187,415,856	59,664	\$188,650,789
Other business expenses*	147,083	\$174,174,795	149,261	\$180,605,354
Total business expenses*	169,765	\$361,590,651	171,946	\$369,256,143
Net deductible unreimbursed business expenses	59,851	\$248,206,025	59,645	\$250,808,301
Political contributions	11,123	\$1,055,050	8,957	\$838,756
All other miscellaneous deductions not subject to 2% floor	2,054	\$7,242,057	1,893	\$5,298,965
Gambling losses	<u>1,614</u>	<u>\$21,202,780</u>	<u>1,644</u>	<u>\$24,498,818</u>
Total itemized deductions	337,190	\$4,591,664,120	345,356	\$4,706,078,491
Unallowed itemized deductions (due to income over threshold)	9,770	\$63,170,821	10,619	\$64,656,342
Allowable itemized deductions	337,190	\$4,528,493,299	345,356	\$4,641,422,149
Standard deductions	<u>207,795</u>	<u>\$846,396,140</u>	<u>206,961</u>	<u>\$858,991,800</u>
Total deductions	560,382	\$5,374,889,439	568,087	\$5,500,413,949

* Items either are part of another line or include another line. They are not part of the total.

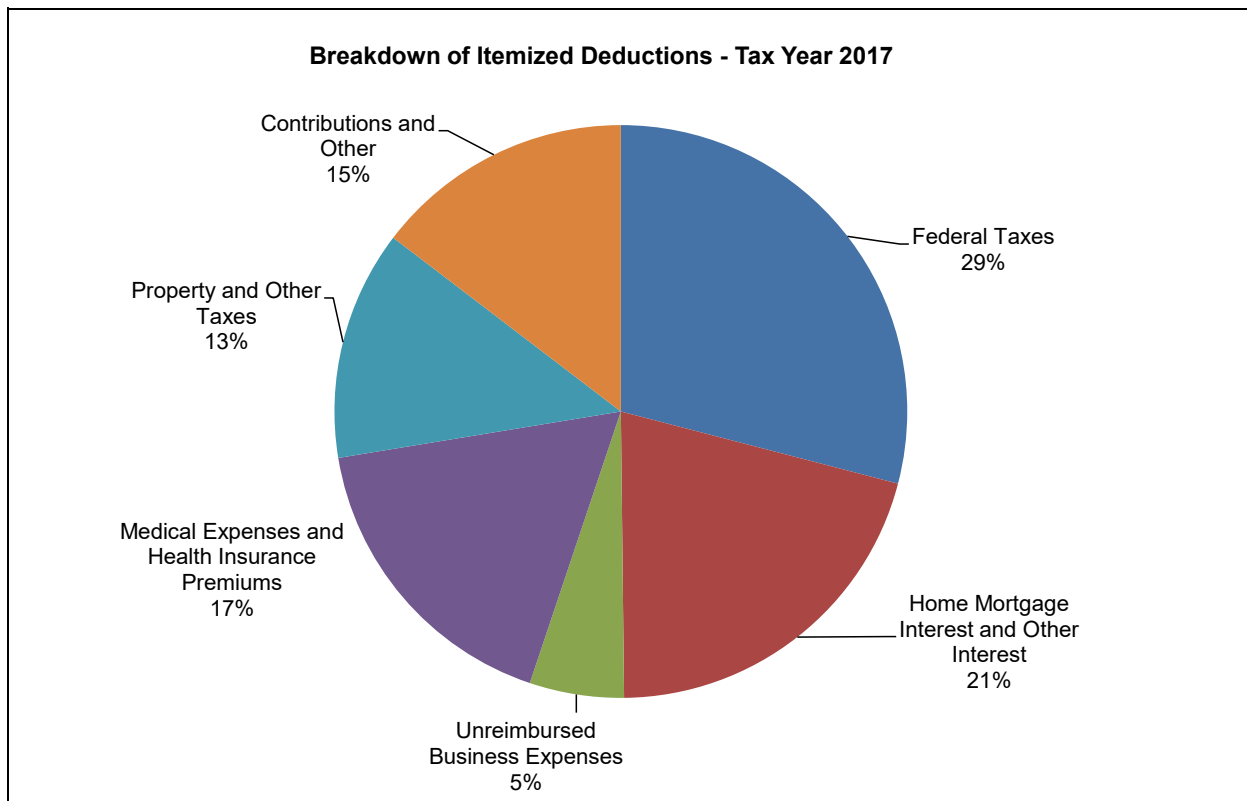
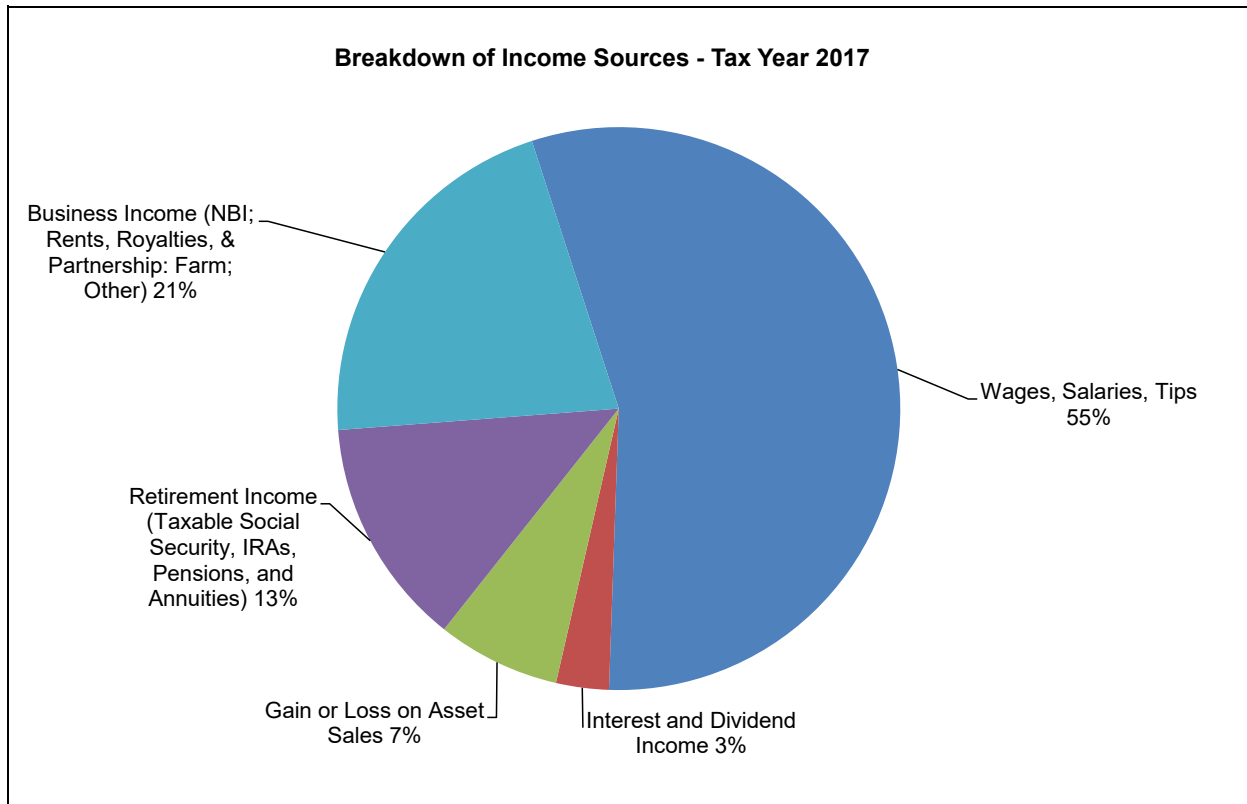
Income, Deductions, Credits, and Tax Liability

Montana Individual Income Tax Exemptions, Taxable Income, Tax, and Payments Reported on Full-Year Residents' Returns 2016 and 2017				
	2016		2017	
	Count	Total	Count	Total
Exemptions *				
Self Exemption		563,809		571,634
Self 65 and Over Exemption		115,259		121,298
Self Blind Exemption		1,039		1,085
Total Taxpayer Exemptions	563,809	680,098	571,634	694,017
Spouse Exemption		86,057		84,011
Spouse 65 and Over Exemption		25,194		25,167
Spouse Blind Exemption		238		188
Total Spouse Exemptions	86,057	111,485	84,011	109,366
Dependent Exemptions	131,402	238,573	132,077	239,621
Total Exemptions	563,801	1,030,156	571,634	1,043,004
Value of Exemptions		\$2,451,771,280		\$2,503,209,600
Taxable Income				
Federal Adjusted Gross Income	561,634	\$25,878,126,882	569,324	\$27,428,881,194
+Montana Additions	106,612	\$797,821,227	110,424	\$830,803,251
-Montana Subtractions	249,013	\$1,681,426,699	252,470	\$1,788,672,051
-Deductions	560,382	\$5,374,889,439	568,087	\$5,500,413,949
-Value of Exemptions	563,801	\$2,451,771,280	571,634	\$2,503,209,600
Montana Taxable Income	472,832	\$18,557,477,093	482,649	\$19,887,757,453
Tax from Tax Table	472,274	\$1,052,796,654	482,091	\$1,136,604,107
Capital Gains Credit	77,004	\$33,576,490	89,684	\$44,758,820
Tax before Credits & Adjustments	468,251	\$1,022,467,276	477,045	\$1,095,451,716
Tax on Lump Sum Distributions	22	\$2,552	26	\$8,068
Recapture of Credits Claimed Previously	11	\$1,450	11	\$4,625
Total Tax		\$1,022,471,278		\$1,095,464,409
Payments				
Montana income tax withheld from wages	449,699	\$830,668,092	456,662	\$878,731,702
Tax withheld from mineral royalties	2,693	\$1,458,271	2,661	\$1,580,071
Tax withheld by pass-through entities	448	\$1,050,128	509	\$1,077,590
Estimated tax payments	52,296	\$233,764,470	52,952	\$246,969,777
Extension payments	5,752	\$30,761,768	5,914	\$32,721,953
Total Payments		\$1,097,702,729		\$1,161,081,093
* Taxpayers claim exemptions for themselves and their spouses by checking boxes on the return. The counts for exemptions show the number of returns where the taxpayer claimed at least one exemption for themselves, their spouse, or dependents. The totals column shows the number and type of exemptions claimed. For the taxpayer and spouse, the totals column shows the numbers of basic exemptions and extra exemptions for being 65 or over or blind. For dependent exemptions, the count is the number of returns claiming at least one dependent, and the total is the number of dependents claimed.				

Income, Deductions, Credits, and Tax Liability

Montana Individual Income Tax Credits Reported on Full-Year Residents' Returns 2016 and 2017				
	2016		2017	
	Count	Total	Count	Total
Credits				
Non-Refundable and No Carryover				
Other states' income tax credit	14,202	\$31,363,032	14,974	\$33,636,066
College contribution tax credit	3,597	\$322,604	3,561	\$369,846
Qualified endowment tax credit	723	\$2,708,754	823	\$3,157,163
Energy conservation tax credit	10,485	\$4,138,900	9,888	\$3,970,515
Alternative fuel tax credit	17	\$8,632	13	\$6,194
Insurance for uninsured Montanan's credit	49	\$39,526	57	\$51,629
Elderly care tax credit	57	\$82,771	59	\$91,545
Recycling tax credit	108	\$329,343	111	\$473,540
Innovation Education Credit	47	\$7,601	52	\$8,420
Student Scholarship Organization Credit	181	\$30,474	171	\$27,732
Biodiesel blending/storage tank credit	0	\$0	0	\$0
Non-Refundable but with Carryover				
Contractor's gross receipts tax credit	650	\$5,309,579	668	\$5,335,391
Geothermal systems tax credit	177	\$195,186	107	\$156,820
Alternative energy systems credit	654	\$372,227	634	\$267,593
Biomass alternative energy systems credit	510	\$296,315	398	\$184,145
Alternative energy production tax credit	*	\$1,843	*	\$33,788
Dependent care assistance credit	*	\$22,415	*	\$143,750
Historic property preservation tax credit	22	\$301,456	15	\$183,891
Infrastructure user fee credit	14	\$646,145	21	\$3,341,633
Empowerment zone credit	*	\$500	0	\$0
Research activities tax credit	*	\$795	*	\$4,591
Mineral exploration tax credit	*	\$465	*	\$2,020
Adoption credit	240	\$222,618	233	\$170,940
Total Non-Refundable Credits	30,221	\$46,401,181	30,355	\$51,617,212
Refundable Credits				
Elderly homeowner/renter tax credit				
Claimed with Income Tax Return	13,230	\$6,510,107	13,679	\$6,949,653
Claimed without Income Tax Return	3,278	\$1,426,062	2,883	\$1,274,394
Emergency lodging credit	*	\$2,030	21	\$9,841
Unlocking state lands credit	*	\$1,973	*	\$1,973
Total Refundable Credits	13,244	\$6,514,110	13,704	\$6,961,467
Total Credits	42,322	\$52,915,291	42,986	\$52,925,106

* Not disclosed due to confidentiality concerns



Income, Deductions, Credits, and Tax Liability

The following tables show Montana adjusted gross income, deductions, taxable income and tax liability by decile group for full-year Montana residents. Each decile is 10 percent of the population of full year resident returns, sorted by adjusted gross income. Group 1 is the 10 percent with the lowest incomes, while group 10 is the 10 percent with the highest incomes. In these tables, married couples who file separate returns on the same form are counted as two returns, and their income and tax are counted separately. Non-residents and part-year residents are not included because their tax depends on the fraction of income that is apportioned to Montana, which varies widely for these individuals.

Deciles of Montana Adjusted Gross Income Full-Year Residents 2016 and 2017								
Decile Group	2016				2017			
	Returns	Income Range	Montana Adjusted Gross Income		Returns	Income Range	Montana Adjusted Gross Income	
			\$ million	% of total			\$ million	% of total
1	56,380	less than \$4,231	-\$642.6	-3%	57,163	less than \$4,450	-\$669.4	-3%
2	56,381	\$4,231 to \$10,228	\$408.6	2%	57,163	\$4,450 to \$10,716	\$434.3	2%
3	56,381	\$10,229 to \$16,328	\$747.2	3%	57,164	\$10,717 to \$17,015	\$791.6	3%
4	56,381	\$16,329 to \$22,847	\$1,102.3	4%	57,163	\$17,016 to \$23,814	\$1,166.0	4%
5	56,381	\$22,848 to \$29,857	\$1,481.2	6%	57,164	\$23,815 to \$31,086	\$1,564.2	6%
6	56,381	\$29,858 to \$38,141	\$1,912.0	8%	57,163	\$31,087 to \$39,638	\$2,017.4	8%
7	56,381	\$38,142 to \$47,919	\$2,415.4	10%	57,163	\$39,639 to \$49,741	\$2,543.9	10%
8	56,381	\$47,920 to \$61,124	\$3,050.9	12%	57,164	\$49,742 to \$63,414	\$3,209.0	12%
9	56,381	\$61,125 to \$85,930	\$4,041.7	16%	57,163	\$63,415 to \$89,445	\$4,261.2	16%
10	56,381	more than \$85,930	\$10,477.7	42%	57,164	more than \$89,445	\$11,152.9	42%
All	563,809		\$24,994.5		571,634		\$26,471.0	

Deductions by Decile Group Full-Year Residents 2016 and 2017										
Decile Group	% Returns Itemize	2016				2017				
		Itemized Deductions		Standard Deductions		% Returns Itemize	Itemized Deductions		Standard Deductions	
		\$ million	average	\$ million	average			\$ million	average	\$ million
1	34%	\$170.1	\$8,752	\$87.7	\$2,374	36%	\$176.6	\$8,581	\$86.9	\$2,374
2	30%	\$114.0	\$6,675	\$90.9	\$2,312	31%	\$117.2	\$6,650	\$92.6	\$2,342
3	38%	\$167.1	\$7,729	\$102.5	\$2,949	38%	\$163.4	\$7,479	\$107.7	\$3,049
4	40%	\$187.2	\$8,299	\$133.7	\$3,953	40%	\$192.2	\$8,406	\$140.4	\$4,093
5	46%	\$228.4	\$8,880	\$142.9	\$4,660	46%	\$238.1	\$9,124	\$147.5	\$4,749
6	60%	\$317.8	\$9,378	\$117.1	\$5,204	63%	\$341.0	\$9,543	\$114.4	\$5,340
7	79%	\$486.8	\$10,881	\$74.8	\$6,427	80%	\$514.4	\$11,195	\$74.2	\$6,612
8	87%	\$632.7	\$12,885	\$51.7	\$7,096	88%	\$656.4	\$13,116	\$50.6	\$7,108
9	92%	\$803.9	\$15,496	\$32.5	\$7,217	92%	\$831.2	\$15,748	\$32.0	\$7,306
10	97%	\$1,420.6	\$26,021	\$12.7	\$7,101	97%	\$1,410.8	\$25,480	\$12.8	\$7,117
All	60%	\$4,528.5	\$11,994	\$846.4	\$3,792	61%	\$4,641.4	\$12,041	\$859.0	\$3,857

Income, Deductions, Credits, and Tax Liability

Deductions as Percent of Montana Adjusted Gross Income Full-Year Residents 2016 and 2017

Decile Group	Itemized Deductions	2016		2017		
		Standard Deductions	All	Standard Deductions	All	
1	-37%	-50%	-40%	-37%	-45%	-39%
2	90%	32%	50%	85%	31%	48%
3	58%	22%	36%	54%	22%	34%
4	42%	20%	29%	41%	20%	29%
5	34%	18%	25%	33%	17%	25%
6	27%	16%	23%	27%	15%	23%
7	25%	15%	23%	25%	15%	23%
8	24%	13%	22%	23%	13%	22%
9	22%	10%	21%	21%	10%	20%
10	14%	5%	14%	13%	5%	13%
All	22%	20%	22%	21%	20%	21%

Taxable Income and Tax Full-Year Residents 2016 and 2017

Decile Group	2016						2017					
	Taxable Income			Tax Liability			Taxable Income			Tax Liability		
	\$ million	Average	% of Total	\$ million	Average	% of Total	\$ million	Average	% of Total	\$ million	Average	% of Total
1	\$0.3	\$6	0%	\$0.0	\$0	0%	\$0.5	\$8	0%	\$0.0	\$0	0%
2	\$103.7	\$1,839	1%	\$1.3	\$23	0%	\$116.0	\$2,029	1%	\$1.5	\$26	0%
3	\$317.5	\$5,631	2%	\$6.3	\$111	1%	\$344.2	\$6,021	2%	\$6.9	\$121	1%
4	\$582.9	\$10,338	3%	\$16.4	\$291	2%	\$629.2	\$11,007	3%	\$18.1	\$317	2%
5	\$900.2	\$15,967	5%	\$33.3	\$591	3%	\$968.9	\$16,950	5%	\$36.8	\$644	3%
6	\$1,255.8	\$22,273	7%	\$55.8	\$989	5%	\$1,335.2	\$23,358	7%	\$60.3	\$1,054	6%
7	\$1,617.7	\$28,692	9%	\$79.9	\$1,418	8%	\$1,720.5	\$30,098	9%	\$85.9	\$1,503	8%
8	\$2,116.3	\$37,535	11%	\$113.6	\$2,015	11%	\$2,245.6	\$39,284	11%	\$121.3	\$2,122	11%
9	\$2,932.5	\$52,012	16%	\$168.7	\$2,993	17%	\$3,118.6	\$54,556	16%	\$180.1	\$3,151	16%
10	\$8,730.6	\$154,850	47%	\$547.1	\$9,704	54%	\$9,409.1	\$164,598	47%	\$584.4	\$10,224	53%
All	\$18,557.5	\$32,914		\$1,022.5	\$1,813		\$19,887.8	\$34,791		\$1,095.5	\$1,916	

Tax as Percent of Adjusted Gross Income Full-Year Residents 2016 and 2017

Decile Group	2016			2017		
	Montana Adjusted Gross Income	Tax Liability	Tax / Income	Montana Adjusted Gross Income	Tax Liability	Tax / Income
	\$ million	\$ million	%	\$ million	\$ million	%
1	-\$642.6	\$0.0	0.0%	-\$669.4	\$0.0	0.0%
2	\$408.6	\$1.3	0.3%	\$434.3	\$1.5	0.3%
3	\$747.2	\$6.3	0.8%	\$791.6	\$6.9	0.9%
4	\$1,102.3	\$16.4	1.5%	\$1,166.0	\$18.1	1.6%
5	\$1,481.2	\$33.3	2.3%	\$1,564.2	\$36.8	2.4%
6	\$1,912.0	\$55.8	2.9%	\$2,017.4	\$60.3	3.0%
7	\$2,415.4	\$79.9	3.3%	\$2,543.9	\$85.9	3.4%
8	\$3,050.9	\$113.6	3.7%	\$3,209.0	\$121.3	3.8%
9	\$4,041.7	\$168.7	4.2%	\$4,261.2	\$180.1	4.2%
10	\$10,477.7	\$547.1	5.2%	\$11,152.9	\$584.4	5.2%
All	\$24,994.5	\$1,022.5	4.1%	\$26,471.0	\$1,095.5	4.1%

Business Structure and Taxation

A business's legal ownership structure generally determines how income from the business is taxed. Business organization is a matter of state law, and a business operating in Montana may be organized under the provisions of the laws of Montana (generally Title 35, Montana Code Annotated) or of the laws of another state. States vary somewhat in the options for business organization they allow and in the details of particular business structures.

While tax considerations may affect a business's choice of ownership structure, there are other factors that may have a larger influence. Different business structures give the owners different types of protection from or exposure to the business's legal and financial liabilities. They have different mechanisms for decision making and control of the business's operations. They have different arrangements for sharing of income, expenses, risks and rewards among the owners. And, they offer different levels of privacy or transparency of ownership. How a business is organized can also affect its ability to access capital markets. Most corporations and some types of partnerships can raise funds by issuing new shares, and existing shares can be bought and sold without requiring the other owners' consent. With other business structures, buying and selling ownership interests or raising funds by bringing in new owners may require the other owners' consent.

For taxation, the IRS code puts all businesses in one of three categories, and Montana law generally requires a business to be in the same category for state taxation as it is for federal taxation.

Informally organized sole proprietor businesses are not treated as an entity separate from the owner for income tax reporting purposes. The owner of a sole proprietor business must be an individual or a married couple. Some formally organized businesses with a single owner are not sole proprietor businesses and are treated as separate from the owner for income tax reporting purposes. These businesses are called disregarded entities and are subject to filing a Montana information return and income tax withholding paid on behalf of the owner. The disregarded entity's income is still reported on the owner's tax return and is taxed as part of the owner's income. If the disregarded entity pays income tax on behalf of the owner, the owner can claim the payment as a refundable credit.

Partnerships, limited liability companies, and other unincorporated businesses with more than one owner generally are treated as pass-through entities. A corporation with no more than 100 shareholders, with a single class of stock, and with no shareholders that are another business entity or a nonresident alien, may elect to be treated as a pass-through entity. Such a corporation is known as an S Corporation, because its taxation is laid out in Subchapter S of Chapter 1 of the IRS code.

For a pass-through entity, there is no tax on income at the business entity level. The entity calculates its net income and each owner's share of that net income. The owners must include that income (or loss) in the calculation of their taxable income. An owner's income from a pass-through is a share of the business's income, not the payments the owner receives from the business. If a pass-through entity retains part of its income to finance expansion or other investment, each owner is taxed on his or her share of the retained income, and the accounting value of each ownership interest is increased by the owner's share of the retained income. If the pass-through pays out more than its annual net income, the excess is treated as a return of a portion of the owner's investment. It is not taxed, and the accounting value of each ownership interest is reduced by the owner's share of the excess distribution.

A pass-through entity is required to file an annual information return showing the calculation of its net income or loss and the distribution of that income or loss to owners. The owners are then responsible for reporting this income on their tax returns and including it in the calculation of their taxable income. If a pass-through entity has a nonresident or second-tier pass-through entity owner, then the pass-through must include the owner in a composite return, withhold income tax on behalf of the owner, or obtain a waiver of these requirements.

Taxation of Business Income

A corporation that does not meet the requirements to be treated as a pass-through entity, or that does not choose pass-through treatment, is taxed on income at the business entity level. The corporation calculates its net income and is taxed on it at the corporate income tax rate. The corporation's income is not directly attributed to the owners. A corporation's owners include dividends they receive in the calculation of their taxable incomes. A corporation may pay dividends that are more or less than its net income. If it does, there is no adjustment to the accounting value of individual shares. This allows a corporation to retain profits for reinvestment without the shareholders being taxed on those profits.

The following table shows characteristics of businesses falling into each of the four business tax categories.

Business Structure and Taxation				
	Sole Proprietor	Pass-Through Entity (S Corporation or Partnership)	C Corporation	Disregarded Entity
Legal Business Organization	Informal	Partnership, Limited Liability Company (LLC), Corporation, Limited Partnership, etc.	Corporation	Single Member LLC, etc.
May Be Owned By	One Individual or Married Couple	Individuals or Other Business Entities	Individuals or Other Business Entities	Individuals or Other Business Entities
Business Income and Owner's Income	The business net income is all attributed to the owner.	The business calculates its net income, and this income is attributed to the owners.	The business calculates its net income. Owners' income is dividends received.	The business net income is all attributed to the owner.
Distribution of Income to Owners	The business net income is the owners' income from the business.	Distributions to owners need not equal businesses' current net income.	Business pays dividends to shareholders. Dividends need not equal businesses' current net income.	Distribution to owner need not equal businesses' current net income.
Taxation	Owner reports income from business as part of income subject to individual income tax	No tax at the entity level. Owners responsible for tax on income attributed to them.	Business net income subject to corporation income tax. Owners taxed on dividends.	Entity is ignored. Businesses' income is taxed as owner's income.
Reporting	The business receipts and costs are reported on Schedule C of the owners' federal tax return (Schedule F for a farm), and net income is reported on Line 12 for Business Income or Loss (Line 18 for Farm Income or Loss) of the state return.	The business files federal and state information returns. Federal return shows receipts and costs and both show income, deductions, and credits passed through to owners. Owners report their share of net business income from the pass-through as business income (Schedule E and Line 17 of the tax return for individuals). If the business receives dividends, capital gains, or other passive income, owners report those separately on the appropriate return lines.	The business files federal and state corporate income tax returns and a federal information report, Form 1099-DIV, for each owner who received at least \$10 of dividends. Owners report dividends received on their tax returns (Line 9 of state return for individuals).	Income is reported on owner's return. Information return required if owner is a non-resident or another business.

Business Structure, Tax Administration, and Compliance

Taxation of business income can be complicated when a business operates in more than one taxing jurisdiction and when one business entity is partly or completely owned by another. When a business operates in more than one taxing jurisdiction, it is necessary to decide how much of the business's income is taxable by each jurisdiction. When one business entity owns another or two businesses have a common owner, it can be necessary to decide how much of the common income is due to each business. When affiliated businesses operate across multiple jurisdictions, the complications are compounded.

A general principle that most U.S. states and most countries follow is that business income should be taxable by the jurisdiction where the business activity that created the income took place and should not be taxable by other jurisdictions. This is often called the source principle of income taxation.¹ When a business operates

¹ The source principle of income taxation contrasts with the destination principle of consumption taxation. U.S. states and most countries follow the principle that taxes on consumptions, such as sales taxes, should be levied by the jurisdiction where the goods or services are used

Taxation of Business Income

in more than one taxing jurisdiction, each must decide how much of the business's income has its source in that jurisdiction. For example, suppose a company harvests timber and mills it into lumber in Montana and sells the lumber in North Dakota. The company receives all its gross income in North Dakota, and pays most of its costs in Montana. Its net income, which is the basis of taxation in both Montana and North Dakota, is due to the combined operation in both states. Each state decides how much of the combined net income to tax through a process called *apportionment*. Each state uses a formula to determine an *apportionment factor*, the portion of the company's business income² to attribute to operations in the state. Montana uses the equally-weighted three-factor apportionment formula where the apportionment factor is the average of the proportions of a company's property, payroll, and sales in a state. Other states use a range of formulas, with some placing more weight on one factor and less, or no, weight on the others.

If lumber production in Montana and lumber sales in North Dakota were separate, unrelated businesses, there would be no need for apportionment. The lumber production company's net income would be the difference between its receipts from selling lumber wholesale and its costs of harvesting trees and milling lumber. This net income would be taxable by Montana. The lumber sales company's net income would be the difference between its receipts from retail lumber sales and its costs of buying the lumber wholesale and operating its lumber yards. This net income would be taxable by North Dakota.

If the two companies are *affiliates*, such as two separate legal entities both owned by a third company, the situation is more complicated. Apportionment is still needed because wholesale lumber sales from the mill in Montana to the yards in North Dakota are not arms-length transactions. The *transfer prices* at which the lumber mill sells to the lumber yards are not determined in a market and do not necessarily reflect the lumber's true value. From the point of view of the parent company, these transfer prices are irrelevant. The mill's revenue from wholesale sales and the lumber yard's expenses for wholesale purchases cancel each other out. The parent company's net income is the difference between the revenue from retail lumber sales and the costs of timber harvesting, lumber milling, and lumber yard operations.

Transfer prices do matter to the states. If the lumber mill charges high prices to the lumber yards, its Montana profits will be higher and the lumber yards' North Dakota profits will be lower. If the mill charges low prices, its Montana profits will be lower and the lumber yards' North Dakota profits will be higher.

Montana law addresses this problem through *combined reporting*. Affiliated companies that are not engaged in completely separate businesses are required to file a single, combined return and to apportion the group's income. The Montana timber harvesting and lumber milling company, the North Dakota lumber yard company, and their parent company would file a combined return and should pay the same Montana taxes as if they were a single company.

Another complication can arise when affiliated companies are pass-through entities and there is a *tiered ownership* structure, with a company that is actually conducting business being owned by a second-tier pass-through entity, which may be one of several owned by a third-tier pass-through entity, which may be a partnership owned by several fourth-tier pass-through entities, and so on. As income is passed through this chain to the individuals who are the ultimate owners, its original source may be ignored. For example, a person in New York or California who is a partner in a company that owns other companies may be unaware that part of their income from this partnership ultimately comes from business operations in Montana. In that case, they are likely to overlook their obligation to pay income tax in Montana.

Montana law tries to address this problem by requiring pass-through entities with out-of-state owners either to have the out-of-state owners agree to file Montana tax returns, to withhold Montana tax for the out-of-state owners, or to file a composite return and pay Montana tax on behalf of its owners.

rather than by jurisdictions where they are made or sold.

² Income that is not from a company's normal line of business, such as income from sale of some of a company's assets, generally is assigned to the state where the assets are located rather than being apportioned.

Montana law requires individual corporations and affiliated groups to report world-wide income and apportion a share to Montana, with one exception. A group of affiliated companies may make what is called a *water's-edge election*. When a group makes this election, it is only required to include affiliates in its combined report if the primary company owns at least half the stock and at least 20 percent of the affiliate's payroll and property is in the United States, the affiliate is one of several types of companies defined in federal law that only engage in international trade, the affiliate has gains or losses from selling U.S. real estate, or the affiliate is incorporated in one of the countries listed as tax havens in section 15-31-322(1)(f), MCA. A corporate group that makes the water's edge election is taxed at a rate of 7 percent rather than the normal rate of 6.75 percent.

Abusive tax shelters are arrangements where taxpayers mischaracterize either income or gains and losses in order to avoid taxes. While nothing about pass-through entities or tiered business ownership creates abusive tax shelters, individuals and corporations wanting to evade taxes have used the complexity that tiered ownership can create to try to hide or mischaracterize income.

Some abusive tax shelters involve pretending that monetary payments are a loan or that in-kind compensation is actually a business investment. Others involve creating transactions with offsetting paper gains and losses and then recognizing the losses for tax purposes while claiming that recognition of the gains can be indefinitely deferred. In others, the claim is made that the losses were incurred by a taxable entity while the gains belong to an entity that is not subject to taxes in the United States. Some types of abusive tax shelters make use of complicated, multi-tiered business structures either to try to hide the mischaracterization of income or to shuffle gains and losses between related entities and then claim that they are not related.

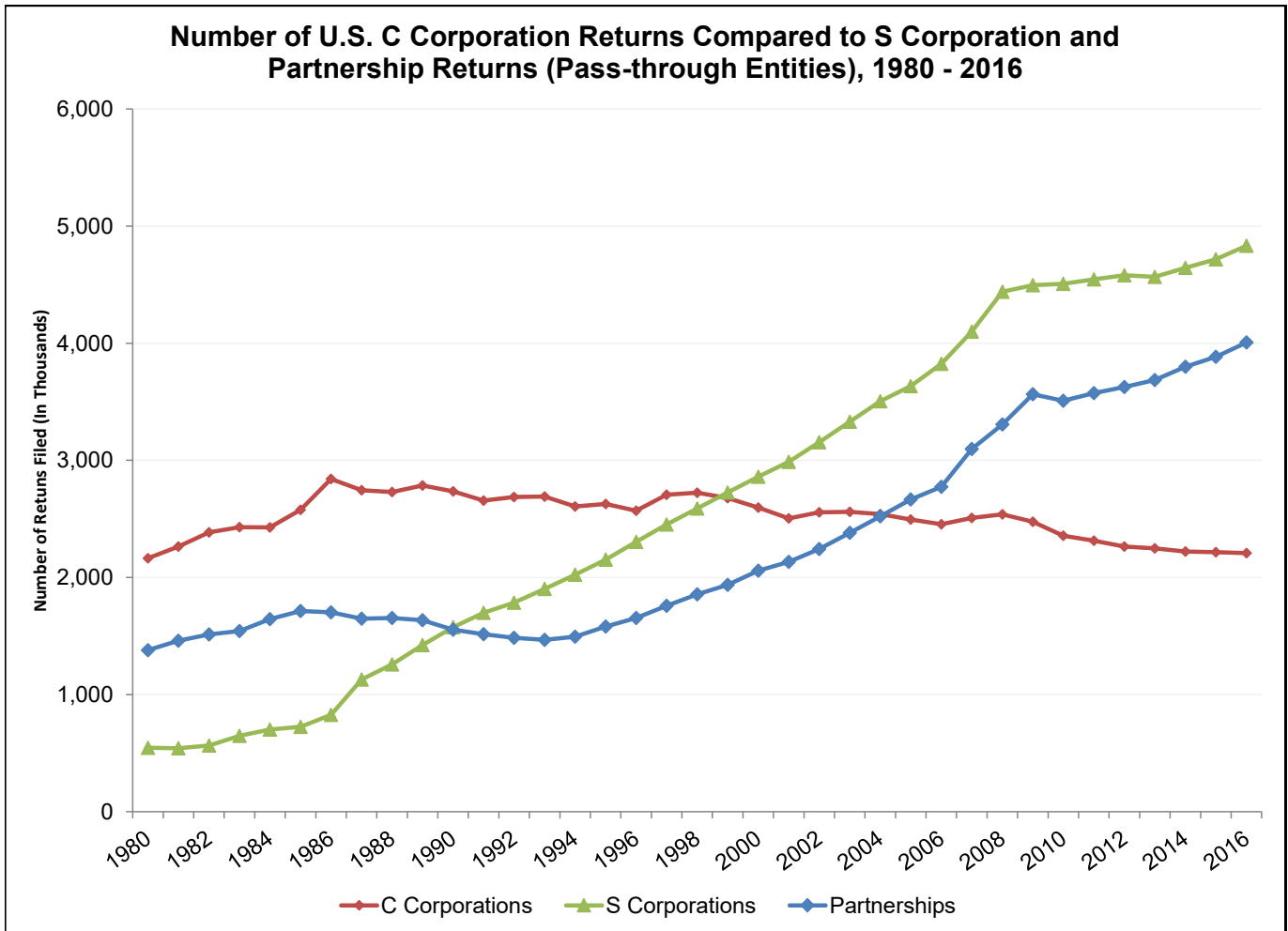
For example, one scheme involves creating a series of tiered business entities organized under the laws of several countries, with each passing its income to the next in line and the final entity paying the income to the owner but mischaracterizing it as a loan. The purpose of the tiered business structure in this case is just to make it too hard to track the money. In another scheme, the taxpayer sets up three business entities. Two entities engage in offsetting financial transactions, such as buying and selling offsetting futures contracts. The third is set up in another country. When the two contracts are closed out, one will have a gain and the other will have an equal loss. The taxpayer recognizes the loss and uses it to offset other income. The entity with the gain is sold, at a nominal price that does not reflect the value of the gain on its futures contracts, to the non-U.S. entity, and then the taxpayer claims that the gain is not subject to U.S. taxes.

U.S. courts have consistently ruled that these types of sham transactions with no economic purpose other than evading taxes should be ignored for U.S. tax purposes.

Pass-Through Entities

Growth of Pass-Through Entities

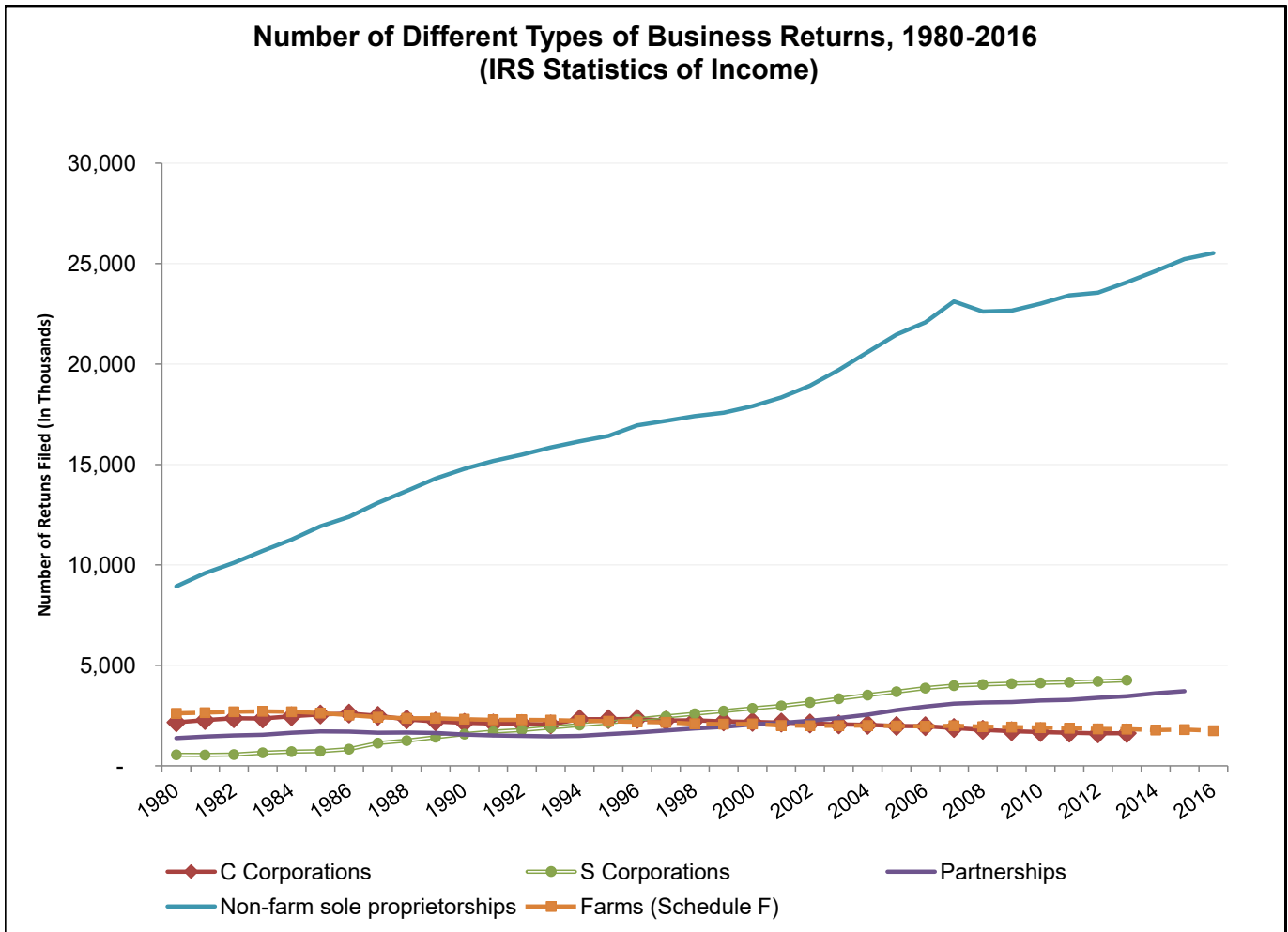
Increasingly, in Montana and nationwide, business and investment activities are being conducted by “pass-through entities.” The graph below shows the number of returns filed with the IRS by C Corporations versus those filed by pass-through entities (partnerships and S Corporations) from 1980 through 2016 (the graphs and history in this section are from the Internal Revenue Service’s annual Data Book and other Statistics of Income Division reports).



Over time Congress has modified the rules governing pass-throughs, particularly S Corporations, making those business structures more attractive for business purposes. For example, the number of permitted shareholders has been expanded from the original 10 in 1958 to 35 in 1982, 75 in 1996, and 100 in 2004, where it remains today.

The graph on the next page shows growth over the same period, 1980–2016, of all types of business organizations, including non-farm sole proprietorships, S Corporations, partnerships, and farms filing Schedule F.

As can be seen from the graph, non-farm sole proprietorships are the most common type of business entity in the United States based upon the number of returns filed. The number of non-farm sole proprietorships has grown substantially – from 9 million in 1980 to just over 25.5 million in 2016.



Sole proprietorships, just as the name suggests, are businesses with a single owner and are a familiar sight on many main streets in Montana. The Montana Department of Commerce in its publication, *Economic and Demographic Analysis of Montana*, December 2007, reported that over 60 percent of Montana businesses are sole proprietorships without any employees. The owner of a sole proprietorship will record his or her income on the state individual income tax form, Form 2 on line 12 as Business income (or loss), and will attach a copy of federal Schedule C (or C-EZ), which has been filed with the taxpayer's federal tax return.

If the business owner has a farm or ranch operation that is operated as a sole proprietorship, the taxpayer reports his or her income on line 18 of the state individual income tax form (Farm income or (loss)), and attaches a copy of federal Schedule F, which has been filed with the taxpayer's federal form. The number of farms filing under Schedule F is also shown on the graph. The total number of farms in the United States filing Schedule F went from 2.6 million in 1980 to 1.75 million in 2016. However, it should be noted that farms can also operate as partnerships or be incorporated as S or C Corporations.

During the same period, the number of C Corporation returns declined, going from 2.2 million corporations in 1980 to 1.63 million in 2013. One thing to note is that C Corporations in Montana seem to vary greatly in terms of size – there are large or very large businesses which engage in operations across many states and even countries, but there are also smaller firms that engage in agricultural operations, are main street businesses, or regional operations. Some of these corporations may have been incorporated before the S Corporation structure was available; others may have been incorporated as C Corporations in order to be better positioned to access capital markets, or for one or more of the advantages that C Corporation status provides.

Pass-Through Entities

The number of businesses that filed as S Corporations has also grown very rapidly during the same time. The IRS data shows the number went from 545,000 in 1980 to over 4.2 million in 2013, an annual average growth rate of 6.6 percent. Partnerships grew more slowly – increasing from 1.4 million in 1980 to 3.7 million in 2015.

Although not shown on the graph, less common types of pass-through entities also increased over the last three decades. These include real estate investment trusts (REITs) and regulated investment companies (RICs), better known as mutual funds, going from 1,691 returns in 1980 to 17,630 returns in 2012.

Ownership, Income, Deductions and Credits Reported on Montana Pass-Through Returns

Pass-through entities include partnerships; S Corporations; limited liability companies (LLCs); real estate investment trusts (REITs); regulated investment trusts (RITs), better known as mutual funds; and others. Partnerships are an old and familiar business entity, but S Corporations are less so. The S Corporation rules were enacted in 1958 and permit a corporation and its shareholders to elect to be taxed at one level.

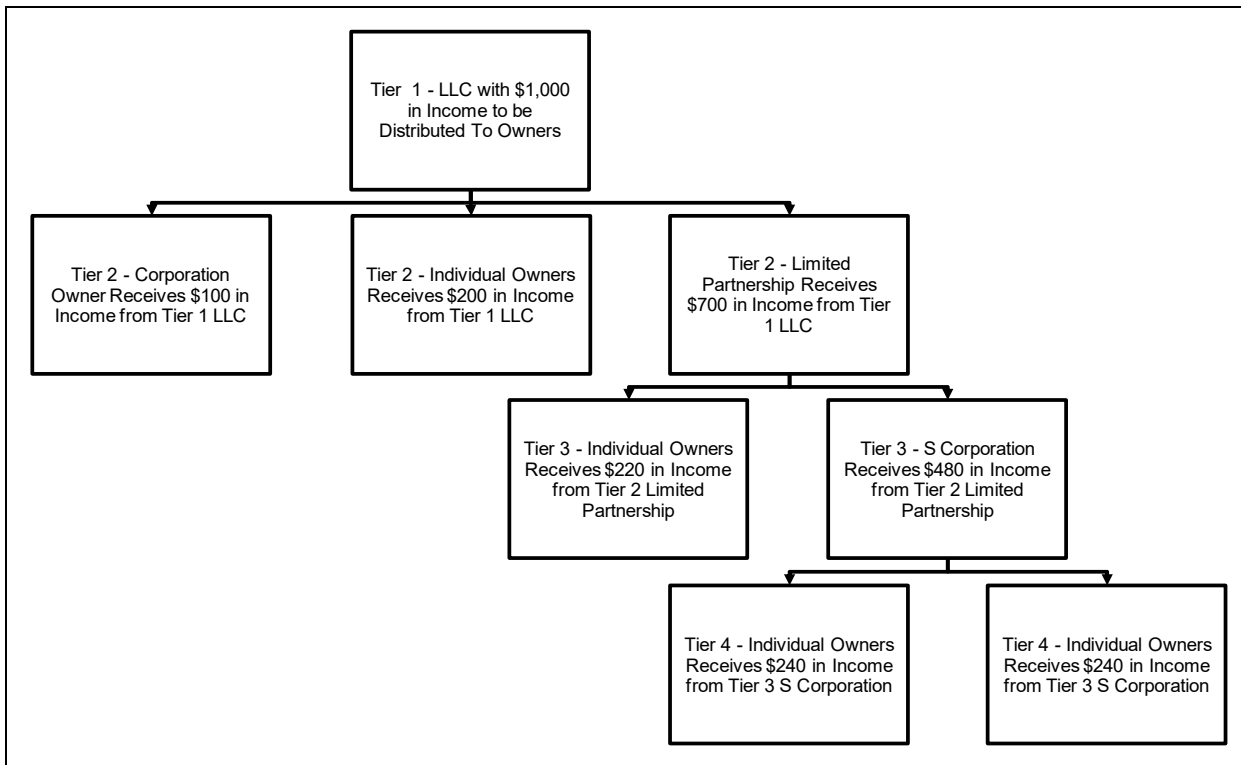
The most common type of pass-through entity today is the limited liability company, or LLC. LLCs are actually a creation of the states since state law generally governs business structure. The first LLC statute was enacted in Wyoming in 1977 and now all states and the District of Columbia have LLC statutes. However, for federal tax purposes, federal law governs the tax treatment (states generally follow the federal treatment). For taxation purposes LLCs are generally treated as partnerships, although LLCs with two or more members can elect to be treated as S Corporations. Any single member LLC can elect to be treated as a sole proprietorship if the single member is an individual; if the single member is a corporation, then the LLC is treated as a branch by the IRS. The taxpayer's state filing must be consistent with its federal filing, so if a business filed as an S Corporation at the federal level, it must file as an S Corporation at the state level.

A pass-through entity is not taxed itself. Instead, its income and expenses are reported on the tax returns of the owners. The owners can be corporations, individuals, other pass-through entities, or a mix of all of them. When pass-through entities are owned by other pass-through entities, a tiered business structure is created.

Tiered structures add complexity to tax administration because the taxpayer may be quite remote from the entity doing business in the state. Because pass-through entities can have a corporation, an individual, and/or another pass-through entity as a partner, owner or shareholder, they represent a challenge for tax administration. The diagram on the following page shows how complex a set of ownership, or partnership, relationships can become.

Businesses of all sizes can be C Corporations or pass-through entities. Sole proprietor businesses generally are small. For 2013, the IRS reports that average receipts were \$4.6 million for C Corporations, \$1.5 million for partnerships, and \$1.6 million for S Corporations, but only \$56,000 for sole proprietor businesses. Many sole-proprietor businesses are part-time or a sideline for the owner. For 2017, 90% of taxpayers whose Montana income tax returns showed income or loss from a sole-proprietor business reported more income from other sources.

Pass-Through Entities



Pass-through entities classified as S Corporations or partnerships with Montana source income are required to file an information return each year. If this entity has a partner, shareholder, member or other owner who is a non-resident individual, foreign C Corporation, or a pass-through entity with an owner, or shareholder, that is a non-resident individual or foreign C Corporation, the pass-through entity is also required to file with the state an agreement with the individual non-resident to timely file a Montana return, pay taxes and be subject to personal jurisdiction of the state with respect to the income from a pass-through. If this agreement is not met, the pass-through entity must in all subsequent tax years withhold the appropriate amount and remit the tax payment directly to the state (15-30-3313, MCA).

The pass-through information returns show the total amounts of various types of income, deductions, and credits allocated to the owners and the amount distributed to each owner. Pass-through entities operating in more than one state apportion part of their income to Montana using the same apportionment formula as C Corporations. Pass-through returns show the Montana source income allocated to each owner and indicate whether each owner is an individual or another business entity.

Owners of pass-through entities taxed as partnerships may be either individuals or business entities. Shares of S Corporations can only be owned by individuals, electing small business trusts or employee stock ownership plans. However, some types of pass-through entities that can be owned by other business entities can elect to be treated as S Corporations for tax purposes. The table to the right shows the number of owners associated with Montana's pass-throughs broken down by individuals and business entities. Based upon information provided in each pass-through's tax forms, this table also provides a breakdown of pass-throughs based on the residency status of the owner.

Shares of Pass-Through Owners by Residency Status		
Type of Owner	Number	%
Resident Individuals	86,591	23%
Nonresident Individuals	179,238	48%
Montana Business Entities	5,880	2%
<u>Non-Montana Business Entities</u>	<u>100,575</u>	<u>27%</u>
Total	372,284	100%

Pass-Through Entities

In 2016, 372,284 owners were associated with the 61,627 pass-throughs filing information returns in Montana. Of the approximately 372,000 owners, 23 percent reported being residents of Montana. Non-resident individuals are the largest group of Montana's pass-through owners, with 179,238 reported owners. Just under 5,900 Montana business entities were listed as owners of pass-throughs according to informational tax returns. More than 100,000 non-Montana business entities were owners of pass-throughs with Montana source income. Overall, individuals comprised 71 percent of the owners associated with Montana's pass-throughs, which is a slight decrease from the 74 percent in 2014

The following table shows owner information from the same group of pass-through returns as in the previous table, but splits the ownership data into multi-state, as well as S Corporation and partnership, status.

Montana Pass-Through Owners by Residency Status and Pass-Through Type								
Type of Owner	S Corporations				Partnerships			
	Montana		Multi-State		Montana		Multi-State	
	Owners	%	Owners	%	Owners	%	Owners	%
Resident Individuals	34,396	91%	6,788	18%	36,780	68%	8,627	4%
Nonresident Individuals	2,906	8%	25,766	70%	10,829	20%	139,737	57%
Montana Business Entities	414	1%	323	1%	3,799	7%	1,344	1%
<u>Non-Montana Business Entities</u>	109	0%	4,118	11%	2,979	5%	93,369	38%
Total	37,825	100%	36,995	100%	54,387	100%	243,077	100%

Net income from a pass-through entity's business operations is usually allocated to the owners as ordinary business income. Individual owners report this income on Schedule E of their federal tax returns and then report income from Schedule E on Line 17 of the Montana tax return. Income the pass-through entity receives from passive investments or the sale of assets is allocated to the owners as that type of income, and owners report it on the corresponding lines of their tax returns. For example, if a pass-through entity receives \$1,000 of interest and allocates it equally to its 10 owners, who are Montana individuals, each owner should report the \$100 of interest on Line 8a of their Form 2.

The next table shows the number of returns, types of income, Montana adjustments to income, and deductions that were reported on the pass-through informational returns in 2016.

Pass-Through Entities

Montana-Source Income Passed Through To Owners, 2016				
Returns	S Corporations		Partnerships	
	Montana	Multi-State	Montana	Multi-State
Income Items				
Salaries and Other Fixed Payments to Owners	\$0	\$0	\$145,273,048	\$34,756,837
Ordinary Business Income	\$1,361,437,740	\$631,065,698	\$214,926,675	\$187,620,063
Rental Income				
Real Estate	\$22,316,546	\$9,713,489	\$137,841,644	\$20,555,598
Other	\$295,698	\$17,331,334	\$19,617,770	\$9,115,652
Interest	\$20,124,997	\$9,866,348	\$27,367,150	\$23,666,188
Dividends	\$10,053,579	\$5,810,594	\$18,801,762	\$20,049,671
Royalties	\$5,335,069	\$7,549,679	\$26,206,202	\$25,203,784
Capital Gains	\$222,456,097	\$39,412,545	\$29,873,059	\$7,767,733
Gains Taxed as Ordinary Income	\$139,990,174	\$53,256,255	\$153,460,042	\$54,703,629
Other Income	\$3,647,098	\$2,474,484	\$19,585,074	\$7,079,303
Total	\$1,785,656,998	\$776,480,427	\$792,952,426	\$390,518,459
Montana Additions to Federal Income				
Interest on Non-Montana Municipal Bonds	\$1,805,235	\$414,189	\$2,967,050	\$669,398
State and Local Income Taxes	\$641,552	\$1,430,264	\$499,923	\$1,531,996
Other	\$429,545	\$1,171,618	\$114,991,557	\$6,017,363
Total	\$2,876,332	\$3,016,071	\$118,458,530	\$8,218,757
Montana Subtractions from Federal Income				
Interest on Federal Bonds	\$949,503	\$5,646,329	\$159,033	\$522,335
Purchases of Recycled Materials	\$345,587	\$123,801	\$18,483	\$0
Other	\$129,312,005	\$39,369,025	\$30,342,402	\$8,706,919
Total	\$130,607,095	\$45,139,155	\$30,519,918	\$9,229,254
Deductions				
Expensing of Capital Purchases	\$239,607,689	\$56,145,017	\$63,146,186	\$33,557,300
Contributions	\$21,553,092	\$14,656,947	\$14,597,293	\$25,519,545
Interest on Funds Borrowed to Make Investments	\$18,238,382	\$363,505	\$5,216,428	\$2,579,100
Other	\$55,996,728	\$4,749,751	\$64,637,668	\$86,048,867
Total	\$335,395,891	\$75,915,220	\$147,597,575	\$147,704,812
Total Montana Source Income	\$1,322,530,344	\$658,442,123	\$733,293,463	\$241,803,150

When there is tiered ownership, meaning one pass-through entity is a full or part owner of another, both entities will include the income the first-tier entity allocates to the second-tier entity in their returns. Because of this, the combined Montana source income of pass-through entities in the state are less than the combined amounts reported on the returns. The table below has the Montana source income reported on pass-through returns and the source income after second-tier entity income is removed for tax years 2014, 2015 and 2016.

Montana Source Income Before and After Second-Tier Income Is Removed			
Tax Year	Montana Source Income	Tier 2 Income	Net Montana Source Income
2014	\$3,437,429,157	\$328,070,300	\$3,109,358,857
2015	\$3,149,660,193	\$220,997,348	\$2,928,662,845
2016	\$3,179,714,842	\$265,782,912	\$2,913,931,930

When a pass-through entity does something that is eligible for a tax credit, the credit is usually allocated to the owners. Owners then claim their share of the credit on their tax returns. However, sometimes owners may not be able to claim a credit that is allocated to them. For example, some credits can only be claimed by individuals, so a corporation that owns part of a pass-through entity would not be able to claim those credits.

Pass-Through Entities

Some credits can only be used to reduce the current year's tax liability, so owners with no taxable income in the current year would not be able to claim these credits. Because of this, the credits actually claimed on owners' tax returns can be less than the credits reported on pass-through returns.

The next table shows credits reported on pass-through entity returns for 2016. Credits actually claimed by owners are included in the credits claimed against individual income tax and corporation income tax.

Tax Credits Passed Through To Owners, 2016				
Credit	<u>S Corporations</u>		<u>Partnerships</u>	
	Montana	Multi-State	Montana	Multi-State
Dependent Care Credit	\$0	\$0	\$0	\$0
College Contribution Credit	\$15,555	\$4,121	\$3,242	\$609
Insurance for Uninsured Montanans Credit	\$27,321	\$1,590	\$900	\$0
Credit for Investment in Recycling Equipment	\$294,589	\$25,761	\$0	\$0
Alternative Energy Production Credit	\$0	\$23,734	\$0	\$0
Contractor's Gross Receipts Credit	\$2,543,604	\$1,927,912	\$174,546	\$139,092
Alternative Fuel Credit	\$0	\$0	\$0	\$0
Infrastructure Users Fee Credit	\$0	\$310,100	\$35,547	\$0
Historic Building Preservation Credit	\$0	\$0	\$0	\$0
Mineral Exploration Credit	\$0	\$0	\$0	\$0
Empowerment Zone Credit	\$0	\$0	\$0	\$0
Biodiesel Blending Credit	\$0	\$0	\$0	\$0
Innovative Education Program Credit	\$0	\$0	\$0	\$0
Student Scholarship Organization Credit	\$0	\$0	\$0	\$0
Emergency Lodging Credit	\$0	\$0	\$1	\$0
Unlocking Public Lands Credit	\$0	\$2,250	\$685	\$0
Total	\$2,881,069	\$2,295,469	\$214,921	\$139,701

Pass-Through Entities

Pass-Through Distributions and Credits by Industry

When preparing an informational tax return, pass-through entities are expected to provide information on the type of industry work the pass-through is engaged in.¹ The next table provides a list of the Montana source income that was distributed by Montana's S Corporations in 2016, broken down by industry sector type. As can be seen from the tax return information, there is a significant amount of variation in the amount of income S Corporations provided to their respective owners at the industry level. S Corporations in the Trade, Transportation and Utilities sector generated the largest amount of combined Montana source income for their owners, distributing approximately \$569 million in 2016. The Construction and Professional and Business Services S Corporations also provided a significant amount of income to their owners, passing through \$338 million and \$365 million in income respectively.

Montana-Source Income Passed Through to Owners, 2016 (Thousands of Dollars)											
	S-Corporations										
	Natural Resources & Mining	Construction	Manufacturing	Trade, Transportation & Utilities	Information	Financial Activities	Professional & Business Services	Education & Health Services	Leisure & Hospitality	Other Services	Unknown / Public Admin
Returns	3,136	6,112	1,211	5,002	436	4,456	5,871	1,880	2,409	1,779	378
Income Items											
Salaries and Other Fixed Payments to Owners	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ordinary Business Income	\$33,672	\$423,174	\$66,128	\$575,184	\$16,259	\$158,950	\$367,385	\$165,061	\$109,862	\$75,408	\$1,421
Rental Income											
Real Estate	\$7,351	\$106	\$581	\$5,227	\$334	\$15,619	-\$163	\$837	\$1,870	\$278	-\$10
Other	\$794	\$322	\$582	\$17,196	\$30	-\$1,381	-\$357	\$5	\$314	\$82	\$39
Interest	\$4,262	\$2,390	\$1,218	\$6,603	\$301	\$10,983	\$1,290	\$751	\$1,769	\$409	\$15
Dividends	\$1,800	\$830	\$3,198	\$2,286	\$311	\$6,328	\$479	\$73	\$330	\$220	\$9
Royalties	\$9,280	\$305	\$171	\$212	\$199	\$1,849	\$225	\$2	\$486	\$156	\$0
Capital Gains	\$5,076	\$3,070	\$1,097	\$33,575	\$3,445	\$191,232	\$10,715	\$7,097	\$2,643	\$3,881	\$38
Gains Taxed as Ordinary Income	\$72,557	\$3,845	\$21,057	\$21,905	\$180	\$25,316	\$23,863	\$1,263	\$22,573	\$691	-\$3
Other Income	-\$158	\$425	\$1,696	\$2,574	\$0	\$728	\$391	\$21	\$401	\$40	\$3
Total	\$134,633	\$434,468	\$95,729	\$664,762	\$21,058	\$409,624	\$403,828	\$175,109	\$140,250	\$81,166	\$1,512
Montana Additions to Federal Income											
Interest on Non-Montana Municipal Bonds	\$254.2	\$144.2	\$234.0	\$98.0	\$3.3	\$563.9	\$852.5	\$0.3	\$21.7	\$47.1	\$0.0
State and Local Income Taxes	\$108.4	\$613.4	\$106.6	\$408.3	\$39.3	\$94.0	\$473.9	\$20.6	\$174.9	\$32.5	\$0.0
Other	\$322.1	\$355.7	\$17.8	\$205.2	\$4.8	\$440.0	\$232.9	\$0.0	\$3.6	\$19.1	\$0.0
Total	\$684.7	\$1,113.4	\$358.4	\$711.5	\$47.4	\$1,097.9	\$1,559.3	\$20.9	\$200.2	\$98.7	\$0.0
Montana Subtractions from Federal Income											
Interest on Federal Bonds	\$28.4	\$81.9	\$119.8	\$16.1	\$0.1	\$200.0	\$6,147.4	\$0.7	\$0.8	\$0.5	\$0.0
Purchases of Recycled Materials	\$6.9	\$143.3	\$217.2	\$76.2	\$0.0	\$0.0	\$0.0	\$0.0	\$25.7	\$0.0	\$0.0
Other	\$3,708.3	\$1,791.0	\$154.0	\$31,206.2	\$134.2	\$125,881.0	\$3,042.5	\$723.4	\$2,024.0	\$16.5	\$0.0
Total	\$3,743.6	\$2,016.1	\$491.1	\$31,298.5	\$134.4	\$126,081.1	\$9,189.8	\$724.1	\$2,050.5	\$17.0	\$0.0
Deductions											
Expensing of Capital Purchases	\$52,924.7	\$89,469.7	\$13,353.5	\$55,782.0	\$2,015.2	\$14,514.6	\$25,595.9	\$13,016.2	\$17,646.3	\$11,338.0	\$96.7
Contributions	\$2,245.9	\$6,078.1	\$4,764.6	\$8,864.7	\$288.0	\$4,092.5	\$4,583.9	\$1,854.5	\$2,255.2	\$1,125.4	\$57.3
Interest on Funds Borrowed to Make Investments	\$516.4	\$188.5	\$1.4	\$26.5	\$0.1	\$17,766.6	\$58.7	\$0.1	\$5.7	\$38.0	\$0.0
Other	\$4,870.3	\$321.7	\$92.7	\$726.3	\$27.8	\$52,838.3	\$571.0	\$1,062.9	\$162.5	\$72.3	\$0.6
Total	\$60,557.3	\$96,058.1	\$18,212.2	\$65,399.4	\$2,331.1	\$89,211.9	\$30,809.5	\$15,933.6	\$20,069.8	\$12,573.7	\$154.6
Total Net Montana Source Income	\$71,017	\$337,507	\$77,384	\$568,775	\$18,639	\$195,429	\$365,388	\$158,472	\$118,330	\$68,674	\$1,357

1 Industry data on income tax returns are self-reported and are subject to some reporting error.

Pass-Through Entities

As can be seen in the next table, the amount of pass-through income also varies significantly for Montana's pass-through partnerships. In 2016, Financial Activity partnerships generated a little more than \$440 million in income within Montana, which is more than double the income generated by any other pass-through industry sector. Unlike S Corporations, three partnership pass-through sectors reported negative pass-through income for their owners. In 2016, the Natural Resources, Manufacturing and Unclassified sectors reported \$61.2 million in combined losses during the year.

Montana-Source Income Passed Through to Owners, 2016 (Thousands of Dollars)											
	Partnerships										
	Natural Resources & Mining	Construction	Manufacturing	Trade, Transportation & Utilities	Information	Financial Activities	Professional & Business Services	Education & Health Services	Leisure & Hospitality	Other Services	Unknown / Public Admin
Returns	3,974	1,360	514	1,889	296	15,862	2,068	455	1,430	654	455
Income Items											
Salaries and Other Fixed Payments to Owners	\$23,063	\$17,105	\$4,298	\$21,600	\$2,093	\$18,103	\$37,592	\$41,309	\$10,178	\$4,419	\$271
Ordinary Business Income	-\$79,963	\$63,937	-\$37,156	\$26,629	\$173,688	-\$7,456	\$104,385	\$119,996	\$28,112	\$11,030	-\$656
Rental Income											
Real Estate	\$13,802	\$520	\$367	\$7,716	\$64	\$146,915	-\$16,161	\$1,832	\$2,155	\$704	\$484
Other	\$2,619	-\$4	\$85	-\$329	\$2,059	\$23,692	\$444	\$42	\$147	-\$22	\$0
Interest	\$3,933	\$417	\$621	\$2,519	\$6,640	\$32,568	\$1,852	\$1,555	\$683	\$185	\$60
Dividends	\$1,209	\$114	\$3,109	\$895	\$16	\$28,650	\$4,239	\$176	\$210	\$225	\$8
Royalties	\$39,078	\$304	\$1,405	\$93	\$14	\$9,096	\$581	\$157	\$96	\$563	\$22
Capital Gains	\$1,934	\$1,782	-\$2,526	-\$12,239	\$245	\$52,804	-\$678	\$889	\$588	-\$4,659	-\$500
Gains Taxed as Ordinary Income	\$37,092	\$5,154	\$1,418	\$7,557	\$3,098	\$132,850	\$17,143	\$2,745	\$275	\$656	\$176
Other Income	\$14,886	\$908	\$11,995	\$2,032	\$62	\$7,447	-\$10,995	-\$10	\$277	\$62	\$0
Total	\$57,652	\$90,237	-\$16,385	\$56,474	\$187,980	\$444,668	\$138,403	\$168,691	\$42,722	\$13,165	-\$135
Montana Additions to Federal Income											
Interest on Non-Montana Municipal Bonds	\$164	\$37.4	\$0.0	\$0.4	\$0.0	\$3,218.2	\$62.4	\$0.2	\$5.6	\$147.9	\$0.0
State and Local Income Taxes	\$65	\$32.7	\$130.1	\$793.9	\$179.2	\$473.6	\$108.3	\$24.5	\$221.5	\$2.2	\$0.6
Other	\$958	\$10.2	\$2.5	\$25,507.6	\$0.0	\$89,555.6	\$4,935.5	\$0.3	\$39.1	\$0.0	\$0.0
Total	\$1,187.8	\$80.2	\$132.6	\$26,301.9	\$179.2	\$93,247.4	\$5,106.3	\$25.0	\$266.3	\$150.0	\$0.6
Montana Subtractions from Federal Income											
Interest on Federal Bonds	\$5	\$0.7	\$0.0	\$1.3	\$0.0	\$628.5	\$3.7	\$28.5	\$12.9	\$0.6	\$0.0
Purchases of Recycled Materials	\$0	\$12.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.3	\$0.0	\$0.0
Other	\$4,956	\$7,991.0	\$30.0	-\$3,302.0	\$5,002.2	\$18,345.5	\$3,822.1	\$154.2	\$1,977.7	\$72.8	\$0.0
Total	\$4,961	\$8,003.8	\$30.1	-\$3,300.7	\$5,002.2	\$18,974.0	\$3,825.9	\$182.7	\$1,997.0	\$73.3	\$0.0
Deductions											
Expensing of Capital Purchases	\$48,824	\$9,132.5	\$3,430.1	\$9,226.1	\$289.5	\$9,274.2	\$3,780.0	\$3,442.2	\$7,533.1	\$1,498.2	\$273.7
Contributions	\$5,635	\$1,107.9	\$266.3	\$885.1	\$163.7	\$29,135.9	\$1,253.2	\$525.3	\$892.4	\$244.6	\$7.1
Borrowed to Make Investments	\$413	\$9.1	\$0.0	\$283.1	\$15.4	\$6,550.5	\$223.8	\$0.0	\$262.3	\$30.9	\$7.5
Other	\$37,265	\$1,896.7	\$2,553.6	\$26,981.7	\$7,721.7	\$33,394.5	\$31,105.8	\$5,993.3	\$2,700.7	\$786.5	\$287.4
Total	\$92,137	\$12,146.3	\$6,250.0	\$37,376.0	\$8,190.3	\$78,355.1	\$36,362.7	\$9,960.8	\$11,388.4	\$2,560.0	\$575.7
Total Net Montana Source Income	-\$38,259	\$70,167	-\$22,533	\$48,700	\$174,967	\$440,586	\$103,321	\$158,573	\$29,602	\$10,682	-\$711

Pass-Through Entities by Size - Number of Owners

Pass-through entities vary greatly in size. Approximately 50 percent of Montana's S Corporation pass-throughs reported a single owner and 68 percent of partnership pass-throughs with Montana source income had two or three owners. Overall, pass-throughs that operate in multiple states tend to have more owners than pass-throughs that only operate in Montana. Among S Corporations, fewer than 10 percent of pass-throughs that only operated in Montana in 2016 had more than eight reported owners, while more than 7 percent of multi-state S Corporations had at least nine owners. At the same time, 24 percent of Montana's multi-state partnership pass-throughs had more than eight owners, which is approximately eight times larger than the proportion of Montana-only partnerships with at least nine reported owners.

Pass-Through Entities - Number of Owners								
Number of Reported Owners	S Corporations				Partnerships			
	Montana		Multi-State		Montana		Multi-State	
	Number	%	Number	%	Number	%	Number	%
1	12,289	54.9%	3,967	40.0%	43	0.2%	65	0.6%
2 to 3	8,983	40.2%	3,826	38.5%	14,042	79.3%	5,476	50.2%
4 to 8	977	4.4%	1,436	14.5%	3,123	17.6%	2,723	24.9%
9 to 20	104	0.5%	475	4.8%	424	2.4%	1,026	9.4%
Over 20	15	0.1%	224	2.3%	84	0.5%	1,626	14.9%

Pass-Through Entities

Pass-Through Entities by Size - Montana Source Income

The following table shows the number and percentages of pass-through entities in six groups based on the entity's Montana source income. As can be seen from the following table, many S Corporations and approximately 47 percent of all partnerships reported zero, or negative, Montana source income on their returns. And while S Corporations and partnerships tend to be used as business structures for smaller businesses, there are some partnerships and S Corporations that have substantial Montana source income – falling into the over \$5 million category. Thirty-five S Corporations and 59 partnerships reported more than \$5 million in Montana source income.

Number of Pass Through Entities by Amount of Montana Source Income								
Montana - Source Income	S Corporations				Partnerships			
	Montana		Multi-State		Montana		Multi-State	
	Number	%	Number	%	Number	%	Number	%
\$0 or Negative	6,103	27.2%	5,303	51.7%	7,209	40.6%	6,402	57.1%
\$1 to \$10,000	3,281	14.6%	2,700	26.3%	3,162	17.8%	2,602	23.2%
\$10,001 to \$100,000	9,536	42.6%	1,460	14.2%	5,348	30.2%	1,454	13.0%
\$100,001 to \$1,000,000	3,322	14.8%	680	6.6%	1,835	10.3%	644	5.7%
\$1,000,001 to \$5,000,000	156	0.7%	94	0.9%	156	0.9%	86	0.8%
Over \$5,000,000	12	0.1%	23	0.2%	27	0.2%	32	0.3%

The next table shows Montana source income reported by pass-through entities for the same groups provided in the previous table. Most of the income generated by pass-through entities was from entities with over \$5 million in Montana source income. For S Corporation pass-throughs, entities with over \$5 million in Montana source income generated approximately \$491 million in 2016, which is 23.4 percent of all the Montana source income generated by Montana's S Corporation pass-throughs. Partnership pass-throughs with over \$5 million in Montana source income generated \$781 million in Montana source income in 2016.

Montana Source Income by Size of Pass-Through								
Montana - Source Income	S Corporations				Partnerships			
	Montana		Multi-State		Montana		Multi-State	
	\$ million	%	\$ million	%	\$ million	%	\$ million	%
\$0 or Negative	-\$255	-18.6%	-\$112	-15.4%	-\$562	-67.8%	-\$520	-197.9%
\$1 to \$10,000	\$14	1.0%	\$6	0.8%	\$13	1.5%	\$5	2.0%
\$10,001 to \$100,000	\$392	28.6%	\$53	7.3%	\$206	24.8%	\$53	20.1%
\$100,001 to \$1,000,000	\$819	59.9%	\$200	27.5%	\$476	57.4%	\$194	73.8%
\$1,000,001 to \$5,000,000	\$281	20.6%	\$206	28.4%	\$270	32.5%	\$176	67.1%
Over \$5,000,000	\$117	8.6%	\$374	51.4%	\$426	51.4%	\$355	134.9%

Taxation of Estates and Trusts

Estates and trusts are legal arrangements where one party holds assets on behalf of or for the benefit of one or more other parties. The details of these legal arrangements vary widely, because trusts can be set up to serve many purposes and because estates and trusts are created under state laws, which vary between states.

A trust generally is managed by one or more trustees. The estate of a decedent is managed by an executor. The manager of a bankruptcy estate is called a trustee or a debtor in possession depending on whether the estate is created under Chapter 7 or Chapter 11 of the bankruptcy code. Managers of trusts and estates are referred to as fiduciaries because of their fiduciary duty to act in the interest of another party rather than in their own interest.

When an estate or trust earns income, it may distribute part or all of the income to one or more beneficiaries or it may retain part or all of the income. Beneficiaries are taxed on income distributed to them, and the estate or trust is taxed on income it retains.

A trust may also distribute part of the principal to one or more beneficiaries. All estates and many trusts are created with the intention of ultimately distributing all their assets. Distributions from the principal of an estate or trust are not taxable.

Montana taxes the income of a trust or estate as if the trust or estate were an individual, with the exception that a trust or estate is allowed a deduction for income distributed to beneficiaries. Some trusts are created for the purpose of providing funds for charity, and estates and trusts are allowed a deduction for charitable contributions.

Estates and trusts may file on a tax year that is different from the calendar year. In this section, information is reported based on the calendar year when the estate or trust's tax year started. Tax years numbered 2016 may have ended any time between December 31, 2016 and December 30, 2017. Returns are due by the 15th day of the fourth month after the end of the tax year, but taxpayers may receive a six-month filing extension. Thus, 2016 is the latest tax year for which all returns had been filed and processed by the time of publication.

Types of Estates and Trusts

The Montana return asks the fiduciary to indicate that the return is for one of 11 types of estate or trust. The following table shows the number of returns in each category for 2015 and 2016.

A simple trust is a trust where all income is to be distributed to the beneficiaries, no income is to be used for charitable purposes, none of the principal is to be distributed, and capital gains are to be allocated to the principal. A complex trust is a trust that does not qualify as a simple trust and does not fall into one of the other categories. A decedent's estate is charged with distributing assets in accordance with the decedent's will or state law and preserving assets until they are distributed.

Number of Estate and Trust Returns		
	2015	2016
Simple Trust	2,586	2,569
Complex Trust	4,663	4,731
Decedent's Estate	1,485	1,526
Grantor Trust	6,936	7,040
Electing Small Business Trust	24	13
Qualified Disability Trust	73	72
Bankruptcy Estate (Chapter 7)	26	20
Bankruptcy Estate (Chapter 11)	3	3
Qualified Funeral Trust	2	3
Pooled Income Fund	1	1
Other	295	319
Total	16,094	16,297

A grantor trust is a trust where the person who created the trust retains control of or an ownership interest in the trust's assets. For both federal and Montana taxes, a grantor trust is treated as a disregarded entity: Its income is treated as belonging to the grantor and its income and deduction line items should be reported on the grantor's tax return.

Estates and Trusts

An electing small business trust is a trust that holds shares in an S Corporation and for which the trustee has made an election to be taxed under a different section of federal law than generally applies to trusts. Montana taxes electing small business trust the same as other trusts.

A qualified disability trust is a trust whose beneficiaries are one or more disabled persons under the age of 65. A bankruptcy estate holds the assets of a bankrupt individual or business and is charged either with liquidating those assets to repay debts (Chapter 7) or with reorganizing the business (Chapter 11).

A qualified funeral trust is a type of grantor trust set up to pay the beneficiary's funeral expenses. A pooled income fund is an arrangement where individuals or businesses donate assets to a charity with the provision that the donor is to receive part or all of the earnings from the assets for a fixed period or for life.

Income of Estates and Trusts

Montana law considers a trust to be a resident trust if the trust has sufficient connection to Montana, which includes having its primary place of administration in Montana, property located in Montana, and having beneficiaries located in Montana. A trust is classified as a part year resident trust if sufficient connection with the state has ceased during a year. A trust or estate that is created during a year has a short tax year but is considered either resident or non-resident.

All of a resident trust's income is taxable by Montana, but a trust with income that has its source in another state may claim a credit against Montana tax for tax paid to another state. Montana source income of a non-resident trust is taxable by Montana. As with a non-resident individual, a non-resident trust calculates tax on all its income and then multiplies this calculated tax by the share of its income that has a Montana source.

The following table shows the different types of income reported by trusts and estates. It shows income of resident estates and trusts and non-resident and part-year resident estates and trusts separately. For non-resident and part-year resident estates and trusts, it shows the average nonresident / part-year resident ratio used in calculating their tax. This is the ratio of total Montana source income to total income from all sources.

Income Reported on Estate and Trust Returns (\$ million)				
Type of Income	2015		2016	
	Resident	Nonresident and Part-Year	Resident	Nonresident and Part-Year
Interest	\$12.866	\$161.809	\$12.769	\$199.730
Dividends	\$48.591	\$418.099	\$49.324	\$405.938
Sole Proprietor Business Income	\$2.250	-\$34.384	\$1.047	-\$102.669
Pass-Through Business, Rents, Royalties	\$52.489	-\$16.245	\$44.126	\$522.881
Gain or Loss on Asset Sales				
Taxed as Capital Gains	\$78.114	\$2,271.803	\$50.130	\$1,364.978
Taxed as Ordinary Income	-\$5.522	\$113.482	-\$1.774	\$53.335
Other	\$22.908	\$37.243	\$15.467	\$38.132
Total	\$211.695	\$2,951.807	\$171.088	\$2,482.326
Average Resident Ratio for Nonresident and Part-Year Resident Estates and Trusts		0.96%		0.81%

Deductions for Charitable Contributions and Distributions to Beneficiaries

Income earned by a trust or estate generally is put to one of four uses: It may be used to pay costs of the trust, it may be donated to charity, it may be distributed to a beneficiary, or it may be retained and added to the principal of the trust. In calculating taxable income, an estate or trust is allowed an itemized deduction for charitable contributions in the same way an individual is. Unlike an individual, an estate or trust is allowed a deduction for income distributed to a beneficiary. An estate or trust may also distribute part of the principal, but this is not deductible for the trust or taxable for the beneficiary. The following table shows deductions for charitable contributions and for distributions to beneficiaries.

Deductions for Charitable Contributions and Distributions to Beneficiaries				
	2015		2016	
	Entities with Deduction	\$ million	Entities with Deduction	\$ million
Charitable Contributions				
Resident Estates and Trusts	246	\$13.199	233	\$9.772
Nonresident and Part-Year	503	\$158.226	538	\$101.885
Distributions from Income				
Resident Estates and Trusts	3,161	\$110.465	3,219	\$94.219
Nonresident and Part-Year	965	\$930.233	971	\$790.656

Tax Paid by Estates and Trusts

Trusts and estates directly pay about \$5 million in tax per year. The following table shows tax paid by type of trust or estate. Categories with few returns are combined to protect taxpayer confidentiality.

Tax After Capital Gains Credit and Apportionment (\$ million)		
Entity Type	2015	2016
Bankruptcy Estates	\$0.002	\$0.000
Decedent Estates		
Resident	\$0.252	\$0.445
Nonresident and Part-Year	\$0.018	\$0.037
Electing Small Business Trusts		
Resident	\$0.068	\$0.000
Nonresident and Part-Year	\$0.000	\$0.000
Grantor Trusts	\$0.000	\$0.000
Simple Trusts		
Resident	\$0.478	\$0.303
Nonresident and Part-Year	\$0.021	\$0.084
Disability, Funeral, Pooled Income, and Other	\$0.005	\$0.013
Complex Trust Not in Another Category		
Resident	\$1.814	\$1.081
Nonresident and Part-Year	\$0.518	\$0.243
All Estates and Trusts	\$3.177	\$2.206

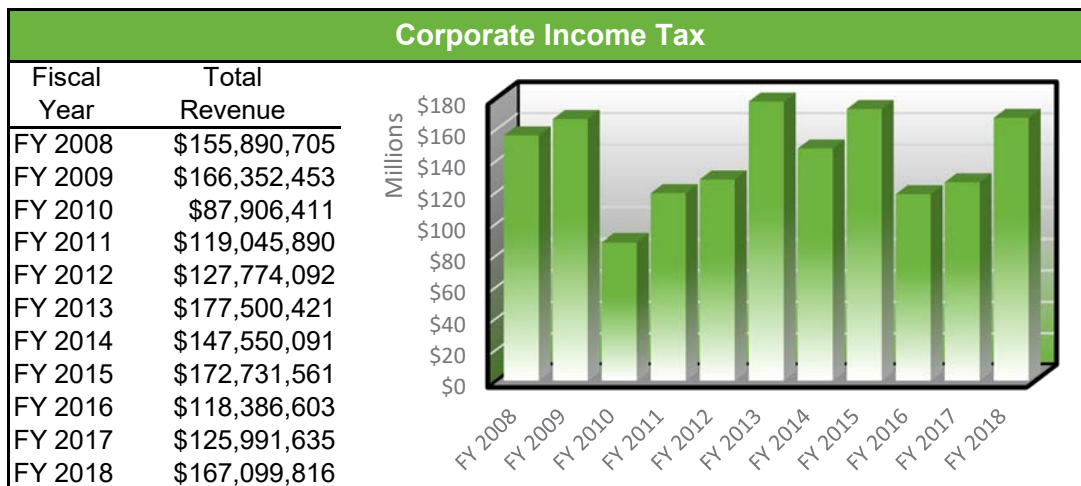
Corporate Income Tax

Montana’s corporate income tax is a tax levied on C Corporations for the “privilege of carrying on business in this state for the tax year in which the income was earned” (15-31-101(3), MCA). A corporation includes:

an association, joint-stock company, common-law trust or business trust that does business in an organized capacity, all other corporations whether created, organized, or existing under and pursuant to the laws, agreements, or declarations of trust of any state, country or the United States, and any limited liability company, limited liability partnership, partnership or other entity that is treated as an association for federal income tax purposes and that is not a disregarded entity (15-31-101(1), MCA).

Every bank organized under the laws of the state of Montana, of any other state, or of the United States, and every savings and loan association organized under the laws of this state or of the United States is subject to the Montana corporate income tax (15-31-101(4), MCA).

The table below shows total corporate income tax collections for Fiscal Years 2008 through 2018 as recorded in the state accounting system. As a rule, corporate income tax collections in Montana follow the general national economy. Total collections in Fiscal Year 2008 (which started on July 1, 2007) were \$155.9 million, increasing to \$166.4 million in Fiscal Year 2009 and declining to \$87.9 million in Fiscal Year 2010. Fiscal Year 2017 and Fiscal Year 2018 corporate tax revenues were \$126.0 million and \$167.1 million, respectively. Corporate income taxes are deposited in the state general fund.



The table on the following page provides a breakdown for the last seven years of revenues deposited in the general fund by how they are collected and also shows refunds.

As the table shows, estimated quarterly payments are by far the largest source of corporate income tax collections, followed by payments with returns.

Average estimated payments over the past seven years were \$121.7 million. Average annual revenue for payments with returns over the same period was \$32.3 million. The seven-year average of revenues from audits, penalties, and interest was \$19.5 million. Refunds averaged about \$24.4 million per year.

Over the past seven years, total corporate tax collections averaged about \$149.1 million annually. However, there was wide variation in annual collections over that time period.

Corporate Income Tax Collections and Refunds - General Fund					
Fiscal Year	Payments With Returns	Estimated Payments	Audits, Penalties, and Interest	Refunds	Total Collections
FY 2012	\$27,777,649	\$110,864,886	\$27,885,386	(\$38,757,329)	\$127,770,592
FY 2013	\$35,894,922	\$135,790,121	\$16,811,485	(\$10,999,107)	\$177,497,421
FY 2014	\$28,136,519	\$130,352,294	\$10,765,481	(\$21,706,704)	\$147,547,591
FY 2015	\$31,109,657	\$129,923,853	\$28,775,440	(\$17,972,938)	\$171,836,012
FY 2016	\$29,079,903	\$108,541,034	\$13,308,491	(\$31,390,463)	\$119,538,965
FY 2017	\$31,668,677	\$107,111,190	\$12,318,708	(\$25,851,754)	\$125,246,820
FY 2018	\$42,743,886	\$129,097,865	\$26,779,392	(\$24,228,007)	\$174,393,137
Average	\$32,344,459	\$121,668,749	\$19,520,626	(\$24,415,186)	\$149,118,648

Who pays Corporate Income Taxes?

Only C Corporations pay corporate income taxes. Corporations that elect to file as a subchapter S Corporation for federal tax purposes are also required to file as a subchapter S Corporation for Montana income tax purposes. Despite the filing requirement, subchapter S Corporations do not pay Montana corporate income taxes. Instead, the owners or shareholders of the S Corporation are subject to income tax on income flowed through the S Corporation to the owner or shareholder. Then the owner/shareholder reports any taxable income on their individual income tax form. S Corporations are discussed more in the section on pass-through entities.

Organizations exempt from the tax include corporations or associations organized and operated exclusively for religious, charitable, scientific, or educational purposes, and whose income does not benefit any stockholder or individual.

Other entities exempt from corporate income tax include labor, agricultural or horticultural organizations; civic organizations operated exclusively for the promotion of social welfare; clubs or corporations organized and operated exclusively for pleasure, recreation or other nonprofit purposes and who do not have income that benefits private stockholders or members; and similar nonprofit organizations.

Unrelated business taxable income, as defined by federal law, of exempt organizations that creates more than \$100 of federal tax liability is taxable as corporate income in the same manner as other taxable corporate income.

To receive treatment as exempt from state corporation taxes, the corporation must prove it is in compliance with all statutory conditions (15-31-102, MCA and ARM 42.23.103). Research and development firms organized to engage in business for the first time in Montana do not have to pay the corporate income tax for the first five years of operation. To receive this tax treatment, the firm must apply to the Department of Revenue and be approved as meeting legal requirements (15-31-103, MCA).

Returns Filed for Tax Year 2016	
Regular C Corporations	16,432
S Corporations	32,670
Total Corporations	49,102
C Corporations Paying Minimum Tax*	10,688
C Corporations Paying More Than Minimum Tax	5,744
Total C Corporations	16,432
* Includes corporations filing a tax return, but claiming zero or negative taxable income	

Distribution of Corporate Income Taxes

The following table shows the distribution by Montana tax liability of the 16,432 corporate returns with a Montana tax liability filed in calendar years 2017 and 2018 reporting on Tax Year 2016. Note that the revenues from the return data will not match the fiscal year revenues in earlier tables because fiscal year revenue is based upon payments, including estimated payments and payments with returns, recorded in the state accounting system.

Tax Year 2016 Distribution of Montana Tax Liability				
Regular Corporation Returns	Number	Tax Liability	Percent of Total Liability	Cumulative Percent of Total Liability
Top 100 returns	100	\$87,765,316	69%	69%
Second 100 returns	100	\$12,029,931	9%	78%
Third 100 returns	100	\$6,425,096	5%	83%
Fourth 100 returns	100	\$4,226,805	3%	87%
Fifth 100 returns	100	\$2,944,682	2%	89%
All other returns	15,932	\$14,195,049	11%	100%
Total	16,432	\$127,586,879	100%	n/a

Altogether the top 100 returns constituted about 69 percent of total tax liability for the entire group of taxpayers. The top 500 returns accounted for 89 percent of total Montana tax liability for the group. The other 15,932 returns accounted for only 11 percent of the total Montana tax liability.

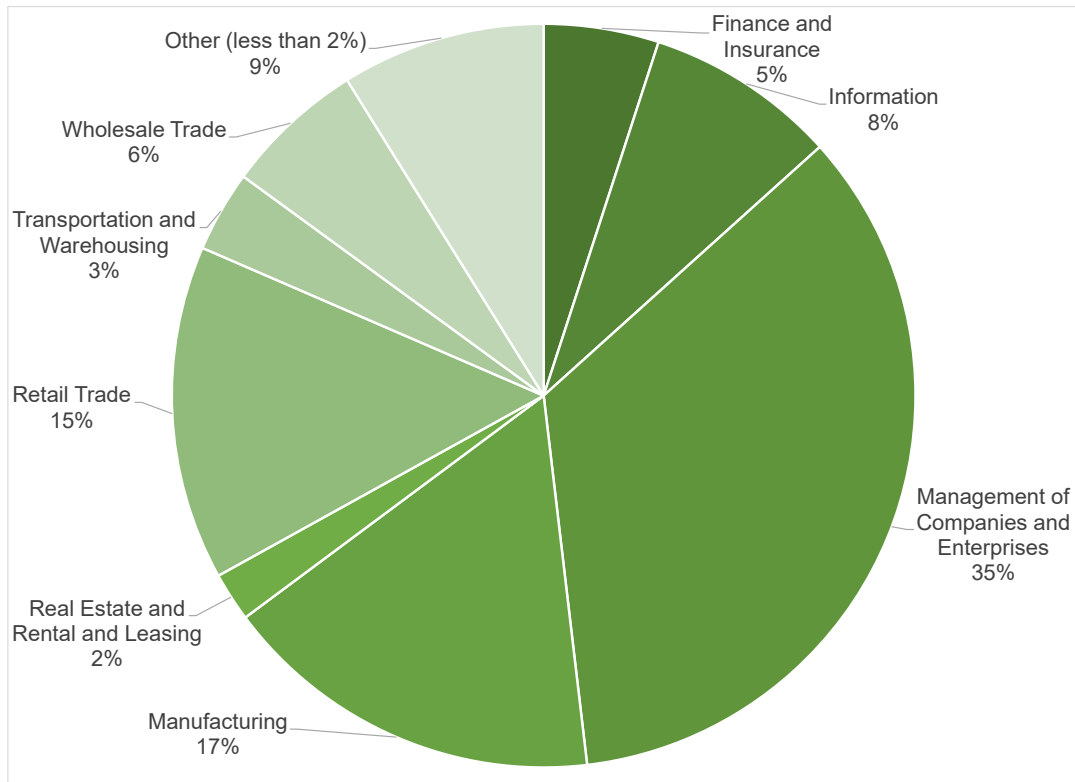
Another way to look at the distribution of corporate income taxes is by economic sector. Starting with the 2009 tax returns, corporate taxpayers were asked to identify their primary industry just as identified on their federal tax forms. The following pie chart shows the distribution of corporate income taxes for the largest sectors.

The largest sector in terms of Tax Year 2016 tax liability was management of companies and enterprises. Corporations involved in the management of companies and enterprises that includes bank and other holding companies and corporate or regional headquarters paid about 35 percent of all the corporate income taxes.

Manufacturing was the second largest sector with 17 percent of all corporate income taxes in Tax Year 2016. The Census Bureau list of manufacturing activities includes food manufacturing including grain, oilseed, fruit and dairy processing; bakeries; beverages; sawmills, millwork, and paper manufacturing; petroleum and chemical manufacturing; cement and concrete; and other activities.

Corporations primarily involved in retail trade paid 15 percent of corporate income taxes; information paid 8 percent; and wholesale trade paid 6 percent.

Corporate Income Tax



When looking at the chart it is important to remember that only businesses organized as C Corporations pay corporate income taxes. Businesses can also be organized as partnerships, S Corporations, or sole proprietorships. These businesses are called pass-through entities because the income from the business is passed through to the owners or shareholders of these businesses, who then must report the income on their own tax returns. Businesses in certain industries, such as agriculture or legal services, may be more likely to be structured as a pass-through entity, rather than as a C Corporation.

Taxable Income and the Tax Rate

The starting point for calculating Montana corporate income tax is the corporation's federal taxable income. To determine net income taxable by Montana, certain adjustments to federal taxable income must be made. For example, municipal bond interest is taxable and must be added to income. Also, Montana allows certain reductions to income, such as a portion of the cost of energy conservation investments made in a building used for the corporation's business.

After the additions and reductions to federal taxable income required by Montana law, income is then apportioned to Montana to produce Montana taxable income.

If the corporation conducts business that is taxable only in Montana, then all of the net taxable income from that business is Montana taxable income. The tax is levied at a rate of 6.75 percent on net income earned in Montana.

Corporate Income Tax

Multi-state corporations with net taxable income generated by doing business both inside and outside the state are required to apportion income to Montana based on an equally weighted, three-factor apportionment formula.

Receipts, property, and payroll comprise the three factors used in the apportionment formula. The payroll factor is the ratio of payroll paid in compensation attributable to the production of business income during the tax period in Montana to all payroll paid. Similarly, the property factor is based on the ratio of Montana property to all property and the receipts factor is based on the ratio of Montana receipts to all receipts. Once the three factors are calculated, they are averaged together to create the overall apportionment factor. That factor is applied against adjusted federal taxable income to produce the net income apportioned to Montana, or Montana taxable income.

Example of Apportionment Factor Calculation for Multi-State Corporation

Payroll In Montana		Total Payroll	=	Payroll Factor
\$1,000,000	÷	\$10,000,000	=	0.100
Property In Montana		Total Property	=	Property Factor
\$2,000,000	÷	\$125,000,000	=	0.016
Receipts In Montana		Total Receipts	=	Receipts Factor
\$4,000,000	÷	\$100,000,000	=	0.040
Apportionment Factor (Avg.)				0.052

The tax is normally levied at a rate of 6.75 percent on net income apportioned to Montana, with exceptions explained below.

Following is an example of how a multi-state corporation doing business in Montana would calculate its Montana source income assuming the following facts:

- The corporation has \$1 million in payroll in Montana out of total payroll of \$10 million dollars.
- It has \$2 million of property in Montana out of total property owned by the corporation of \$125 million.
- The corporation has receipts in Montana of \$4 million out of total receipts for the firm of \$100 million during the tax year.

These facts result in an apportionment factor of 0.052 (see the calculations in the previous table).

If this corporation had total taxable income of \$10,000,000, then its Montana taxable income is \$520,000 (\$10 million times 0.052 equals \$520,000), and its state income tax is \$35,100 before credits (\$520,000 times 6.75 percent).

Relying on an apportionment formula simplifies the calculation of taxable income by state for the multistate taxpayer and for the state tax administrator, but there can still be issues. A simple example is that of a multistate taxpayer who over-apportions or shifts one or more of the factors - property, payroll or sales - to a state that does not tax corporate income. Apportioning too much in receipts or property or payroll to a non-income tax state reduces other states' apportionment factors and so reduces the income taxable in those states.

Montana is a worldwide, combined unitary state. A business is unitary when the operations of that business within the state depend on or contribute to the operations of that business outside the state. However, in Montana corporations can elect to have primarily their United States income included in the apportionment process. Corporations taking this election, called a "water's edge" election, pay the tax at a rate of 7 percent instead of 6.75 percent. For corporations electing to file as water's edge corporations, there are some limits on exclusions under the water's edge election (see 15-31-322 and 15-31-324, MCA).

Corporate Income Tax

Multinational unitary corporations wishing to file under the water's edge method are required to file a written election within the first 90 days of the tax period for which the election is to become effective. The Department of Revenue must approve the election before the corporation uses it and the election is binding for three consecutive taxable periods.

Corporations whose only activity in Montana consists of making sales, and who do not own or rent real estate or tangible personal property, and whose annual gross income from sales in Montana does not exceed \$100,000, may elect to pay an alternative tax equal to 0.5 percent of gross sales.

There is a minimum tax of \$50 for any corporation doing business in the state. The table on returns filed for Tax Year 2016 earlier in this section shows that for those returns filed in Tax Year 2016 by corporations, the minimum tax or less was paid on 10,688 returns or 65 percent. If the corporation has no property, sales, or payroll in the state during the tax period, it is exempt from the minimum tax.

All states with a corporate income tax allow corporations a carry forward of net operating losses (NOLs). These losses can be deducted against net taxable income in future years, although all states limit the number of years a corporation can carry forward losses. Some states, including Montana, allow carryback of net operating losses.

Beginning in Tax Year 2018, Montana NOLs of a corporation may be carried back for a period of 3 years and used to reduce prior years' taxable income, and may be carried forward for up to 10 years to reduce taxable income in those future years. Loss carrybacks may not exceed \$500,000 per tax period. Previously, losses could be carried back three years and forward seven years without any limitation on the carryback amount.

The table on the next page provides a comparison of Montana treatment of net operating loss deductions with that in other states.

In Montana, if a corporation has net operating losses, it can file an amended return and claim a refund of previously-paid taxes for any or all the prior three years, with the \$500,000 carryback limitation per tax period beginning in Tax Year 2018.

For example, a hypothetical Montana corporation had net taxable income of \$50,000 each year in years 1, 2, and 3. In year 4 it had losses of \$160,000 and in year 5 it is back to profitability and has taxable income of \$60,000. Based upon these assumptions, the corporation would have paid \$3,375 in corporate income taxes (\$50,000 times 0.0675) each year in years 1, 2, and 3. In year 4, it had net losses of \$160,000 so it paid no corporate income tax (actually it would likely pay the \$50 minimum tax unless it had credits). In year 4, the corporation could file amended returns for years 1, 2, and 3. On the amended returns, the taxpayer could claim \$150,000 of year 4 losses against income earned in those prior years, and obtain refunds of taxes paid, or \$10,125 (3 times \$3,375). The remaining \$10,000 of losses would be used as a deduction against year 5 income of \$60,000, reducing taxable income from \$60,000 to \$50,000, and reducing the corporation's tax liability by \$675.

Twenty-nine states do not allow carryback of net operating losses, but do allow carryforward of losses, from five years up to 20 years. Fourteen states allow the same carryforward and carryback periods as federal tax law has historically allowed (two years back and 20 years forward). New York, Montana, and Utah allow corporations with net operating losses to carry back these losses against the three prior years of income.

As can be seen in the footnotes to the Net Operating Loss table on the following page, a number of states have restricted the amounts of losses that can be carried back and used to obtain refunds or carried forward in any one year. For example, like Montana, Utah provides a three year carryback of net operating losses, but has a limit of \$1 million on carryback losses.

Corporate Income Tax

Idaho allows losses to be carried back against income for up to two years, but limits carryback losses to \$100,000. Idaho allows carry forward of losses for up to 20 years.

North Dakota allows carry forward of losses for up to 20 years, but does not allow carryback of losses.

States with Corporate Income Taxes Allowed Carryback and Carryforward Periods for Net Operating Losses						
	Allowed years of carryback	Allowed years of carryforward				
		5 years forward	10 years forward	12 years forward	15 years forward	20 years forward
Allowed years of carryback	0 years back	Arkansas Rhode Island	Kansas Michigan New Hampshire Vermont	Illinois	Alabama Minnesota North Carolina Oregon Tennessee	Arizona Colorado Connecticut District of Columbia Florida Indiana Iowa Kentucky Louisiana Maine Massachusetts Nebraska New Jersey New Mexico North Dakota Ohio Pennsylvania South Carolina Wisconsin
	2 years back					Alaska California Delaware Georgia Hawaii Idaho Maryland Mississippi Missouri Oklahoma Virginia West Virginia
	3 years back		Montana		Utah	New York

Source: State Tax Handbook. 2017. CHS; Montana Department of Revenue. 2018.

Corporate Income Tax

Credits

As with individual income tax, corporations with expenditures that qualify under state law can claim tax credits. Tax credits are applied against the corporation's tax liability to reduce the amount the corporation owes.

For example, a corporation with Montana taxable income after deductions and additions of \$3,000 has a tax liability of \$202.50 (\$3,000 times 6.75 percent). However if the corporation has expenditures that qualify under state law for a credit of \$150, its tax liability is reduced to \$52.50 from \$202.50. For Tax Years 2015 and 2016, only three corporate income tax credits had enough claims to be able to disclose the number of businesses claiming the credit to the public; if the number of credits claimed on returns is less than 10, the information is confidential. These three credits can be seen in the following table.

Montana Corporation Tax Credits				
Credit	--- Tax Year 2015 ---		--- Tax Year 2016 ---	
	Number of Credits	Total Credit Amounts	Number of Credits	Total Credit Amounts
Alternative Energy Production Credit	0	\$0	0	\$0
Alternative Fuel Motor Vehicle Conversion Credit	*	\$1,000	0	\$0
Biodiesel Blending and Storage Tax Credit	0	\$0	0	\$0
Charitable Endowment Credit	15	\$31,436	11	\$25,130
College Contribution Credit	28	\$6,468	25	\$4,898
Contractor's Gross Receipts Credit	91	\$644,922	88	\$319,316
Dependent Care Assistance Credit	0	\$0	0	\$0
Empowerment Zone New Employees Tax Credit	0	\$0	0	\$0
Geothermal Heating System Credit	0	\$0	0	\$0
Health Insurance for Uninsured Montanans Credit	*	\$5,750	*	\$350
Historic Property Preservation Credit	*	\$374,586	*	\$39,653
Infrastructure Users Fee Credit	*	\$1,676,702	*	\$706,524
Mineral Exploration Credit	*	\$25	*	\$25
New/Expanded Industry Credit	*	\$2,465	*	\$872
Oilseed Crushing and Biodiesel Production Facility Credit	0	\$0	0	\$0
Qualified Research Credit	*	\$300	*	\$223
Recycling Credit	*	\$20,777	*	\$7,605
Short-term Temporary Lodging Credit	0	\$0	0	\$0
Total Credits	156	\$2,764,431	142	\$1,104,596

Some of the above credits are claimed on returns that have not been audited yet. The amount of credit claimed may change once these returns are audited. In addition, some of the above numbers represent a carryback of some credits claimed on amended returns received during the fiscal year. Credits claimed on less than 10 returns are indicated by a *.

Filing Requirements and Estimated Payments

Unlike individual income taxpayers who must file their federal and state returns based upon a calendar year, corporate taxpayers must file tax returns based upon their fiscal year. Corporate income taxpayers must use the same tax period for their state return as was used for the federal tax return (15-31-112, MCA).

As can be seen in the table in this section, about two-thirds of corporate taxpayers (69 percent) have a fiscal year/tax year that is based upon the calendar year. Tax returns for taxpayers using a calendar year as their fiscal year are due May 15 or November 15 under an automatic extension.

The next most-used fiscal year/tax year is the 12 months ending at the end of June; about 5 percent of corporate taxpayers filing in Montana used a fiscal year ending at the end of June. Tax returns for taxpayers using another period as their fiscal year are due the 15th day of the fifth month after close of the taxable year. So if a taxpayer's fiscal year ends at the end of June, the tax return is due November 15 or May 15 under an automatic extension.

Automatic extensions are allowed for up to six months following the prescribed filing date.

For example, a taxpayer with a fiscal year/tax year that is also a calendar year can use the automatic extension moving the due date of their return from May 15 to November 15. So the Tax Year 2016 return for a taxpayer whose fiscal year is calendar year 2016 would be due May 15, 2017, but the taxpayer would have until November 15, 2017 to file under the automatic extension.

Corporate Income Tax Tax Year 2016		
Tax Year Period Ending	Number of Taxpayers	Percent
12/31/2016	11,269	69%
1/31/2017	359	2%
2/28/2017	248	2%
3/31/2017	780	5%
4/30/2017	212	1%
5/31/2017	215	1%
6/30/2017	848	5%
7/31/2017	158	1%
8/31/2017	205	1%
9/30/2017	790	5%
10/31/2017	834	5%
11/30/2017	514	3%
Total	16,432	100%

A taxpayer whose fiscal year/tax year ends June 30 can obtain an automatic six-month extension that moves the due date for its return from November 15 to May 15 of the following year. So the Tax Year 2016 return for a taxpayer whose fiscal year starts July 1 (in 2016) and goes through June 30 (of 2017) is due November 15, 2017 but the taxpayer would have until May 15, 2018, to file under automatic extension.

Companies with a tax liability of \$5,000 or more must make quarterly estimated payments. For a corporation operating with a calendar year as its fiscal year/tax year, the due dates for quarterly payments are April 15, June 15, September 15, and December 15. For a corporation using another 12-month period as its fiscal/tax year, the due dates for quarterly installments are the 15th day of the fourth month, the 15th day of the sixth month, the 15th day of the ninth month, and the 15th day of the 12th month (15-31-502, MCA).

Penalties and Interest

Corporations that do not pay taxes when due may be charged a late payment penalty of 1.2 percent per month on the unpaid tax, up to a maximum penalty of 12 percent of the tax due. Interest on unpaid tax accrues at a rate of 12 percent per year, or at 1 percent per month or fraction of a month on the unpaid tax.

Corporate Income Tax

Comparison of Corporate Tax Rate with Other States

Forty-four states and the District of Columbia have a tax on corporate income. The comparison table in this section uses data from the Federation of Tax Administrators (as of January 1, 2018) to show the maximum rates for states that have a corporate tax. These go from 12 percent down to 3 percent. A number of states have a graduated income tax which is indicated by an asterisk next to the state.

Of course, what is shown in the table is only the maximum rate for each state. The effective or average tax rate in different states can vary substantially, depending upon what the lower rates are and what income they apply to. Furthermore, state tax deductions, exemptions and credits, and other aspects of state taxation policy can substantially reduce the effective tax rate.

Nevada and Wyoming do not have corporate income taxes.

Texas does not have a corporate income tax, but imposes a franchise tax based on gross revenues.

Ohio has adopted a commercial activity tax which is a tax on gross receipts. Washington has a business and occupation tax which also is a tax on gross receipts.

Montana's tax rate is 6.75 percent. Idaho's tax rate is 7.4 percent and North Dakota's top corporate income tax rate is 4.31 percent.

South Dakota does not have a general corporate income tax, but does have an excise tax on financial institutions which starts at 6 percent on net income of \$400 million or less. The percentage tax declines in steps on net income over that amount.

As noted earlier, Wyoming does not have a corporate income tax, but does have a corporate franchise tax or license tax of two-tenths of one mill per dollar of assets, which applies to the sum of capital, property, and assets located in Wyoming (in addition to a general property tax), and also has a relatively broad-based sales tax.

Maximum Corporate Tax Rate By State

Rank	State	Maximum Tax Rate
1	Iowa*	12.00%
2	Pennsylvania	9.99%
3	Minnesota	9.80%
4	Illinois	9.50%
5	Alaska*	9.40%
6	New Jersey	9.00%
7	Maine *	8.93%
8	California	8.84%
9	Delaware	8.70%
10	Vermont *	8.50%
11	District of Columbia	8.25%
11	Maryland	8.25%
12	New Hampshire	8.20%
13	Louisiana *	8.00%
13	Massachusetts	8.00%
14	Wisconsin	7.90%
15	Nebraska *	7.81%
16	Oregon	7.60%
17	Connecticut	7.50%
18	Idaho	7.40%
19	Rhode Island	7.00%
20	Montana	6.75%
21	New York	6.50%
21	West Virginia	6.50%
21	Alabama	6.50%
21	Arkansas *	6.50%
21	Tennessee	6.50%
22	Hawaii *	6.40%
23	Missouri	6.25%
24	Georgia	6.00%
24	Indiana	6.00%
24	Kentucky *	6.00%
24	Michigan	6.00%
24	Oklahoma	6.00%
24	Virginia	6.00%
25	New Mexico*	5.90%
26	Florida	5.50%
27	Mississippi *	5.00%
27	South Carolina	5.00%
27	Utah	5.00%
28	Arizona	4.90%
29	Colorado	4.63%
30	North Dakota*	4.31%
31	Kansas	4.00%
32	North Carolina	3.00%

* Graduated income tax

As of Jan. 1, 2018, Federation of Tax Administrators

Corporate Income Tax

Select History of Corporate Income (License) Tax

The corporate license tax was established in 1917. The tax rate was 1 percent and there was no minimum tax.

In 1933, the rate was raised to 2 percent with a minimum tax of \$5. In 1937, the rate was raised to 3 percent; the minimum tax remained \$5. Twenty years later in 1957, the rate was raised to 5 percent and the minimum tax changed to \$10. The tax rate was changed several times in the years between 1960 and 1971 and the minimum tax was increased from \$10 to \$50.

In 1987, the water's edge election, which includes a tax rate of 7 percent for corporations that elect to file as water's edge companies, was added.

In 2013, the name of the corporate license tax was changed to corporate income tax.

Corporate Income Tax Historic Tax Rates and Minimum Tax			
Year	Tax Rate	Minimum Tax	Water's Edge
1987	6.75%	\$50	7%
1971	6.75%	\$50	-
1969	6.25%	\$50	-
1965	5.25%	\$10	-
1960	4.5%	\$10	-
1957	5%	\$10	-
1937	3%	\$5	-
1933	2%	\$5	-
1917	1%	-	-

NATURAL RESOURCES



Montana Department of
REVENUE

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Overview of Natural Resource Taxes

Historically, Montana has relied on its natural resources as a primary source of tax revenue. This section covers the natural resource taxes levied in Montana. Generally, natural resource taxes are categorized as either severance/license taxes or some form of *ad valorem* (property) taxes. Information provided includes tax rates, filing requirements, disposition of the tax, production tax incentives, and recent revenue collections.

Natural Resource Tax Collections - FY 2015 through FY 2018

State Natural Resource Tax Revenue	FY 2015	FY 2016	FY 2017	FY 2018
Bentonite Production Tax	\$219,172	\$286,081	\$266,623	\$291,254
Cement & Gypsum Tax	\$152,463	\$142,452	\$136,339	\$209,451
Coal Gross Proceeds*	\$9,088,502	\$9,469,392	\$9,229,741	\$8,149,973
Coal Severance Tax	\$59,125,563	\$56,923,643	\$55,397,169	\$56,611,750
Oil and Natural Gas Production	\$90,830,859	\$44,725,511	\$51,356,982	\$60,417,163
Oil and Natural Gas Production (Privilege & License Tax)	\$1,671,506	\$812,294	\$2,405,384	\$3,414,619
Metal Mines Gross Proceeds*	\$2,593,448	\$2,690,657	\$1,972,646	\$1,815,147
Metalliferous Mine License Tax	\$10,947,952	\$5,691,074	\$8,700,599	\$8,700,599
Miscellaneous Mines Net Proceeds*	\$382,864	\$377,480	\$412,094	\$402,372
Resource Indemnity & Ground Water Assessment Tax	\$3,303,038	\$2,335,153	\$2,622,658	\$2,531,336
U.S. Mineral Royalties	\$26,960,428	\$16,758,963	\$17,322,265	\$20,139,199
Total State Collections	\$205,275,795	\$140,212,700	\$149,822,500	\$162,682,864
Local Natural Resource Tax Revenue	FY 2015	FY 2016	FY 2017	FY 2018
Bentonite Production Tax	\$776,590	\$1,011,340	\$942,551	\$1,029,626
Coal Gross Proceeds*	\$10,768,980	\$11,287,485	\$10,627,162	\$9,136,947
Coal Severance Tax	\$1,765,851	\$3,434,905	\$3,410,866	\$3,485,649
Oil and Natural Gas Production	\$63,447,389	\$37,900,038	\$46,619,101	\$55,301,615
Oil and Natural Gas Resource Account	\$3,157,296	\$1,534,356	\$387,751	\$0
Metal Mines Gross Proceeds*	\$11,858,376	\$11,996,094	\$8,731,816	\$8,725,640
Metalliferous Mine License Tax	\$3,649,317	\$2,473,424	\$3,817,183	\$4,684,938
Miscellaneous Mine Net Proceeds*	\$1,187,778	\$1,246,618	\$1,261,220	\$1,261,109
U.S. Mineral Royalties	\$8,986,809	\$5,586,321	\$5,774,088	\$6,713,066
Total Local Government Collections	\$105,598,385	\$76,470,581	\$81,571,736	\$90,338,590
Subtotals by Tax	FY 2015	FY 2016	FY 2017	FY 2018
Bentonite Production Tax	\$995,762	\$1,297,421	\$1,209,173	\$1,320,881
Cement & Gypsum Tax	\$152,463	\$142,452	\$136,339	\$209,451
Coal Gross Proceeds*	\$19,857,482	\$20,756,877	\$19,856,903	\$17,286,920
Coal Severance Tax	\$60,891,414	\$60,358,548	\$58,808,035	\$60,097,399
Oil and Natural Gas Production (Total)	\$159,107,050	\$84,972,199	\$100,769,218	\$119,133,397
Metal Mines Gross Proceeds*	\$14,451,824	\$14,686,751	\$10,704,462	\$10,540,788
Metalliferous Mine License Tax	\$14,597,270	\$8,164,499	\$12,517,782	\$13,385,537
Miscellaneous Mines Net Proceeds*	\$1,570,642	\$1,624,098	\$1,673,314	\$1,663,481
Resource Indemnity & Ground Water Assessment Tax	\$3,303,038	\$2,335,153	\$2,622,658	\$2,531,336
U.S. Mineral Royalties	\$35,947,238	\$22,345,284	\$23,096,354	\$26,852,265
Total Collections	\$310,874,182	\$216,683,281	\$231,394,237	\$253,021,454

*Numbers may not always exactly match property summary data.

Coal, Oil, and Natural Gas State Tax Comparison

Coal, Oil, and Natural Gas State Tax Comparison

Individual states have different exemptions, deductions and tax bases for their natural resources. These differences make it very difficult to compare tax structures between states. Also, differences in other taxes, such as sales and property tax, can skew the overall tax burden in each state. The tables on the next page provide a brief description of taxes for coal and oil and gas producers in other states.

National Conference of State Legislatures Comparison of Oil and Natural Gas Tax Rates 2012 (Updated 2018)		
State	Type of Tax	Description of Tax Rates
California	Oil and Gas Production Assessment	Rate determined annually by Department of Conservation
Colorado	Severance Tax	Two to five percent based on gross income for oil, gas, carbon dioxide and coal bed methane Four percent of gross proceeds on production exceeding 15,000 tons per day for oil shale
	Oil and Gas Conservation Levy	Maximum 1.7 mills per \$1 of market value at wellhead, not to exceed 0.2 mills per \$1 of the market value of the well
Idaho	Oil and Gas Production Tax	2.5 percent of market value at site of production
Kansas	Severance Tax	Eight percent of gross value of oil and gas, less property tax credit of 3.67 percent
	Oil and Gas Conservation Tax	91 mills/bbl crude oil or petroleum marketed or used each month 12.9 mills/1,000 cubic feet of gas sold or marketed each month
Montana	Oil or Gas Conservation Tax	Maximum of 0.3 percent on the market value of each barrel of crude petroleum oil or 10,000 cubic feet of natural gas produced and sold
	Oil or Natural Gas Production Tax	Varies from 0.5 percent to 14.8 percent of market value according to the well and type of production
Nebraska	Oil and Gas Severance Tax	Three percent of value of nonstripper oil and natural gas
	Oil and Gas Conservation Tax	Two percent of value of stripper oil. Maximum of 15 mills/\$1 of value at wellhead
Nevada	Net Proceeds of Minerals	Two to five percent based on the net proceeds of the production facility
North Dakota	Oil Gross Production Tax	Five percent of gross value at the well
	Gas Gross Production Tax	\$0.0601 per 1,000 cubic feet of gas produced. The rate is subject to a gas rate adjustment each fiscal year.
	Oil Extraction Tax	Five percent of gross value at the well. Exceptions exist for certain production volumes and incentives for enhanced recovery projects.
Ohio	Resource Severance Tax	\$0.10/bbl of oil \$0.025/1,000 cubic feet of natural gas
Oregon	Oil and Gas Production Tax	Six percent of gross value at well
South Dakota	Energy Minerals Severance Tax	4.5 percent of taxable value of all energy minerals
	Conservation Tax	2.4 mills of taxable value of all energy minerals
Utah	Oil and Gas Severance Tax	Three percent of value for the first \$13 per barrel of oil and five percent if the value is \$13.01 or higher
		Three percent of value for the first \$1.50/mcf and five percent if the value is \$1.51 or higher
	Oil and Gas Conservation Fee	Four percent of taxable value of natural gas liquids 0.002 percent of market value at the wellhead
Wyoming	Severance Taxes	Six percent on crude oil, lease condensate or natural gas, 2 percent on oil shale or any other fossil fuels
	Oil and Gas Conversion Charge	4/10 of a mill, may not exceed 8/10 of a mill.

MCF stands for 1,000 cubic feet; bbl stands for barrel

Coal, Oil, and Natural Gas State Tax Comparison

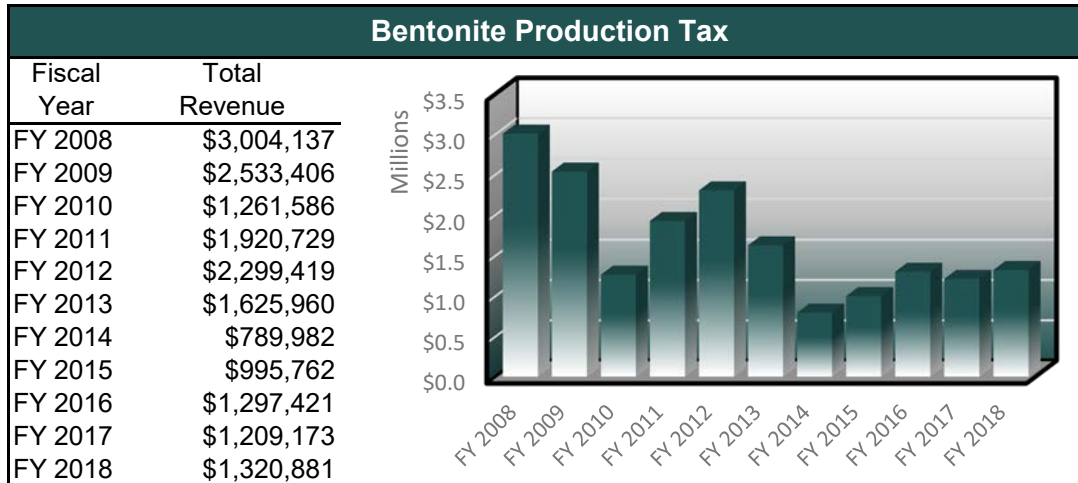
The coal comparison table comes from a synthesis of two sources. Effective tax rates were the product of a regional comparison of coal fiscal policies by Headwaters Economics in 2017. Data on production and quality of coal data was produced by the U.S. Energy Information Administration. The oil and gas table originally comes from the National Conference of State Legislatures, updated by the department in 2018.

Montana Coal Tax Comparison						
Factors	Montana	Wyoming	North Dakota	Colorado	Utah	Units
Effective Tax Rates	11.10%	9.50%	2.20%	1.30%	0.90%	% Gross Revenue
Average BTU	9,055	9,889	7,159	10,816	11,396	BTU per Pound
Average Sulfur Content	0.37%	0.72%	0.84%	0.46%	0.52%	% by Weight
Average Ash Content	6.80%	4.99%	6.90%	8.46%	10.90%	% by Weight
Average Sales Price per Ton	\$18.84	\$13.74	\$17.95	\$42.54	\$36.40	USD
Production in 2016	32.34	297.22	28.12	12.63	13.97	Million Short Tons
Currently Recoverable Reserves	823	6,220	1,024	291	112	Million Short Tons
Estimated Recoverable Reserves	74,479	35,904	6,603	9,478	2,514	Million Short Tons



Bentonite Production Tax

Statute: Title 15, Chapter 39, MCA



Tax Rate and History

Prior to Tax Year 2005, bentonite was subject to the mines net proceeds tax similar to other miscellaneous minerals. Starting in Tax Year 2005, bentonite is taxed at rates prescribed in 15-39-101, MCA. For tax years starting after December 31, 2009, the rates are adjusted annually for inflation.

Bentonite Production Tax Rates		
<u>Production Level</u>	<u>2017 Tax (\$/Ton)</u>	<u>2018 Tax (\$/Ton)</u>
0-20,000 Tons	\$0.00	\$0.00
20,001-100,000 Tons	\$1.73	\$1.76
100,001-250,000 Tons	\$1.66	\$1.70
250,001-500,000 Tons	\$1.55	\$1.58
500,001-1,000,000 Tons	\$1.38	\$1.41
Over 1 Million Tons	\$1.11	\$1.13
Royalty Revenue	15%	

Filing and Payment of Tax

Producers are required to report production and pay taxes for semiannual periods ending June 30 and December 31. The report and tax are due within 45 days of the end of each semiannual period.

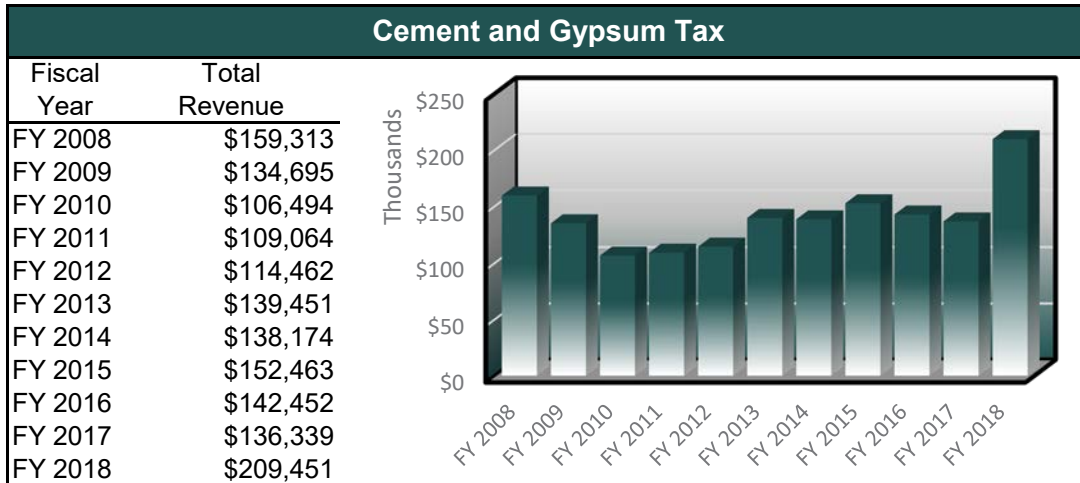
Distribution

The tax revenue is distributed according to a statutory formula that distributes the tax among state and local entities (15-39-110, MCA).

Distribution of Bentonite Tax					
<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Counties with Production	\$617,942	\$776,590	\$1,011,340	\$942,551	\$1,029,626
General Fund	\$160,616	\$205,721	\$269,215	\$250,903	\$274,083
Montana University System	\$11,423	\$13,451	\$16,866	\$15,719	\$17,171

Cement and Gypsum Tax

Statute: Title 15, Chapter 59, MCA



Tax Rate

Producers and importers of cement and cement products are required to pay a license tax of 22 cents per ton. Producers and importers of gypsum and gypsum products are required to pay 5 cents per ton. Before July 1, 1997, individuals retailing cement and gypsum products in Montana paid a license tax of 22 cents and 5 cents, respectively, for every ton that had not been paid under any other law. The tax on retailers was repealed during the 1997 legislative session.

Cement and Gypsum Tax Rates	
Product	Tax Per Ton
Cement	\$0.22
Gypsum	\$0.05

Filing Requirements

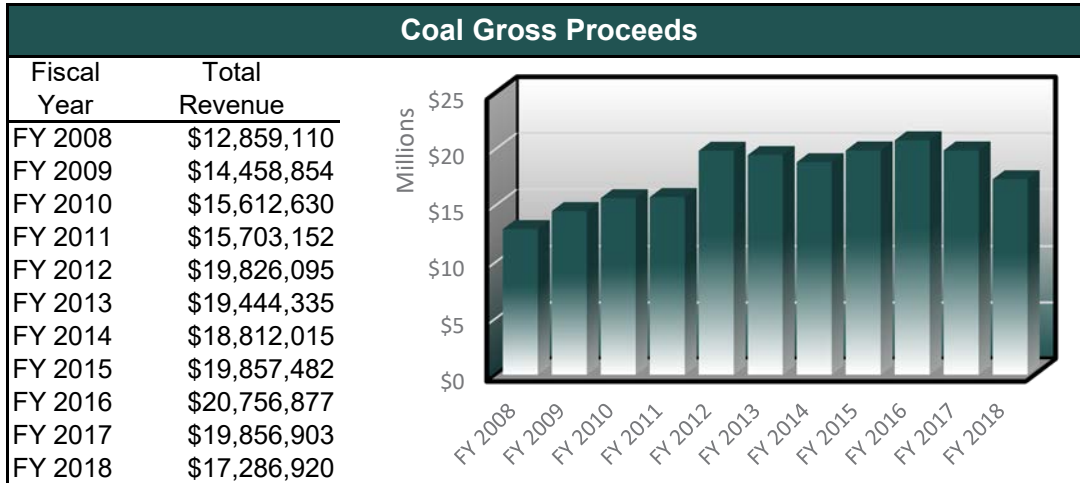
Producers, manufacturers and importers shall file quarterly statements showing the number of tons of cement or gypsum produced, manufactured, or imported into the state. These statements, along with the tax due, must be submitted within 30 days following the end of each calendar quarter.

Distribution

All proceeds from cement and gypsum taxes are deposited in the state General Fund.

Coal Gross Proceeds

Statute: Chapter 15, Section 23, Part 7, MCA



Tax Rate

State and local governments do not levy or assess any mills against the reported gross proceeds of coal. Instead, a flat tax of 5 percent is levied against the value of the reported gross proceeds for most coal mines. With the passage of SB 266 in the 2011 Legislature, new or expanding underground coal mines can be granted a local abatement by the county of up to one-half of the allowed rate, or 2.5 percent of the gross proceeds. The abatement however does not apply to the state share, and can be granted for up to 10 years of production.

Filing Requirements

On or before March 31 of every year, each person or firm engaged in mining coal must file a statement of gross yield for every mine operated in the preceding year. The producer must pay 50 percent of the taxes due on or before November 30; the remaining 50 percent is due on or before May 31 of the following year.

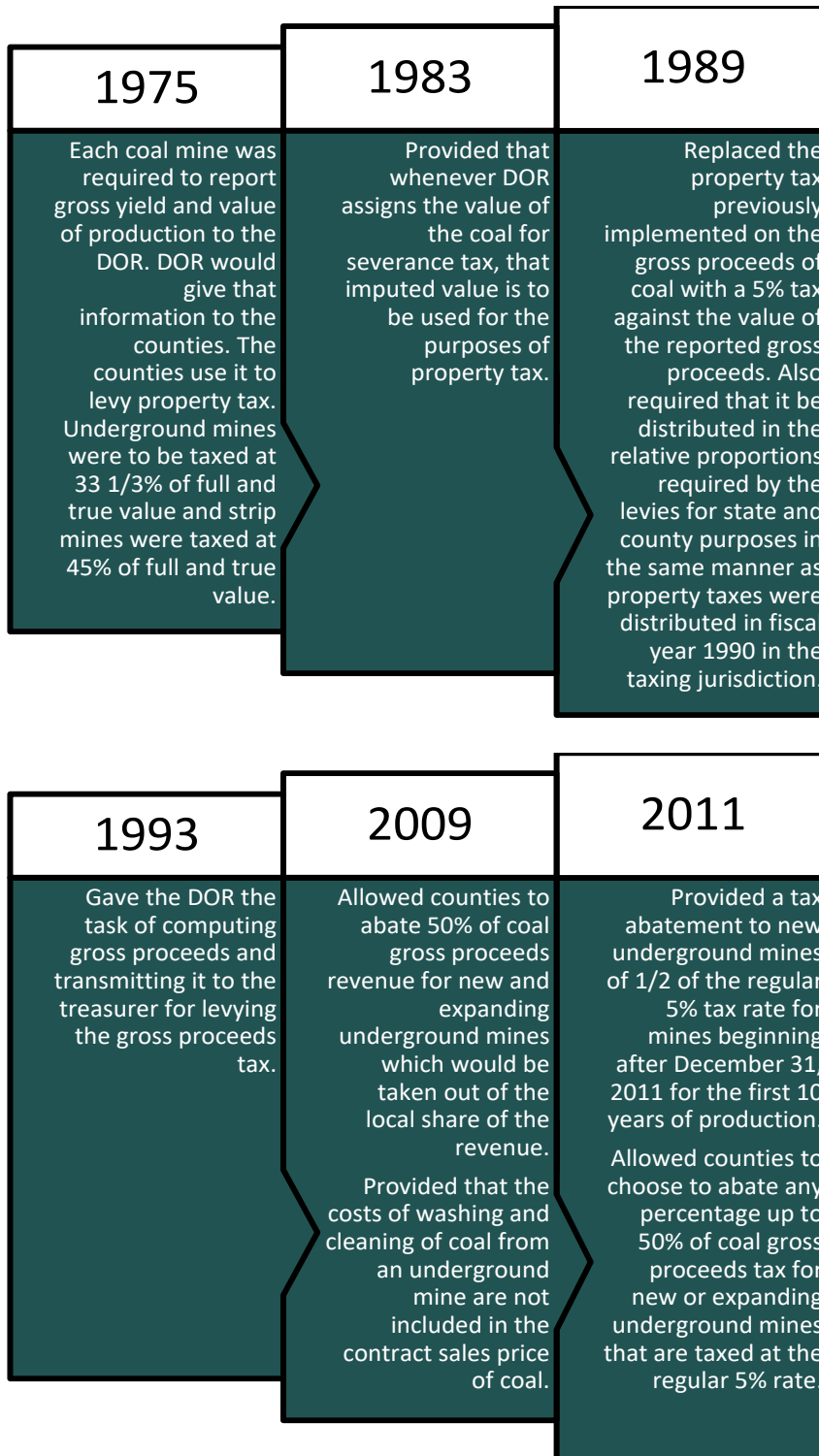
Distribution

The revenue is proportionally distributed to the appropriate taxing jurisdictions in which production occurred based on the total number of mills levied in Fiscal Year 1990.

Coal Gross Proceeds Tax							
Fiscal Year	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Tax Year	TY 2010	TY 2011	TY 2012	TY 2013	TY 2014	TY 2015	TY 2016
Tons Produced	38,789,754	36,416,185	33,970,260	36,634,555	37,910,103	36,175,492	28,189,054
Gross Value	\$546,490,686	\$577,000,614	\$558,738,538	\$601,998,842	\$626,044,599	\$590,921,464	\$515,265,149
Gross Proceeds	\$396,521,885	\$424,029,484	\$411,533,834	\$450,748,472	\$478,443,474	\$447,944,028	\$395,216,036
Tax	\$19,826,095	\$19,444,335	\$18,812,015	\$19,857,482	\$20,756,877	\$19,856,903	\$17,286,920
Local Share	\$10,739,041	\$10,369,234	\$10,043,732	\$10,768,980	\$11,287,485	\$10,627,162	\$9,136,947
State Share	\$9,087,054	\$9,075,101	\$8,768,283	\$9,088,502	\$9,469,392	\$9,229,741	\$8,149,973

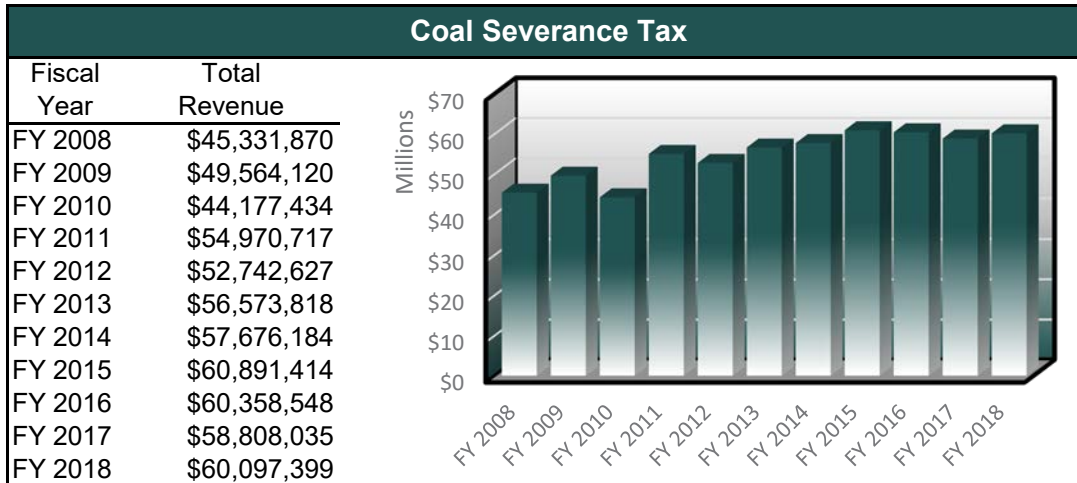
Coal Gross Proceeds History

The following figures show a select history behind the implementation and tax rate for coal gross proceeds tax.



Coal Severance Tax

Statute: Title 15, Chapter 35, MCA;
Article IX, Section 5, Montana Constitution



Tax Rate

Surface mined coal is taxed at 15 percent of value if rated as having 7,000 British Thermal Units (BTU) or more per pound and is taxed at 10 percent of value if rated as having less than 7,000 BTU per pound. Coal mined underground is taxed at 4 percent if rated as having 7,000 BTU per pound and over, and is taxed at 3 percent if rated as having less than 7,000 BTU per pound.

Coal mined using auger technology is taxed at 5 percent of value if rated as having 7,000 BTU per pound and is taxed at 3.75 percent of value if rated as having under 7,000 BTU per pound.

Coal Severance Tax Rates			
Heating Quality (BTU/lb)	Surface Mining	Auger Mining	Underground Mine
Less Than 7,000 BTU	10%	3.75%	3%
More Than 7,000 BTU	15%	5%	4%

For a comparison to other states' tax on coal production, please see "Coal, Oil and Natural Gas State Tax Comparison" subsection of this report.

Filing Requirements

Coal mine operators are required to file quarterly statements containing information sufficient to calculate the tax due. Tax payments are due at the time of filing (within 30 days following the close of each calendar quarter).

Distribution

There are many steps to the distribution of revenue generated from the coal severance tax. First, 50 percent of total severance tax revenue is deposited in the coal trust fund as described in Article IX, Section 5 of the Montana Constitution. This revenue must remain untouched unless appropriated by a ¾ majority of both houses of the legislature. There are currently six sub-trusts that make up the coal trust fund: Coal Tax Bond Fund, Treasure State Endowment Fund, Treasure State Endowment Regional Water Fund, Big Sky Economic Development Fund, School Facilities Fund, and the Coal Severance Tax Permanent Fund.

Coal Severance Tax

All severance tax trust revenue is first deposited in the Coal Tax Bond Fund. However, only a small portion is retained in the fund. This fund maintains a fund balance sufficient to meet interest payments of outstanding Coal Severance Tax Bonds. These bonds are used to provide loans for renewable resource projects. The fund balance in excess of the required amount is then deposited to the School Facilities Fund (75 percent) and the Big Sky Economic Development Trust Fund (25 percent). The

interest revenue from the Big Sky Economic Development Trust Fund is statutorily appropriated to the Department of Commerce for grants and loans to local governments for economic development purposes.

Any remaining trust fund severance tax revenue is distributed to the Coal Severance Tax Permanent Fund and interest revenue is deposited in the general fund. The table above shows the balance of each of these trust funds as of the end of Fiscal Year 2018.

The Treasure State Endowment Fund and the Treasure State Endowment Regional Water Fund no longer receive deposits from the Coal Severance Tax. These funds continue to hold their principal and generate interest income. Interest generated from the Treasure State Endowment Trust Fund is appropriated in HB 11 and used to fund grants for local infrastructure projects. Interest generated from the Treasure State Endowment Regional Water Fund is used for regional water development. The Treasure State Endowment Regional Water Fund will terminate in 2031 and the account holdings will be transferred to the Coal Severance Tax Permanent Fund.

Even though the interest from the Coal Severance Tax Permanent Trust Fund is deposited in the General Fund, there are statutory appropriations directing how some of this interest revenue is spent. These statutory appropriations will expire at the end of Fiscal Year 2019. The following table details these appropriations:

Coal Trust Fund Balances	
Trust	FY 2018 Estimated Ending Balance
Treasure State Endowment Trust	\$275,215,714
Treasure State Regional Water Trust	\$96,187,702
Big Sky Economic Development Trust	\$104,361,851
Coal Permanent Trust	\$550,503,490
School Facilities Trust	\$17,436,799
Total	\$1,026,268,757

General Fund Coal Interest Earnings Statutory Appropriations	
	FY 2017 - FY 2018
Cooperative Development Center	\$65,000
Growth Through Agriculture	\$625,000
Research and Commercialization	\$1,275,000
Department of Commerce	
Small Business Development Center	\$125,000
Small Business Innovative Research	\$50,000
Certified Development Corporations	\$425,000
MT Manufacturing Center at MSU	\$200,000
Export Trade Enhancement	\$300,000

Coal Severance Tax

HB 648, passed by the 2017 Legislature, simplified sourcing for the state contribution to the public employees' retirement system pension trust. Previously this contribution was partially from leftover severance fund allocation after other statutory appropriations were covered, and partially from interest accrued on the Coal Severance Tax Permanent Trust Fund. HB 648 requires the state to contribute from the General Fund to the public employees' retirement system pension trust: \$31.386 million in Fiscal Year 2017, \$31.958 million in Fiscal Year 2018, and then 101 percent of the contribution amount of the previous year for every year thereafter. Interest from the Coal Severance Tax Permanent Trust Fund and leftover coal severance tax funds are allocated to the General Fund without the express purpose of funding the state contribution to the public employees' retirement system pension trust.

The 50 percent of revenue that is not constitutionally allocated is deposited according to 15-35-108, MCA. The following table shows how this revenue was distributed for the last 4 fiscal years in proportion to the total severance tax revenue.

Distribution of Coal Severance Tax					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Coal Trust Fund (50%)	\$28,838,092	\$30,445,707	\$30,179,274	\$29,404,017	\$30,048,699
Long Range Building (12%)	\$6,921,142	\$7,306,970	\$7,243,026	\$7,056,964	\$7,211,688
Shared Account (5.46%) ¹	\$3,149,120	\$3,324,671	\$3,295,577	\$3,210,919	\$2,921
Library Services (0.85%)	\$0	\$0	\$0	\$0	\$510,373
Conservation Districts (3.89%)	\$0	\$0	\$0	\$0	\$2,335,708
Growth Through Agriculture (0.72%)	\$0	\$0	\$0	\$0	\$432,316
Park Acquisition Trust (1.27%)	\$732,488	\$773,321	\$766,554	\$746,862	\$763,237
Renewable Res. Debt Service (0.95%)	\$547,924	\$578,468	\$573,406	\$558,676	\$570,925
Cultural and Aesthetic Proj. (0.63%)	\$363,360	\$383,616	\$380,259	\$370,491	\$378,614
Coal Board (5.8%) ²	\$2,129,440	\$1,765,851	\$3,434,905	\$3,410,866	\$3,485,649
Coal & Uranium Program (\$250K)	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
General Fund (Remainder)	\$14,744,619	\$16,062,810	\$14,235,548	\$13,799,239	\$14,107,269

¹ For 2018 onward the shared account is split into its three interests with explicitly allocated funds.
² Decreases to 2.9% beginning July 1, 2019.

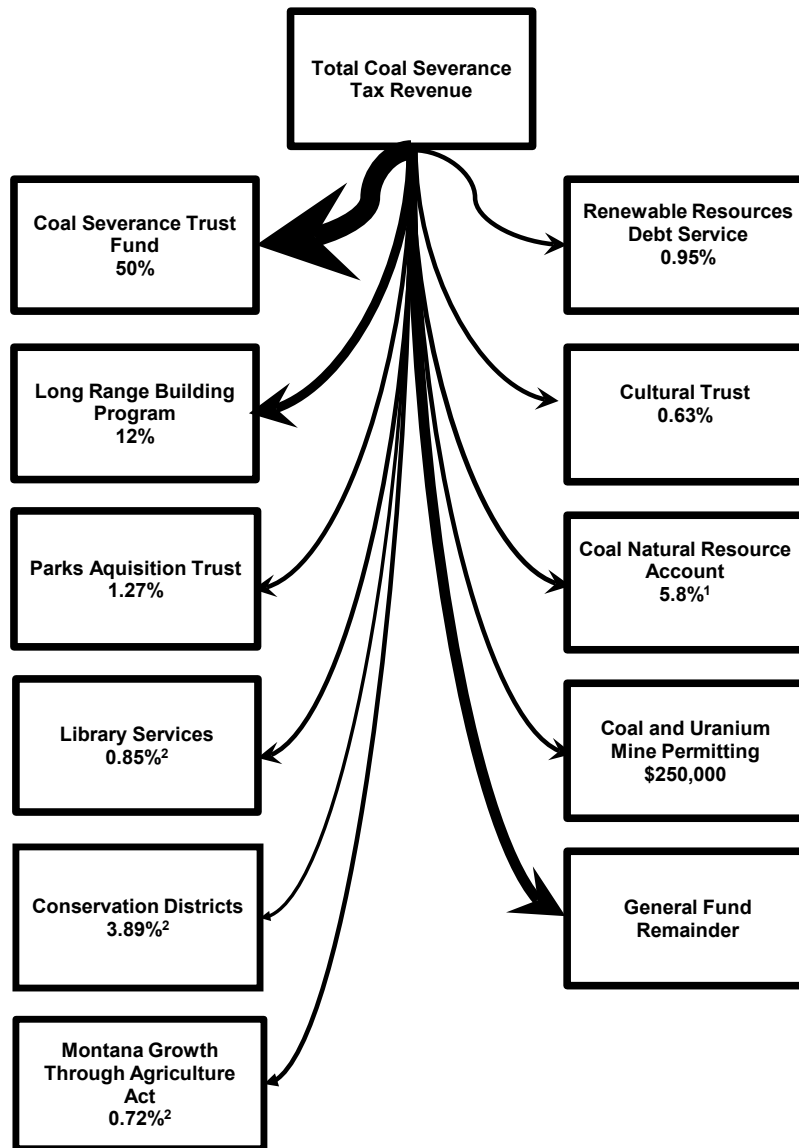
Prior to 2017, a shared account received 5.46 percent of coal severance tax revenue to provide for library services, conservation districts, and the Montana Growth Through Agriculture Act. HB 648 splits this shared account into its three interests and explicitly allocates them funds. This split changes over time according to the schedule shown below, with the sum of the three allocations remaining at 5.46 percent.

Distribution of Coal Severance Tax - Shared Account Breakdown by Fiscal Year				
Fund Name	FY 2018	FY 2019	FY 2020	FY 2021+
Library Services	0.85%	0.88%	0.90%	0.93%
Conservation Districts	3.89%	3.83%	3.77%	3.71%
Growth Through Agriculture	0.72%	0.75%	0.79%	0.82%
Percentage of Coal Severance Tax	5.46%	5.46%	5.46%	5.46%

Coal Severance Tax

The following three charts illustrate the entire distribution of the coal severance tax revenue.

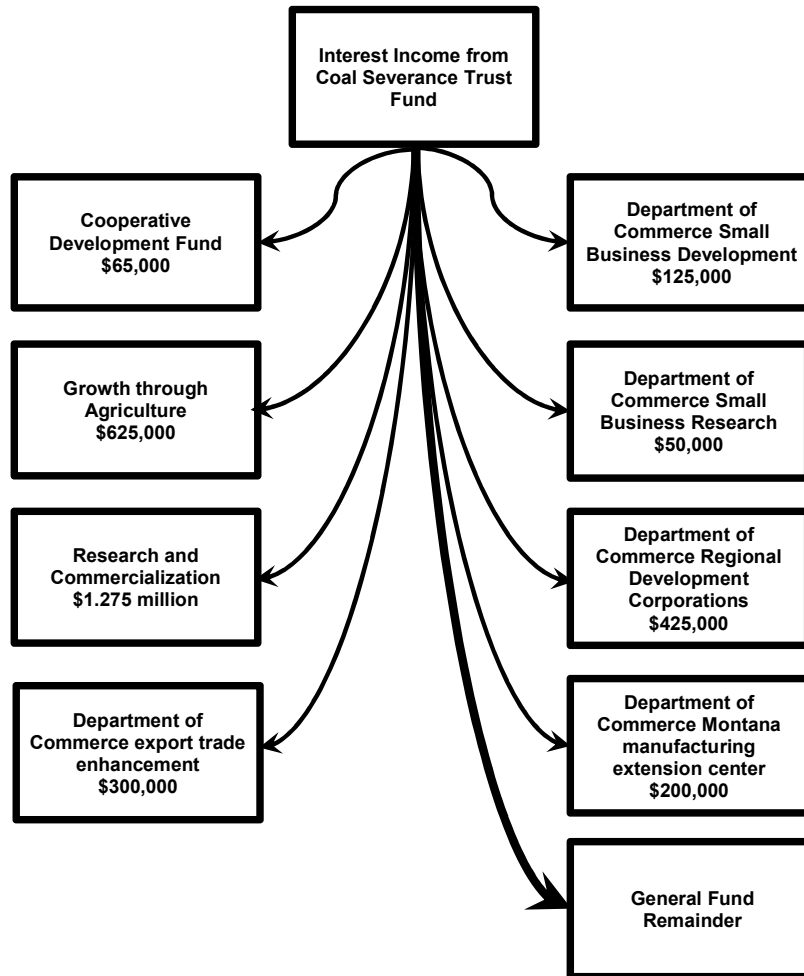
Coal Severance Tax Revenue Distribution



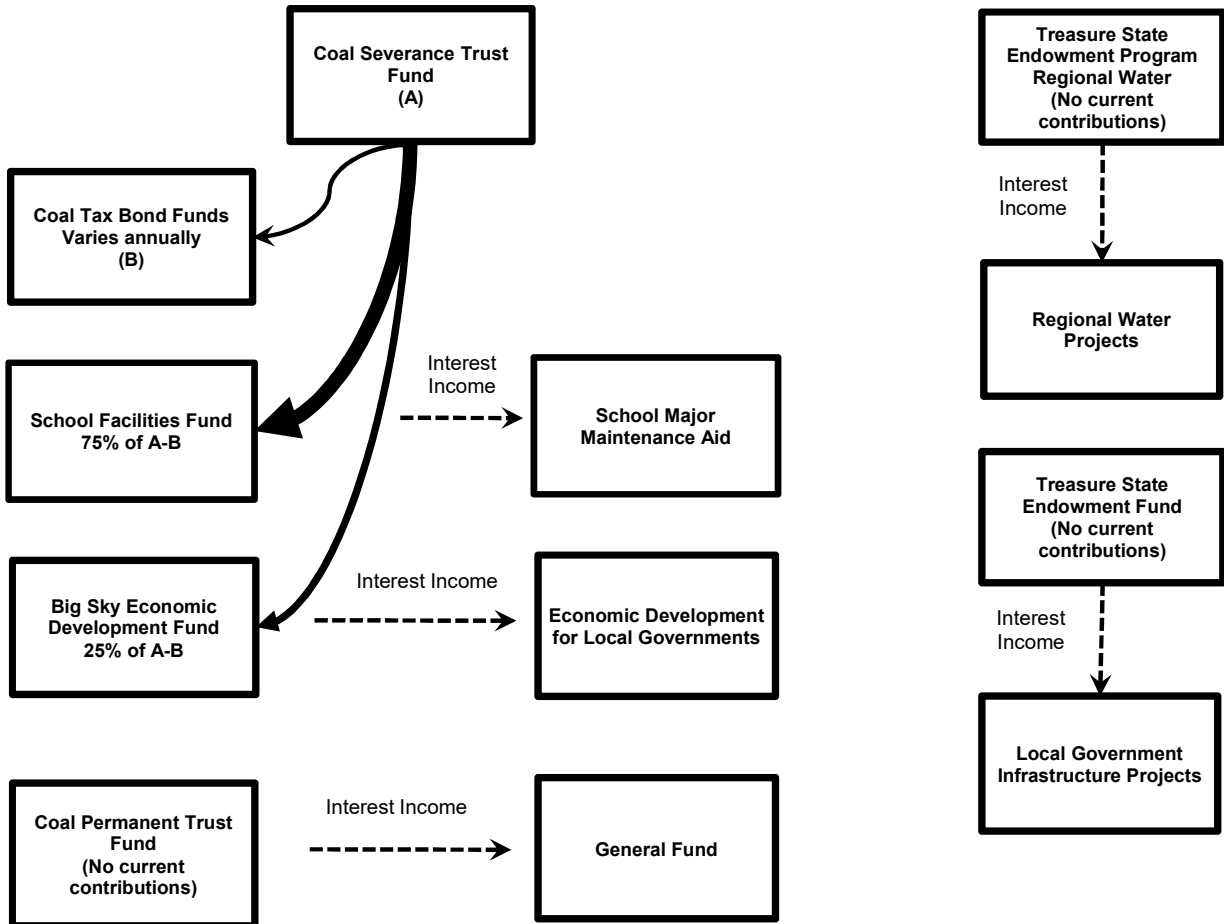
¹ Decreases to 2.9% beginning July 1, 2019.

² These percentages are accurate for FY 2018. See the Shared Account Table for a breakdown of later fiscal years.

Interest Income Coal Severance Trust Fund (terminates June 30, 2019)

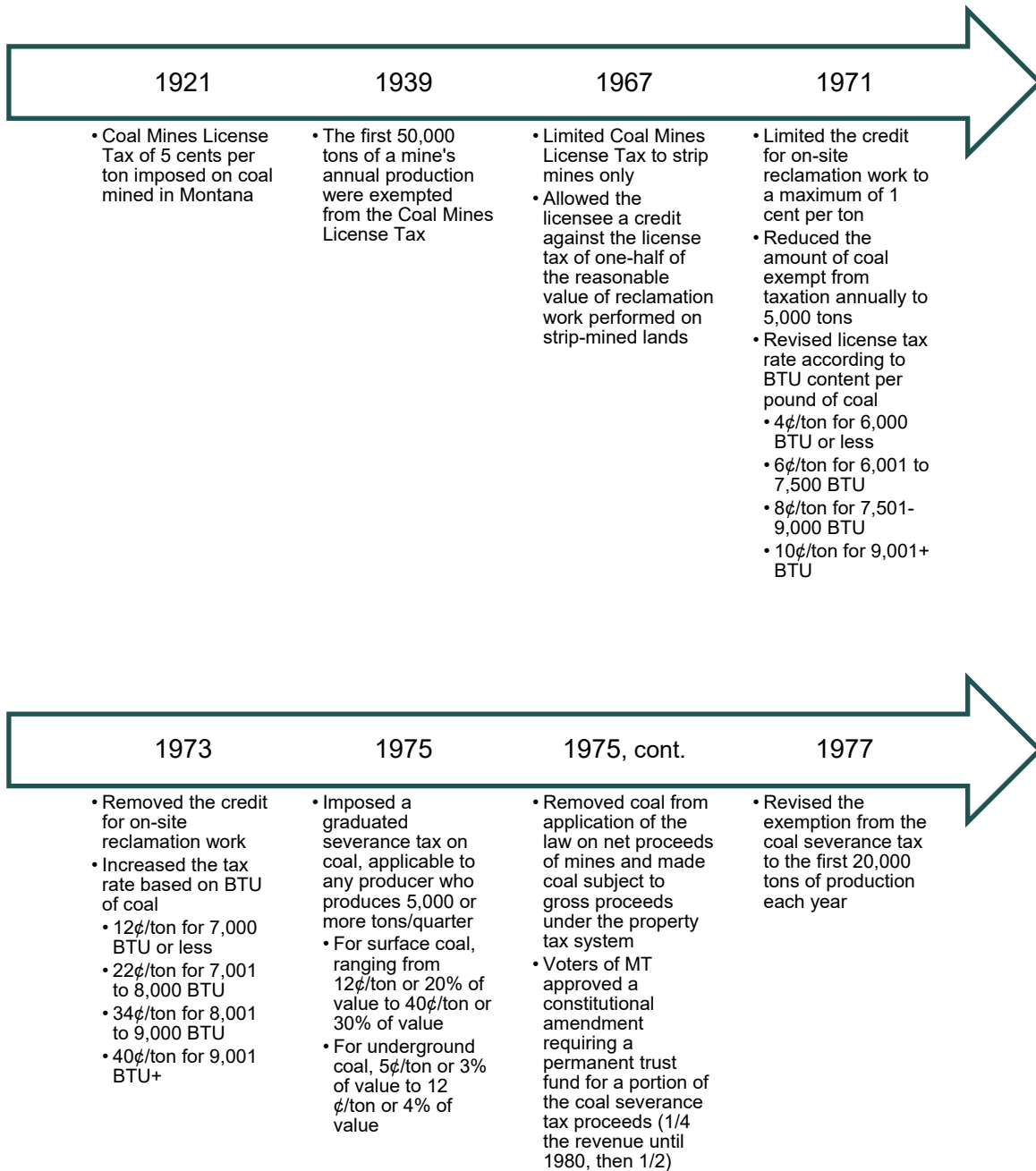


Coal Severance Trust Fund Distribution

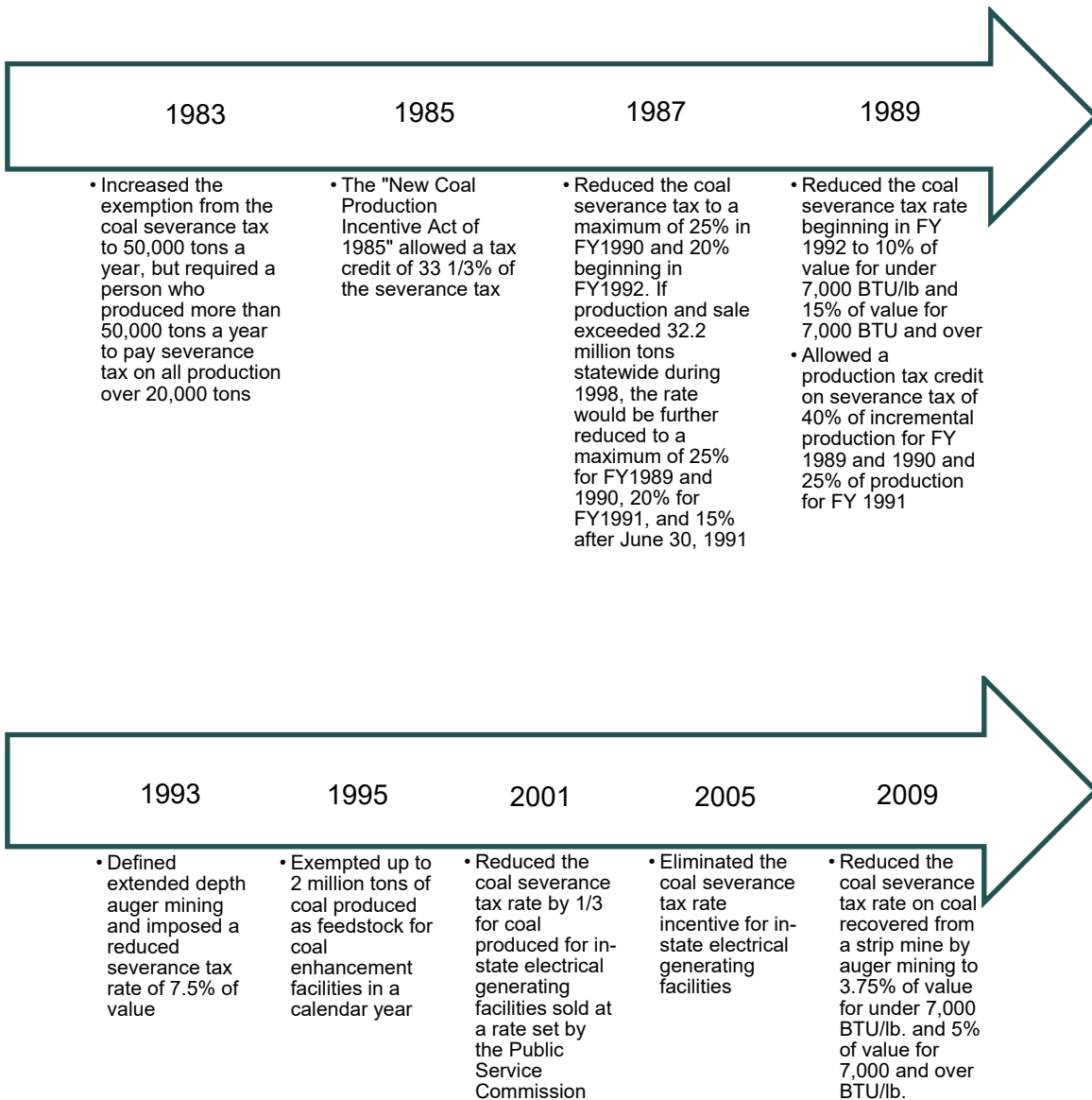


Coal Severance Tax

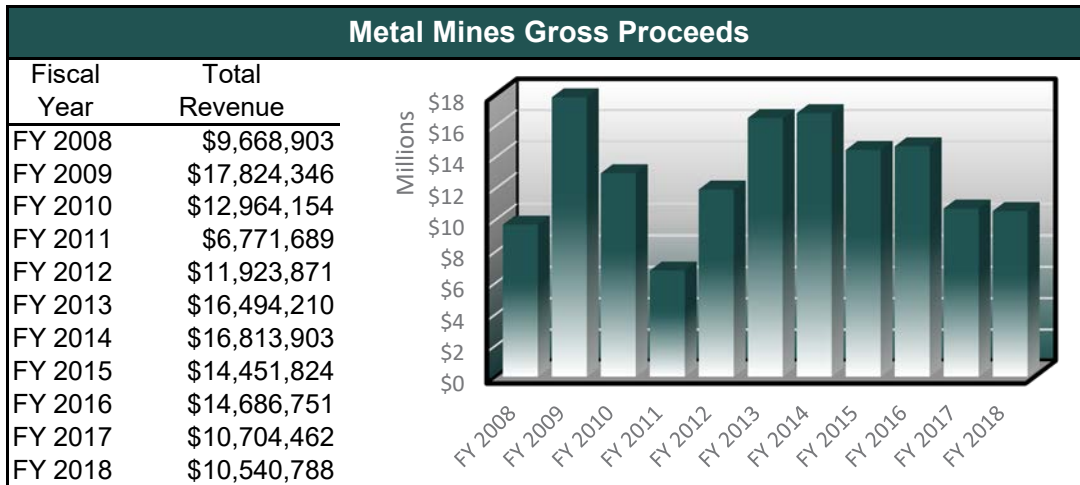
The following figures show a select history of the coal severance tax rate and implementation.
Statute: Title 15, Chapter 23, Part 8, MCA



Coal Severance Tax



Metal Mines Gross Proceeds Tax (Class 2 Property)



Tax Rate

The value of severed gold, silver, copper, lead, or other metals from any mine located in Montana is considered Class 2 property for property class purposes and is assessed local and state mills. The taxable value of metal mines is equal to 3 percent of merchantable value.

Merchantable value is the annual gross proceeds from the sale of metals less certain deductions. Allowed deductions include the costs of transporting mineral product from mine to processor, basic treatment and refinery charges, quantity deductions, price deductions, interest, and penalty metal, impurity, and moisture deductions as specified by contract.

For example, imagine Best Metal Company has \$11 million in gross proceeds from gold and silver. They have a total of \$1 million in allowable deductions, including \$250,000 in treatment and refining and \$750,000 in transportation costs from the mine to the processor. Their merchantable value, or gross proceeds minus allowable deductions, is \$10 million. With 3 percent taxable as defined by law, they have a taxable value of \$300,000. The state and their county assess 500 mills on their taxable value resulting in \$150,000 tax due to the state and county.

Filing Requirements

Metal mines tax reports must be filed by March 31 of each year, showing the total gross proceeds of metal mined during the preceding calendar year. By July 1, the department calculates the merchantable value by subtracting allowable deductions and records the value in the property tax records. The mine producer must pay half of the property tax levied and assessed by November 30 and the other half by May 31 of the following year.

Metal Mines Gross Proceeds Tax (Class 2 Property)

Distribution of Metal Mines Gross Proceeds Tax

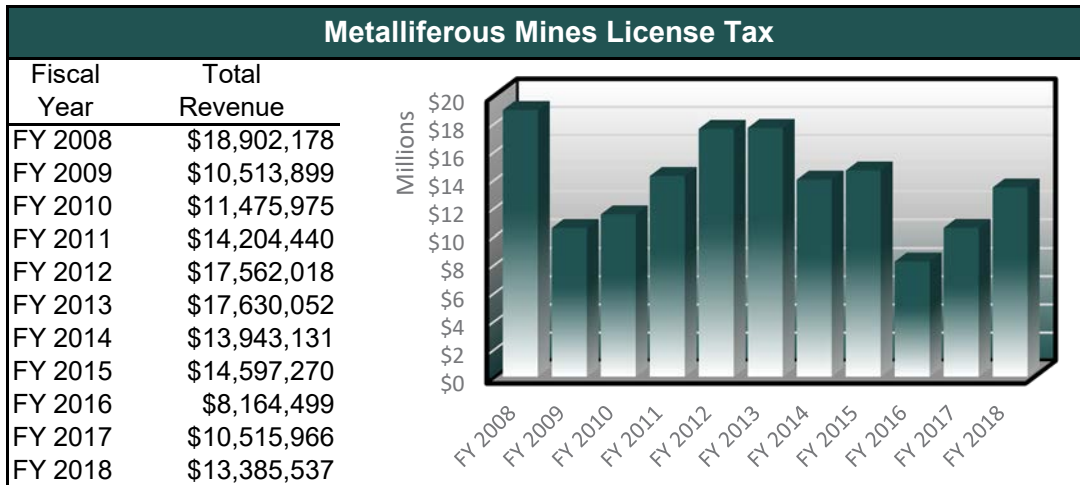
The taxable value of metal mines gross proceeds is allocated to the local jurisdictions where the mine mouth is located. The mills of these local jurisdictions and statewide mills are levied against the taxable value.

Metal Mines Assessed and Taxable Value of Production				
<u>Production Year</u>	<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Taxable Value for Local Mills</u>	<u>Taxable Value for State Mills</u>
2007	2009	\$1,161,919,543	\$24,540,432	\$32,019,240
2008	2010	\$1,033,960,651	\$23,843,907	\$28,307,630
2009	2011	\$843,431,234	\$19,812,142	\$23,205,010
2010	2012	\$1,117,009,632	\$28,972,961	\$31,295,298
2011	2013	\$1,037,736,476	\$29,970,925	\$31,132,094
2012	2014	\$1,043,487,747	\$31,304,631	\$31,304,632
2013	2015	\$851,842,256	\$25,555,274	\$25,555,268
2014	2016	\$883,888,082	\$26,516,643	\$26,516,642
2015	2017	\$648,475,233	\$19,454,258	\$19,454,257
2016	2018	\$596,330,812	\$17,889,922	\$17,889,924

Gross Proceeds Property Taxes Assessed			
<u>Fiscal Year</u>	<u>State Share</u>	<u>Local Share</u>	<u>Total Property Tax</u>
FY 2008	\$1,913,103	\$7,755,799	\$9,668,903
FY 2009	\$3,256,373	\$14,567,972	\$17,824,346
FY 2010	\$2,875,151	\$10,089,003	\$12,964,154
FY 2011	\$1,096,356	\$5,675,333	\$6,771,689
FY 2012	\$2,106,806	\$9,817,065	\$11,923,871
FY 2013	\$3,162,135	\$13,332,075	\$16,494,210
FY 2014	\$3,178,007	\$13,635,896	\$16,813,903
FY 2015	\$2,593,448	\$11,858,376	\$14,451,824
FY 2016	\$2,690,657	\$11,996,094	\$14,686,751
FY 2017	\$1,972,646	\$8,731,816	\$10,704,462
FY 2018	\$1,815,147	\$8,725,640	\$10,540,788

Metalliferous Mines License Tax

Statute: Title 15, Chapter 37, Part 1, MCA



Tax Rate

Mining operations in which metal or gems are extracted are subject to the metalliferous mines license tax, which is based on the gross value of the product. The first \$250,000 of gross value is exempt from taxation. Concentrate shipped to a smelter, mill or reduction work is taxed at 1.81 percent of gross value. Gold, silver, or any platinum-group metal that is dore, bullion, or matte that is shipped to a refinery is taxed at 1.6 percent of gross value. Shipping and refining costs are deducted from revenue to determine gross value.

Metalliferous Mines Tax Rates		
<u>Tax Base*</u>	<u>Tax Rate</u>	<u>Exemptions</u>
Dore/Bullion/Matte	1.60%	First \$250,000
Concentrates	1.81%	First \$250,000
*Excludes shipping and refining costs		

Gross Value

The value to which the tax rate is applied is the monetary payment the mining company receives from the metal trader, smelter, roaster, or refinery. This is determined by multiplying the quantity of metal received by the metal trader, smelter, roaster or refinery by the quoted price for the metal; subtracting basic treatment and refinery charges, quantity deductions, price deductions, interest, penalty metal, impurity and moisture deductions as specified by contract between the mining company and the receiving metal trader, smelter, roaster or refinery. Deductions are also allowed for the cost of transportation from the mine or mill to the smelter, roaster or refinery.

Metalliferous Mines License Tax

Filing Requirements

Beginning in 2003, reports and payment of metal mines tax are due twice a year, on or before March 31 and August 15.

Distribution

Metalliferous mines license tax revenue is distributed to various entities in accordance with 15-37-117, MCA.

The 2015 Legislature passed SB 20, which decreased the share of total revenue going to the state General Fund from 57 percent to 47 percent and increased the share of revenue going to the counties from 25 percent to 35 percent, as of July 1, 2016.

Distribution of Metalliferous Mine License Tax

<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
General Fund (57% or 47%)	\$7,947,585	\$8,320,444	\$4,221,465	\$4,838,691	\$6,291,202
Hard Rock Mining (2.5%)	\$348,578	\$364,932	\$204,112	\$258,346	\$334,638
Hard Rock Debt Service (8.5%)	\$1,185,166	\$1,240,768	\$693,982	\$878,376	\$1,137,771
Natural Resources Operations (7%)	\$976,019	\$1,021,809	\$571,515	\$723,369	\$936,988
County Governments (25% or 35%)	\$3,485,783	\$3,649,317	\$2,473,424	\$3,817,183	\$4,684,938

Metalliferous Mines License Tax History

Select History of Metalliferous Mines License Tax

The metalliferous mines license tax was enacted in 1925 at the following rates:

- \$1 + $\frac{1}{4}$ of 1% of gross value between \$100,000 and \$250,000
- \$1 + $\frac{1}{2}$ of 1% of gross value between \$250,001 and \$400,000
- \$1 + $\frac{3}{4}$ of 1% of gross value between \$400,001 and \$500,000
- \$1 + 1% of gross value over \$500,000

1958

Increased the tax rate on gross value exceeding \$500,000 to \$1 + $\frac{1}{4}$ %.

1969

For production years 1969 and 1970, increased the tax rate to

- 0.15% of the first \$100,000 of gross value
- 0.575% of \$100,001-\$250,000 of gross value
- 0.86% of \$250,001-\$400,000 of gross value
- 1.15% of \$400,001-\$500,000 of gross value
- 1.438% of \$500,000+ of gross value.

1971

Adopted the tax rates from 1969 for production years beginning January 1, 1970 and thereafter.

1983

Revised tax rates as follows:

- 0% on first \$250,000 of gross value
- 0.5% of gross value from \$250,001-\$500,000
- 1% of gross value from \$500,001-\$1,000,000
- 1.5% of gross value of more than \$1,000,000.

1989

Revised tax rates as follows:

Concentrate shipped to a smelter, mill or reduction work is taxed at the following rates:

- 0% on first \$250,000 of gross value
- 1.81% on gross value over \$250,000.

Gold, silver or any platinum-group metal that is dore, bullion or matte and that is shipped to a refinery is taxed at the following rates:

- 0% on first \$250,000 of gross value
- 1.6% on gross value over \$250,000.

2003

Added other forms of processed concentrate that are processed in a treatment facility owned or operated by the taxpayer and are sold or shipped to a refinery for final processing to the gold, silver and platinum-group metal tax rates.

2009

No more than \$250,000 in gross value in a calendar year can be exempt from metalliferous mines license tax.

2015

The distribution of tax revenues to the General Fund was reduced from 57 to 47 percent and the revenue was distributed to impacted counties beginning with Fiscal Year 2016.

Micaceous Mines License Tax

Statute: Title 15, Chapter 37, Part 2, MCA

Tax Rate

Micaceous minerals are those that are generally classified as complex silicates, and include such minerals as vermiculite, perlite, kernite and maconite. There have been no micaceous mines license tax collections since Fiscal Year 1990 because there has been no production. All proceeds from the micaceous mines license tax are deposited in the state General Fund (15-37-200, MCA).

There is a tax of 5 cents per ton of concentrates mined, extracted or produced.

Filing Requirements

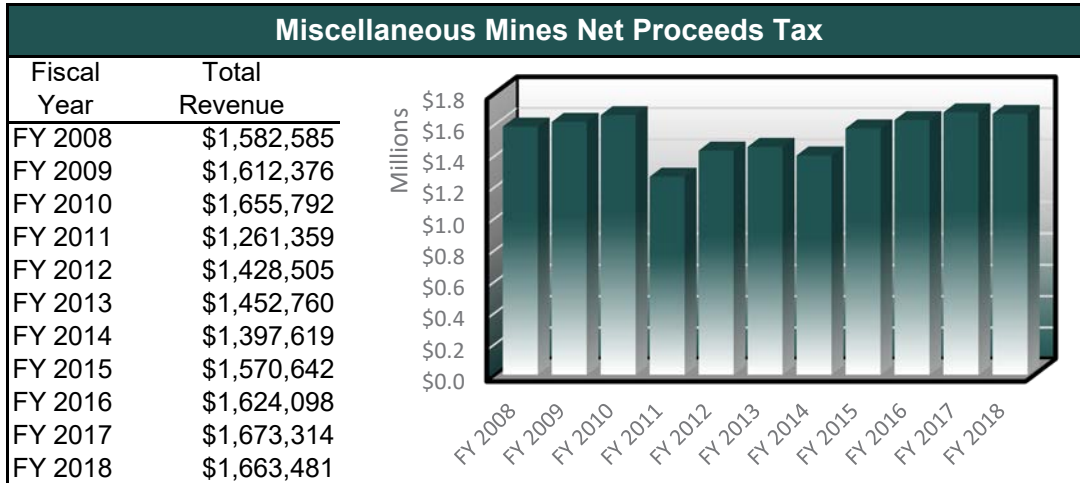
Operators of micaceous mineral mines are required to file quarterly statements showing the number of tons of micaceous minerals mined. Quarterly returns, along with the accompanying tax payment, are due within 30 days following the end of each calendar quarter.

Distribution

All proceeds from micaceous mines license tax are deposited in the state General Fund.

Miscellaneous Mines Net Proceeds Tax (Class 1 Property)

Statute: Title 15, Chapter 23, Part 5, MCA



Tax Rate

Severed products of mines except bentonite, coal and metal are considered Class 1 property for property tax purposes, and are levied statewide and local mills. Class 1 property includes, but is not limited to, talc, limestone and vermiculite.

The value of the severed products is the annual net proceeds of mines and mining claims. The net proceeds of talc, vermiculite, limestone and industrial garnets and byproducts are calculated by multiplying the number of tons mined by a statutorily defined value.

- Talc value = $\$4.25 \times (\text{current year price deflator} \div 1989 \text{ price deflator})$
- Vermiculite value = $\$27 \times (\text{current year price deflator} \div 1991 \text{ price deflator})$
- Limestone value = $\$0.34 \times (\text{current year price deflator} \div 1992 \text{ price deflator})$
- Industrial garnets value = $\$20 \times (\text{current year price deflator} \div 1995 \text{ price deflator})$
- Byproducts of industrial garnets value = gross revenue $\times 30\%$

For all other Class 1 mined products, the value is the gross value less certain allowable deductions that account for the cost of the mining.

Sand and gravel are exempt from mines net proceeds taxation. Producers of industrial garnets, travertine and building stone are exempt from mines net proceeds tax on the first 1,000 tons of production.

Filing Requirements

Miscellaneous mines tax reports are due by March 31 of each year, showing the total gross proceeds of minerals mined during the preceding calendar year, and information on costs associated with the mining operation sufficient to allow calculation of the net proceeds from the operation. By July 1 the department calculates the net value by subtracting allowable deductions and records the value in property tax records. The mine producer must pay half of the property tax levied and assessed by November 30 and the other half by May 31 of the following year.

Miscellaneous Mines Net Proceeds Tax (Class 1 Property)

Distribution of Miscellaneous Mines Net Proceeds Tax

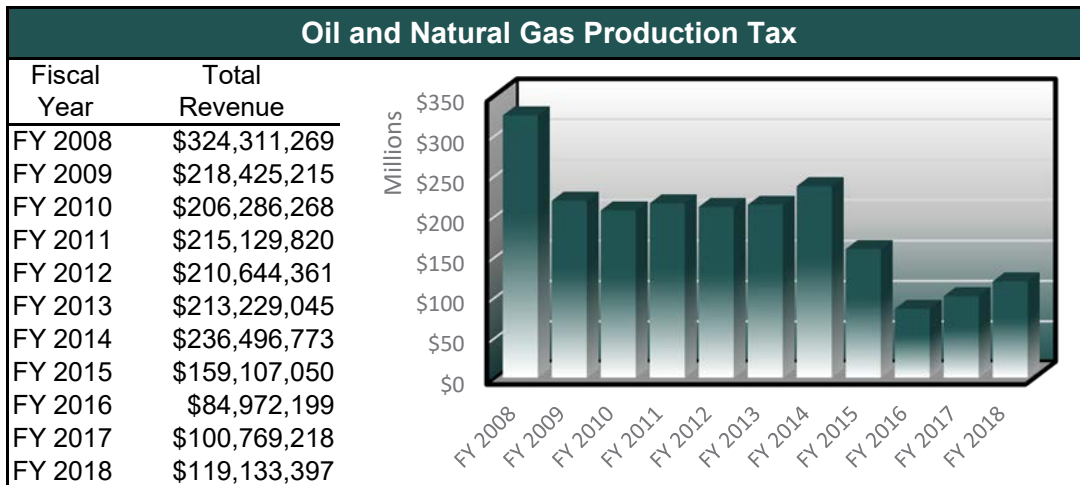
The taxable value of miscellaneous mines net proceeds is allocated to the local jurisdictions where the mine mouth is located. The mills of these local jurisdictions and statewide mills are levied against the taxable value.

Miscellaneous Mines Net Proceeds and Taxable Value			
<u>Production Year</u>	<u>Fiscal Year</u>	<u>Tons</u>	<u>Net Proceeds</u>
2007	2009	2,511,456	\$3,903,518
2008	2010	2,348,914	\$4,009,608
2009	2011	1,945,885	\$3,251,182
2010	2012	2,192,645	\$3,930,006
2011	2013	2,103,024	\$4,188,542
2012	2014	2,207,297	\$3,271,953
2013	2015	2,332,685	\$3,790,730
2014	2016	2,359,356	\$3,737,426
2015	2017	2,327,488	\$3,969,848
2016	2018	2,018,787	\$3,983,884

Net Proceeds Property Taxes Assessed			
<u>Fiscal Year</u>	<u>State Share</u>	<u>Local Share</u>	<u>Total Tax</u>
FY 2008	\$387,840	\$1,194,745	\$1,582,585
FY 2009	\$405,332	\$1,207,044	\$1,612,376
FY 2010	\$404,166	\$1,251,626	\$1,655,792
FY 2011	\$321,519	\$939,840	\$1,261,359
FY 2012	\$392,736	\$1,035,769	\$1,428,505
FY 2013	\$423,043	\$1,029,717	\$1,452,760
FY 2014	\$330,467	\$1,067,152	\$1,397,619
FY 2015	\$382,864	\$1,187,778	\$1,570,642
FY 2016	\$377,480	\$1,246,618	\$1,624,098
FY 2017	\$412,094	\$1,261,220	\$1,673,314
FY 2018	\$402,372	\$1,261,109	\$1,663,481

Oil and Natural Gas Tax

Statute: Title 15, Chapter 36; 20-9-310, MCA



Recent Legislative History

The 1995 Montana Legislature replaced all existing state and local extraction taxes on all oil and natural gas production with a single production tax based on the type of well and type of production, with additional incentives if prices fall below specified levels. This tax became effective January 1, 1996. The 1999 Legislature further simplified the structure of oil and gas production tax rates. Effective January 1, 2000, the Legislature consolidated tax rates, revised the definition of qualifying production, shortened incentive periods for qualifying production and replaced pre-1985 and post-1985 categories with pre-1999 and post-1999. The pre-1999 classification includes all wells drilled before January 1, 1999, while the post-1999 classification refers to wells drilled on or after January 1, 1999 (15-36-304, MCA).

Total gross value is computed as the product of the total number of barrels (bbl) or thousand cubic feet (MCF) produced each quarter and the average wellhead value per barrel or thousand cubic feet. Producers are allowed to deduct any production that is used in the operation of the well.

For a comparison of oil and gas production taxes to other states, please see the “Coal, Oil and Natural Gas State Tax Comparison” subsection of this report.

Tax Rates

All taxable royalty owners of oil and natural gas production are taxed at a rate of 15.10 percent of the gross value of production. Royalties received by an Indian tribe from on-reservation oil production pursuant to a lease entered under the Indian Mineral Leasing Act of 1938, and all governmental royalties, are exempt from taxation.

The regular production tax rates for the working interest of oil production are equal to 9.30 percent for wells drilled on or after January 1, 1999, and 12.80 percent for wells drilled before that time. However, there are also several additional tax rates to incentivize production. New wells receive a preferential tax rate of 0.80 percent of gross value. The holiday lasts for 12 months for vertical wells and 18 months for horizontal wells.

Additionally, incremental production from secondary and tertiary recovery projects may be taxed at preferential rates if the price of oil is below \$54 per barrel. Recompleted horizontal wells are taxed at reduced rates regardless of the price of oil. Incremental production is additional production above an established production curve for a given well.

Low producing wells may be classified as stripper or super-stripper wells and qualify for preferential tax rates. Wells producing less than an average of 15 barrels per day in the prior calendar year are classified as stripper wells. If the average price for West Texas Intermediate crude oil is below \$54 per barrel, these wells

Oil and Natural Gas Tax

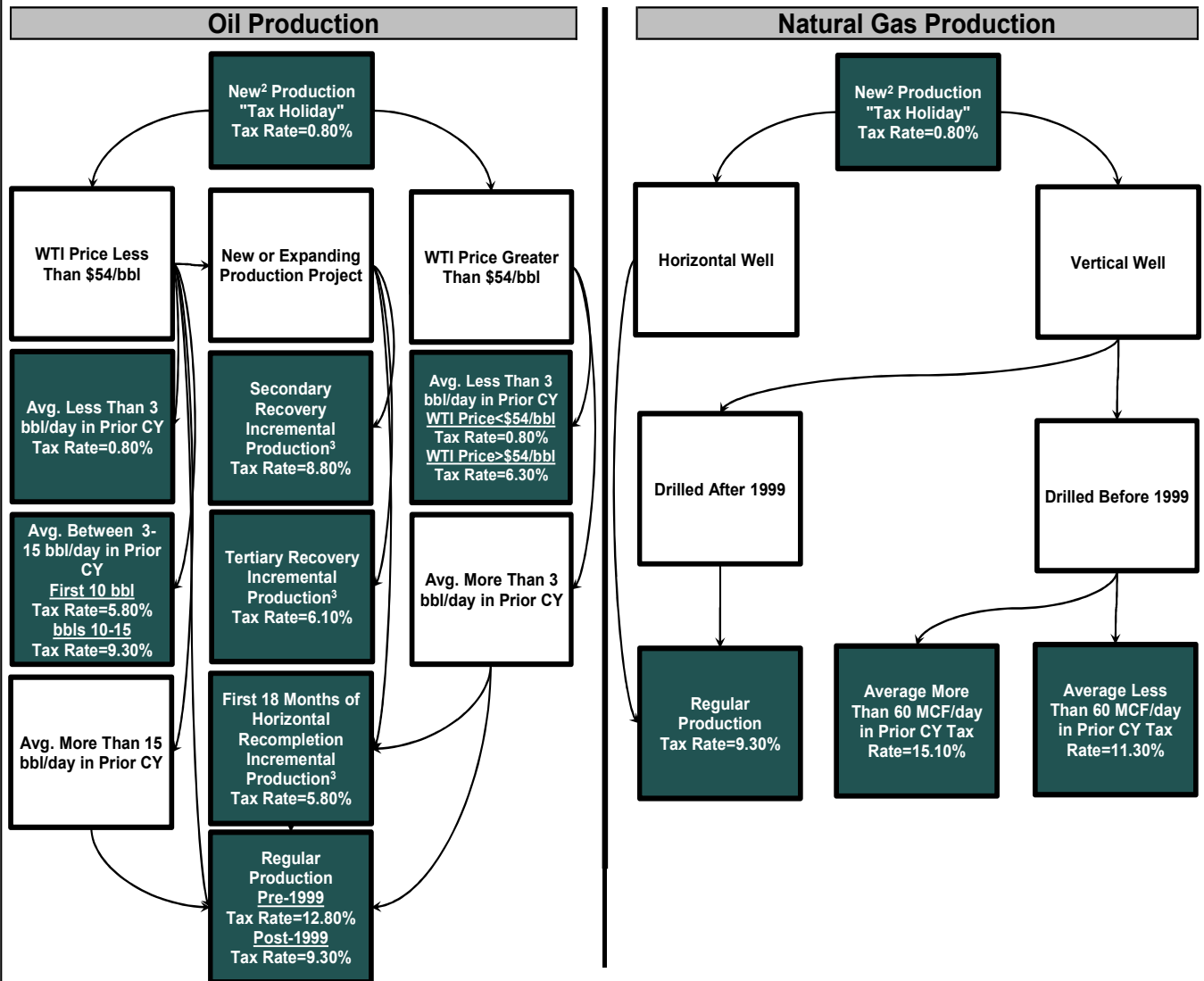
are taxed at preferential rates of 5.80 percent for the first 10 barrels a day and 9.30 percent for all additional production. If the price of oil is above \$54 a barrel, there is no reduced rate for stripper well production. If a well produces less than an average of 3 barrels a day in the prior calendar year, then it can qualify as a super-stripper well. Production from super-stripper wells is taxed at a preferential rate of 6.30 percent, and if the price of oil is below \$54 per barrel the rate is further reduced to 0.80 percent.

Natural gas producers receive the same holiday for new wells, and regular production is taxed at a rate of 9.30 percent after that if the well was drilled on or after January 1, 1999; or 15.10 percent if drilled before.

Wells averaging less than 60,000 cubic feet (60 MCF) per day in the prior year can qualify as stripper wells, and qualify for a reduced tax rate of 11.3 percent if the well was drilled before 1999. The following table and chart illustrate how the varying tax rates apply in different scenarios.

Oil and Natural Gas Production Tax Rates			
OIL-Working Interest		NATURAL GAS- Working Interest	
Pre-1999 Wells (Regular Production)	12.80%	Pre-1999 Wells (Regular Production)	15.10%
Post-1999 Wells (Regular Production)	9.30%	Post-1999 Wells (Regular Production)	9.30%
Incremental Production From Secondary Recovery ^{†‡}	8.80%	Horizontally Completed Wells	9.30%
Incremental Production From Tertiary Recovery ^{†‡}	6.10%	Pre-1999 Wells Producing Less Than 60 MCF per Day	11.30%
Horizontally Recompleted Wells - First 18 Months	5.80%	The First 12 Months Of New Wells' Production	0.80%
Horizontally Completed Wells - First 18 Months	0.80%		
Stripper Wells - First 10 Barrels Per Day ^{†‡}	5.80%		
		† These rates apply if the price is under \$54 per barrel. Otherwise, the regular production rates apply.	
Stripper Wells - Production in Excess of 10 Barrels Per Day ^{†‡}	9.30%	‡ Oil price is the price for West Texas Intermediate Crude Oil.	
Super Stripper Wells - Oil Under \$54 Per Barrel [‡]	0.80%	-Stripper wells produce 3-15 barrels per day.	
Super Stripper Wells - Oil \$54 Per Barrel Or Higher [‡]	6.30%	-Super stripper wells produce less than 3 barrels per day.	
Vertically Completed Wells - First 12 Months	0.80%	-All rates include 0.30% to fund the operations of the Board of Oil and Gas Conservation Division	
ROYALTY INTERESTS		15.10%	

Working Interest Oil and Natural Gas Severance Tax Rates¹



¹Production tax rates include Board of Oil and Gas Conservation privilege and license tax and the Oil and Gas Natural Resources Account Tax.

²New vertical wells are less than 12 months old and new horizontal wells are less than 18 months old.

³Incremental production is production occurring in excess of the production decline rate.

Oil and Natural Gas Tax

The following table shows summary information gathered from the tax returns of producers:

Montana Oil and Gas Production Statistics					
Oil	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total Gross Value	\$2,370,856,081	\$1,781,983,618	\$861,657,306	\$889,400,612	\$1,038,507,633
Volume (barrels)	26,745,751	30,439,036	25,116,621	21,253,705	19,384,205
Taxable Royalty Value	\$331,447,378	\$248,754,168	\$116,715,105	\$120,097,317	\$137,571,557
Tax on Royalty Owners	\$49,915,976	\$37,462,378	\$17,577,295	\$18,123,343	\$20,773,306
Working Interest Value	\$1,978,442,134	\$1,486,647,390	\$720,795,751	\$744,190,817	\$870,192,043
Tax on the Working Interest	\$149,584,469	\$111,050,328	\$61,591,918	\$72,435,995	\$84,666,329
Total Tax*	\$199,500,445	\$148,512,706	\$79,169,214	\$90,559,339	\$105,439,635
Gas					
Total Gross Value	\$197,750,332	\$126,521,563	\$57,601,774	\$83,116,028	\$81,188,867
Volume (MCF)	47,235,179	48,453,758	37,299,910	42,014,267	38,071,657
Taxable Royalty Value	\$24,673,094	\$15,270,716	\$7,160,384	\$10,819,723	\$10,938,857
Tax on Royalty Owners	\$3,715,768	\$2,299,770	\$1,078,354	\$1,632,901	\$1,651,769
Working Interest Value	\$165,561,020	\$106,083,551	\$48,123,382	\$69,611,994	\$67,764,878
Tax on the Working Interest	\$14,458,148	\$9,321,640	\$4,479,234	\$6,765,428	\$6,405,936
Total Tax*	\$18,173,916	\$11,621,410	\$5,557,587	\$8,398,329	\$8,057,705

*Total Tax revenue does not match data in the state accounting database due to accrual reversals and amended returns.

Filing Requirements

Oil and natural gas producers are required to file quarterly statements containing information sufficient to calculate the tax due. Tax payments are due within 60 days following the close of each calendar quarter.

Distribution

Prior to HB 748 (2003 Legislative Session), the distribution of oil and gas revenue was based primarily on property tax mill levies. After HB 748, the counties, schools and the state were each assigned a percentage of the severance tax revenue generated in their county that they would receive.

The first distribution made is to the Board of Oil and Gas Conservation (BOGC) and the Oil and Gas Natural Resource Account. The combined tax rate of these two accounts cannot exceed 0.3 percent of taxable oil and gas revenue. As of partway through Fiscal Year 2017 (October 1, 2016) BOGC utilizes the maximum allowable 0.3 percent for its operations of the privilege and licensing tax, meaning there is no money allocated for the Oil and Gas Natural Resource Account.

The remaining tax revenue is then distributed among the state and county governments. The specific allocation depends on which county the production occurred in and is set in statute. For example, Custer County receives 69.53 percent of the revenue from production occurring in the county (the largest percentage of all the counties), while Rosebud County receives the least at 39.33 percent. The remainder is distributed to the state, and the state portion is distributed as follows:

- 2.16 percent to the Natural Resource Projects State Special Revenue Account
- 2.02 percent to the Natural Resource Operations State Special Revenue Account
- 2.95 percent to the Orphan Share Account
- 2.65 percent to the University System
- The remainder (90.03 percent) is distributed to the General Fund.

The county share of the revenue is distributed among elementary retirement funds, high school retirement funds, countywide transportation funds, school districts, community colleges, and county governments. The specific allocation among these entities is dependent on the county of production and the schedule in 15-36-332, MCA.

Oil and Natural Gas Tax

With the passage of SB 329 in the 2011 Legislative Session, any individual school district was only allowed to receive 130 percent of their maximum allowable budget. With the passage of SB 175 in the 2013 Legislative Session, for fiscal years 2014 through 2017, schools with budgets less than \$1.5 million can receive up to 150 percent of their maximum allowable budgets plus an additional \$45,000 per additional student, using an enrollment calculation from the previous year's attendance records. Funding in excess of that allotted amount is allocated to surrounding school districts (up to 130% of their maximum budgets). Remaining funding, if available, is to be distributed to school districts contiguous to districts in which oil and gas production originates (up to 130% of their maximum budgets). This funding is referred to as the "State School Oil & Gas Distrib" in the following table. Any remaining funds, if available, were to be distributed as follows:

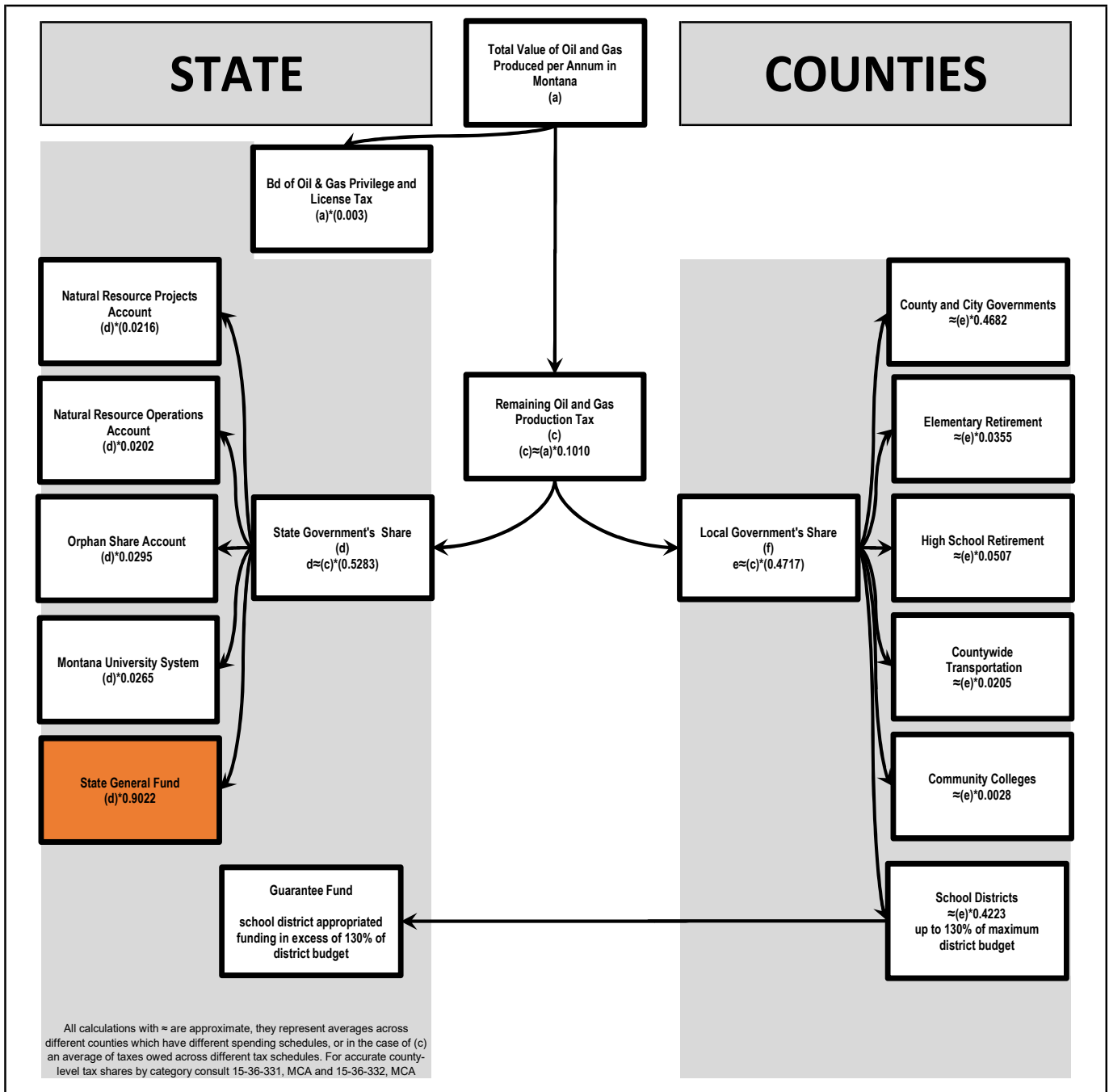
- 70 percent to the State Guarantee Account
- 5 percent to the State School Oil and Natural Gas Impact Account
- 20 percent to the County School Oil and Natural Gas Impact Account.

HB 647, passed by the 2017 Legislature, terminated the State School Oil & Gas Distribution Account at the end of Fiscal Year 2017. It also terminated the State School Oil and Natural Gas Impact Account and the County School Oil and Natural Gas Impact Account. School districts are still capped at 130 percent of maximum allowable budget, with all funds in excess of this amount transferred to the State Guarantee Account. The guarantee fund acts as a long-term revenue stream providing school equalization aid.

The following table and charts illustrate the distribution of oil and gas revenue in Fiscal Year 2017 and Fiscal Year 2018.

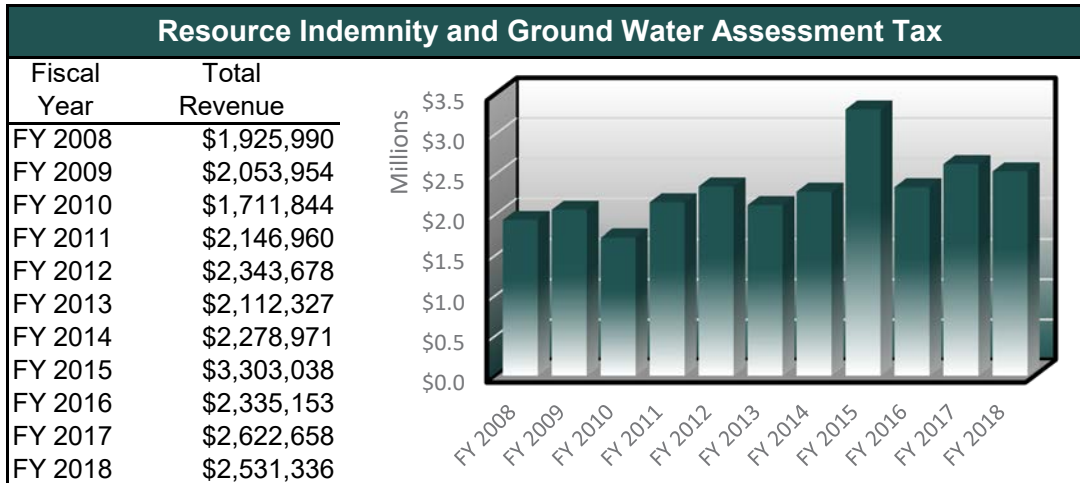
Distribution of Oil and Gas Tax					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total Revenue	\$236,496,773	\$159,107,050	\$84,972,199	\$100,769,218	\$119,133,397
BOGC	\$2,505,508	\$1,671,506	\$812,294	\$2,405,384	\$3,414,619
Oil & Gas Natural Res. Acc.	\$4,732,701	\$3,157,296	\$1,534,356	\$387,751	\$0
Remainder	\$229,258,564	\$154,278,248	\$82,625,549	\$97,976,082	\$115,718,778
"County" Revenue	\$107,770,849	\$73,160,846	\$39,294,942	\$46,619,101	\$55,301,615
Counties and Schools	\$95,997,576	\$63,447,389	\$37,900,038	\$45,535,458	\$53,618,550
Guarantee Fund	\$0	\$0	\$0	\$0	\$1,683,066
County Impact Fund	\$0	\$0	\$0	\$0	\$0
State School Impact Fund	\$0	\$0	\$0	\$0	\$0
State School Oil & Gas Distrib	\$11,773,273	\$9,713,457	\$1,394,905	\$1,083,642	\$0
State Revenue	\$121,487,715	\$81,117,402	\$43,330,607	\$51,356,982	\$60,417,163
Natural Resources Projects (2.16%)	\$2,624,135	\$1,752,136	\$938,011	\$1,109,311	\$1,305,013
Natural Resources Operations (2.02%)	\$2,454,052	\$1,638,573	\$877,214	\$1,037,411	\$1,220,424
Orphan Share Fund (2.95%)	\$3,583,888	\$2,392,963	\$1,281,080	\$1,515,030	\$1,782,308
Montana University System (2.65%)	\$3,219,424	\$2,149,612	\$1,150,801	\$1,360,960	\$1,601,053
General Fund (remainder)	\$109,606,216	\$73,184,119	\$39,083,500	\$46,334,270	\$54,508,364

Oil and Natural Gas Tax



Resource Indemnity and Ground Water Assessment Tax

Statute: Title 15, Chapter 38, Part 1, MCA



Tax Rates

The resource indemnity and ground water assessment tax (RIGWAT) was created to indemnify the citizens of Montana for the loss of long-term value resulting from the depletion of natural resource bases, and for environmental damage caused by mineral development. The tax is placed in a trust fund, which is managed by the Montana Board of Investments (15-38-101, MCA).

RIGWAT Tax Rate					
Mineral	Tax Rate	Exemption	Mineral	Tax Rate	Exemption
Other*	0.5%	First \$5,000	Vermiculite	2.0%	First \$1,250
Talc	4.0%	First \$625	Limestone	10.0%	First \$250
Coal	0.4%	First \$6,250	Garnets	1.0%	First \$2,500

* Excludes oil, gas, and mines taxed under 15-37-104, MCA.

Exemptions

- Metal production subject to the metal mines license tax is exempt from RIGWAT.
- The 2003 Montana Legislature changed the distribution of oil and gas tax revenue to include the Orphan Share Account, and made oil and gas production subject to the oil and gas severance tax exempt from RIGWAT.
- Royalties received by an Indian tribe, by the U.S. government (including as trustee for individual tribal members), by the state of Montana, or by a county or municipality are exempt from RIGWAT.

Filing Requirements

All extractors and producers of minerals must file an annual statement showing the gross yield of product for each mineral mined. Metal producers are required to file on or before March 31. All other producers are required to file on or before the 60th day following the end of the calendar year.

Resource Indemnity and Ground Water Assessment Tax

Distribution of RIGWAT

RIGWAT tax collections are deposited to several special funds and accounts. The order and amount of proceeds deposited are as follows:

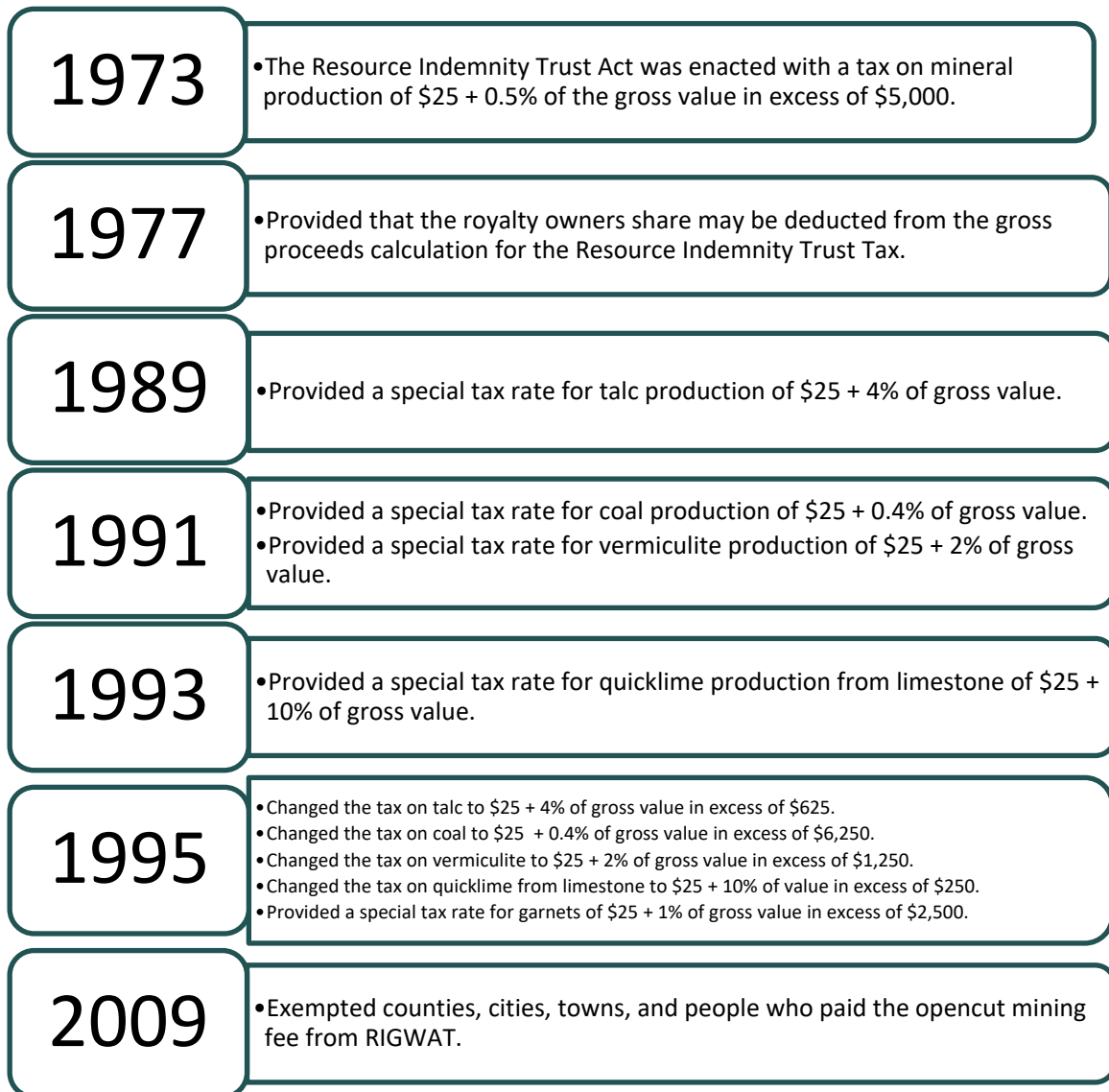
An amount certified by the Department of Environmental Quality is deposited to the CERCLA match debt service fund.

- \$366,000 is to be deposited in the Ground Water Assessment Account.
- \$150,000 is to be deposited in the Water Storage State Special Revenue Account each biennium.
- 25 percent of remaining revenue is distributed to the Hazardous Waste/CERCLA Special Revenue Account.
- 25 percent of remaining revenue is distributed to the Environmental Quality Protection Fund.
- The remaining revenue is distributed to the Natural Resources Projects Fund.

Distribution of RIGWA Tax					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total Revenue	\$2,278,971	\$3,303,038	\$2,335,153	\$2,622,658	\$2,531,336
CERCLA Debt Service	\$272,106	\$268,275	\$270,425	\$148,025	\$143,825
Groundwater Assessment	\$366,000	\$366,000	\$366,000	\$366,000	\$366,000
Water Storage	\$150,000	\$0	\$150,000	\$0	\$150,000
Remainder	\$1,490,865	\$2,668,763	\$1,548,728	\$2,108,633	\$1,871,511
Hazardous Waste/CERCLA (25%)	\$372,716	\$667,191	\$387,182	\$527,158	\$467,878
Environmental Quality Protection (25%)	\$372,716	\$667,191	\$387,182	\$527,158	\$467,878
Natural Resources Projects (50%)	\$745,433	\$1,334,381	\$774,364	\$1,054,316	\$935,756

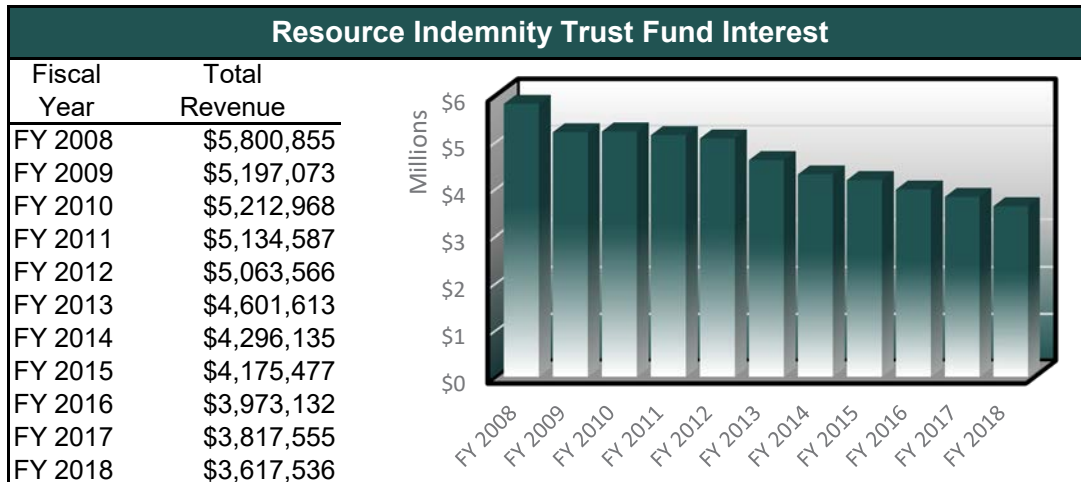
Resource Indemnity and Ground Water Assessment Tax History

The following figure shows a select history of the Resource Indemnity and Ground Water Assessment Tax.



Resource Indemnity Fund Interest

Statute: Title 15, Chapter 38, Part 2, MCA



Distribution of Interest Income

In Fiscal Year 2002 the Resource Indemnity Trust Fund reached \$100 million. Net earnings, excluding unrealized gains and losses, and all receipts may be appropriated and expended by the legislature, so long as the balance of the trust is never less than \$100 million.

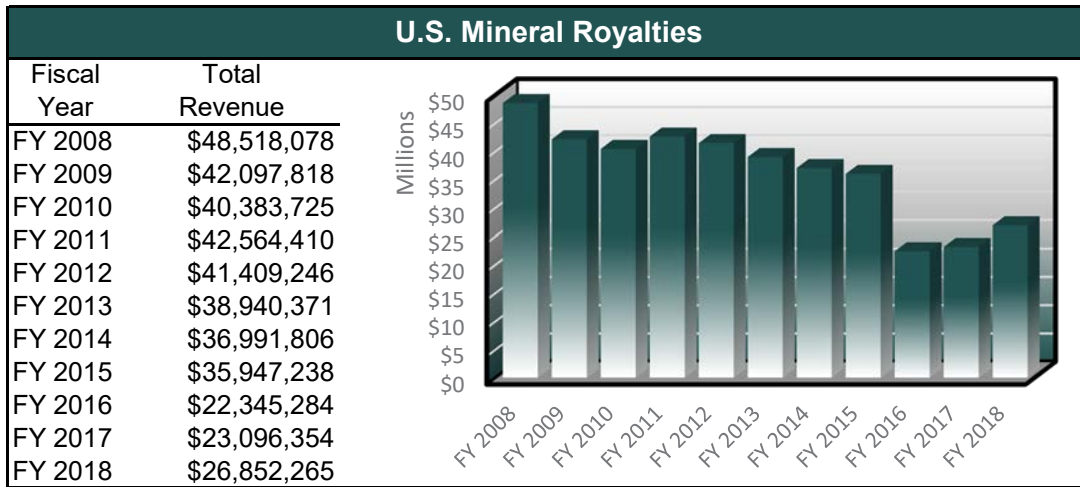
Interest from the Resource Indemnity Trust is allocated in a two-stage process. First, several programs receive fixed allocations, and then the remaining funds are divided between four programs on a percentage basis. The HB 226 passed by the 2015 Legislature revised the distributions as of Fiscal Year 2016, increasing the amount going to the Oil and Gas Damage Mitigation Account and decreasing the amount going to the Natural Resource Projects Account. The amounts allocated are shown in the following table.

Normally, \$175,000 is distributed to the Environmental Contingency Account in the first year of the biennium. However, if the unobligated cash balance is less than \$750,000, then the account only receives the difference between the balance and \$750,000. This was the case during the period shown in the distribution table. When there are insufficient funds for all appropriations, money must be allocated to maximize the funds available for on-the-ground projects that address the impacts of natural resource development and improve the total environment.

Distribution of Resource Indemnity Trust Fund Interest					
	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Annual Distributions					
Natural Resources Projects	\$3,022,407	\$3,398,644	\$2,415,617	\$3,054,044	\$2,386,503
Groundwater Assessment	\$259,063	\$291,312	\$226,464	\$286,317	\$223,735
Native Fish Species Enhancement	\$431,772	\$485,521	\$377,440	\$477,194	\$372,891
Biennial Distribution					
Oil & Gas Damage Mitigation	\$0	\$0	\$490,672	\$0	\$131,005
Water Storage	\$431,772	\$0	\$377,440	\$0	\$372,891
Environmental Contingency RIT	\$151,120	\$0	\$85,499	\$0	\$130,512
Remainder					
Natural Resources Operations (65%)	\$0	\$0	\$0	\$0	\$0
Hazardous Waste-CERCLA (26%)	\$0	\$0	\$0	\$0	\$0
Environmental Quality Protection (9%)	\$0	\$0	\$0	\$0	\$0

U.S. Mineral Royalties

Statutes: 30 USC, Section 191
17-3-240, MCA



The federal government generates royalties from leasing mineral rights on federal lands in the state. They share 49% of royalty revenue with the state, which was decreased from 50 percent in October 2007.

The Montana Department of Revenue provides auditing and compliance services for the federal government for producers extracting minerals from federal lands within the state. The federal government reimburses the department for these services.

The Department of Revenue has a memorandum of understanding with the Department of Natural Resources, and works to ensure producers extracting minerals from state lands are accurately paying their royalties.

Distribution

The state general fund receives 75 percent of the revenue and the remaining 25 percent is allocated to counties with mining on federal land. The county share is distributed to county governments in proportion to the amount collected in each of the counties.

Distribution of U.S. Mineral Royalties					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
General Fund (75%)	\$27,743,855	\$26,960,428	\$16,758,963	\$17,322,265	\$20,139,199
Impacted Counties (25%)	\$9,247,951	\$8,986,809	\$5,586,321	\$5,774,088	\$6,713,066

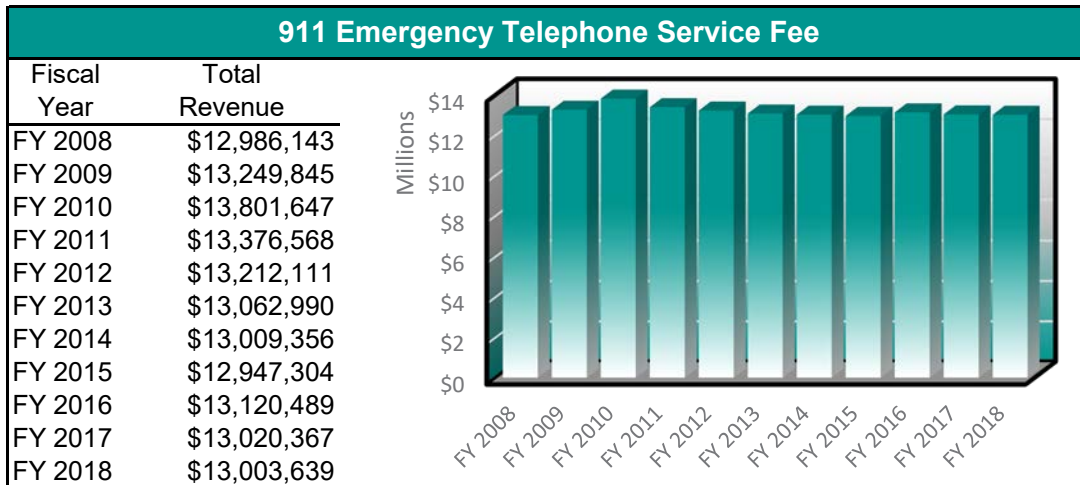
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911 Emergency Telephone System Fee

Statute: Title 10, Chapter 4



Fee Rate

Montana imposes monthly fees totaling \$1.00 per telephone access line to pay for 911 services. The 2017 Legislature changed the structure and use of these fees, beginning in Fiscal Year 2019. Through Fiscal Year 2018, the fee is in three parts: \$0.25 to support basic 911 services, \$0.25 to support enhanced 911 services, and \$0.50 to support wireless enhanced 911 services. Beginning in Fiscal Year 2019, the fee is in two parts, \$0.75 for distribution to local governments that host 911 answering services and \$0.25 to fund a competitive grant program open to telecommunications providers and local governments.

The department is unable to collect the fee on prepaid wireless cellular telephone services sold through third parties, like retail and grocery stores, because providers successfully argued in court that they can not determine where pre-paid cards will be used.

Filing Requirements

The subscriber paying for exchange access line services is liable for the fees, but providers collect the fees and remit them to the state on a quarterly basis. The provider collecting the fee must file a return on or before the last day of the month following the end of each calendar quarter.

Distribution

The 2017 Legislature changed the distribution of 911 fees, beginning in Fiscal Year 2019. Through Fiscal Year 2018, the department deposited each of the three fees in a separate account, and 2.74 percent of total collections was statutorily appropriated to the Department of Administration to cover its costs of administering the program. Beginning in Fiscal Year 2019, the department is to deposit all the fees in a single account and the Department of Administration will allocate funds to the individual programs. The Department of Administration is appropriated a fixed amount from collections to cover its costs.

Distribution of 911 Fees					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Emergency System Acct. (2.74%)	\$356,456	\$354,756	\$359,501	\$356,758	\$356,300
Basic 911 Emergency Program (24.315%)	\$3,163,224	\$3,148,299	\$3,190,248	\$3,165,902	\$3,161,835
Enhanced 911 Phone Program (24.315%)	\$3,163,224	\$3,148,299	\$3,190,248	\$3,165,902	\$3,161,835
Wireless Enhanced 911 Phone Program					
911 Jurisdictions (24.315%)	\$3,163,226	\$3,147,975	\$3,190,245	\$3,165,903	\$3,161,835
Wireless Providers (24.315%)	\$3,163,226	\$3,147,975	\$3,190,245	\$3,165,903	\$3,161,835

911 Emergency Telephone System Fee

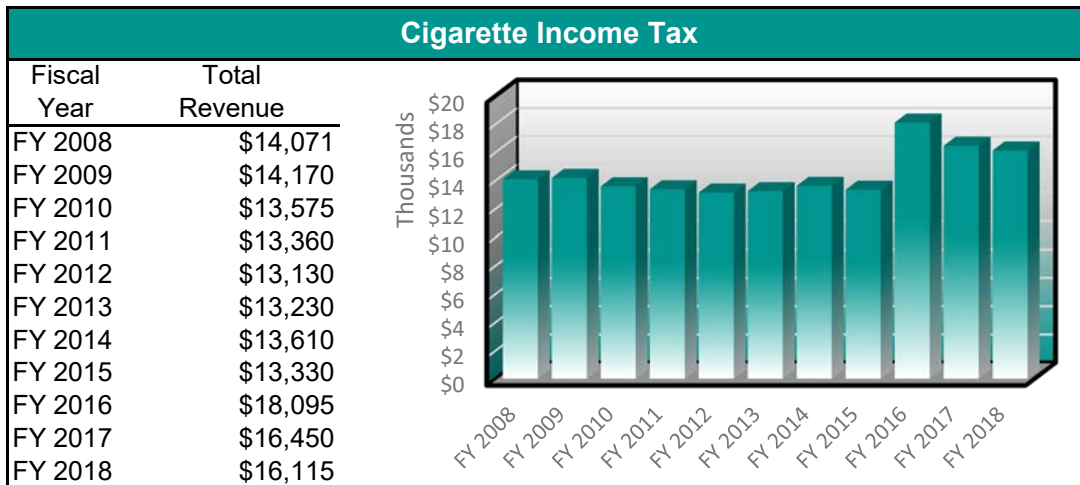
State Comparison

911 services typically are provided by local governments with the cooperation of telecommunications providers. Funding for 911 services comes from fees imposed by state governments, local governments, or both. The following table is based on information from National Emergency Number Association and shows fees for each state. Where a range of fees is shown, it generally indicates that there are varying local fees, sometimes combined with a statewide fee.

911 Emergency Telephone System Fee				
State	Landline	Wireless	Prepaid Wireless	Voice over Internet Protocol
Alabama	\$1.75	\$1.75	\$1.75	\$1.75
Alaska	\$0.00 - \$2.00	\$0.00 - \$2.00		
Arizona	\$0.20	\$0.20	0.8%	\$0.20
Arkansas	5% to 12%	\$0.65	\$0.65	\$0.65
California	0.75%	0.75%	0.75%	0.75%
Colorado	\$0.43 to \$1.75	\$0.43 to \$1.75	1.5%	\$0.43 to \$1.75
Connecticut	\$0.47	\$0.47	\$0.47	\$0.47
Delaware	\$0.60	\$0.60	\$0.60	\$0.60
District of Columbia	\$0.76	\$0.76	2.0%	\$0.76
Florida	\$0.40	\$0.40 to \$0.44	\$0.40	\$0.40
Georgia	\$1.50	\$1.00	0.75%	\$1.50
Hawaii	\$0.27	\$0.66		\$0.66
Idaho	\$1.00 to \$1.25	\$1.00 to \$1.25	2.5%	\$1.00 to \$1.25
Illinois	\$0.87	\$0.87	3%	\$0.87
Indiana	\$1.00	\$1.00	\$1.00	\$1.00
Iowa	\$1.00	\$1.00	\$0.51	\$1.00
Kansas	\$0.53	\$0.53	1.06%	\$0.53
Kentucky	\$0.36 to \$4.50	\$0.70	\$0.93	\$0.36 to \$4.50
Louisiana	residential: \$0.38 to \$1.25 business: \$0.99 to \$6.00	\$0.85 to \$1.25	4%	\$0.38 to \$1.25
Maine	\$0.45	\$0.45	\$0.45	\$0.45
Maryland	\$1.00	\$1.00	\$0.60	\$1.00
Massachusetts	\$1.00	\$1.00	\$1.00	\$1.00
Michigan	\$0.19 to \$3.19	\$0.19 to \$3.19	1.92%	\$0.19 to \$3.19
Minnesota	\$0.95	\$0.95	\$0.95	\$0.95
Mississippi	residential: \$1.05 Commercial \$2.05	\$1.00	\$1.00	\$1.00
Missouri	varies by county			
Montana	\$1.00	\$1.00		\$1.00
Nebraska	\$0.50 to \$1.00	\$0.45 to \$0.70	1.1%	
Nevada	varies by jurisdiction	varies by jurisdiction		
New Hampshire	\$075	\$075	\$075	\$075
New Jersey	\$0.90	\$0.90		\$0.90
New Mexico	\$0.51	\$0.51		
New York	\$0.35 to \$1.00	\$1.20 to \$1.50		\$0.35
North Carolina	\$0.60	\$0.60	\$0.60	\$0.60
North Dakota	\$1.00 to \$1.50	\$1.00 to \$1.50	2%	\$1.00 to \$1.50
Ohio	\$0.00 to \$0.50	\$0.25	0.5%	
Oklahoma	3% to 15%	\$0.75	\$0.75	\$0.50
Oregon	\$0.75	\$0.75	\$0.75	\$0.75
Pennsylvania	\$1.65	\$1.65	\$1.65	\$1.65
Rhode Island	\$1.00	\$1.26	2.5%	\$1.26
South Carolina	\$0.30 to \$1.00	\$0.62	\$0.62	\$0.30 to \$1.00
South Dakota	\$1.25	\$1.25	2%	\$1.25
Tennessee	\$1.16	\$1.16	\$1.16	\$1.16
Texas	\$0.50 state + varying local	\$0.50	2%	\$0.50 state + varying local
Utah	\$0.76	\$0.76	1.9%	\$0.76
Vermont		funded through universal service fund		
Virginia	\$0.75	\$0.75	\$0.50	\$0.75
Washington	\$0.95	\$0.95	\$0.95	\$0.95
West Virginia	\$0.98 to \$6.40	\$3.00	6%	\$0.98 to \$6.40
Wisconsin	\$0.16 to \$0.43			
Wyoming	\$0.25 to \$0.75	\$0.25 to \$0.75	1.5%	\$0.25 to \$0.75

Cigarette License Fee

Statute: 16-11-122, MCA



Fee Rate

Sellers of tobacco, alternative nicotine, and vapor products in Montana are required to have a license from the state and to renew the license annually. The fee is \$50 for wholesalers, who buy products from manufacturers and attach tax stamps, sub-jobbers, who buy tax-stamped products for resale, and vendors who operate 10 or more vending machines. For retailers and vendors with nine or fewer vending machines, the fee is \$5. The sale of alternative nicotine and vapor products requires a separate license with an annual fee of \$5.

Cigarette License Fee Schedule	
<u>Status</u>	<u>Annual Renewal Fee</u>
Wholesalers & Sub-Jobbers	\$50
Vendors (10 or More Machines)	\$50
Vendors (9 or Fewer Machines)	\$5
Retailers	\$5
Alternative Tobacco or Vaping Products	\$5

Filing Requirements

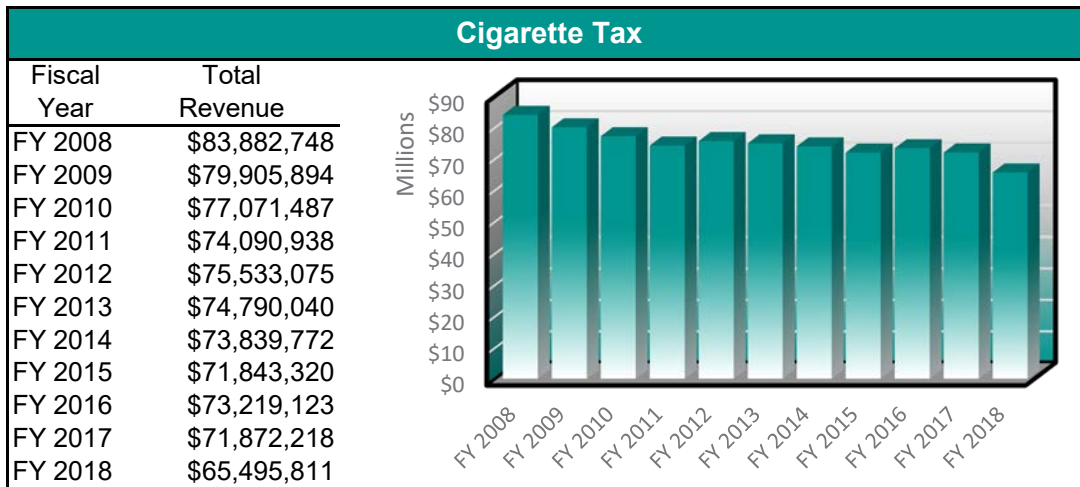
Licenses must be renewed annually by the anniversary date.

Distribution

Revenues from the license fees are deposited in the state General Fund (16-11-124, MCA). Cigarette enforcement activities of the department and the Department of Justice are funded by an appropriation from the General Fund, rather than directly by fees.

Cigarette Tax

Statute: 16-11-111, MCA and 16-11-119, MCA



Tax Rate

Cigarettes and small cigars that resemble cigarettes are subject to a tax of \$1.70 per pack of 20. If they are sold in a different size package, the tax is \$0.085 per cigarette.

The 2003 Legislature increased the rate from \$0.18 to \$0.70 effective May 1, 2003. In 2004, voters approved an initiative, I-149, which increased the rate to its current level.

Filing Requirements

The tax is paid by wholesalers, who must affix a tax insignia to each package of cigarettes to indicate the tax has been paid. Wholesalers purchase tax stamps from the department. Wholesalers purchase tax insignia at a small discount to reimburse them for their costs of affixing insignias and collecting the tax.

Distribution

Federal law reserves for the tribes the right to tax cigarettes sold to tribal members on their reservations. To avoid problems with non-members trying to avoid the tax by buying cigarettes on a reservation, Montana has entered into revenue sharing agreements with the tribal government of most reservations. The agreement with the Confederated Salish and Kootenai Tribes provides for a fixed number of tax-free cigarettes to be sold to retailers on the Flathead Reservation. These agreements provide for a refund of tax on a fixed number of cigarettes sold to retailers on each reservation and for each tribe to receive a share of revenue from the tax.

After distributing revenues according to the tribal revenue sharing agreements, cigarette tax revenues are distributed as follows:

- The Department of Revenue to pay its cost of purchasing tax stamps.
- Department of Public Health and Human Services for maintenance and operation of state veterans' nursing homes. The larger of:
 - 8.3 percent of revenues, or
 - \$2 million
- Long-Range Building Program Account.
 - 2.6 percent of revenues
- State special revenue fund for Health and Medicaid initiatives.
 - 44 percent of revenues
- State general fund (16-11- 119, MCA).
 - Remaining revenues

Cigarette Tax

Distribution of Cigarette Tax					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total Revenue	\$73,839,772	\$71,843,320	\$73,219,123	\$71,872,218	\$65,495,811
Tobacco and Cig. Tribal Agreement	\$4,083,458	\$4,407,522	\$4,254,158	\$4,115,751	\$3,929,686
Remainder	\$69,756,313	\$67,435,798	\$68,964,965	\$67,756,467	\$61,566,125
State Veterans' Home (8.3%)	\$5,789,774	\$5,597,171	\$5,724,092	\$5,623,787	\$5,107,968
SW State Veterans' Home (1.2%)	\$837,076	\$809,230	\$0	\$0	\$0
Long Range Building Program (2.6%)	\$1,813,664	\$1,753,331	\$1,793,089	\$1,761,668	\$1,600,087
DPHHS-Medicaid Initiatives (44%)	\$30,692,778	\$29,671,751	\$30,344,584	\$29,812,846	\$27,078,385
General Fund (remainder)	\$30,623,022	\$29,604,315	\$31,103,199	\$30,558,167	\$27,755,344

From fiscal year 2012 through 2015, 1.2 percent of the revenue was distributed to a special revenue fund for the construction of a state veteran's home in southwestern Montana.

State Comparison

All states have a state cigarette tax. Five states allow local jurisdictions to impose an additional tax. The following tables show state, local, and combined cigarette taxes as of January 1, 2018.

The range of taxes is very wide, from \$0.21 in parts of Missouri to over \$6 in parts of Illinois. Twenty-two states have taxes that are higher than Montana's, 27 have taxes that are lower than Montana's, and one has the same tax rate as Montana.

State	Cigarette Excise Tax Rates		
	State	Local	Total
Alabama	\$0.68	\$0.01 to \$0.25	\$0.685 to \$0.925
Alaska	\$2.00		\$2.00
Arizona	\$2.00		\$2.00
Arkansas	\$1.15		\$1.15
California	\$2.87		\$2.87
Colorado	\$0.84		\$0.84
Connecticut	\$4.35		\$4.35
Delaware	\$2.10		\$2.10
Florida	\$1.34		\$1.34
Georgia	\$0.37		\$0.37
Hawaii	\$3.20		\$3.20
Idaho	\$0.57		\$0.57
Illinois	\$1.98	\$0.1 to \$4.18	\$2.08 to \$6.16

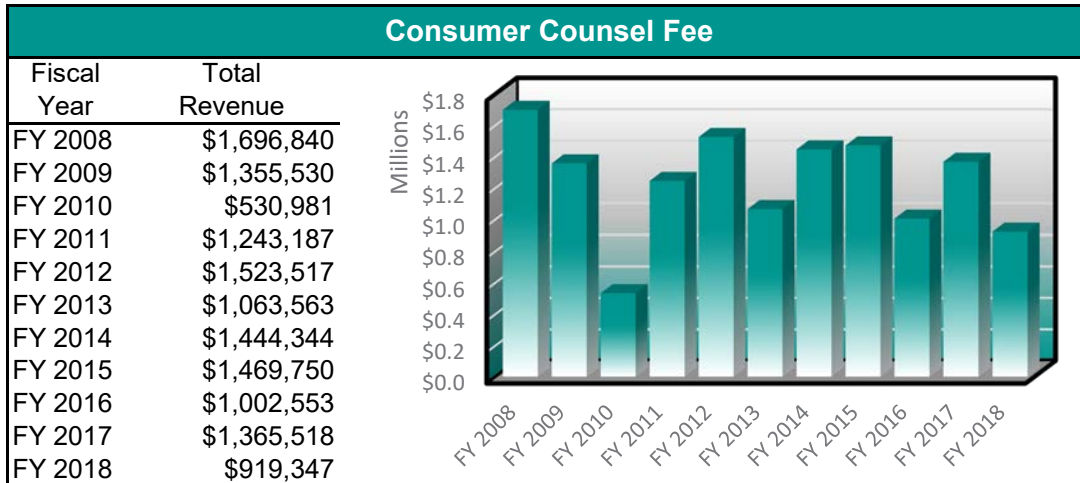
Cigarette Tax

Cigarette Excise Tax Rates			
State	Tax (\$ per Pack)		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Indiana	\$1.00		\$1.00
Iowa	\$1.36		\$1.36
Kansas	\$1.29		\$1.29
Kentucky	\$0.60		\$0.60
Louisiana	\$1.08		\$1.08
Maine	\$2.00		\$2.00
Maryland	\$2.00		\$2.00
Massachusetts	\$3.51		\$3.51
Michigan	\$2.00		\$2.00
Minnesota	\$3.61		\$3.61
Mississippi	\$0.68		\$0.68
Missouri	\$0.17	\$0.04 to \$0.07	\$0.21 to \$0.24
Montana	\$1.70		\$1.70
Nebraska	\$0.64		\$0.64
Nevada	\$1.80		\$1.80
New Hampshire	\$1.78		\$1.78
New Jersey	\$2.70		\$2.70
New Mexico	\$1.66		\$1.66
New York	\$4.35	\$0 to \$1.5	\$4.35 to \$5.85
North Carolina	\$0.45		\$0.45
North Dakota	\$0.44		\$0.44
Ohio	\$1.60		\$1.60
Oklahoma	\$1.03		\$1.03
Oregon	\$1.33		\$1.33
Pennsylvania	\$2.60		\$2.60
Rhode Island	\$4.25		\$4.25
South Carolina	\$0.57		\$0.57
South Dakota	\$1.53		\$1.53
Tennessee	\$0.67	\$0.01	\$0.68
Texas	\$1.41		\$1.41
Utah	\$1.70		\$1.70
Vermont	\$3.08		\$3.08
Virginia	\$0.30		\$0.30
Washington	\$3.03		\$3.03
West Virginia	\$1.20		\$1.20
Wisconsin	\$2.52		\$2.52
Wyoming	\$0.60		\$0.60
District of Columbia	\$2.94		\$2.94

Source: Federation of Tax Administrators

Consumer Counsel Fee

Statute: Title 69, Chapter 1, Part 2, MCA



Fee Rate

All companies that are regulated by the Public Service Commission are assessed a fee to cover the operation of the Consumer Counsel, which represents consumers in proceedings before the Public Service Commission. The fee is a percentage of gross revenue from regulated activities. The rate is set annually for the succeeding fiscal year to cover appropriations for the operation of the Office of the Consumer Counsel.

Consumer Counsel Fee Rates	
Tax Year	Rate
10/1/2006 - 9/30/2007	0.060%
10/1/2007 - 9/30/2008	0.140%
10/1/2008 - 9/30/2009	0.080%
10/1/2009 - 9/30/2010	0.030%
10/1/2010 - 9/30/2011	0.110%
10/1/2011 - 9/30/2012	0.120%
10/1/2012 - 9/30/2013	0.070%
10/1/2013 - 9/30/2014	0.110%
10/1/2014 - 9/30/2015	0.100%
10/1/2015 - 9/30/2016	0.060%
10/1/2016 - 9/30/2017	0.100%
10/1/2017 - 9/30/2018	0.046%

Filing Requirements

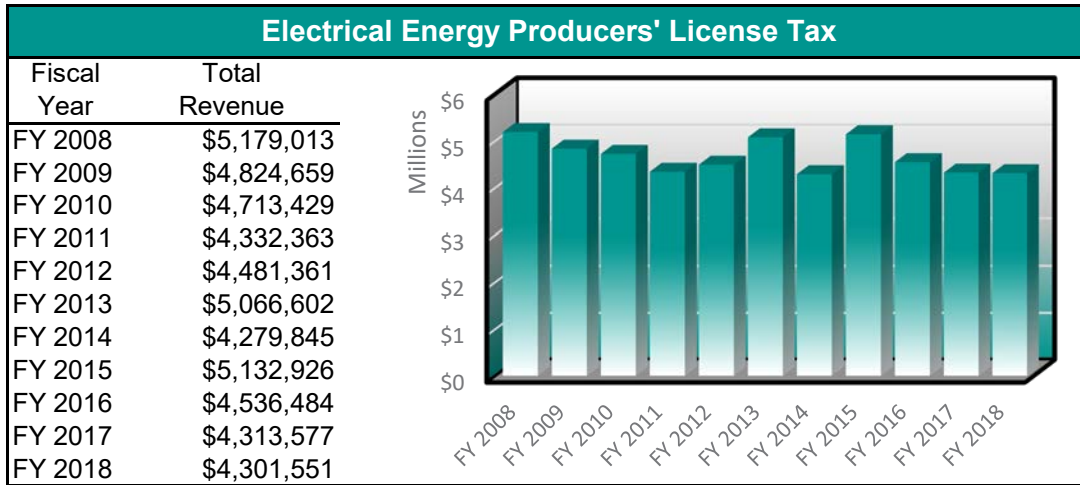
All companies providing services regulated by the Public Service Commission are subject to a quarterly Consumer Counsel Tax on gross operating revenue. The fee is due within 30 days after the end of each quarter.

Distribution

All collections are deposited in a state special revenue account for the operation of the Office of the Consumer Counsel (69-1-201; 223; 224, MCA).

Electrical Energy Producers' License Tax

Statute: Title 15, Chapter 51, MCA



Tax Rate

The tax was first enacted in 1933 and is \$.0002 per kilowatt hour of electrical energy generated, manufactured or produced in the state for barter, sale or exchange, other than plant use.

Filing Requirements

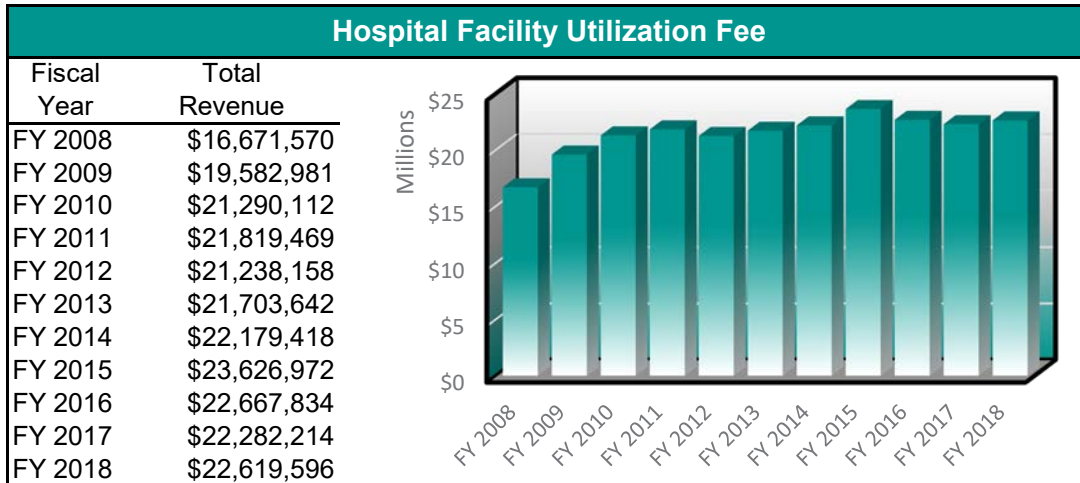
Businesses that produce electrical energy pay the electrical energy producers' license tax. The businesses must remit the license tax each calendar quarter to the department with a statement on or before the 30th day of the month after the end of the calendar quarter (15-51-102, MCA).

Distribution

These tax collections are deposited in the state General Fund (15-51-103, MCA).

Hospital Facility Utilization Fee

Statute: Title 15, Chapter 66, MCA



Fee Rate

Beginning in 2010, all hospitals licensed by the state (with the exception of the Montana State Hospital) are required to pay a \$50 utilization fee for each inpatient bed day.

Filing Requirements

The hospital must pay the fees for the preceding calendar year on all taxable inpatient bed days. The table below lists the fee per inpatient bed day since the fee was instituted.

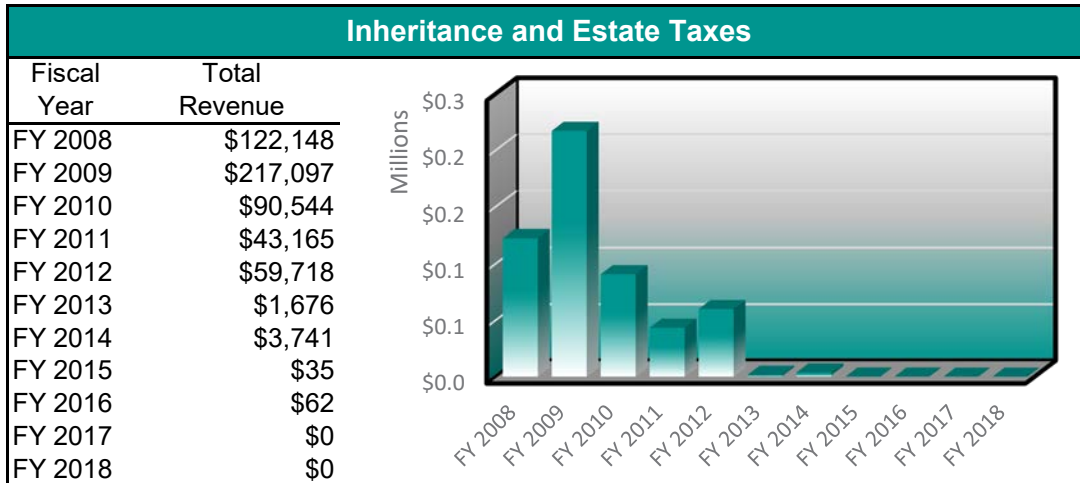
Hospital Facility Utilization Fee Schedule	
<u>Fee Applies to This Period</u>	<u>Fee Per Inpatient Bed Day</u>
January 1, 2004 - June 30, 2005	\$19.43
July 1, 2005 - December 31, 2005	\$29.75
January 1, 2006 - June 30, 2007	\$27.70
July 1, 2007 - December 31, 2007	\$47.00
January 1, 2008 - December 31, 2008	\$43.00
January 1, 2009 - December 31, 2009	\$48.00
Beginning January 1, 2010	\$50.00

Distribution

All of the proceeds from the utilization fee are deposited in a special revenue account for use by the Department of Public Health and Human Services to reimburse hospitals serving Medicaid patients (15-66-102, MCA).

Inheritance and Estate Tax

Statute: Title 72, Chapter 16, MCA



Tax Rate

An estate tax is a tax on the value of the estate a person leaves when they die and is paid by the estate. An inheritance tax is a tax on the value of the bequest each heir receives.

Before 2001, Montana had an inheritance tax with rates that varied according to the heir's relationship to the decedent. Montana's inheritance tax was repealed by the passage of Legislative Referendum 116 in November 2000, and does not apply to bequests made on or after January 1, 2001.

Montana also has an estate tax equal to the difference between the amount of credit that the federal estate tax law allows for state taxes and the inheritance tax. The estate tax essentially allows the state to receive a share of the federal tax on Montana estates, with that share determined by federal law. With repeal of the inheritance tax, the estate tax became a stand-alone tax.

Federal legislation passed in 2001 and 2010 changed the federal estate tax law. It phased out the credit for state taxes between 2002 and 2004 and replaced it with a deduction beginning in 2005. With no federal credit, Montana essentially has an estate tax with a rate of zero.

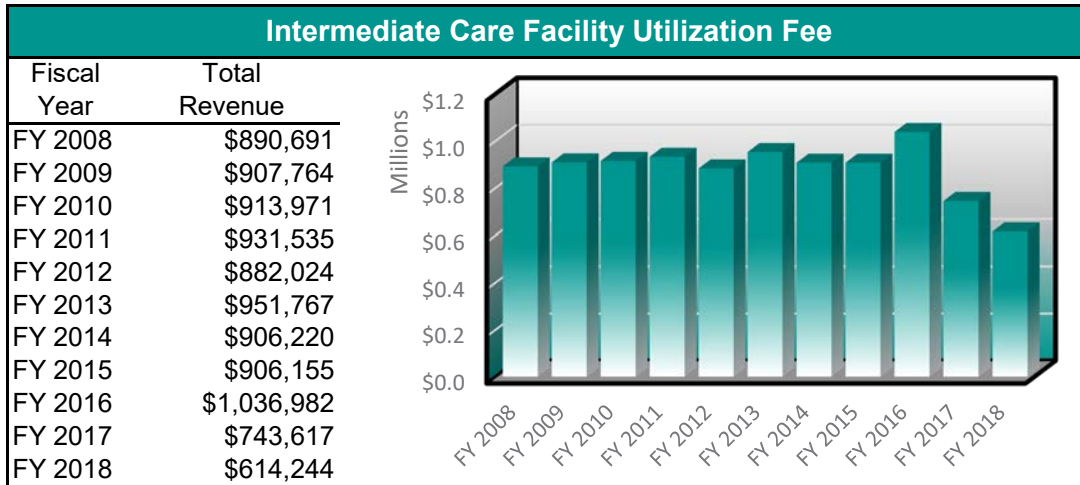
No Montana tax applies to the estates of people who died after January 1, 2005. All revenue received in Fiscal Year 2006 through Fiscal Year 2018 is from the estates of people who died before the end of 2004. The state continues to receive small amounts of revenue because it sometimes takes years for final settlement of all issues pertaining to an estate.

Distribution

All inheritance tax revenue is deposited in the state General Fund.

Intermediate Care Facility Utilization Fee

Statute: Title 15, Chapter 67, MCA



Fee Rate

The Intermediate Care Facility Utilization Fee is collected at a rate of 6 percent of the revenue of intermediate care facilities for the developmentally disabled. The fee was first implemented by the 2003 Legislature at a rate of 5 percent. The 2005 Legislature changed the fee per bed-day to a quarterly payment of 6 percent of the intermediate care facility's quarterly revenue divided by the resident bed days for the same period. For facilities operated by the state, the fee is calculated on total quarterly expenditures.

Filing Requirements

Reports and payments are due quarterly, by the end of the month following each quarter.

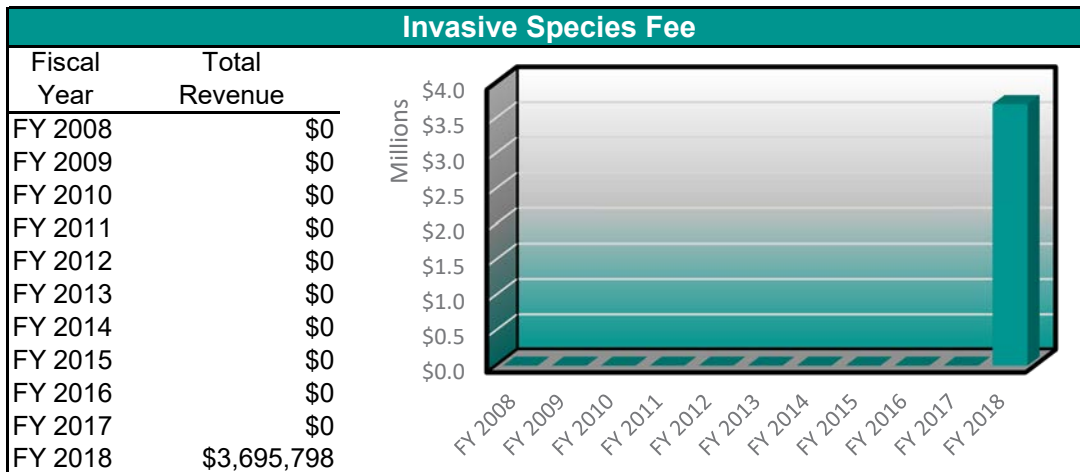
Distribution

Thirty percent of the revenue generated by this fee is deposited into the state general fund and 70 percent into the prevention and stabilization account in the state special revenue fund for the Department of Public Health and Human Services to administer (15-67-102, MCA).

Distribution of Intermediate Care Facility Utilization Fees					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
General Fund (30%)	\$271,866	\$271,846	\$311,095	\$223,085	\$184,273
Prevention & Stabilization (70%)	\$634,354	\$634,308	\$725,888	\$520,532	\$429,971

Invasive Species Fee

Statute: Title 15, Chapter 72, Part 6, MCA



The 2017 legislature created temporary fees on hydroelectric power to fund programs to prevent the spread of invasive aquatic species. These fees apply from July 1, 2017 through June 30, 2019. Owners of hydroelectric generating facilities of more than 1.5 megawatts of capacity are to pay a quarterly fee of \$795.76 per megawatt of nameplate capacity.

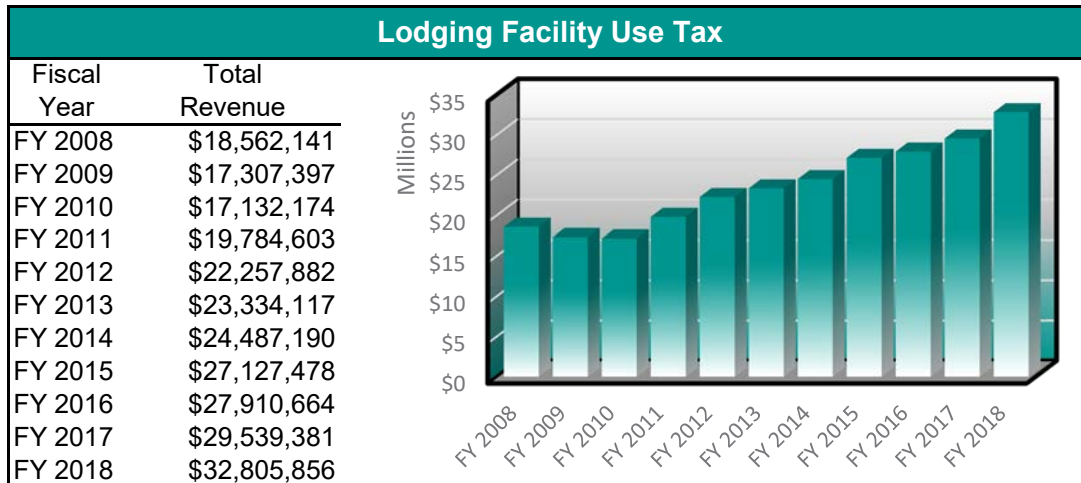
Utilities that do not own hydroelectric facilities but that receive more than 50 percent of their power from federally-owned hydroelectric facilities are to pay a flat fee based on the utility's 2015 power sales. The fee is approximately \$0.0002314 per kilowatt-hour.

Filing Requirements: Reports and payment are due within 30 days of the end of each quarter.

Distribution: Revenue from the Invasive Species Fee is deposited in the Invasive Species State Special Revenue Account.

Lodging Facility Use Tax

Statute: Title 15, Chapter 65, MCA



Tax Rate

The 1987 Legislature enacted a tax on short-term lodging, with the proceeds to be used primarily to fund tourism promotion. The tax is imposed on users of short-term, overnight lodging facilities and is 4 percent of the lodging charge.

Filing Requirements

The owner or operator of a facility collects the tax from customers and must pay the tax to the department quarterly. The tax is due on, or before, the last day of the month immediately following the end of the quarter. To simplify compliance, the department has lodging operators file a single return combining the Lodging Facility Use Tax and the Lodging Sales Tax.

Distribution

The department's costs of administering the Lodging Facility Use Tax are paid out of receipts from the tax. This process is different from most taxes, where the department's costs are paid from the General Fund. For each fiscal year, the Legislature appropriates an amount to the department to cover its costs, and this amount is deducted from tax collections.

The Legislature originally chose not to tax business travel by state employees. However, rather than exempting state travel from the tax, the Legislature required the department to reimburse state agencies for the tax they paid. Agencies reported the amount they spent on lodging from each of their funding sources, and the department reimbursed each of the funds. This system was cumbersome to administer and difficult to track. The 2011 Legislature simplified the process (HB 111). Beginning in Fiscal Year 2012, 30 percent of tax collected from state agencies is deposited in the General Fund. Tax on state agency travel paid with federal funds is given to the Department of Administration to be returned to the federal government through the normal process for returning unspent federal funds. The rest of the tax paid by state agencies is included in the normal distribution.

A fixed allocation of \$400,000 is deposited in the Montana Heritage Preservation Account to pay for preservation of historic properties at Virginia City and Nevada City. The remaining revenue is distributed to the following accounts:

- Department of Commerce for statewide tourism promotion
 - 64.4 percent of revenues
- State-Tribal Economic Development Commission for tourism promotion
 - 0.5 percent of revenues

Lodging Facility Use Tax

- Montana Historical Society for roadside historical signs and historic sites
 - 1 percent of revenues
- Montana University System for the Montana Travel Research Program
 - 2.5 percent of revenues
- Historical Society to cover costs of the state museum and the Robert Scriver sculpture collection
 - 2.6 percent of revenues
- Department of Fish, Wildlife and Parks to maintain facilities in state parks
 - 6.5 percent of revenues
- Regional nonprofit tourism corporations and local convention and visitors bureaus for local tourism promotion
 - 22.5 percent of revenues
 - Each of the state's six tourism promotion regions receives revenue proportional to the tax collected in the region. If the share of this allocation due to taxes collected in a city or resort area is more than \$35,000, half of that amount goes to the local convention and visitors' bureau.

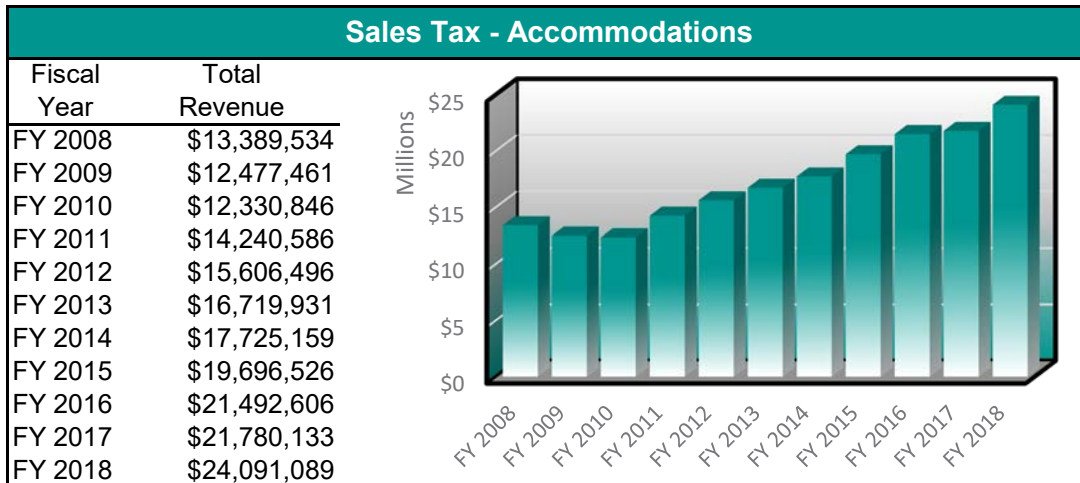
The 2011 Legislature (HB 477) created the 2.6 percent allocation to the Historical Society and the 2017 Legislature (SB 309) created the 0.5% allocation to the State-Tribal Economic Development Commission. In both cases, the Legislature reduced the Department of Commerce's allocation by the same percentage.

Distribution of Lodging Facility Use Tax

<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Total Revenue	\$24,487,190	\$27,127,478	\$27,910,664	\$29,539,381	\$32,805,856
DOR Administration	\$144,317	\$147,793	\$147,821	\$147,821	\$127,958
Travel Reimbursements	\$152,886	\$127,527	\$113,724	\$150,713	\$144,524
MT Heritage Preservation Acct.	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Remainder	\$23,789,987	\$26,452,158	\$27,249,119	\$28,840,846	\$32,133,373
Department of Commerce	\$15,439,702	\$17,167,451	\$17,684,678	\$18,717,710	\$20,692,675
MT Historical Soc. Sites & Signs	\$237,900	\$264,522	\$272,491	\$288,409	\$321,326
MT University System	\$594,750	\$661,304	\$681,228	\$721,019	\$803,311
MT Historical Soc. Interpret. Acct.	\$618,540	\$687,756	\$708,477	\$749,863	\$835,444
Fish, Wildlife, and Parks	\$1,546,350	\$1,719,390	\$1,771,193	\$1,874,655	\$2,088,605
Regional Tourism	\$5,352,747	\$5,951,736	\$6,131,052	\$6,489,191	\$7,229,801
State/Tribal Economic Development	\$0	0	\$0	\$0	\$161,278

Lodging Sales Tax

Statute: Title 15, Chapter 68, MCA



Tax Rate

In 2003, the Montana Legislature enacted a 3 percent selective sales and use tax on accommodations and campgrounds. The 3 percent sales tax on accommodations is levied in addition to, and applies to the same facilities as, the Lodging Facilities Use Tax (15-68-102, MCA).

Filing Requirements

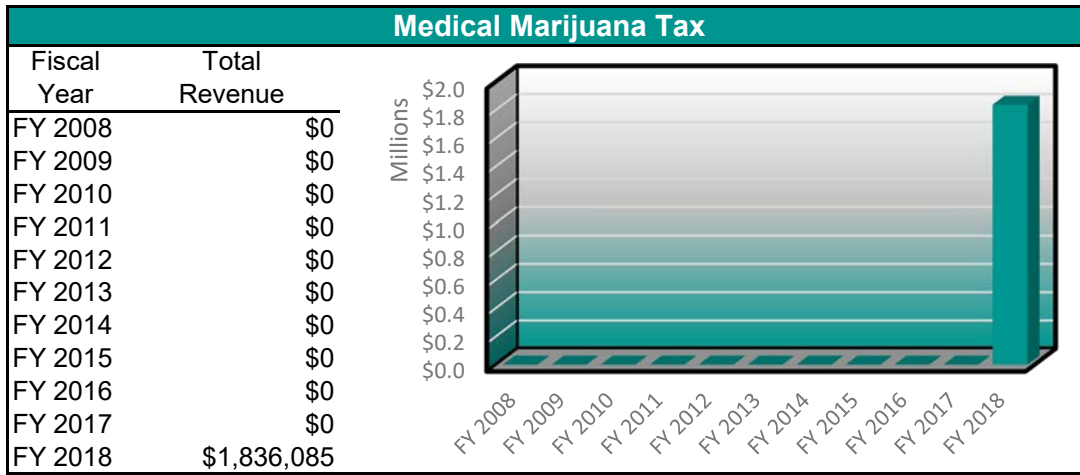
The sales tax is imposed on the purchaser, and collected and paid by the seller to the department. The tax is due on or before the last day of the month immediately following the end of the quarter. The seller who files a return and pays the tax on time is allowed to keep 5 percent of the tax collected, up to \$1,000 per facility, as compensation for collecting the tax. To simplify compliance, the department has the seller file a single return combining the Lodging Facility Use Tax and the Lodging Sales Tax.

Distribution

All revenue from the Lodging Sales Tax is deposited in the state General Fund (15-68-820, MCA).

Medical Marijuana Tax

Statute: Title 15, Chapter 64, MCA



Tax Rate

The 2017 Legislature enacted a tax on medical marijuana sales as part of a revision of the regulation of medical marijuana. From July 1, 2017 through June 30, 2018, the tax was 4 percent of gross sales. Beginning July 1, 2018, the tax is 2 percent of gross sales.

Filing Requirements

The tax is due quarterly. Returns and payment are due within 15 days of the end of each quarter.

Distribution

All revenue from the medical marijuana tax is deposited in the medical marijuana account to be used by the Department of Public Health and Human Services to pay its costs of regulating medical marijuana.

The table on the next page shows a state comparison of marijuana taxes.

Medical Marijuana Tax

State Taxation of Marijuana

States Where Marijuana is Legal for Medical Use Only

Arizona	Subject to general sales tax
Arkansas	Subject to general sales tax and 4% tax on gross receipts
Connecticut	Subject to general sales tax
Delaware	None
District of Columbia	Subject to sales tax at special rate of 6%
Florida	None
Hawaii	Subject to general sales tax
Illinois	Subject to general sales tax at 1% rate for medicine. Tax of 7% on growers.
Iowa	Just legalized, tax treatment not clarified yet
Louisiana	Just legalized, tax treatment not clarified yet
Maryland	None
Michigan	Subject to general sales tax and 3% tax on grower's gross receipts.
Minnesota	None
Montana	Excise tax of 2%.
New Hampshire	None
New Jersey	Subject to general sales tax
New Mexico	Subject to general sales tax
New York	Excise tax of 7%
North Dakota	Just legalized, tax treatment not clarified yet
Ohio	Subject to general sales tax
Pennsylvania	Growers subject to 5% gross receipts tax.
Rhode Island	Subject to general sales tax and 4% surcharge on providers.
Vermont	None
West Virginia	Gross receipts tax of 10% on sales by grower or processor.

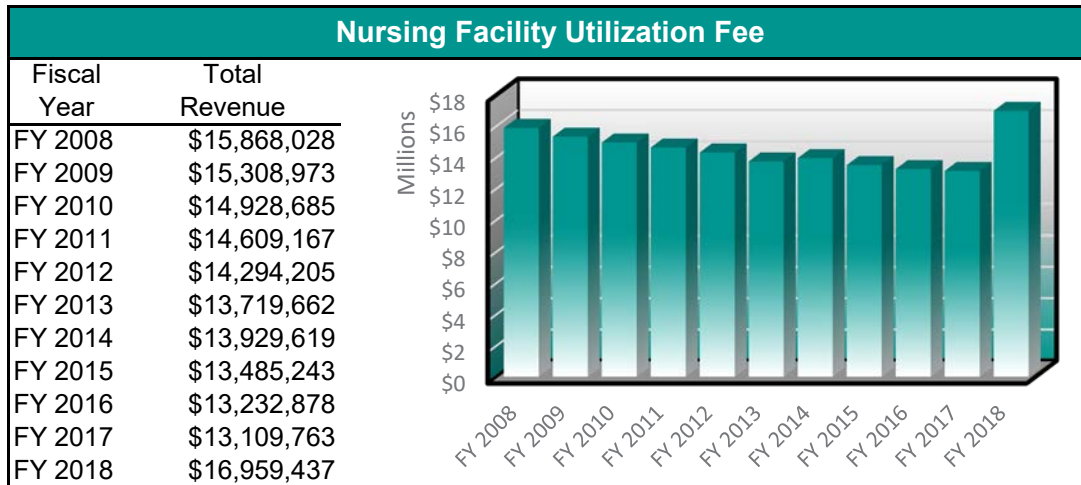
States Where Marijuana is Legal for Medical and Non-Medical Use

Alaska	Tax on sales by grower to retailer or manufacturer. Rate \$50 per ounce for buds and flowers, \$15 per ounce for other parts of plant. Non-medical use subject to general sales tax. Medical use exempt.
California	Excise tax of 15% on retail sales, and tax on sales by grower to distributor or manufacturer of \$9.25 per ounce of flowers and \$2.75 per ounce of leaves.
Colorado	Non-medical use subject to 15% excise tax on retail sales and 15% grower tax on sales to retailer or manufacturer. Medical use subject to general sales tax
Maine	Non-medical use subject to sales tax at special rate of 10%. Medical use subject to general sales tax.
Massachusetts	Non-medical use subject to 10.75% excise tax and general sales tax. Medical use exempt.
Nevada	Non-medical use is subject to 10% excise tax. Growers pay 15% excise tax on wholesale sales.
Oregon	Non-medical use is subject to 17% excise tax. Medical use exempt.
Washington	Subject to general sales tax and excise tax of 37%.

Source: Benda, Jennifer and Jacob Mills. 2018. Cannabis Industry State Tax Guide. Fox Rothschild LLP.

Nursing Facility Utilization Fee

Statute: Title 15, Chapter 60, MCA



Tax Rate

All nursing homes licensed by the Department of Public Health and Human Services and the Montana Mental Health Nursing Care Center must pay a fee for each bed-day of services provided to a resident. For Fiscal Year 2007 through Fiscal Year 2017, the fee was \$8.30. The 2017 Legislature (HB 618) increased the fee, to \$11.30 for Fiscal Year 2018, and to \$15.30 beginning in Fiscal Year 2019.

Filing Requirements

The fee is due quarterly. Reports and payments are due on or before the last day of the month following the end of each quarter.

Distribution

Proceeds from the fee are to be used to fund the state share of Medicaid payments to nursing homes.

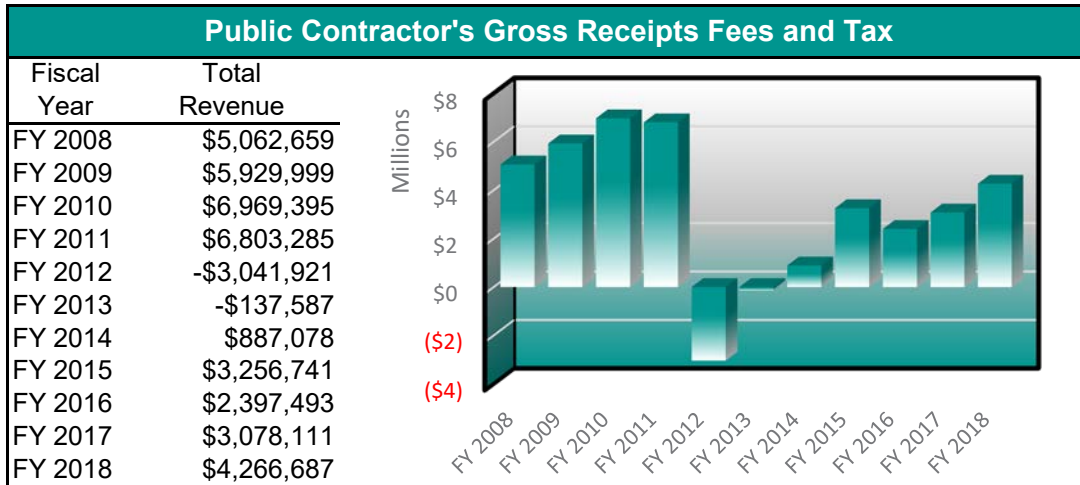
For all facilities, other than the Montana Mental Health Nursing Care Center, \$2.80 is distributed to the General Fund and the remainder is distributed to the Nursing Facility Utilization Fee Account (15-60-102, MCA).

Utilization fees paid by the Montana Mental Health Nursing Care Center are distributed 30 percent to the state General Fund and 70 percent to the Prevention and Stabilization Account administered by DPHHS to finance, administer, and provide health and human services (53-6-1101, MCA).

Distribution of Nursing Facility Utilization Fees					
	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Non-Montana Mental Health Nursing Care Center Facilities					
General Fund	\$4,615,142	\$4,455,861	\$4,370,397	\$4,328,823	\$4,114,818
Nursing Facility Util. Acct. Fee	\$9,067,461	\$8,754,519	\$8,586,606	\$8,504,924	\$12,491,167
Montana Mental Health Nursing Care Center Facilities					
General Fund (30%)	\$74,105	\$82,459	\$82,763	\$82,805	\$106,036
Prevention and Stabilization Fee (70%)	\$172,911	\$192,404	\$193,113	\$193,212	\$247,417

Public Contractor's Gross Receipts Fees and Tax

Statute: Title 15, Chapter 50, MCA.



Tax Rate

The Public Contractor's Gross Receipts Tax equals 1 percent of the gross receipts from state, local government or federal construction contracts, other than construction of a federal research facility. The tax applies both to prime contractors and subcontractors. Contracts with a value of \$5,000 or less are exempt.

Filing Requirements

Contractors are required to file a registration form with the department at the time they are awarded a contract. The agency awarding the contract is required to withhold the tax and submit it to the department within 30 days of any payment to the contractor. The prime contractor is required to withhold the tax from payments to subcontractors and file a report with the department within 30 days.

Refunds of the Tax

The purpose of the Public Contractor's Gross Receipts Tax is to provide an incentive for out-of-state contractors to pay other taxes they owe, not to raise revenue directly. Contractors who pay corporate or individual income tax may use their contractor's gross receipts tax payments as credits against those taxes.

Contractors who have paid property taxes and vehicle fees may request a refund of their contractor's gross receipts tax payments up to the amount of these taxes and fees. Alternatively, a contractor may use their contractor's gross receipts tax payments as a credit against individual or corporate income tax. A contractor may also claim a refund for property taxes and vehicle fees and use any contractor's gross receipts tax payments over this amount as an income tax credit.

Refunds for property taxes and vehicle fees must be for the same year that the contractor's gross receipts tax was paid. Corporate and individual income tax credits can be carried forward for up to 5 years.

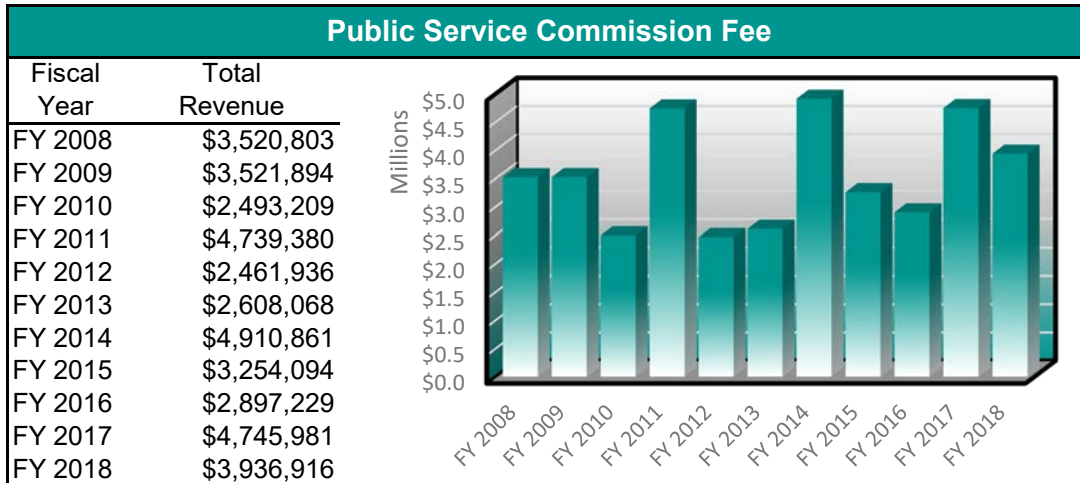
In most years, tax payments are greater than refunds and credits, so that there is net revenue from the tax. In Fiscal Year 2012 and Fiscal Year 2013, total refunds exceeded total payments and as a result, total contractor's gross receipts revenue was negative. There were two reasons for this. In those years, contractors were claiming credits from work on federal Reinvestment and Recovery projects in earlier years while new contracts had returned to a normal level. At the same time, upgrades to the department's data processing systems allowed the department to clear a backlog of pending refunds.

Distribution

Revenues are deposited in the state General Fund (15-50-311, MCA).

Public Service Commission Fee

Statute: Title 69, Chapter 1, Part 4, MCA



Tax Rate

All companies providing services that are regulated by the Public Service Commission, other than motor carriers, are subject to a tax on gross operating revenue from final sales. Revenues from sales for resale to other regulated companies is not subject to the tax. The tax rate is set annually for the succeeding fiscal year to cover appropriations for the operation of the Department of Public Service Regulation.

Public Service Commission Fee Rates	
Effective Dates	Rate
Oct. 2006 - Sept. 2007	0.22%
Oct. 2007 - Sept. 2008	0.31%
Oct. 2008 - Sept. 2009	0.26%
Oct. 2009 - June 2010	0.21%
July 2010 - Sept. 2010	0.37%
Oct. 2010 - Sept. 2011	0.42%
Oct. 2011 - Sept. 2012	0.20%
Oct. 2012 - Sept. 2013	0.23%
Oct. 2013 - Sept. 2014	0.42%
Oct. 2014 - Sept. 2015	0.20%
Oct. 2015 - Sept. 2016	0.23%
Oct. 2016 - Sept. 2017	0.39%
Oct. 2017 - Sept. 2018	0.24%

Filing Requirements

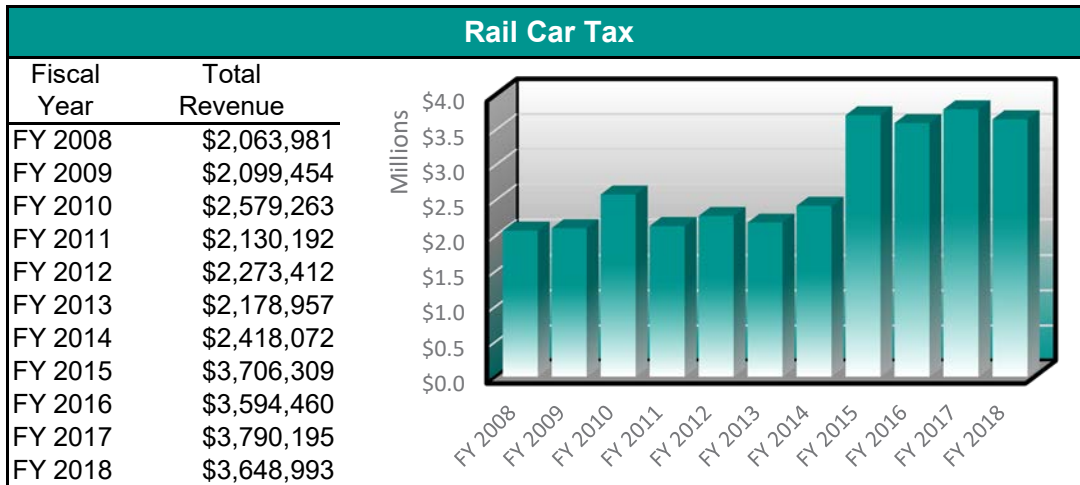
Taxpayers must file and pay the tax within 30 days of the end of each calendar quarter.

Distribution

All collections are deposited in a state special revenue account for the administration of the Public Service Commission (69-1-402, MCA).

Rail Car Tax

Statute: Title 15, Chapter 23, Part 2, MCA



Tax Rate

A railroad car company owns, operates or furnishes rail cars but does not own or operate tracks. Since rail cars have no fixed location, property tax on rail car companies is collected by the state rather than at the local level.

The market value of rail car property is centrally assessed by the department. It is based on the value of the company's rolling stock and the fraction of its car-miles traveled in Montana. The taxable value is calculated using the rate for railroad property, which is calculated annually as the average rate applied to non-railroad commercial and industrial property. Tax is calculated by multiplying the taxable value by the average of mill levies applied to commercial and industrial property.

The legislature changed taxation of rail car companies from a gross receipts tax to an *ad valorem* tax in the 1992 special session. The 1997 Legislature temporarily lowered the mill levy applied to rail car companies to 95 percent of the average mill levy. This change expired at the end of 2002.

Filing Requirements

Rail car companies are required to file a report by April 15 of each year, which gives the number and cost of rail cars owned at the end of the previous year, and the number of car miles traveled inside and outside Montana.

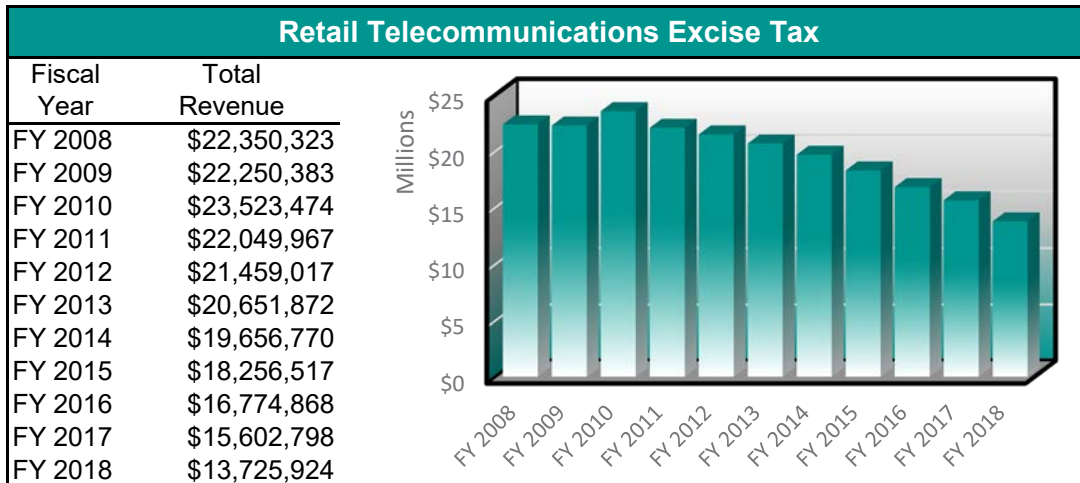
The department computes the rail car tax and sends the railroad car company a written notice with the amount of taxes due. This notice must include the taxable value of the property and the average levy used (15-23-214, MCA). One half of the rail car tax is due by November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later. The other half of the tax is due by May 31 of each year.

Distribution

Rail car tax revenue is deposited in the state General Fund (15-23-215, MCA).

Retail Telecommunications Excise Tax

Statute: Title 15, Chapter 53, MCA



Tax Rate

The Retail Telecommunications Excise Tax is a tax of 3.75 percent on retail sales of telecommunications service when the transmission either originates or terminates in Montana. The tax applies to both landline service and traditional mobile service but does not apply to prepaid wireless service purchased through a third party, such as pre-paid phone cards purchased at a grocery store or other retailer.

Prior to 2000, Montana levied a telephone company license tax of 1.8 percent on the gross revenue telephone companies earned from in-state telephone calls. The 1999 Legislature replaced it with the current tax as part of legislation that also reduced property taxes on telephone company property.

Filing Requirements

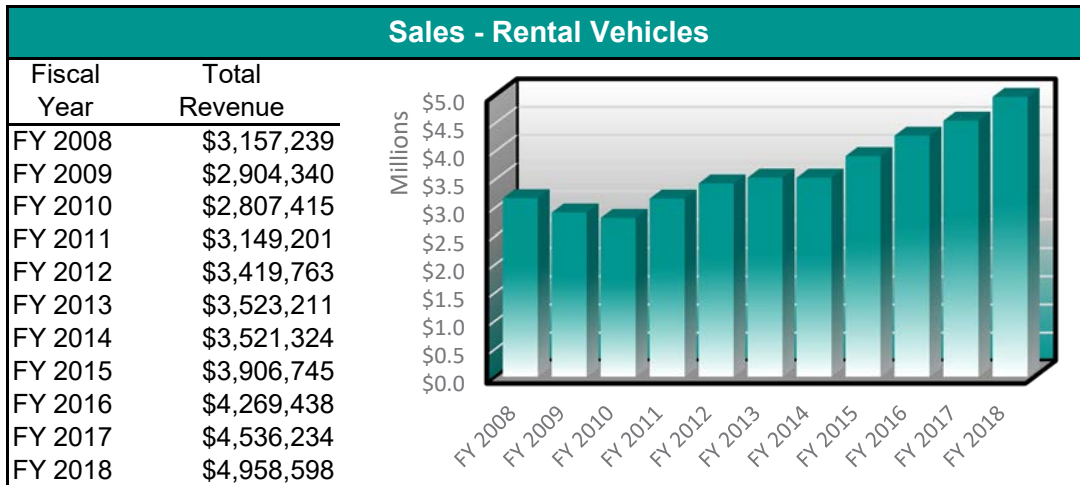
Each retail telecommunication service provider must file a quarterly return due 60 days after the end of the quarter.

Distribution

All receipts from the Retail Telecommunications Excise tax are deposited in the state General Fund (15-53-156, MCA).

Sales Tax - Rental Vehicles

Statute: Title 15, Chapter 68, MCA



Tax Rate

The 2003 Legislature enacted a 4 percent sales and use tax on the base rental charge for vehicles rented for 30 days or less (15-68-102, MCA). The base rental charge includes charges based on time of use or mileage, charges for personal accident insurance, charges for additional or underage drivers, and charges for certain accessory equipment. Rental vehicles subject to the tax include automobiles, vans and SUVs; trucks rated at 1 ton or less; motorcycles and quadracycles; off-highway vehicles; motorboats and sailboats; and trucks, trailers and semis with GVW less than 22,000 lbs. Vehicles designed to carry more than 15 passengers, farm vehicles, machinery, equipment, and vehicles rented with a driver are not subject to the tax.

Filing Requirements

The sales tax is imposed on the purchaser, and collected and paid by the seller to the department. The tax is due on or before the last of the month immediately following the end of each quarter. A rental vehicle business that files a return and pays the tax on time is allowed to keep 5 percent of the tax collected, up to \$1,000 per location, as compensation for collecting the tax.

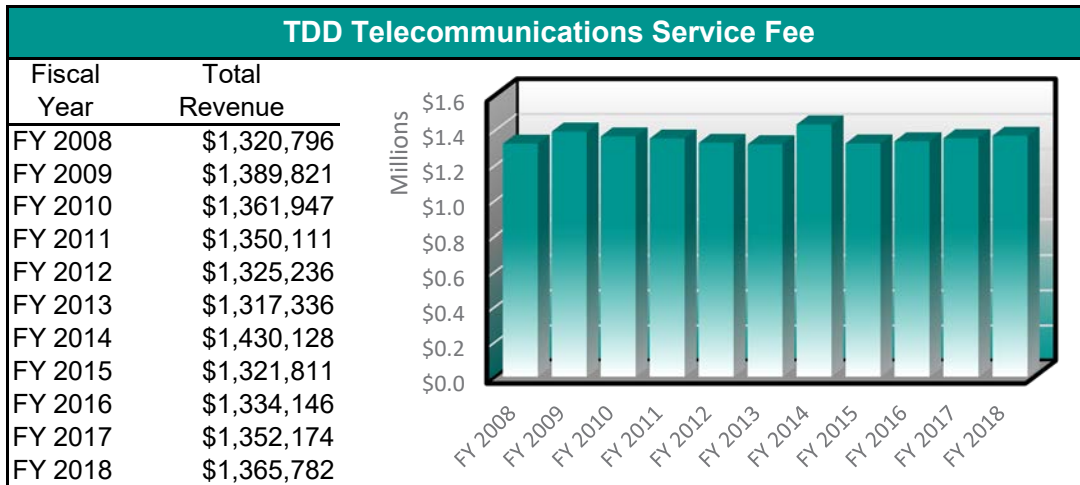
Distribution

Before 2016, all rental vehicle sales tax revenue was deposited into the state's General Fund. Beginning with calendar year 2016, rental vehicle sales tax revenue is distributed as follows (15-68-820, MCA):

- Senior citizen and persons with disabilities transportation services.
 - 25 percent of revenue
- State General Fund.
 - 75 percent of revenue

TDD Telecommunications Service Fee

Statute: Title 53, Chapter 19, Part 3, MCA



Fee Rate

A monthly fee of \$0.10 is assessed on each access line in the state to fund telecommunications services for individuals with disabilities that prevent them from using regular telecommunications services. Service providers are to include the fee in customers' bills or in the price charged for pre-paid service. A service provider may deduct and retain 0.75 percent of the total fees collected each month to cover its administrative expenses. Legislation in 2007 clarified that all telecommunications providers, including those using newer technologies or formats such as Voice over Internet Protocol (VoIP) or prepaid wireless service, must collect the fee and remit the revenue to the state.

Filing Requirements

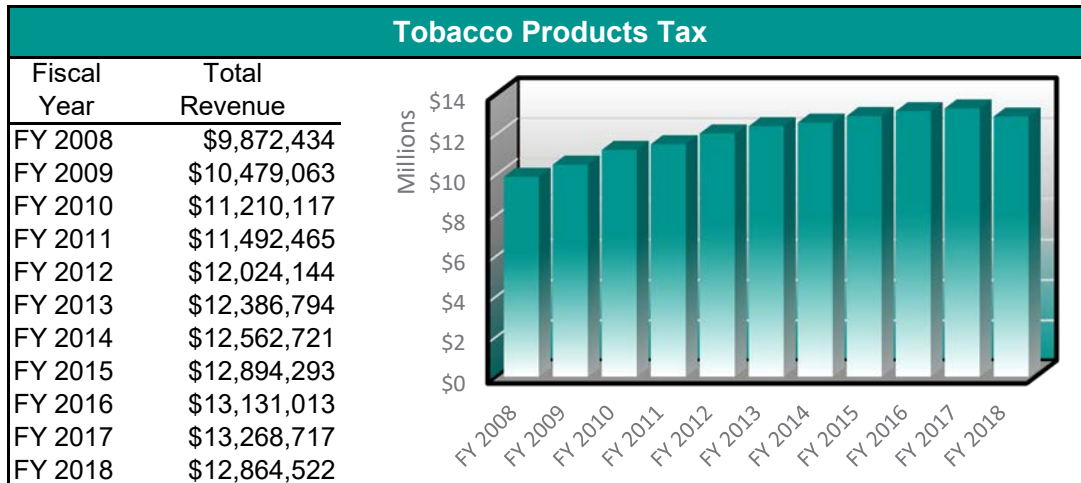
The fee is paid by the subscriber, but is collected and paid to the state by the service provider on a quarterly basis. Returns and payments are due on the last day of the month immediately following the end of each quarter.

Distribution

The revenue from this fee is deposited in a special revenue account to provide telecommunications devices for persons with hearing disabilities (53-19-311, MCA).

Tobacco Products Tax

Statute: Title 16, Chapter 11, MCA



Tax Rate

All tobacco products, excluding cigarettes and moist snuff, are subject to a tax of 50 percent of their wholesale price. A tax of \$0.85 per ounce is levied on moist snuff. The taxpayer is allowed a 1.5 percent allowance for administrative expenses. Before May 1, 2003, the tax rate on tobacco products was 12.5 percent. The 2003 Legislature increased the tax on tobacco products to 25 percent of the wholesale price. Then, Montana voters passed Initiative 149 (I-149). This increased the taxes on other tobacco products to 50 percent of the wholesale price and the tax on moist snuff to \$0.85 per ounce. This increase was effective January 1, 2005.

Tobacco Products Tax Rate	
Product	Tax Rate
Moist Snuff	\$0.85 per ounce
All Other Tobacco*	50% of wholesale price
*Excludes Cigarettes	

Filing Requirements

The tax is collected monthly from the wholesaler. Wholesalers must submit returns to the department on or before the 15th day of the month.

Distribution

After tribal revenue sharing agreements, the revenue from the Tobacco Products Tax is distributed 50 percent to the state general fund and 50 percent to the Department of Public Health and Human Services for health and Medicaid initiatives (16-11-119, MCA).

Distribution of Tobacco Products Tax					
	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Total Revenue	\$12,562,721	\$12,894,293	\$13,131,013	\$13,268,717	\$12,864,522
Tobacco And Cig. Tribal Agreement	\$703,758	\$782,864	\$763,547	\$775,495	\$749,454
Remainder	\$11,858,963	\$12,111,429	\$12,367,466	\$12,493,223	\$12,115,068
General Fund (50%)	\$5,929,482	\$6,055,715	\$6,183,734	\$6,246,612	\$6,057,534
DPHHS (50%)	\$5,929,481	\$6,055,714	\$6,183,732	\$6,246,611	\$6,057,534

Tobacco Products Tax

State Comparison

All states place a tax on non-cigarette tobacco products. In most states, the tax is based on the wholesale price. Twelve states base the tax on another price, usually the manufacturer's price. Four states base their tax on the quantity of product, rather than its value, and 20 states, including Montana, have separate quantity-based taxes on at least one product, most often snuff.

Tax rates vary significantly across the United States, ranging from 6.6 percent of the wholesale price in Tennessee to 95 percent in Minnesota and Washington. The average of state rates is 43.1%.

Other Tobacco Product Taxes by State		
State	Type	Tax Rate
Alabama	Cigars	\$0.03 - \$0.405 Per 10 Cigars
	Tobacco / Snuff	\$0.02 - \$0.08 Per Ounce
Alaska	All Other Tobacco Products	75% Wholesale Price
Arizona	Cigars	\$0.2201 - \$2.18 Per 10 Cigars
	Tobacco / Snuff	\$0.223 Per Ounce
Arkansas	All Other Tobacco Products	68% Manufacturer's Price
California	All Other Tobacco Products	28.13% Wholesale Price
Colorado	All Other Tobacco Products	40% Manufacturer's Price
Connecticut	Snuff	\$1.00 Per Ounce
	All Other	50% Wholesale Price
Delaware	Snuff	\$0.54 Per Ounce
	All Other	15% Wholesale Price
Florida	Tobacco / Snuff	85% Wholesale Price
Georgia	Little Cigars	\$0.025 Per 10 Cigars
	Other Cigars	23% Wholesale Price
	Tobacco	10% Wholesale Price
Hawaii	Large Cigars	50% Wholesale Price
	Tobacco / Snuff	70% Wholesale Price
Idaho	All Other Tobacco Products	40% Wholesale Price
Illinois	Snuff	\$0.30 Per Ounce
	All Other	36% Wholesale Price
Indiana	All Other Tobacco Products	24% Wholesale Price
Iowa	All Other Tobacco Products	50% Wholesale Price
Kansas	All Other Tobacco Products	10% Wholesale Price
Kentucky	All Other Tobacco Products	15% Wholesale Price
Louisiana	Cigars	8% - 20% Manufacturer's Price
	Snuff / Smoking Tobacco	20% - 33% Manufacturer's Price
Maine	Chewing Tobacco / Snuff	\$2.02 Per Ounce
	Smoking Tobacco / Cigars	20% Wholesale Price
Maryland	Tobacco/Snuff	30% Wholesale Price
	Cigars	70% Wholesale Price

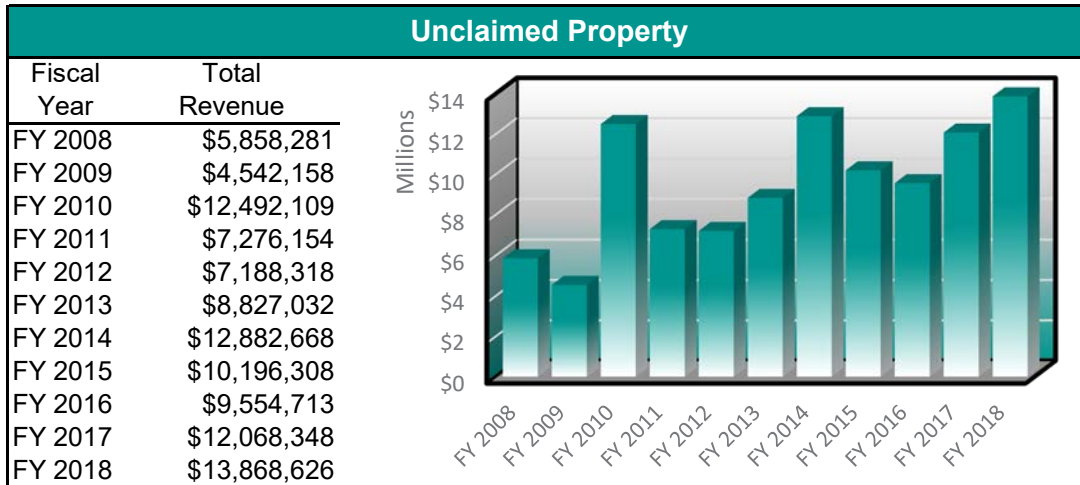
Tobacco Products Tax

Other Tobacco Product Taxes by State		
State	Type	Tax Rate
Massachusetts	Smoking Tobacco / Cigars	40% Wholesale Price
Michigan	All Other Tobacco Products	32% Wholesale Price
Minnesota	All Other Tobacco Products	95% Wholesale Price
Mississippi	All Other Tobacco Products	15% Manufacturer's Price
Missouri	All Other Tobacco Products	10% Manufacturer's Price
Montana	Snuff	\$0.85 Per Ounce
	All Other	50% Wholesale Price
Nebraska	Snuff	\$0.44 Per Ounce
	All Other	20% Wholesale Price
Nevada	All Other Tobacco Products	30% Wholesale Price
New Hampshire	All Other Tobacco Products	48% Wholesale Price
New Jersey	Snuff	\$0.75 Per Ounce
	All Other	30% Wholesale Price
New Mexico	All Other Tobacco Products	25% Product Value
New York	Snuff	\$2.00 Per Ounce
	All Other	75% Wholesale Price
North Carolina	All Other Tobacco Products	12.8% Wholesale Price
North Dakota	Cigars and Tobacco	28% Wholesale Price
	Chew Tobacco and Snuff	\$0.16 - \$0.60 Per Ounce
Ohio	All Other Tobacco Products	17% Wholesale Price
Oklahoma	Cigars (Little and Large)	\$1.20 Per 10 Cigars
	Snuff and Tobacco	60% - 80% Factory List Price
Oregon	Snuff	\$1.78 Per Ounce
	All Other Tobacco Products	65% Wholesale Price
Rhode Island	All Other Tobacco Products	80% Wholesale Price
South Carolina	All Other Tobacco Products	5% Manufacturer's Price
South Dakota	All Other Tobacco Products	35% Wholesale Price
Tennessee	All Other Tobacco Products	6.6% Wholesale Price
Texas	Cigar	\$0.01 - \$0.15 Per 10 Cigars
	Tobacco / Snuff	\$1.22 Per Ounce
Utah	Snuff	\$1.83 Per Ounce
	All Other	86% Manufacturer's Price
Vermont	Snuff	\$2.57 Per Ounce
	Cigar	\$20 - \$40 Per 10 Cigars
Virginia	All Other	92% Wholesale Price
	Snuff	\$0.18 Per Ounce
Washington	All Other	10% Manufacturer's Price
	Snuff	\$2.105 Per Ounce
West Virginia	All Other Tobacco Products	95% Wholesale Price
Wisconsin	All Other Tobacco Products	7% Wholesale Price
Wyoming	Snuff	71% Manufacturer's Price
	All Other	\$0.60 Per Ounce
		20% Wholesale Price

Source: Federation of Tax Administrators

Unclaimed Property

Statute: Title 70, Chapter 9, Part 8, MCA



Montana is considered a “custodial state,” which means the State of Montana holds any abandoned property on behalf of the rightful owners until the owner claims the property. Under Montana’s Uniform Unclaimed Property Act, any intangible and certain tangible property unclaimed by its owner must be turned over to the Department of Revenue. Intangible and tangible property covered by the act includes such items as money, uncashed checks, drafts, state warrants, uncashed payroll checks, utility deposits, interest, dividends or income, savings and checking accounts, safe deposit box contents, credit balances, customer overpayments, gift certificates, unidentified remittances, stocks, bonds and uncashed coupons. The department maintains records on all abandoned property reported in Montana. Reports filed by holders of abandoned property (banks and insurance companies, for instance) may be examined by the public. If the tangible abandoned property is not claimed within 3 years after the receipt of the property, the State of Montana shall sell the property to the highest bidder at a public sale within the state, with the proceeds from the sale being held on behalf of the owner in the state General Fund.

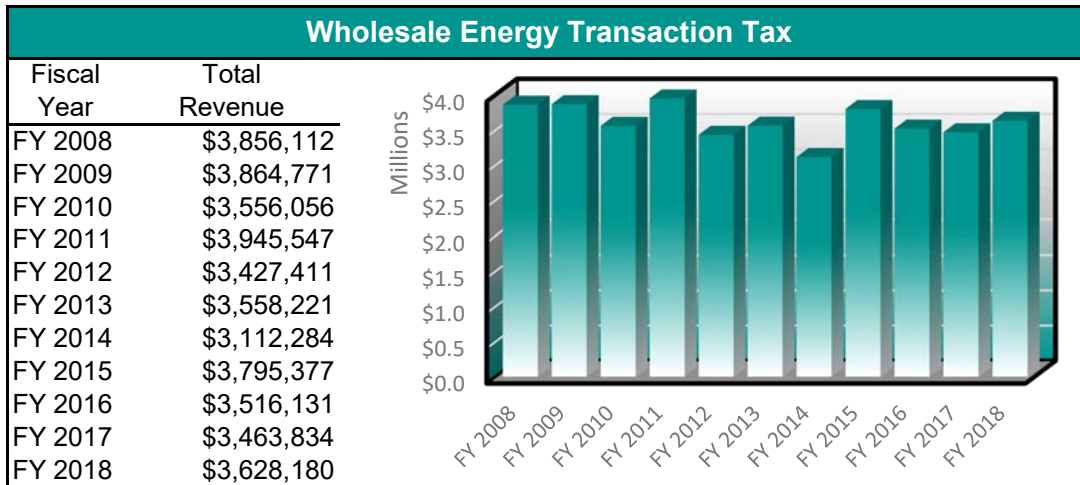
Since 1963, there has been approximately \$135,000,000 worth of unclaimed property turned over to the state. During that time, the department has returned nearly \$48,000,000 of the unclaimed property to its rightful owners.

Distribution

According to 70-9-813, MCA, all collections over \$100,000 (the amount allocated to the agency refund account) are transferred to the state’s General Fund. The refund period for items valued at more than \$50 is unlimited.

Wholesale Energy Transaction Tax

Statute: Title 15, Chapter 72, MCA



Tax Rate

The Wholesale Energy Transaction Tax is levied at a rate of \$0.00015 per kilowatt hour on all electricity transmitted by a transmission service provider in the state. There is also a 5 percent exemption for electricity produced in the state to compensate for transmission line losses.

Filing Requirements

The tax went into effect on January 1, 2000, and is paid on a calendar quarter basis. Payment is due to the state within 30 days after the close of the quarter.

Distribution

All payments are deposited into the state General Fund (15-72-106, MCA).



PROPERTY TAXES



Montana Department of
REVENUE

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Property Tax Background

The Montana State Constitution states that all property in the state must be equalized for tax purposes. It is the Department of Revenue's role to ensure uniform valuation of similar properties throughout the state. The department was given this responsibility in the 1972 Constitution.

Article 8, Sections 3 and 4 of the Montana Constitution state:

Section 3. Property tax administration. The state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner provided by law.

Section 4. Equal valuation. All taxing jurisdictions shall use the assessed valuation of property established by the state.

Although the Department of Revenue is responsible for administering taxes and equalizing property throughout the state, it is the combination of the department, the Legislature, and local governments and schools that set the level of taxes. The department determines the value of property throughout the state; the Legislature sets the distribution of taxes by designating classes of property, establishing the tax rates and exemptions, and setting the basis of valuation; and local governments and other taxing jurisdictions set the level of taxes by their budgeting decisions and maximum mill levy limitations. Local governments also establish local special fees and assessment charges separate from ad valorem property taxes.

It is this interaction of the assessed value, tax rates, exemptions, mill rates, and special fees and charges that determine the property taxes paid by individual taxpayers.

Property taxes are not like other taxes in the state. Property taxes are an ad valorem tax, meaning the tax is levied in proportion to the value of each property relative to the total value within each taxing jurisdiction. Therefore, reducing a tax rate or exempting a certain type of property from the tax base does not reduce the amount of taxes collected, but instead shifts the tax liability to other taxpayers in the affected jurisdiction.

Revenue collected from property taxes is statutorily limited. The legislature has placed limitations on the amount of property tax that can be collected. Local governments are subject to a maximum mill levy as set forth in 15-10-420, MCA. Property taxes levied by schools are limited by school budgeting laws. The state's mills are also subject to 15-10-420, MCA but may not exceed the mill levy limitations set out in law. Because of this, state mills have been fixed and property revenue can only grow as new value is added to the tax base.

The first part of the property tax section explains these underlying concepts of Montana's property tax in more detail. The second part focuses on the distribution of the tax burden and total revenue collected.

Selected Sections of Property Law	Primary Section of Montana Code Annotated (MCA)	Selected Sections of Property Law	Primary Section of Montana Code Annotated (MCA)
General Provisions of Entitlement Share Payment	Title 15, Chapter 1	Department to Equalize Valuations	Title 15, Chapter 9
Administration of Revenue Laws	Title 15, Chapter 1, Part 2	Property Tax Levies	Title 15, Chapter 10
Investigations by the Department	Title 15, Chapter 1, Part 3	Certification of Taxable Values	15-10-202, MCA
Protested Payments	Title 15, Chapter 1, Part 4	County Clerk and Recorder to Report Mill Levy	15-10-305, MCA
State Tax Appeal Board	Title 15, Chapter 2	Department to Compute and Enter Taxes	15-10-305, MCA
Property Subject to Taxation and Tax Rates	Title 15, Chapter 6, Part 1	Taxing Authority Budget Limitation	15-10-420, MCA
Tax-Exempt Property	Title 15, Chapter 6, Part 2	Property Tax Appeals	Title 15, Chapter 15
Appraisal Methods	Title 15, Chapter 7, Part 1	Collection of Property Taxes by Treasurer	Title 15, Chapter 16
Appraisal Methods for Agriculture	Title 15, Chapter 7, Part 2	Tax Lien Sales	Title 15, Chapter 17
Realty Transfer Act and Non- Disclosure	Title 15, Chapter 7, Part 3	Properties that are Centrally Assessed	Title 15, Chapter 23
Assessment Procedure	Title 15, Chapter 8	Special Property Tax Applications	Title 15, Chapter 24

Property is Appraised at its Market Value by the Department of Revenue

In general, taxable property in the state is appraised by the Department of Revenue at 100 percent of its market value. This is the value at which property would change hands between a willing buyer and a willing seller when both have reasonable knowledge of the relevant facts and neither is under any compulsion to buy or sell (15-8-111, MCA).

For residential property, this means using the sale price of comparable properties to establish the value of properties that must be appraised. For commercial property, the appraised market value is determined by capitalizing the income from the property into a market value. In some cases, when there is not enough market information, values will be determined by estimating the cost of the property, minus depreciation for both residential and commercial properties.

Personal property and the value of gross proceeds and net proceeds of mines are reported annually by the taxpayer to the Department of Revenue.

Centrally assessed properties primarily consist of properties that cross county lines such as large utility companies and railroads. The department values the entire company and apportions the value among the counties and local jurisdictions by mileage or other basis that is judged to be reasonable and proper (15-23-105, MCA).

Forest and agricultural land are valued using productivity value of the land rather than market value. Forest productivity is determined by the College of Forestry at the University of Montana in Missoula. Agricultural productivity is determined by using the soil quality data from the Natural Resource Conservation Service (NRCS), historical productivity measures, and a commodity price and capitalization rate set by the legislature.

The department has 28 offices that cover Montana's 56 counties. These county offices are responsible for the valuation of property with the exception of centrally assessed and large industrial properties. The county offices work with county treasurers, local officials, and the public to provide property tax information.

If a taxpayer disagrees with the valuation of property, the taxpayer can challenge that value by requesting an informal review (Form AB-26) with the department, or filing an appeal directly with the County Tax Appeal Board (CTAB). If the taxpayer files an AB-26 and is not satisfied with the outcome of the informal review, he or she can appeal to the CTAB. A taxpayer can challenge the ruling of the CTAB by appealing it to the Montana Tax Appeal Board. If the taxpayer is still not satisfied, he or she can bring it to district court and then to the Supreme Court.

Property is Taxed at its Taxable Value as Determined by the Legislature

Taxable value is the portion of the property's value subject to mill levies. It is calculated by applying the tax rate and any relevant exemptions to the market value. Therefore, taxable value is typically a fraction of the property's market value. For example, telecommunication property has a tax rate of 6 percent. If the telecommunication property's value is \$100,000, then its taxable value is \$6,000.

Taxable value is calculated differently for different types of property because all taxable property is classified into one of the 14 classes of property that have been determined by the Legislature. While each property within a class is valued in the same manner, not all classes of property are treated the same. Tax rates, exemptions, and valuations methods differ among classes of property as determined by the Legislature.

The next table summarizes the differences in valuation by class. The following pages summarize the classes of property in more detail.

Classes of Property

Class	Description	Valuation Standard	Valuation Cycle
Class 1	Net Proceeds of Mines	Net Proceeds	Annual
Class 2	Gross Proceeds of Metal Mines	Gross Proceeds	Annual
Class 3	Agricultural Land	Productivity Value	2 Year
Class 4	Residential, Commercial, and Industrial (land and improvements)	Market Value	2 Year
Class 5	Pollution Control Equipment, Independent and Rural Electric and Telephone Cooperatives, New and Expanding Industry, Electrolytic Reduction Facilities, Research and Development Firms, and Gasohol Production Property	Market Value	Annual
Class 7	Noncentrally Assessed Utilities	Market Value	Annual
Class 8	Business Equipment	Market Value	Annual
Class 9	Pipelines and Nonelectric Generating Property of Electric Utilities	Market Value	Annual
Class 10	Forest Land	Productivity Value	6 Year
Class 12	Airlines and Railroads	Market Value	Annual
Class 13	Telecommunication Utilities and Electric Generating Property of Electric Utilities	Market Value	Annual
Class 14	Renewable Energy Production and Transmission Property	Market Value	Annual
Class 15	Carbon Dioxide and Liquid Pipeline Property	Market Value	Annual
Class 16	High Voltage DC Converter Property	Market Value	Annual

Class 1 – Net proceeds of mines and mining claims except for coal, bentonite, and metal mines. Class 1 property is reported to the department each year by the taxpayer. Taxable value is 100 percent of the market value.

Class 2 – Gross proceeds of metal mines. New gross values are reported to the department each year by the taxpayer. The tax rate for Class 2 properties is 3 percent.

Class 3 – Agricultural land, nonproductive patented mining claims, and nonqualified agricultural land. Class 3 property is reappraised on a 2-year cycle.

Agricultural land is valued based on the productivity of the land. There are four main sub-classes of agricultural land: grazing land; tillable irrigated land; non-irrigated land used for grain or other crops; and non-irrigated land used for continuous hay production. Each of these four types of property has different productivities and certain parcels of property may be more or less productive than the average property in the class. The tax rate is 2.16 percent for 2018.

Non-qualified agricultural land includes parcels of land that are between 20 and 160 acres and are not used primarily for agricultural purposes. These parcels are appraised as if they were used for grazing and are taxed at seven times the Class 3 tax rate, or 15.12 percent for 2018.

Class 4 – Residential, commercial, and industrial land and improvements. Class 4 property is the largest class as measured in both market value and the number of parcels.

Beginning in Tax Year 2015, Class 4 property is appraised on a biennial basis. The new appraisal values determined by the department are applied beginning in odd-numbered tax years. If a property does not change in a substantial way, then the prior year's reappraisal value is also used in the even-numbered tax years.

The tax rate for residential property is 1.35 percent in 2018. The tax rate for commercial and industrial property is 1.4 times the residential property tax rate, or 1.89 percent in 2018.

The legislature provides three programs to assist taxpayers with property taxes: the Property Tax Assistance Program, the Disabled American Veterans Program, and the Elderly Homeowner/Renter Credit. These programs are discussed in more detail in the tax expenditure section of the Biennial Report.

Class 5 – Pollution control equipment, independent and rural electric and telephone cooperatives, machinery and equipment used in electrolytic reduction facilities, real and personal property of research

Classes of Property

and development firms, and real and personal property used in production of gasohol. The market value of Class 5 property is assessed each year by the department's industrial appraisers. The tax rate is 3 percent.

Class 7 – Non-centrally assessed utilities. The market value is determined on an annual basis by the department's industrial appraisers. The tax rate is 8 percent.

Class 8 – Personal property used for business purposes. Class 8 property is reported to the department annually. The total market value owned or controlled by a business or entity is taxed as follows: The first \$100,000 in market value is tax exempt; the next \$6 million of market value is taxed at 1.5 percent; and any property above \$6.1 million has a tax rate of 3 percent.

Class 9 – Pipelines and the non-electric generating property of electric utilities. The market value of property in local jurisdictions is determined by the portion of property that is located in the local jurisdictions. The tax rate is 12 percent.

Class 10 – Forest land. Forest land is reassessed every 6 years and is valued based on the productivity of each parcel of land. Productivity of each acre is determined by the University of Montana, College of Forestry and Conservation with input from the timber industry. There are four grades of forest property that are determined by the cubic feet of lumber produced on each acre per year. Standing timber on the property is not taxed. The 2018 tax rate is 0.37 percent.

Class 12 – All property owned by airlines and railroads. It is valued each year and the tax rate varies depending on the effective tax rate of all industrial property in the state. In 2018 the tax rate is 3.04 percent.

Class 13 – All property of telecommunication utilities and the electric generating property of electric utilities. The market value is determined on an annual basis by the appraisers in the department's Centrally Assessed and Industrial Properties Division. The tax rate is 6 percent.

Class 14 – Renewable energy production and transmission property. This includes commercial wind generation, biodiesel production, biomass gasification, coal gasification ethanol production, and geothermal energy property. The tax rate is 3 percent.

Class 15 – Qualifying carbon dioxide and liquid pipeline property. This property includes pipelines used to transport carbon dioxide for sequestration or having 90 percent of capacity dedicated to transporting fuels produced by coal gasification, biodiesel, biogas, or ethanol facilities; carbon sequestration equipment; closed-loop enhanced oil recovery equipment; and pipelines connecting a Class 14 fuel production facility to an existing pipeline. The tax rate is 3 percent.

Class 16 – High-voltage DC converter station property located in a manner that the power can be directed to two different regional grids. The tax rate is 2.25 percent. Currently there is no Class 16 property in the state.

Determining Taxes Paid

Determining Taxes Paid

The total amount of annual taxes paid by a taxpayer is equal to the taxable value of the property multiplied by the cumulative mills from all taxing jurisdictions in which the property resides.

$$\text{Property Tax} = \text{Taxable Value} \times \text{Cumulative Millage Rates}$$

The rate applied to taxable value to determine taxes paid is denoted as a mill. One mill is equal to 1/1000 of a dollar or 0.1 percent.

Millage Rate	x	\$1,000	=	Mills
0.005	x	\$1,000	=	5.0

The total amount of mills that may be levied differs between the state and local governments. The state's mills are statutorily fixed while local governments set their mills based on the budgets of the individual taxing jurisdictions and their tax base.

State Mill Rate

The state levies 95 mills for school equalizations and 6 mills for the university system. There are also 1.5 mills levied for vocational and technical schools that are applied to property in Silver Bow, Cascade, Yellowstone, Missoula, and Lewis and Clark counties only. These mills generate revenue to fund part of the state's obligation to support local schools, universities, and technical colleges.

Prior to 1989, the elementary school equalization mills were set at 17 mills and the high school equalization mills were set at 28 mills. In 1989, the Montana Supreme Court found Montana schools were not adequately funded. In response, the Legislature increased these levies by 5 mills each and created a new state equalization levy of 40 mills. For Fiscal Year 2019, it is estimated that these 95 mills will generate approximately \$273 million in property taxes for the state general fund.

Legislative Millage Rates Assessed by the State	Primary Section of Montana Code Annotated (MCA)
Tax Levy for Elementary Equalization (33 Mills)	20-9-331, MCA
Tax Levy for High School Equalization (22 Mills)	20-9-333, MCA
Tax Levy for State Equalization (40 Mills)	20-9-360, MCA
Tax Levy for Vocational and Technical Education (1.5 Mills)	20-25-439, MCA
Tax Levy for University System (6 Mills)	15-10-108, MCA

Local Government Mill Rate

Local governments set their mills based on the budgets of individual taxing jurisdictions and their tax base. A taxing jurisdiction is a governmental entity authorized to impose tax on property. The tax base is the total amount of taxable value contained within the physical boundary of the taxing jurisdiction as of January 1 of the current tax year.

15-10-420, MCA explains the law that local governments must follow for determining the maximum millage authority. This authority is limited to the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current tax base less the current year's value of newly taxable property plus one-half the average rate of inflation for the prior 3 years.

A taxing jurisdiction's newly taxable property includes property changes from the previous year, property annexed into the jurisdiction, increases in value due to subdivisions of real property, and the transfer of property from tax exempt to a taxable status.

For example, if a taxing entity assessed \$49,500 in taxes last year and half the rate of inflation is equal to 1.01 percent, then the inflationary adjustment would be an increase of \$500. This year's inflation adjusted levy authority would increase to \$50,000.

Determining Taxes Paid

Last Year's Taxes Assessed	=	\$49,500
Half the Rate of Inflation	x	1.01%
Inflationary Adjustment	=	\$500
Adjusted Budget Authority	=	\$50,000

If the same taxing entity has a current tax base of \$10,200,000 but \$200,000 is newly taxable property, then the adjusted tax base used for setting mills would be \$10,000,000.

Taxing jurisdictions generally do this calculation in terms of taxable value per mill. A tax base of \$10,200,000 would equate to \$10,200 taxable value per mill (\$10,200,000 / \$1,000), \$200,000 in newly taxable property is \$200 newly taxable property per mill (\$200,000 / \$1,000), and the adjusted tax base of \$10,000,000 is \$10,000 taxable value per mill (\$10,000,000 / \$1,000).

Current Taxable Value per Mill	=	\$10,200
Newly Taxable Value per Mill	-	\$200
Adjusted Taxable Value per Mill	=	\$10,000

Therefore, when the adjusted levy authority of \$50,000 is divided into the adjusted taxable value per mill of \$10,000, the maximum millage authority afforded by the legislature to the taxing jurisdiction would be 5 mills.

Adjusted Budget Authority	=	\$50,000	=	Authorized Mill Levy	=	5.000
Adjusted Tax Base		\$10,000				

Once the level of property taxes is set, the taxing jurisdictions set their budgets at levels that may or may not provide the same level of services as the prior year. Instances when the cost of providing service increases faster than allowable property tax levels increase, a reduction in services takes place or the governing body can ask voters to approve an additional mill levy. On the other hand, if the allowable property tax revenue increases faster than the cost of providing services, property taxes are reduced.

Taxes Assessed by the Example Taxing Jurisdiction on the Example Residence

The amount of annual taxes paid on property is equal to the taxable value of the property multiplied by the cumulative mills from all taxing jurisdictions that contain the property. The amount of annual taxes that would be assessed by the example taxing authority on an example residence valued at \$ 100,000 would be equal to the taxable value of the residence, \$1,350 (100,000 x 1.35 percent) multiplied by the millage rate of the taxing jurisdiction in (0.005). This is \$6.75 in total taxes.

Levy Districts

Local taxing jurisdictions are allowed to levy mills to fund the services that they provide. Schools, cities and towns, miscellaneous districts, and the state all generate revenue from the property tax system by levying mills against property within that jurisdiction. Each taxing jurisdiction's mills are added together to determine the total mills that apply to a property. All properties that are a part of the same combination of taxing jurisdictions make up a taxing levy district. By definition, each property in a taxing district will have the same mills applied to their taxable values. An example levy district is below.

Example of a Taxing District	
Elementary School	100.00
High School	125.25
Town	75.50
County	115.00
State School Equalization	95.00
University	6.00
Total Mills	516.75

Tax Increment Financing

For a given tax year, residential property taxes are assessed on the taxable value as of January 1 of the given tax year. Tax payments are made to the applicable county treasurer and are due in the November and May following the January 1 assessment date. The treasurer distributes the funds to the appropriate taxing jurisdiction.

Tax Increment Financing

Tax increment financing (TIF) is authorized by 7-15-4282, MCA, and is an opportunity for qualifying districts to use property tax revenue to fund new development. It works by separating taxable value into base and increment values so that revenue from the base value continues to go to the regular taxing jurisdiction but taxes on the increment go to the TIF to pay for development activities within the TIF.

As of July 1, 2013, qualifying districts include targeted economic development districts and urban renewal districts. Qualifying districts prior to this date included industrial districts, technology districts, and aerospace transportation and technology districts. The 2013 Legislature eliminated the option to create any of those three districts, but districts that were already in existence may remain in existence.

Tax increment financing may be used to pay for a variety of development activities within the TIF including land acquisition, demolition and removal of structures, relocation of occupants, infrastructure costs, construction of publicly owned buildings and improvements, administration of urban renewal activities, and paying bonds that were issued to fund appropriate costs (7-15-4288, MCA).

Upon expiration of the TIF, the increment is released back to the local governments and the state. State and local governments use the released increment as newly taxable property for 15-10-420, MCA purposes. Schools treat the released increment as an increase in their tax base and adjust their mill levies accordingly.

TIF districts expire on the latter of the fifteenth year following the TIFs adoption or the full payment of all bonds for which tax increment revenue have been pledged. TIFs may extend their expiration date by securing bonds that pledge increment after the fifteenth anniversary as repayment. No term extensions are allowed for bonds secured after the fifteenth anniversary of tax increment provisions. For example, if a TIF was authorized January 1, 2000, it has until January 1, 2015 (its fifteenth anniversary) to pass bonds secured by future increment to extend the expiration date. Additional bonds may be passed after the fifteenth anniversary but these would not extend the life of a TIF.

	Years From TIF Authorization																												
Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Initial Term	15 Years Following Adoption																												
Term Extended by Bond Issuance																Bond Issuance Before 15th Year Anniversary													
Additional Bond Issuance Term Limitation																Additional Extensions Limited													

TIF districts are allowed to collect the incremental tax revenue from all of the local and state mills except the statewide 6-mill levy that is used to fund the university system. In 2018, TIFs collected \$39.411 million in revenue over an increment taxable value base of \$54.927 million. Therefore, the average mills for TIFs was 717.52.

An Example: TIF Increment

Base taxable value is the total taxable value in the TIF district in the year prior to the TIF's existence. Incremental taxable value is the taxable value that exceeds the base taxable value for the district at any year. For example, if in the year a TIF is created, the base year and current year taxable value are equal to \$1 million, there would be no incremental value and no TIF revenue.

TIF Taxable Value	Base Year
Current Year Taxable Value	\$1,000,000
Base Taxable Value	- \$1,000,000
Increment Taxable Value	\$0
Millage Rate	x 0.500
TIF Revenue	\$0

Tax Increment Financing

If in the second year of a TIF increment's existence its taxable value grew by \$100,000, the incremental value in that year would be \$100,000. If the total millage rate in the district was .500, the taxes generated from the increment (TIF revenue) would be \$50,000.

TIF Taxable Value	Base Year	Year 2
Current Year Taxable Value	\$1,000,000	\$1,100,000
Base Taxable Value	- \$1,000,000	- \$1,000,000
Increment Taxable Value	\$0	\$100,000
Millage Rate	x 0.500	x 0.500
TIF Revenue	\$0	\$50,000

When a TIF district's incremental value is less than zero, no revenue is provided to the district. For example, if in the TIF district's third year the taxable value shrinks to \$800,000 for reasons such as property devaluation, demolition or removal of structures, the incremental value would be negative (-\$200,000), meaning there would be no incremental value in that third year.

TIF Taxable Value	Base Year	Year 2	Year 3
Current Year Taxable Value	\$1,000,000	\$1,100,000	\$800,000
Base Taxable Value	- \$1,000,000	- \$1,000,000	- \$1,000,000
Increment Taxable Value	\$0	\$100,000	-\$200,000
Millage Rate	x 0.500	x 0.500	x 0.500
TIF Revenue	\$0	\$50,000	\$0

If in the fourth year the taxable value of the TIF district grows from \$800,000 to \$1,200,000, due to redevelopment, or other reasons, the increment would increase to \$200,000. If the millage rate was 0.500, the TIF district's revenue would be \$100,000 in that year.

TIF Taxable Value	Base Year	Year 2	Year 3	Year 4
Current Year Taxable Value	\$1,000,000	\$1,100,000	\$800,000	\$1,200,000
Base Taxable Value	- \$1,000,000	- \$1,000,000	- \$1,000,000	- \$1,000,000
Increment Taxable Value	\$0	\$100,000	-\$200,000	\$200,000
Millage Rate	x 0.500	x 0.500	x 0.500	x 0.500
TIF Revenue	\$0	\$50,000	\$0	\$100,000

The following pages show a summary of the existing TIF districts.

Tax Increment Financing

Tax Increment Financing Districts (TIF) / Targeted Economic Development Districts (TEDD) TY 2017 Taxable Value of Increment and Revenue Generated for the District

County	District	2017 Total Taxable Value	Taxable Value of Base	Incremental Taxable Value
Industrial Tax Increment Financing Districts				
Big Horn	Hardin Industrial	1,776,290	465,144	1,311,146
Cascade	East Industrial Park	321,895	2,322	319,573
Cascade	Airport TID	155,016	107,149	47,867
Cascade	Int'l Malting TID	745,973	362,124	383,849
Cascade	Manchester Exit	66,428	3,217	63,211
Cascade	Montana Milling	42,568	381	42,187
Deer Lodge	Mill Creek	8,394,371	909,339	7,485,032
Flathead	Kalispell H	18,877	126	18,751
Gallatin	Mandeville Farm	99,692	12,059	87,633
Hill	Hill Co Industrial	1,070	912	158
Jefferson	North Jefferson Co Industrial	90,576	18,590	71,986
Jefferson	Sunlight Industrial (4FT)	1,371,465	737,334	634,131
Missoula	Airport Industrial	2,889,101	176,605	2,712,496
Missoula	Bonner Mill Industrial	411,489	121,676	289,813
Park	West End Industrial	151,160	128	151,032
Ravalli	Hamilton Airport	125,162	107,624	17,538
Ravalli	N Stevensville Industrial	124,526	109,850	14,676
Ravalli	Stevensville Airport	60,956	49,132	11,824
Silver Bow	Ramsey TIFID	5,952,858	1,721,230	4,231,628
Toole	Shelby Industrial	305,388	75,464	229,924
Technology Tax Increment Financing Districts				
Flathead	Kalispell G	107,277	390	106,887
Gallatin	S Bozeman Tech District	305	305	0
Missoula	Technology District	298,444	0	298,444
Urban Renewal Tax Increment Financing Districts				
Cascade	GF DT Urban Renewal	3,896,307	3,643,698	252,609
Cascade	GF West Bank	946,789	292,536	654,253
Chouteau	1TID	218,255	160,843	57,412
Chouteau	2TID	75,147	17,494	57,653
Custer	Miles City Downtown	1,612,100	1,556,649	55,451
Deer Lodge	Ana - Downtown	1,027,130	856,215	170,915
Fergus	Lewistown Urban	1,548,568	1,482,192	66,376
Flathead	Columbia Falls URD	64,973	62,035	2,938
Flathead	Kalispell B	1,191,058	453,612	737,446
Flathead	Kalispell C - amended 2011	8,211,209	7,932,918	278,291
Flathead	Whitefish A	14,358,289	4,185,352	10,172,937
Gallatin	Bozeman Downtown	5,098,612	1,328,695	3,769,917
Gallatin	Bozeman Midtown URD	4,456,439	3,507,723	948,716
Gallatin	NE Urban Renewal	646,819	423,054	223,765
Jefferson	Whitehall Urban Renewal	883,433	736,527	146,906
Lake	Polson	1,706,868	1,436,002	270,866
Lewis & Clark	Railroad District Urban Renewal	2,498,061	2,338,125	159,936
Lincoln	Riverside	470,092	347,928	122,164
Missoula	Hellgate URD	1,164,829	1,025,448	139,381
Missoula	N. Reserve Scott St. URD	520,300	295,864	224,436
Missoula	N Reserve Scott St. URD	1,816,826	1,195,341	621,485
Missoula	Front St URD	1,915,446	1,413,035	502,411
Missoula	River Front URD	345,528	157,858	187,670
Missoula	URD II	4,052,435	1,546,186	2,506,249
Missoula	URD II	690,504	313,637	376,867
Missoula	URD III	11,202,692	8,172,844	3,029,848
Park	Livingston Urban Renewal	1,821,354	1,604,273	217,081
Silver Bow	Butte Uptown URD	5,460,890	3,587,625	1,873,265
Silver Bow	Eastside TIFID	535,856	286,251	249,605
Yellowstone	2008 Expanded N 27th St	6,586,103	3,328,807	3,257,296
Yellowstone	East Billings	3,003,096	1,800,794	1,202,302
Yellowstone	Laurel	2,167,647	1,169,223	998,424
Yellowstone	North 27th St	1,392,039	783,431	608,608
Yellowstone	South Billings Blvd	12,023,470	7,046,472	4,976,998
Targeted Economic Development Districts (TEDD)				
Flathead	Columbia Falls Industrial Park TEDD	2,181,185	1,896,297	284,888
Flathead	Glacier Rail Park TEDD	7,676	7,057	619
Lincoln	Kootenai Business Park 1	13,795	4,007	9,788
Lincoln	Kootenai Business Park 3	186,172	132,754	53,418
Lincoln	Kootenai Business Park 2	10,101	6,500	3,601
Missoula	Bonner W Log Yard TEDD	93,585	0	93,585
Missoula	Bonner W Log Yard TEDD	76,079	1,148	74,931
Yellowstone	Lockwood TEDD	678,913	678,913	0
Total		130,367,557	72,196,464	58,171,093

Tax Increment Financing

Tax Increment Financing Districts (TIF) / Targeted Economic Development Districts (TEDD) TY 2017 Taxable Value of Increment and Revenue Generated for the District

County	District	State	County	Countywide and Local Schools	Cities & Towns	Misc	Total Revenue
Industrial Tax Increment Financing Districts							
Big Horn	Hardin Industrial	124,654	147,671	313,372	228,743	13,172	827,612
Cascade	East Industrial Park	30,839	40,608	73,754	63,352	7,318	215,872
Cascade	Airport TID	4,619	6,082	11,047	9,489	174	31,412
Cascade	Int'l Malting TID	37,041	48,776	88,589	76,094	1,395	251,895
Cascade	Manchester Exit	6,100	9,814	14,588	0	1,352	31,854
Cascade	Montana Milling	4,071	6,550	9,736	0	902	21,259
Deer Lodge	Mill Creek	711,078	2,294,611	1,482,785	0	265,380	4,753,854
Flathead	Kalispell H	1,781	2,779	4,400	3,501	515	12,975
Gallatin	Mandeville Farm	8,325	8,799	24,883	17,816	879	60,703
Hill	Hill Co Industrial	15	26	48	0	3	93
Jefferson	North Jefferson Co Industrial	6,839	11,678	15,459	0	3,589	37,565
Jefferson	Sunlight Industrial (4FT)	60,242	102,875	61,726	0	11,635	236,479
Missoula	Airport Industrial	261,756	529,805	657,943	0	387,850	1,837,354
Missoula	Bonner Mill Industrial	27,967	56,606	91,810	0	53,168	229,551
Park	West End Industrial	14,348	17,249	41,321	35,917	264	109,099
Ravalli	Hamilton Airport	1,666	2,707	4,194	0	853	9,421
Ravalli	N Stevensville Industrial	1,394	1,909	3,536	1,668	239	8,746
Ravalli	Stevensville Airport	1,123	1,538	2,849	1,344	192	7,047
Silver Bow	Ramsey TIFID	408,352	1,445,947	841,205	0	61,062	2,756,567
Toole	Shelby Industrial	21,843	35,728	59,125	57,405	2,935	177,036
Technology Tax Increment Financing Districts							
Flathead	Kalispell G	10,154	15,839	25,034	19,956	2,936	73,919
Gallatin	S Bozeman Tech District	0	0	0	0	0	0
Missoula	Technology District	28,800	58,292	72,391	0	42,673	202,156
Urban Renewal Tax Increment Financing Districts							
Cascade	GF DT Urban Renewal	24,377	32,099	58,300	50,077	5,869	170,722
Cascade	GF West Bank	63,135	83,136	150,995	129,699	15,201	442,167
Chouteau	1TID	5,454	7,621	14,346	13,205	2,219	42,845
Chouteau	2TID	5,477	7,653	14,406	13,260	2,228	43,024
Custer	Miles City Downtown	5,268	10,906	20,007	12,339	264	48,783
Deer Lodge	Ana - Downtown	16,237	52,396	33,858	6,011	27,318	135,820
Fergus	Lewistown Urban	6,306	9,571	23,388	15,805	59	55,129
Flathead	Columbia Falls URD	279	435	928	604	69	2,316
Flathead	Kalispell B	70,057	109,275	231,942	137,681	20,258	569,213
Flathead	Kalispell C - amended 2011	26,438	41,237	87,528	51,957	8,633	215,793
Flathead	Whitefish A	966,429	1,507,426	2,426,754	691,648	457,154	6,049,411
Gallatin	Bozeman Downtown	358,142	378,537	1,070,468	766,424	37,829	2,611,400
Gallatin	Bozeman Midtown URD	90,128	95,261	269,388	192,874	9,520	657,170
Gallatin	NE Urban Renewal	21,258	22,468	63,538	45,491	2,245	155,001
Jefferson	Whitehall Urban Renewal	13,956	20,758	25,972	18,381	3,996	83,062
Lake	Polson	25,732	40,866	65,392	47,225	5,722	184,938
Lewis & Clark	Railroad District Urban Renewal	15,434	28,118	46,260	26,760	1,507	118,080
Lincoln	Riverside	11,606	18,552	24,016	20,735	2,012	76,921
Missoula	Hellgate URD	13,450	23,686	43,858	36,250	7,657	124,902
Missoula	N. Reserve Scott St. URD	21,658	38,141	70,621	58,371	12,330	201,121
Missoula	N Reserve Scott St. URD	59,973	105,615	173,606	161,636	34,142	534,972
Missoula	Front St URD	48,483	85,380	158,089	130,667	27,601	450,219
Missoula	River Front URD	18,110	31,893	59,052	48,809	10,310	168,174
Missoula	URD II	241,853	425,912	788,616	651,825	137,684	2,245,891
Missoula	URD II	36,368	64,045	105,274	98,016	20,704	324,406
Missoula	URD III	292,380	514,892	953,372	788,003	166,449	2,715,096
Park	Livingston Urban Renewal	20,623	24,793	59,391	51,624	380	156,811
Silver Bow	Butte Uptown URD	180,770	640,095	442,990	0	132,852	1,396,706
Silver Bow	Eastside TIFID	24,087	85,290	59,027	0	17,702	186,105
Yellowstone	2008 Expanded N 27th St	314,329	368,954	997,156	522,470	53,895	2,256,804
Yellowstone	East Billings	116,022	136,185	368,061	192,849	19,893	833,010
Yellowstone	Laurel	96,348	113,391	221,990	188,642	16,520	636,891
Yellowstone	North 27th St	58,731	68,937	186,313	97,621	10,070	421,672
Yellowstone	South Billings Blvd	480,280	563,745	1,351,258	798,310	82,349	3,275,942
Targeted Economic Development Districts (TEDD)							
Flathead	Columbia Falls Industrial Park TEDD	27,064	42,215	89,982	58,556	6,710	224,527
Flathead	Glacier Rail Park TEDD	59	92	195	116	17	478
Lincoln	Kootenai Business Park 1	930	1,486	2,748	0	471	5,636
Lincoln	Kootenai Business Park 3	5,075	8,112	14,999	0	113	28,299
Lincoln	Kootenai Business Park 2	342	547	1,011	589	8	2,496
Missoula	Bonner W Log Yard TEDD	9,031	18,279	29,647	0	13,381	70,338
Missoula	Bonner W Log Yard TEDD	7,231	14,636	23,737	0	13,747	59,350
Yellowstone	Lockwood TEDD	0	0	0	0	0	0
Total		5,571,918	10,688,524	14,728,273	6,639,817	2,245,574	39,874,104

Tax Increment Financing

Tax Increment Financing Districts (TIF) / Targeted Economic Development Districts (TEDD) TY 2018 Taxable Value of Increment and Revenue Generated for the District

County	District	2018 Total Taxable Value	Taxable Value of Base	Incremental Taxable Value
Industrial Tax Increment Financing Districts				
Big Horn	Hardin Industrial	1,806,588	465,144	1,341,444
Cascade	East Industrial Park	467,686	2,322	465,364
Cascade	Airport TID	155,466	107,149	48,317
Cascade	Int'l Malting TID	802,165	362,124	440,041
Cascade	Manchester Exit	68,746	3,217	65,529
Cascade	Montana Milling	47,748	381	47,367
Deer Lodge	Mill Creek	8,012,523	909,339	7,103,184
Flathead	Kalispell H	15,908	126	15,782
Gallatin	Mandeville Farm	265,081	244,332	20,749
Hill	Hill Co Industrial	1,043	912	131
Jefferson	North Jefferson Co Industrial	101,359	18,590	82,769
Jefferson	Sunlight Industrial (4FT)	1,268,554	737,334	531,220
Missoula	Bonner Mill Industrial	753,941	121,676	632,265
Park	West End Industrial	149,459	128	149,331
Ravalli	Hamilton Airport	128,808	107,624	21,184
Ravalli	N Stevensville Industrial	122,981	109,850	13,131
Ravalli	Stevensville Airport	67,530	49,132	18,398
Silver Bow	Ramsey TIFID	5,339,662	1,721,230	3,618,432
Toole	Shelby Industrial	303,240	89,401	213,839
Technology Tax Increment Financing Districts				
Flathead	Kalispell G	88,838	390	88,448
Gallatin	S Bozeman Tech District	305	305	0
Missoula	Technology District	284,441	0	284,441
Urban Renewal Tax Increment Financing Districts				
Cascade	GF DT Urban Renewal	3,933,236	3,643,698	289,538
Cascade	GF West Bank	1,065,439	292,536	772,903
Chouteau	1TID	215,036	160,843	54,193
Chouteau	2TID	74,499	17,494	57,005
Custer	Miles City Downtown	1,613,142	1,556,649	56,493
Deer Lodge	Ana - Downtown	1,051,316	856,215	195,101
Fallon	Baker Urban Renewal	712,351	699,066	13,285
Fergus	Lewistown Urban	1,538,724	1,482,192	56,532
Flathead	Columbia Falls URD	63,977	62,035	1,942
Flathead	Kalispell B	1,213,915	453,612	760,303
Flathead	Kalispell C - amended 2011	8,008,362	7,932,918	75,444
Flathead	Whitefish A	15,119,049	4,185,352	10,933,697
Gallatin	Belgrade Urban Renewal	2,287,231	2,201,304	85,927
Gallatin	Bozeman Downtown	5,488,691	1,328,695	4,159,996
Gallatin	Bozeman Midtown URD	4,490,297	4,064,574	425,723
Gallatin	NE Urban Renewal	652,101	623,054	229,047
Jefferson	Whitehall Urban Renewal	882,092	736,527	145,565
Lake	Polson	1,643,841	1,433,450	210,391
Lewis And Clark	Railroad District Urban Renewal	2,483,271	2,334,837	148,434
Lincoln	Riverside	520,702	347,928	172,774
Missoula	Hellgate URD	1,175,577	1,025,448	150,129
Missoula	N. Reserve Scott St. URD	583,552	295,864	287,688
Missoula	N Reserve Scott St. URD	2,114,679	1,195,341	919,338
Missoula	Front St URD	1,931,931	1,413,035	518,896
Missoula	River Front URD	702,205	157,858	544,347
Missoula	URD II	3,936,281	1,546,186	2,390,095
Missoula	URD II	663,919	313,637	350,282
Missoula	URD III	11,134,939	8,172,844	2,962,095
Park	Livingston Urban Renewal	1,871,913	1,604,273	267,640
Silver Bow	Butte Uptown URD	5,427,191	3,587,625	1,839,566
Silver Bow	Eastside TIFID	520,564	286,251	234,313
Yellowstone	2008 Expanded N 27th St	5,861,481	3,328,807	2,532,674
Yellowstone	East Billings	2,967,167	1,939,797	1,027,370
Yellowstone	Laurel	2,200,111	1,169,223	1,030,888
Yellowstone	North 27th St	1,360,038	783,431	576,607
Yellowstone	South Billings Blvd	11,726,572	7,046,472	4,680,100
Targeted Economic Development Districts (TEDD)				
Fergus	Lewistown TEDD	201,083	196,783	4,300
Flathead	Columbia Falls Industrial Park TEDD	2,117,872	1,896,297	221,575
Flathead	Glacier Rail Park TEDD	7,598	7,057	541
Lincoln	Kootenai Business Park	195,514	157,299	38,215
Missoula	Bonner W Log Yard TEDD	91,121	0	91,121
Missoula	Bonner W Log Yard TEDD	74,659	1,148	73,511
Silver Bow	South Butte TEDD	1,267,716	1,267,716	0
Yellowstone	Lockwood TEDD	892,060	752,028	140,032
Total		132,335,087	77,408,105	54,926,982

Tax Increment Financing

Tax Increment Financing Districts (TIF) / Targeted Economic Development Districts (TEDD) TY 2018 Taxable Value of Increment and Revenue Generated for the District							
County	District	State	County	Countywide and Local Schools	Cities & Towns	Misc	Total Revenue
Industrial Tax Increment Financing Districts							
Big Horn	Hardin Industrial	127,437	185,247	390,897	223,511	12,663	939,755
Cascade	East Industrial Park	44,908	60,330	138,544	93,650	9,037	346,468
Cascade	Airport TID	4,663	6,264	14,384	9,723	0	35,034
Cascade	Int'l Malting TID	42,464	57,047	131,005	88,554	0	319,069
Cascade	Manchester Exit	6,324	10,487	19,509	0	1,172	37,492
Cascade	Montana Milling	4,571	7,581	14,102	0	847	27,101
Deer Lodge	Mill Creek	674,802	2,327,784	1,467,376	0	147,174	4,617,136
Flathead	Kalispell H	1,499	2,215	4,841	2,884	363	11,803
Gallatin	Mandeville Farm	1,971	2,051	6,235	3,927	41	14,226
Hill	Hill Co Industrial	12	23	41	0	2	78
Jefferson	North Jefferson Co Industrial	7,863	14,492	19,652	0	3,898	45,906
Jefferson	Sunlight Industrial (4FT)	50,466	93,011	87,428	0	9,053	239,958
Missoula	Bonner Mill Industrial	61,014	129,387	216,329	0	103,420	510,149
Park	West End Industrial	14,186	17,319	40,036	34,452	111	106,104
Ravalli	Hamilton Airport	2,012	3,336	5,313	0	683	11,344
Ravalli	N Stevensville Industrial	1,247	1,752	3,259	1,401	0	7,660
Ravalli	Stevensville Airport	1,748	2,455	4,566	1,964	0	10,732
Silver Bow	Ramsey TIFID	349,179	1,307,701	885,213	0	52,612	2,594,705
Toole	Shelby Industrial	20,315	39,056	67,483	55,331	2,989	185,175
Technology Tax Increment Financing Districts							
Flathead	Kalispell G	8,403	12,416	27,130	16,165	2,034	66,148
Gallatin	S Bozeman Tech District	0	0	0	0	0	0
Missoula	Technology District	27,449	58,208	64,616	0	35,919	186,192
Urban Renewal Tax Increment Financing Districts							
Cascade	GF DT Urban Renewal	27,940	37,536	86,198	58,267	5,689	215,631
Cascade	GF West Bank	74,585	100,199	230,101	155,539	15,188	575,612
Chouteau	1TID	5,148	7,419	14,065	12,749	1,957	41,339
Chouteau	2TID	5,415	7,804	14,795	13,411	2,058	43,484
Custer	Miles City Downtown	5,367	11,491	19,573	12,363	0	48,794
Deer Lodge	Ana - Downtown	18,535	63,937	40,304	6,711	27,667	157,154
Fallon	Baker Urban Renewal	1,262	1,786	754	2,858	0	6,660
Fergus	Lewistown Urban	5,371	8,245	20,788	13,727	0	48,130
Flathead	Columbia Falls URD	184	273	657	406	40	1,560
Flathead	Kalispell B	72,229	106,731	296,267	138,953	17,487	631,667
Flathead	Kalispell C - amended 2011	7,167	10,591	29,398	13,788	2,014	62,958
Flathead	Whitefish A	1,038,701	1,534,872	3,025,682	731,760	587,306	6,918,321
Gallatin	Belgrade Urban Renewal	8,163	8,496	29,269	19,971	296	66,196
Gallatin	Bozeman Downtown	395,200	411,299	1,250,162	787,238	8,320	2,852,218
Gallatin	Bozeman Midtown URD	40,444	42,091	127,938	80,564	851	291,888
Gallatin	NE Urban Renewal	21,759	22,646	68,833	43,345	458	157,041
Jefferson	Whitehall Urban Renewal	13,829	22,500	28,826	18,022	3,741	86,918
Lake	Polson	19,987	34,542	51,377	37,328	4,244	147,478
Lewis And Clark	Railroad District Urban Renewal	14,324	27,624	62,071	25,194	496	129,708
Lincoln	Riverside	16,414	25,150	34,838	30,356	2,528	109,286
Missoula	Hellgate URD	14,487	26,912	54,288	36,357	5,598	137,643
Missoula	N. Reserve Scott St. URD	27,762	51,571	104,031	69,669	10,728	263,761
Missoula	N Reserve Scott St. URD	88,716	164,801	310,994	222,636	34,282	821,429
Missoula	Front St URD	50,073	93,017	187,638	125,661	19,350	475,739
Missoula	River Front URD	52,529	97,580	196,841	131,825	20,299	499,074
Missoula	URD II	230,644	428,448	864,282	578,809	89,127	2,191,311
Missoula	URD II	33,802	62,792	118,493	84,828	13,062	312,977
Missoula	URD III	285,842	530,985	1,071,123	717,331	110,457	2,715,738
Park	Livingston Urban Renewal	25,426	31,041	71,754	61,747	198	190,166
Silver Bow	Butte Uptown URD	177,518	664,819	507,794	0	119,149	1,469,280
Silver Bow	Eastside TIFID	22,611	84,681	64,680	0	15,176	187,148
Yellowstone	2008 Expanded N 27th St	244,403	315,976	811,975	413,130	8,332	1,793,817
Yellowstone	East Billings	99,141	128,175	329,375	167,585	3,380	727,655
Yellowstone	Laurel	99,481	129,129	277,226	187,116	3,392	696,344
Yellowstone	North 27th St	55,643	71,937	184,860	94,056	1,897	408,393
Yellowstone	South Billings Blvd	451,630	583,889	1,365,547	763,418	15,398	3,179,881
Targeted Economic Development Districts (TEDD)							
Fergus	Lewistown TEDD	409	627	1,581	1,044	0	3,661
Flathead	Columbia Falls Industrial Park TEDD	21,050	31,105	74,996	46,311	4,565	178,027
Flathead	Glacier Rail Park TEDD	51	76	211	99	12	449
Lincoln	Kootenai Business Park	3,630	5,563	11,498	276	469	21,436
Missoula	Bonner W Log Yard TEDD	8,793	18,647	31,177	0	11,507	70,124
Missoula	Bonner W Log Yard TEDD	7,094	15,043	25,152	0	12,024	59,313
Silver Bow	South Butte TEDD	0	0	0	0	0	0
Yellowstone	Lockwood TEDD	13,513	25,258	64,338	0	461	103,569
Total		5,258,806	10,385,468	15,769,712	6,436,009	1,561,221	39,411,215

Taxes Levied

Taxes Levied

The following sections provide information on the value of property in Montana and the tax revenue derived from this property.

Taxes Levied – A Statewide Look

In Tax Year 2018, the full market value of non-exempt property eligible for taxation in Montana was estimated at \$151.023 billion. Multiplying the applicable tax rates for each class of property by the taxable market value determines the taxable value. In Tax Year 2018, the total taxable value of property in Montana was estimated at \$2.905 billion. This is an average tax rate of 1.92 percent.

Montana Property 2018			
	Taxable Market Value	Taxable Value	Average Tax Rate
Total	\$151,023,043,539	\$2,904,772,508	1.92%

In 2018, the total of property taxes paid was estimated at \$1,752 billion. Therefore, the average mills levied was 603.3.

Montana Property 2018				
	Taxable Value	Taxes	Average Millage Rate	Average Mills
Total	\$2,904,772,508	\$1,752,461,527	0.60330	603.30

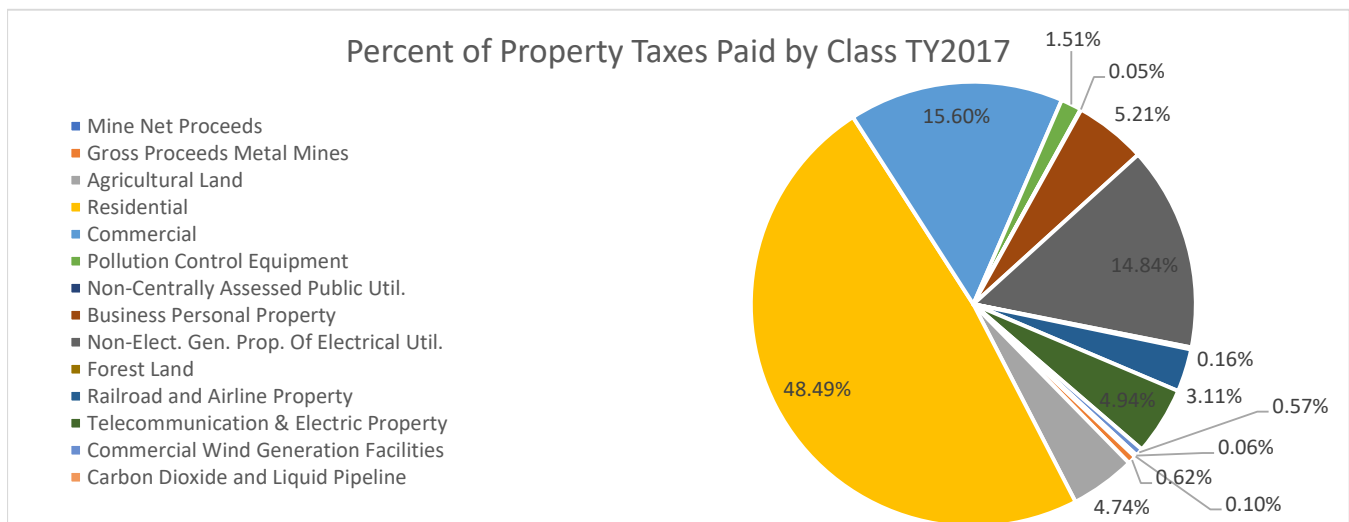
Property Taxes Paid by Class

Property Taxes Paid by Class of Property in 2017

The following table presents market value, taxable market value, and the taxes paid by class of property in the state in Tax Year 2017. Class 4 property provided 64.10 percent, Class 9 provided 14.84 percent, and Class 8 personal property paid 5.21 percent of total property taxes paid in the state.

Estimated Property Taxes Paid By Property Class Tax Year 2017 (Fiscal Year 2018)					
<u>Tax Class</u>	<u>Description</u>	<u>Market Value</u>	<u>Taxable Value</u>	<u>Taxes Paid by Tax Class</u>	<u>Percent of Total Taxes</u>
1	Mine Net Proceeds	\$3,983,884	\$3,983,884	\$1,663,481	0.10%
2	Gross Proceeds Metal Mines	\$596,330,812	\$17,889,922	\$10,540,788	0.62%
3	Agricultural Land	\$6,773,149,809	\$152,939,062	\$80,572,619	4.74%
4.1	Residential Improvements	\$71,819,718,701	\$964,823,550	\$599,049,221	35.28%
4.2	Residential Land	\$27,489,914,546	\$363,426,744	\$224,438,413	13.22%
4.8	Commercial Improvements	\$14,508,864,247	\$270,164,282	\$184,485,684	10.86%
4.9	Commercial Land	\$6,199,894,368	\$116,693,748	\$80,513,895	4.74%
<i>Subtotal Class 4</i>		<i>\$120,018,391,862</i>	<i>\$1,715,108,324</i>	<i>\$1,088,487,213</i>	<i>64.10%</i>
5	Pollution Control Equipment	\$1,604,336,425	\$47,670,939	\$25,576,862	1.51%
7	Non-Centrally Assessed Public Util.	\$14,329,565	\$1,146,364	\$835,551	0.05%
8	Business Personal Property	\$6,664,537,325	\$155,338,618	\$88,481,210	5.21%
9	Non-Elect. Gen. Prop. Of Electrical Util.	\$4,211,367,133	\$502,592,656	\$252,077,089	14.84%
10	Forest Land	\$1,327,634,179	\$4,912,562	\$2,640,259	0.16%
12	Railroad and Airline Property	\$3,107,554,738	\$95,052,168	\$52,846,656	3.11%
13	Telecommunication & Electric Property	\$2,986,239,384	\$179,089,959	\$83,887,621	4.94%
14	Commercial Wind Generation Facilities	\$841,476,695	\$16,958,003	\$9,603,932	0.57%
15	Carbon Dioxide and Liquid Pipeline	\$190,178,993	\$2,532,568	\$982,478	0.06%
Total		\$148,339,510,804	\$2,895,215,029	\$1,698,195,759	

The following graph compares the percent of property tax paid for each class of property in Tax Year 2017.



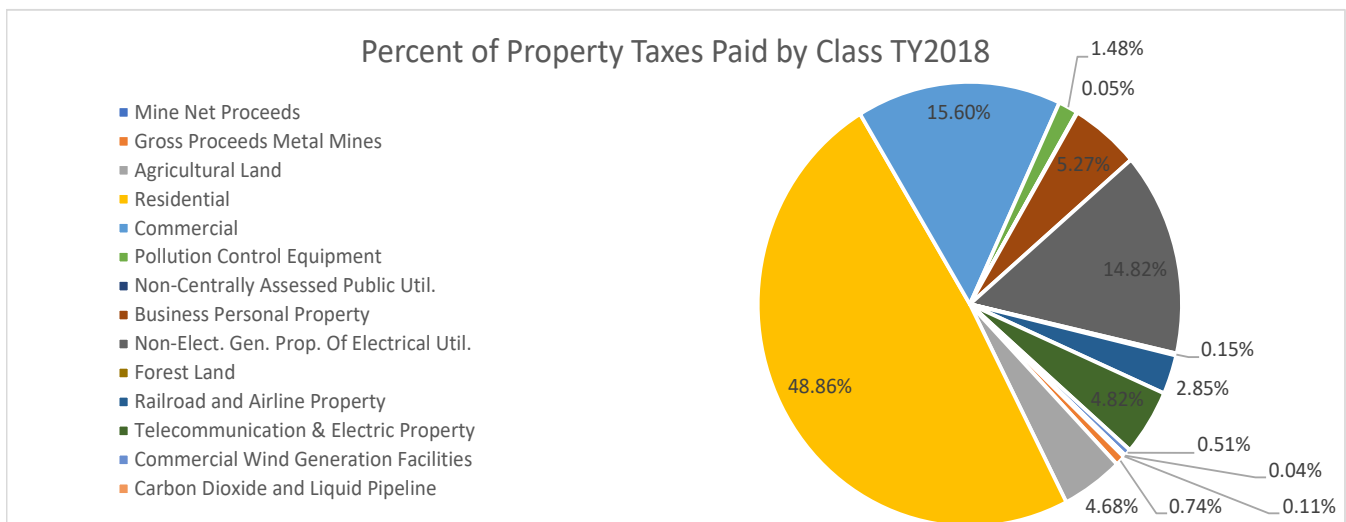
Property Taxes Paid by Class

Property Taxes Paid by Class of Property in 2018

The following table presents market value, taxable market value, and the taxes paid by class of property in the state in Tax Year 2018. Class 4 property provided 64.46 percent, Class 9 provided 14.82 percent, and personal property paid 5.27 percent of total property taxes paid in the state.

Estimated Property Taxes Paid By Property Class Tax Year 2018 (Fiscal Year 2019)					
<u>Tax Class</u>	<u>Description</u>	<u>Market Value</u>	<u>Taxable Value</u>	<u>Taxes Paid by Tax Class</u>	<u>Percent of Total Taxes</u>
1	Mine Net Proceeds	\$4,794,622	\$4,794,622	\$1,930,216	0.11%
2	Gross Proceeds Metal Mines	\$742,469,971	\$22,274,100	\$13,047,519	0.74%
3	Agricultural Land	\$6,753,405,034	\$152,576,949	\$82,081,810	4.68%
4.1	Residential Improvements	\$73,899,125,456	\$987,734,976	\$626,526,133	35.75%
4.2	Residential Land	\$27,710,304,492	\$364,026,323	\$229,649,792	13.10%
4.8	Commercial Improvements	\$14,681,978,732	\$273,677,910	\$191,356,525	10.92%
4.9	Commercial Land	\$6,181,878,587	\$116,352,932	\$82,016,084	4.68%
Subtotal Class 4		\$122,473,287,267	\$1,741,792,141	\$1,129,548,534	64.46%
5	Pollution Control Equipment	\$1,970,360,360	\$47,312,291	\$26,009,480	1.48%
7	Non-Centrally Assessed Public Util.	\$15,191,024	\$1,215,281	\$911,447	0.05%
8	Business Personal Property	\$6,949,617,276	\$155,861,423	\$92,316,434	5.27%
9	Non-Elect. Gen. Prop. Of Electrical Util.	\$4,176,210,477	\$495,370,951	\$259,741,619	14.82%
10	Forest Land	\$1,323,802,727	\$4,898,379	\$2,633,117	0.15%
12	Railroad and Airline Property	\$2,823,508,511	\$87,932,183	\$50,029,906	2.85%
13	Telecommunication & Electric Property	\$2,877,270,073	\$172,526,493	\$84,435,089	4.82%
14	Commercial Wind Generation Facilities	\$761,927,227	\$16,207,755	\$8,993,866	0.51%
15	Carbon Dioxide and Liquid Pipeline	\$151,198,970	\$2,009,940	\$778,679	0.04%
Total		\$151,023,043,539	\$2,904,772,508	\$1,752,457,716	

The following graph compares the percent of property tax paid for each class of property in Tax Year 2018.



Property Taxes Paid by Taxing Jurisdiction Type

Property Taxes by Taxing Jurisdiction

The next table shows statewide property tax collections for different types of taxing jurisdictions for Fiscal Years 2016 through 2019. The difference between the previous estimates of total tax collection by property type and the following estimates of total tax collections by type is primarily due to local abatements and the difference between county taxable value and state taxable value. Local abatements lower taxable value for the county but not for the state. In the “Estimated Property Taxes Paid by Property Class” table on the this page, taxes paid does not include the difference related to abated property, but the “Taxes Levied on the Montana Property Tax Bill” on the next page does include the difference.

Property Taxes Paid by Taxing Jurisdiction Type

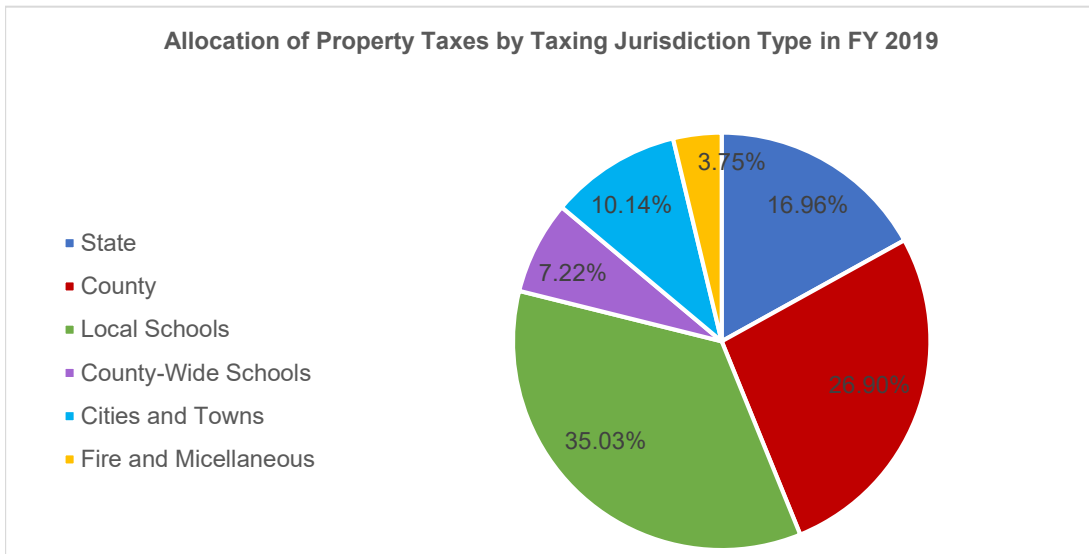
Taxes Levied on the Montana Property Tax Bill				
	FY 2016	FY 2017	FY 2018	FY 2019
Valuation¹				
Market Value of Taxable Property	135,220,585,424	136,934,429,644	148,339,510,804	151,023,043,539
Statewide Total Taxable Value	2,619,721,826	2,691,987,518	2,895,215,029	2,904,772,508
City/Town Taxable Value	899,768,492	919,157,377	979,467,125	990,265,593
Taxes Levied²				
State				
University	15,822,579	15,491,504	17,455,388	17,563,962
Vo-Tech (General Fund)	1,344,028	1,369,397	1,451,966	1,469,488
State General Fund	<u>250,553,092</u>	<u>257,908,937</u>	<u>276,405,990</u>	<u>278,124,867</u>
Subtotal State	267,719,699	274,769,838	295,313,344	297,158,316
County				
General	115,323,300	116,876,741	126,609,859	124,058,556
Road	53,799,325	55,615,371	56,393,977	60,829,727
Bridge	12,953,170	15,113,861	14,172,207	15,075,882
Entitlement	7,100,939	5,324,005	5,517,187	5,673,223
County Fair	6,797,709	7,150,091	8,877,393	8,980,675
Library	11,986,772	12,965,969	14,870,744	15,512,643
Agricultural Extension	3,670,719	3,955,752	4,245,403	4,086,672
Planning	2,914,576	3,138,904	3,312,845	3,393,007
Health and Sanitation	10,008,092	10,842,902	43,696,194	46,555,306
Hospital	4,280,524	3,683,031	3,769,007	3,640,887
Airport	2,110,235	2,149,239	2,645,896	2,358,232
District Court	7,030,337	7,247,268	7,307,808	7,619,265
Weed Control	5,588,345	5,697,817	5,770,341	5,789,810
Senior Citizens	3,298,693	5,171,256	8,400,186	8,823,073
Public Safety	74,513,721	79,787,788	109,302,531	119,869,197
Other	<u>82,010,814</u>	<u>101,175,180</u>	<u>32,410,728</u>	<u>39,136,437</u>
Subtotal County	403,387,271	435,895,178	447,302,306	471,402,590
Local Schools				
Elementary	263,156,621	275,281,737	323,335,565	327,625,303
High School	150,851,960	155,434,923	181,713,418	188,931,156
K-12	58,935,893	63,852,009	74,580,017	89,522,972
Jr. College	<u>6,844,488</u>	<u>7,068,968</u>	<u>7,563,594</u>	<u>7,821,051</u>
Subtotal Local Schools	479,788,961	501,637,637	587,192,594	613,900,481
County-Wide Schools	103,985,844	109,143,305	119,124,717	126,502,579
Cities and Towns	159,503,534	164,529,140	171,739,280	177,769,753
Fire and Miscellaneous	67,292,732	58,756,356	77,523,883	65,727,808
Total Property Tax Based on Mills	\$1,481,678,040	\$1,544,731,454	\$1,698,196,124	\$1,752,461,527
S.I.D.'s and Fees	\$149,389,749	\$176,274,421	\$157,236,226	\$178,739,245
Total Property Taxes	\$1,631,067,789	\$1,721,005,875	\$1,855,432,350	\$1,931,200,772
1 State taxable value include local abatements, Source: State Assessor's Report				
2 Includes revenue distributed to TIFDs, Source: Taxes Levied Report				

Property Taxes Paid by Taxing Jurisdiction Type

In Fiscal Year 2017, approximately \$1.544 billion in property tax revenue was used by the state and local jurisdictions. Of this amount, approximately 17.93 percent was budgeted by the state for educational purposes, 27.75 percent was budgeted for county services, 32.66 percent was used to fund local schools, 7.11 percent was used to fund educational retirement and transportation, 10.72 percent was budgeted for cities, and towns, services, and 3.83 percent was budgeted for fire and other miscellaneous services. As presented in the following table, the Fiscal Year 2018 distributions were similar.

Taxing Jurisdiction	FY2018		FY2019	
	Tax Revenue	Percent of Total	Tax Revenue	Percent of Total
State	\$295,313,344	17.39%	\$297,158,316	16.96%
County	\$447,302,306	26.34%	\$471,402,590	26.90%
Local Schools	\$587,192,594	34.58%	\$613,900,481	35.03%
County-Wide Schools	\$119,124,717	7.01%	\$126,502,579	7.22%
Cities and Towns	\$171,739,280	10.11%	\$177,769,753	10.14%
Fire and Micellaneous	\$77,523,883	4.57%	\$65,727,808	3.75%
	\$1,698,196,124	100.00%	\$1,752,461,527	100.00%

The following pie chart presents the allocation of property tax usage by taxing jurisdiction type for Fiscal Year 2019.



Tax Revenue by County

The following two-page tables presents property tax revenue collected for each county in Tax Year 2017 and Tax Year 2018 by each type of taxing jurisdiction.

Property Tax and Property Value Summaries

Property Taxes Levied and Average Mills - TY 2017

County	State Assessed Mills ¹ and Revenue		County Assessed Mills and Revenue		County Wide School Mills ² and Revenue	
	Mill Levy	Revenue	Mill Levy	Revenue	Mill Levy	Revenue
Beaverhead	101.000	2,190,759	163.582	3,546,050	50.931	1,104,062
Big Horn	101.000	2,571,638	158.705	4,021,939	45.833	1,161,502
Blaine	101.000	1,471,390	284.118	4,131,000	60.662	882,004
Broadwater	101.000	1,619,412	165.080	2,633,685	33.028	526,930
Carbon	101.000	4,097,598	127.925	5,164,001	46.145	1,862,751
Carter	101.000	5,284,799	109.315	5,719,877	4.311	225,557
Cascade	102.500	16,813,599	138.469	22,658,946	49.041	8,024,977
Chouteau	101.000	2,582,962	186.041	4,737,619	40.698	1,036,381
Custer	101.000	2,262,238	200.174	4,481,978	98.747	2,210,990
Daniels	101.000	778,240	170.198	1,311,437	42.860	330,254
Dawson	101.000	2,612,828	148.565	3,843,088	98.815	2,556,146
Deer Lodge	101.000	2,097,286	324.143	6,728,197	36.741	762,624
Fallon	101.000	4,459,533	157.034	6,915,350	0.000	0
Fergus	101.000	3,742,842	165.731	5,678,147	50.428	1,727,716
Flathead	101.000	25,752,860	152.439	38,821,626	71.108	18,109,123
Gallatin	101.000	29,490,426	106.572	31,104,481	46.249	13,498,339
Garfield	101.000	545,456	245.276	1,324,628	46.673	252,059
Glacier	101.000	2,788,940	229.690	6,175,455	66.420	1,785,769
Golden Valley	101.000	618,913	153.312	939,475	41.745	255,805
Granite	101.000	1,277,137	222.700	2,811,485	31.535	398,121
Hill	101.000	3,973,551	152.861	6,008,704	58.124	2,284,757
Jefferson	101.000	3,081,974	165.725	5,030,517	44.565	1,352,763
Judith Basin	101.000	1,691,850	123.572	1,982,278	33.566	538,454
Lake	101.000	6,397,748	195.932	12,411,129	52.656	3,335,433
Lewis & Clark	102.500	13,719,756	191.039	25,509,888	46.071	6,151,966
Liberty	101.000	970,747	225.161	2,164,108	23.112	222,136
Lincoln	101.000	3,574,531	141.240	4,998,093	46.118	1,631,976
Madison	101.000	11,254,195	94.667	10,545,178	10.268	1,143,734
McCone	101.000	764,673	259.851	1,966,060	38.929	294,540
Meagher	101.000	880,208	189.470	1,622,295	30.066	257,433
Mineral	101.000	1,116,249	191.914	2,114,717	56.423	621,723
Missoula	102.500	23,633,595	183.614	42,289,888	46.894	10,800,610
Musselshell	101.000	1,367,704	203.953	2,582,422	41.926	530,856
Park	101.000	4,486,318	124.959	5,550,549	46.816	2,079,500
Petroleum	101.000	168,900	230.705	385,803	33.497	56,017
Phillips	101.000	1,902,415	131.556	2,477,964	45.696	860,724
Pondera	101.000	1,669,670	230.117	3,771,602	47.428	777,335
Powder River	101.000	1,544,233	170.851	2,612,212	8.844	135,220
Powell	101.000	1,795,749	172.645	3,069,571	48.013	853,661
Prairie	101.000	547,728	252.984	1,369,528	32.686	176,943
Ravalli	101.000	8,027,907	148.843	11,830,644	27.780	2,208,110
Richland	101.000	7,359,025	142.304	10,352,519	0.000	0
Roosevelt	101.000	3,649,688	216.551	7,710,691	49.303	1,755,536
Rosebud	101.000	9,564,154	56.019	5,304,692	12.665	1,199,327
Sanders	101.000	4,171,758	132.555	5,475,104	41.679	1,721,534
Sheridan	101.000	1,839,458	231.005	4,172,676	51.370	927,900
Silver Bow	102.500	6,981,878	357.004	24,309,845	32.677	2,225,119
Stillwater	101.000	4,168,342	168.665	6,960,910	38.351	1,582,754
Sweet Grass	101.000	1,904,767	199.217	3,757,045	37.571	708,552
Teton	101.000	2,200,306	130.248	2,741,475	48.942	1,030,131
Toole	101.000	2,749,270	231.167	5,509,846	38.876	926,605
Treasure	101.000	540,588	167.911	898,720	22.600	120,966
Valley	101.000	3,204,704	132.237	4,195,858	50.694	1,608,520
Wheatland	101.000	1,706,507	136.984	2,202,246	29.340	471,697
Wibaux	101.000	1,575,179	146.539	2,285,394	16.167	252,132
Yellowstone	102.500	38,068,797	130.538	48,383,673	51.619	19,132,534
Statewide Total		295,312,979		447,302,306		126,688,311

1. State assessed mills include: 6 mills for the university system, 33 mills for elementary equalization and BASE program support, 22 mills for high school equalization and Base program support, 40 mills for state equalization aid to public schools, and 1.5 mills to support vocational-technical education.

2. The mill levy represents an average fo all county wide levies, including the levy for Jr. Colleges where applicable.

3. Total taxes from mill levies of all cities/towns within a county divided by total taxable value of the cities/towns.

Property Tax and Property Value Summaries

Property Taxes Levied and Average Mills - TY 2017

County	Local School Average Mills and Revenue		Misc. & Fire District Average Mills & Revenue		City Average Mills ³ and Revenue		SID's and Fees	Total of All Taxes and Fees
	Mill Levy	Revenue	Mill Levy	Revenue	Mill Levy	Revenue	Revenue	Revenue
Beaverhead	242.564	5,258,182	14.195	307,709	56.738	916,220	42,201	13,365,183
Big Horn	192.812	4,886,285	6.684	169,383	39.300	801,703	1,609,332	15,221,783
Blaine	187.604	2,727,717	7.729	112,372	65.626	816,747	1,798,808	11,940,037
Broadwater	189.019	3,015,611	31.117	496,436	11.855	166,544	818,092	9,276,709
Carbon	195.074	7,874,659	18.527	747,905	38.600	1,221,055	813,894	21,781,864
Carter	35.682	1,867,041	0.113	5,898	2.081	108,067	65,634	13,276,873
Cascade	238.992	39,108,452	21.720	3,554,330	285.396	18,892,815	10,012,147	119,065,265
Chouteau	187.918	4,785,427	30.307	771,785	26.209	593,720	461,299	14,969,194
Custer	186.603	4,178,116	8.182	183,189	149.492	1,961,044	2,498,166	17,775,722
Daniels	172.737	1,331,001	76.654	590,647	43.329	274,114	361,933	4,977,625
Dawson	188.960	4,888,039	18.490	478,306	86.406	1,522,798	2,745,625	18,646,829
Deer Lodge	192.266	3,990,835	59.258	1,230,004	11.295	175,428	0	14,984,375
Fallon	24.048	1,059,027	4.582	201,791	13.117	542,199	82,064	13,259,965
Fergus	204.947	7,021,712	16.252	556,814	65.100	1,741,152	1,449,475	21,917,859
Flathead	231.259	58,894,440	29.863	7,605,252	68.180	11,597,277	17,015,820	177,796,399
Gallatin	225.872	65,923,824	33.206	9,691,730	146.096	23,728,464	3,590,931	177,028,195
Garfield	144.931	782,706	0.000	0	9.231	47,102	88,528	3,040,480
Glacier	255.207	6,861,497	6.244	167,879	22.721	544,077	542,619	18,866,236
Golden Valley	184.375	1,129,819	2.276	13,945	6.364	36,433	17,633	3,012,023
Granite	163.116	2,059,269	24.391	307,927	26.931	291,982	135,717	7,281,638
Hill	209.571	8,237,855	13.969	549,078	94.441	2,622,567	3,484,834	27,161,346
Jefferson	191.355	5,808,504	32.044	972,685	12.494	349,997	1,432,922	18,029,362
Judith Basin	157.377	2,524,556	9.986	160,188	5.875	90,597	5,399,913	12,387,835
Lake	190.870	12,090,488	31.767	2,012,269	38.689	1,990,541	6,521,752	44,759,360
Lewis & Clark	263.594	35,198,386	21.190	2,829,532	175.649	11,407,829	1,077,099	95,894,456
Liberty	131.319	1,262,156	14.172	136,217	15.402	133,784	5,468	4,894,616
Lincoln	217.596	7,700,129	24.134	854,022	25.806	791,733	2,788,366	22,338,851
Madison	51.258	5,709,774	34.880	3,885,423	5.339	571,963	2,126,744	35,237,011
McCone	199.761	1,511,412	2.956	22,364	45.253	296,703	75,645	4,931,397
Meagher	239.670	2,052,127	11.001	94,193	25.942	193,014	86,374	5,185,643
Mineral	262.823	2,896,067	25.402	279,911	32.885	313,473	133,300	7,475,440
Missoula	295.031	67,951,357	73.702	16,975,052	323.271	32,646,776	10,243,229	204,540,507
Musselshell	210.622	2,666,861	13.141	166,392	28.048	301,108	2,881,887	10,497,229
Park	192.994	8,572,579	18.019	800,375	88.242	2,807,933	2,667,560	26,964,814
Petroleum	214.362	358,474	7.644	12,782	21.884	33,343	116,003	1,131,322
Phillips	183.076	3,448,385	6.046	113,888	36.078	574,915	1,815,701	11,193,991
Pondera	224.884	3,685,843	16.380	268,463	41.808	543,677	164,650	10,881,240
Powder River	95.757	1,464,077	1.909	29,193	4.533	67,172	327,425	6,179,533
Powell	222.479	3,955,602	13.916	247,421	25.771	382,258	886,032	11,190,295
Prairie	159.569	863,826	8.648	46,813	24.960	119,675	766,652	3,891,165
Ravalli	191.281	15,203,821	45.126	3,586,815	43.142	2,847,894	3,121,339	46,826,531
Richland	74.504	5,420,124	0.000	0	28.248	1,683,840	3,785,299	28,600,808
Roosevelt	156.153	5,560,121	12.408	441,826	26.787	845,008	567,540	20,530,410
Rosebud	56.809	5,379,468	27.342	2,589,155	105.810	3,383,072	1,353,007	28,772,876
Sanders	167.445	6,916,248	16.629	686,856	21.857	835,702	1,769,059	21,576,262
Sheridan	187.457	3,386,050	10.150	183,347	49.443	745,476	0	11,254,907
Silver Bow	211.498	14,401,764	59.190	4,030,503	0.561	37,902	10,622,992	62,610,004
Stillwater	155.738	6,427,424	15.973	659,235	38.181	1,301,594	906,851	22,007,110
Sweet Grass	128.237	2,418,436	16.900	318,723	33.455	508,537	23,390	9,639,450
Teton	216.346	4,553,684	4.593	96,678	27.741	482,960	2,829,796	13,935,031
Toole	198.192	4,723,884	7.196	171,520	51.187	1,015,836	670,408	15,767,368
Treasure	143.600	768,596	3.956	21,174	17.244	88,496	416,356	2,854,895
Valley	228.597	7,253,337	15.714	498,604	52.173	1,363,721	2,857,044	20,981,787
Wheatland	165.591	2,662,149	4.707	75,676	12.000	179,098	80,588	7,377,961
Wibaux	66.541	1,037,758	12.081	188,418	5.669	85,417	27,028	5,451,325
Yellowstone	237.190	87,914,016	17.067	6,325,791	216.564	34,116,725	41,054,059	274,995,595
Staterwide Total		579,628,999		77,523,883		171,739,281	157,236,226	1,855,431,984

Property Tax and Property Value Summaries

Property Taxes Levied and Average Mills - TY 2018

County	State Assessed Mills ¹ and Revenue		County Assessed Mills and Revenue		County Wide School Mills ² and Revenue	
	Mill Levy	Revenue	Mill Levy	Revenue	Mill Levy	Revenue
Beaverhead	101.000	2,189,365	175.718	3,806,768	42.442	919,478
Big Horn	101.000	2,570,213	168.528	4,223,618	48.195	1,207,856
Blaine	101.000	1,475,615	288.121	4,201,263	59.225	863,603
Broadwater	101.000	1,628,650	170.580	2,737,320	36.216	581,157
Carbon	101.000	4,215,630	125.908	5,237,533	39.549	1,645,168
Carter	101.000	5,285,072	111.233	5,820,552	4.101	214,591
Cascade	102.500	17,162,351	141.627	23,645,589	47.763	7,974,288
Chouteau	101.000	2,680,031	189.215	4,998,669	42.854	1,132,127
Custer	101.000	2,230,789	219.955	4,856,334	104.446	2,306,034
Daniels	101.000	771,745	184.002	1,405,964	51.436	393,023
Dawson	101.000	2,656,411	149.386	3,928,809	58.686	1,543,423
Deer Lodge	101.000	2,073,681	327.661	6,724,517	45.249	928,643
Fallon	101.000	4,402,989	160.308	6,975,413	0.000	0
Fergus	101.000	4,254,984	168.520	6,123,702	52.023	1,890,407
Flathead	101.000	26,048,342	156.485	40,319,338	71.719	18,478,891
Gallatin	101.000	30,377,669	114.142	34,320,438	48.901	14,703,612
Garfield	101.000	552,661	289.762	1,585,545	68.458	374,592
Glacier	101.000	2,697,239	232.378	6,109,661	69.461	1,826,276
Golden Valley	101.000	658,083	137.847	890,300	40.226	259,807
Granite	101.000	1,311,500	226.264	2,934,486	37.932	491,956
Hill	101.000	4,056,822	162.790	6,536,374	48.434	1,944,717
Jefferson	101.000	3,105,546	173.348	5,302,975	47.743	1,460,545
Judith Basin	101.000	1,796,441	126.055	2,173,056	52.582	561,685
Lake	101.000	6,384,034	193.927	12,257,799	52.165	3,297,247
Lewis & Clark	102.500	13,942,285	204.640	27,755,147	103.328	14,014,312
Liberty	101.000	966,789	233.715	2,237,158	30.818	294,992
Lincoln	101.000	3,536,308	145.506	5,094,001	40.647	1,422,987
Madison	101.000	11,703,518	107.011	12,396,351	0.000	0
McCone	101.000	758,743	265.720	1,996,169	44.765	336,287
Meagher	101.000	863,859	193.120	1,630,322	28.517	240,738
Mineral	101.000	1,083,317	197.038	2,112,810	41.230	442,105
Missoula	102.500	23,772,011	190.309	44,097,296	45.537	10,551,656
Musselshell	101.000	1,382,049	201.039	2,686,453	30.786	411,394
Park	101.000	4,603,225	126.516	5,766,159	46.989	2,141,592
Petroleum	101.000	168,830	253.195	423,238	59.573	99,582
Phillips	101.000	1,711,357	148.266	2,512,245	57.351	971,762
Pondera	101.000	1,690,308	234.424	3,890,104	48.622	806,848
Powder River	101.000	1,445,077	180.158	2,577,650	1.081	15,467
Powell	101.000	1,775,589	180.585	3,174,708	56.312	989,976
Prairie	101.000	533,874	263.216	1,388,811	39.033	205,949
Ravalli	101.000	8,154,791	153.417	12,386,997	33.169	2,678,070
Richland	101.000	5,905,130	193.001	11,270,691	0.000	0
Roosevelt	101.000	3,527,915	226.537	7,812,975	45.456	1,567,728
Rosebud	101.000	9,135,916	61.302	5,545,057	24.319	2,199,785
Sanders	101.000	4,266,612	132.794	5,609,718	36.860	1,557,083
Sheridan	101.000	1,735,194	251.179	4,284,785	38.084	649,662
Silver Bow	102.500	7,122,184	360.966	25,045,520	47.499	3,295,719
Stillwater	101.000	4,420,558	169.430	7,415,605	37.754	1,652,409
Sweet Grass	101.000	2,151,819	205.437	4,291,380	32.725	683,603
Teton	101.000	2,206,385	140.247	2,965,929	56.756	1,200,265
Toole	101.000	2,525,998	231.868	5,310,320	35.410	810,980
Treasure	101.000	519,249	182.241	936,913	14.185	72,925
Valley	101.000	3,173,223	136.238	4,280,298	57.022	1,791,499
Wheatland	101.000	1,738,983	132.055	2,183,256	26.596	439,702
Wibaux	101.000	1,632,037	147.044	2,376,054	12.693	205,109
Yellowstone	102.500	38,417,517	144.136	52,828,961	47.951	17,575,042
Statewide Total		297,156,515		471,399,106		134,324,354

1. State assessed mills include: 6 mills for the university system, 33 mills for elementary equalization and BASE program support, 22 mills for high school equalization and Base program support, 40 mills for state equalization aid to public schools, and 1.5 mills to support vocational-technical education.
2. The mill levy represents an average for all county wide levies, including the levy for Jr. Colleges where applicable.
3. Total taxes from mill levies of all cities/towns within a county divided by total taxable value of the cities/towns.

Property Tax and Property Value Summaries

Property Taxes Levied and Average Mills - TY 2018

County	Local School Average Mills and Revenue		Misc. & Fire District Average Mills & Revenue		City Average Mills ³ and Revenue		SID's and Fees	Total of All Taxes and Fees
	Mill Levy	Revenue	Mill Levy	Revenue	Mill Levy	Revenue	Revenue	Revenue
Beaverhead	240.222	5,204,205	13.640	295,508	209.076	1,154,778	78,713	13,648,814
Big Horn	201.939	5,060,954	6.010	150,628	164.896	821,868	1,767,120	15,802,257
Blaine	189.601	2,764,688	3.917	57,111	404.261	840,143	1,890,617	12,093,040
Broadwater	184.765	2,964,952	19.769	317,232	85.185	164,601	846,101	9,240,012
Carbon	193.959	8,068,357	19.288	802,343	128.745	1,137,723	4,824	21,111,577
Carter	36.126	1,890,402	0.000	0	265.747	109,217	67,084	13,386,919
Cascade	252.599	42,173,193	18.433	3,077,564	200.139	20,178,190	12,152,569	126,363,744
Chouteau	178.204	4,707,784	30.518	806,223	215.358	601,550	495,111	15,421,495
Custer	190.146	4,198,186	0.000	0	217.672	2,052,009	2,971,002	18,614,353
Daniels	179.454	1,371,214	64.558	493,288	205.584	281,850	417,771	5,134,854
Dawson	196.430	5,166,036	69.603	1,830,533	189.139	1,584,568	2,682,782	19,392,562
Deer Lodge	163.178	3,348,866	53.958	1,107,379	34.393	180,271	95,714	14,459,071
Fallon	48.107	2,093,247	4.615	200,823	207.704	584,243	92,877	14,349,592
Fergus	192.584	6,998,129	15.550	565,045	237.621	1,792,481	1,513,280	23,138,028
Flathead	242.377	62,450,073	29.602	7,627,221	136.808	11,949,974	15,759,405	182,633,244
Gallatin	244.200	73,426,282	29.948	9,004,904	186.799	25,030,535	7,482,924	194,346,363
Garfield	150.655	824,368	0.000	0	159.228	49,653	98,014	3,484,835
Glacier	252.264	6,632,512	6.638	174,523	252.576	601,270	818,653	18,860,134
Golden Valley	183.860	1,187,482	2.950	19,054	91.875	42,939	23,818	3,081,483
Granite	152.359	1,975,994	22.708	294,513	166.579	306,506	157,301	7,472,257
Hill	211.547	8,494,087	5.016	201,413	226.453	2,713,857	3,558,175	27,505,444
Jefferson	194.491	5,949,784	32.097	981,887	152.420	364,653	1,513,042	18,678,432
Judith Basin	146.122	2,518,989	10.029	172,885	150.479	92,918	5,649,353	12,965,326
Lake	191.182	12,084,296	33.252	2,101,780	172.984	2,031,426	10,176,618	48,333,200
Lewis & Clark	282.980	38,380,420	15.333	2,079,562	171.694	12,047,403	7,471,766	115,690,896
Liberty	137.498	1,316,157	8.919	85,376	150.728	145,945	180,174	5,226,591
Lincoln	216.547	7,581,044	22.589	790,799	171.848	814,323	2,864,530	22,103,992
Madison	50.243	5,820,237	34.894	4,042,209	137.006	598,765	2,854,676	37,415,755
McCone	209.494	1,573,785	0.265	1,988	312.632	297,080	97,739	5,061,792
Meagher	231.636	1,955,477	10.340	87,292	174.036	198,642	97,079	5,073,410
Mineral	275.466	2,953,777	23.898	256,259	213.351	325,066	167,084	7,340,418
Missoula	292.258	67,720,334	59.966	13,894,893	242.371	31,470,162	16,672,649	208,179,000
Musselshell	201.821	2,696,901	10.170	135,898	162.769	320,323	1,755,608	9,388,626
Park	186.367	8,493,971	18.444	840,610	226.637	2,979,144	2,866,619	27,691,321
Petroleum	213.539	356,950	7.479	12,502	227.492	34,226	112,829	1,208,158
Phillips	191.327	3,241,869	4.491	76,096	231.035	638,028	1,867,422	11,018,780
Pondera	236.478	3,924,196	14.255	236,544	163.684	558,271	580,304	11,686,575
Powder River	96.331	1,378,277	1.056	15,106	143.466	69,401	1,387,571	6,888,549
Powell	228.504	4,017,118	0.000	0	132.815	389,455	1,251,266	11,598,112
Prairie	161.129	850,168	1.445	7,623	198.912	122,588	811,027	3,920,040
Ravalli	193.435	15,618,045	29.115	2,350,779	205.997	2,777,930	3,705,971	47,672,584
Richland	103.157	6,024,059	0.000	0	128.243	1,675,150	4,833,811	29,708,841
Roosevelt	156.850	5,409,537	12.298	424,154	238.347	973,202	913,801	20,629,311
Rosebud	54.934	4,969,034	28.223	2,552,911	79.096	4,599,568	1,493,771	30,496,042
Sanders	167.589	7,079,578	16.144	681,970	293.461	916,518	2,156,892	22,268,371
Sheridan	227.173	3,875,278	8.776	149,709	263.701	799,972	22,896	11,517,496
Silver Bow	222.899	15,465,795	56.575	3,925,451	80.183	39,081	11,561,646	66,455,396
Stillwater	135.486	5,929,940	17.991	787,414	189.177	1,385,426	928,196	22,519,549
Sweet Grass	117.430	2,453,011	8.575	179,128	140.987	536,467	34,986	10,330,394
Teton	214.880	4,544,257	0.282	5,971	136.295	494,008	2,845,982	14,262,796
Toole	203.387	4,658,044	6.462	147,988	256.682	1,028,019	666,787	15,148,136
Treasure	164.978	848,164	2.000	10,281	408.636	93,509	339,794	2,820,836
Valley	233.518	7,336,591	5.851	183,830	253.340	1,405,865	3,378,844	21,550,150
Wheatland	169.207	2,797,476	0.000	0	163.082	188,577	156,854	7,504,849
Wibaux	71.689	1,158,406	11.314	182,817	165.361	92,618	31,210	5,678,251
Yellowstone	256.735	94,098,608	3.550	1,301,244	163.821	35,086,941	34,316,595	273,624,907
Statewide Total		606,080,581		65,728,262		177,768,897	178,739,245	1,931,196,962

Tax Base and Revenue for Cities and Towns in 2017 and 2018

The following table displays taxable value, mill rate, and estimated taxes levied for cities and towns. The cities listed are only those that levy mills to fund city municipal governments. The estimated taxes levied is the amount of property tax that is paid to the city government to fund the municipality. Property owners in these cities are levied other mills used to fund county governments, schools, miscellaneous districts, and the state.

Property Tax and Property Value Summaries

Valuation by City and Property Taxes Levied by City Governments							
County	City	TY 2017 (FY 2018)			TY 2018 (FY 2019)		
		Taxable Value	Mill Levy	Estimated Taxes	Taxable Value	Mill Levy	Estimated Taxes
Beaverhead	Dillon	5,276,620	165.60	873,817	5,279,301	210.48	1,111,165
Beaverhead	Lima	252,504	167.93	42,404	243,952	178.78	43,613
Big Horn	Hardin	4,816,300	163.64	788,125	4,847,557	166.52	807,206
Big Horn	Lodge Grass	126,496	107.34	13,578	136,594	107.34	14,662
Blaine	Chinook	1,487,757	254.31	378,350	1,488,570	265.92	395,836
Blaine	Harlem	606,487	722.85	438,397	589,650	753.51	444,307
Broadwater	Townsend	1,906,096	87.37	166,544	1,932,275	85.19	164,601
Carbon	Bearcreek	136,875	96.00	13,140	136,742	96.00	13,127
Carbon	Bridger	735,897	235.17	173,061	734,242	241.72	177,480
Carbon	Fromberg	332,135	172.83	57,403	333,852	172.83	57,700
Carbon	Joliet	553,856	150.21	83,196	553,698	154.78	85,703
Carbon	Red Lodge	6,975,486	128.20	894,256	7,078,483	113.54	803,714
Carter	Ekalaka	406,686	265.73	108,067	410,981	265.75	109,217
Cascade	Belt	475,827	186.50	88,744	478,206	189.13	90,445
Cascade	Cascade	802,736	136.89	109,886	800,891	140.56	112,571
Cascade	Great Falls	95,790,732	194.84	18,664,102	99,167,007	201.12	19,944,590
Cascade	Neihart	371,547	80.97	30,083	374,947	81.57	30,583
Chouteau	Big Sandy	600,495	127.29	76,437	592,600	130.40	77,276
Chouteau	Fort Benton	1,954,113	232.70	454,719	1,961,392	235.25	461,408
Chouteau	Geraldine	257,802	242.68	62,564	239,268	262.74	62,866
Custer	Ismay	57,223	41.03	2,348	55,282	45.38	2,509
Custer	Miles City	9,215,070	212.55	1,958,696	9,371,798	218.69	2,049,500
Daniels	Flaxville	88,838	128.35	11,402	89,326	134.53	12,017
Daniels	Scobey	1,290,140	203.63	262,712	1,281,644	210.54	269,833
Dawson	Glendive	8,058,948	185.35	1,493,746	8,192,075	189.75	1,554,414
Dawson	Richey	185,421	156.68	29,052	185,726	162.36	30,154
Deer Lodge	Anaconda	5,225,054	33.57	175,428	5,241,507	34.39	180,271
Fallon	Baker	2,552,938	207.44	529,588	2,653,067	214.95	570,271
Fallon	Plevna	148,184	85.10	12,610	159,797	87.44	13,973
Fergus	Denton	247,724	290.09	71,861	233,042	313.42	73,039
Fergus	Grass Range	88,835	134.34	11,934	89,873	138.71	12,467
Fergus	Lewistown	6,606,041	239.48	1,582,022	6,651,856	242.75	1,614,705
Fergus	Moore	342,094	161.45	55,231	345,565	206.80	71,463
Fergus	Winifred	230,703	87.14	20,104	223,102	93.26	20,807
Flathead	Columbia Falls	7,234,265	198.05	1,432,763	7,260,026	208.74	1,515,465
Flathead	Kalispell	42,359,404	182.23	7,719,194	43,808,232	182.74	8,005,673
Flathead	Whitefish	34,976,412	69.91	2,445,321	36,280,067	66.95	2,428,836
Gallatin	Belgrade	11,807,725	229.59	2,710,993	12,541,373	232.37	2,914,213
Gallatin	Bozeman	106,225,288	185.55	19,710,229	109,713,783	189.19	20,756,767
Gallatin	Manhattan	3,197,093	126.09	403,108	3,474,493	125.59	436,366
Gallatin	Three Forks	2,281,690	165.11	376,736	2,358,315	164.78	388,609
Gallatin	West Yellowstone	5,935,260	88.86	527,398	5,908,843	90.47	534,580
Garfield	Jordan	297,982	158.07	47,102	311,837	159.23	49,653
Glacier	Cut Bank	2,414,134	225.37	544,077	2,380,552	252.58	601,270
Golden Valley	Lavina	190,031	86.97	16,527	250,916	88.99	22,328
Golden Valley	Ryegate	213,198	93.37	19,906	216,448	95.22	20,611
Granite	Drummond	353,566	179.66	63,522	389,434	182.63	71,121
Granite	Philipsburg	1,429,096	159.86	228,460	1,450,570	162.27	235,384
Hill	Havre	11,311,436	230.79	2,610,516	11,760,382	229.75	2,701,994
Hill	Hingham	227,375	53.00	12,051	223,828	53.00	11,863
Jefferson	Boulder	1,069,176	181.34	193,885	1,102,673	185.90	204,991
Jefferson	Whitehall	1,271,979	122.73	156,113	1,289,751	123.79	159,662
Judith Basin	Hobson	200,691	115.48	23,176	208,349	116.40	24,252
Judith Basin	Stanford	421,296	160.03	67,421	409,134	167.83	68,667
Lake	Polson	9,595,761	173.67	1,666,457	9,482,406	177.38	1,682,020
Lake	Ronan	1,737,611	146.05	253,777	1,706,628	162.86	277,943
Lake	St. Ignatius	560,255	125.49	70,308	554,375	128.91	71,463
Lewis & Clark	East Helena	2,329,963	232.65	542,074	2,350,755	234.82	552,012
Lewis & Clark	Helena	66,256,080	164.00	10,865,755	67,817,220	169.51	11,495,391
Liberty	Chester	925,102	144.62	133,784	968,268	150.73	145,945
Lincoln	Eureka	1,298,810	176.80	229,624	1,354,079	175.73	237,954
Lincoln	Libby	2,688,176	154.74	415,960	2,697,985	155.38	419,210
Lincoln	Troy	720,158	202.94	146,149	686,546	228.91	157,159
Madison	Ennis	2,367,247	154.26	365,174	2,448,060	158.84	388,842

Property Tax and Property Value Summaries

Valuation by City and Property Taxes Levied by City Governments							
County	City	TY 2017 (FY 2018)			TY 2018 (FY 2019)		
Madison	Sheridan	931,432	111.08	103,461	944,201	111.62	105,387
Madison	Twin Bridges	480,701	144.40	69,413	483,018	143.22	69,178
Madison	Virginia City	475,076	71.39	33,915	495,076	71.42	35,358
McCone	Circle	1,009,541	293.90	296,703	950,254	312.63	297,080
Meagher	White Sulphur Springs	1,121,994	172.03	193,014	1,141,385	174.04	198,642
Mineral	Alberton	439,912	184.72	81,261	448,116	188.57	84,502
Mineral	Superior	1,046,857	221.82	232,212	1,075,503	223.68	240,564
Missoula	Missoula	129,330,752	252.43	32,646,776	129,843,031	242.37	31,470,162
Musselshell	Melstone	116,850	305.63	35,713	156,126	306.92	47,919
Musselshell	Roundup	1,809,423	146.67	265,394	1,811,829	150.35	272,404
Park	Clyde Park	343,946	76.08	26,169	344,930	77.49	26,730
Park	Livingston	12,254,304	227.00	2,781,764	12,800,096	230.66	2,952,414
Petroleum	Winnett	148,641	224.32	33,343	150,451	227.49	34,226
Phillips	Dodson	139,744	170.00	23,756	136,473	170.00	23,200
Phillips	Malta	2,318,235	182.73	423,614	2,295,673	212.19	487,116
Phillips	Saco	442,610	288.16	127,544	329,464	387.63	127,711
Pondera	Conrad	2,698,594	172.32	465,025	2,725,904	175.36	478,015
Pondera	Valier	687,112	114.47	78,652	684,750	117.20	80,255
Powder River	Broadus	471,075	142.59	67,172	483,745	143.47	69,401
Powell	Deer Lodge	2,946,902	129.72	382,258	2,932,315	132.81	389,455
Prairie	Terry	618,727	193.42	119,675	616,295	198.91	122,588
Ravalli	Darby	804,088	139.20	111,927	797,275	142.64	113,727
Ravalli	Hamilton	9,754,521	249.02	2,429,044	9,685,242	242.98	2,353,355
Ravalli	Pinesdale	321,897	79.31	25,529	327,877	77.21	25,315
Ravalli	Stevensville	2,591,958	108.56	281,395	2,674,917	106.74	285,533
Richland	Fairview	1,078,206	156.60	168,847	1,113,534	156.60	174,379
Richland	Sidney	12,062,047	125.60	1,514,993	11,948,811	125.60	1,500,771
Roosevelt	Bainville	341,055	173.11	59,039	350,686	179.77	63,044
Roosevelt	Brockton	124,793	0.00	0	118,696	0.00	0
Roosevelt	Culbertson	1,297,395	160.18	207,811	1,343,110	161.83	217,361
Roosevelt	Froid	215,704	158.94	34,285	207,404	168.52	34,951
Roosevelt	Poplar	380,301	349.04	132,739	387,118	361.94	140,113
Roosevelt	Wolf Point	1,702,118	241.54	411,134	1,676,122	308.89	517,733
Rosebud	Colstrip	60,699,201	47.63	2,890,827	56,125,976	72.84	4,088,487
Rosebud	Forsyth	2,022,278	243.41	492,245	2,025,873	252.28	511,080
Sanders	Hot Springs	422,021	341.88	144,281	431,706	349.83	151,025
Sanders	Plains	1,217,390	255.82	311,432	1,256,698	299.09	375,870
Sanders	Thompson Falls	1,429,347	265.85	379,989	1,434,726	271.57	389,623
Sheridan	Medicine Lake	253,719	389.33	98,781	257,325	399.50	102,802
Sheridan	Outlook	88,087	117.35	10,337	87,150	120.00	10,458
Sheridan	Plentywood	2,282,871	196.52	448,635	2,281,080	201.07	458,653
Sheridan	Westby	360,892	520.17	187,724	408,075	558.87	228,059
Silver Bow	Walkerville	488,592	77.57	37,902	487,399	80.18	39,081
Stillwater	Columbus	7,180,547	181.27	1,301,594	7,323,447	189.18	1,385,426
Sweet Grass	Big Timber	3,658,536	139.00	508,537	3,805,073	140.99	536,467
Teton	Choteau	2,059,881	95.35	196,418	2,030,181	99.00	200,990
Teton	Dutton	289,767	272.50	78,962	280,934	281.09	78,967
Teton	Fairfield	1,288,806	161.06	207,580	1,313,440	162.97	214,051
Toole	Kevin	112,471	373.73	42,034	109,251	388.60	42,455
Toole	Shelby	3,363,627	255.65	859,896	3,371,420	258.65	872,031
Toole	Sunburst	513,245	221.93	113,906	524,361	216.52	113,533
Treasure	Hysham	220,230	401.83	88,496	228,833	408.64	93,509
Valley	Fort Peck	536,990	60.06	32,254	556,615	61.48	34,220
Valley	Glasgow	4,621,847	274.25	1,267,522	4,558,471	285.88	1,303,182
Valley	Nashua	323,189	157.34	50,852	315,943	165.58	52,314
Valley	Opheim	109,458	119.62	13,093	118,285	136.53	16,150
Wheatland	Harlowton	987,162	154.89	152,900	988,098	162.93	160,992
Wheatland	Judith Gap	164,816	158.95	26,198	168,238	163.97	27,586
Wibaux	Wibaux	527,879	161.81	85,417	560,098	165.36	92,618
Yellowstone	Billings	203,841,721	159.03	32,416,896	204,834,312	163.03	33,394,642
Yellowstone	Broadview	289,411	151.57	43,866	287,181	166.39	47,783
Yellowstone	Laurel	8,980,456	184.40	1,655,963	9,056,783	181.58	1,644,516
		979,467,125		171,739,281	990,265,593		177,768,897

Property Taxes Paid by Type of Property

The final section of the property tax section summarizes property taxes paid by each type of property. The actual amount of taxes paid is determined by the product of the total mills levied times the taxable value. Identical properties in separate locations may have different taxes because their jurisdictions have different levels of services or different costs of providing services and therefore different millage rates. Neighboring properties in different classes with identical market values may pay different taxes because of the application of different tax rates for different classes of property.

The tables on the following pages show the distribution of taxes paid by each class of property, the average mill for individual classes, and the effective rate taxpayers pay on their assessed value.

The pages following the property value summary tables show property values by county. This includes quantity in acres, the assessed market value, and the taxable value of different types of property.

Property Tax and Property Value Summaries

Property Type	2018 Tax		Valuation by Property Type				Taxes Levied by Levy Type		
	Rate	Class	2018 Total Assessed Value	2018 Total Taxable Value	Assessed Value within Towns/Cities	Taxable Value within Towns/Cities	University (6 mills)	State General Fund (95 mills)	
Proceeds									
Net Proceeds	100.00%	1.0	\$4,794,622	\$4,794,622	\$0	\$0	\$28,768	\$455,489	
Gross Proceeds of Metal Mines	3.00%	2.0	\$742,469,971	\$22,274,100	\$74,698,529	\$2,240,956	\$133,645	\$2,126,759	
Subtotal			\$747,264,593	\$27,068,722	\$74,698,529	\$2,240,956	\$162,412	\$2,582,249	
Subtotal Percent of Column Statewide Total			0.49%	0.93%	0.13%	0.23%	0.92%	0.92%	
Agricultural Land									
Tillable Irrigated	2.16%	3.0	\$1,143,710,301	\$24,704,157	\$1,880,459	\$40,617	\$148,225	\$2,350,456	
Tillable Non-Irrigated	2.16%	3.0	\$3,666,445,034	\$79,195,338	\$1,223,915	\$26,437	\$475,172	\$7,528,306	
Grazing Land	2.16%	3.0	\$1,557,012,137	\$33,634,392	\$478,839	\$10,512	\$201,806	\$3,199,244	
Wild Hay	2.16%	3.0	\$265,236,801	\$5,729,212	\$188,296	\$4,067	\$34,375	\$545,042	
Timber Land	0.37%	10.0	\$1,323,802,727	\$4,898,379	\$445,212	\$1,653	\$29,390	\$466,499	
Subtotal			\$7,956,207,000	\$148,161,478	\$4,216,721	\$83,286	\$888,969	\$14,089,547	
Subtotal Percent of Column Statewide Total			5.27%	5.10%	0.01%	0.01%	5.06%	5.04%	
Residential Land									
Farmstead 1 Acre	1.35%	4.2	\$66,815,227	\$1,448,802	\$329,785	\$7,137	\$8,693	\$137,880	
Non-Qualified Ag Land	15.12%	3.0	\$51,803,055	\$7,832,996	\$455,445	\$68,891	\$46,997	\$746,672	
Non-Q Ag Land 1 Acre	1.35%	4.2	\$1,091,013,653	\$14,729,556	\$8,488,506	\$114,593	\$88,377	\$1,404,431	
City/Town Lots Residential	1.35%	4.2	\$9,730,122,680	\$131,356,785	\$9,191,533,488	\$124,086,314	\$788,140	\$12,585,977	
Suburban Tracts Residential	1.35%	4.2	\$15,835,186,800	\$213,776,487	\$204,844,726	\$2,765,439	\$1,282,659	\$20,382,206	
Suburban Tracts - Low Income	varies	4.2	\$1,010,062,575	\$4,163,495	\$388,865,601	\$1,677,413	\$24,981	\$398,077	
Subtotal			\$27,785,003,990	\$373,308,121	\$9,794,517,551	\$128,719,787	\$2,239,847	\$35,655,242	
Subtotal Percent of Column Statewide Total			18.40%	12.85%	16.94%	13.00%	12.75%	12.75%	
Residential Improvements									
Impr. on Ag and Timber Land	1.35%	4.1	\$5,743,476,267	\$78,190,061	\$13,102,985	\$176,897	\$469,192	\$7,442,347	
Impr. on Disparately Owned Ag Land	1.35%	4.1	\$42,392,817	\$572,313	\$133,920	\$1,808	\$3,434	\$54,373	
Impr. on Right of Way - Agricultural	1.35%	4.1	\$683,140	\$9,222	\$608,350	\$8,212	\$55	\$876	
Impr. on Suburban Tracts Residential	1.35%	4.1	\$35,007,580,708	\$483,407,069	\$366,422,933	\$4,727,756	\$2,900,440	\$46,099,199	
Impr. on City/Town Lots Residential	1.35%	4.1	\$29,949,188,140	\$404,691,114	\$28,248,433,025	\$381,730,919	\$2,428,147	\$38,779,599	
Impr. on Tracts and Lots - Low Income	varies	4.1	\$2,281,676,967	\$9,073,938	\$1,097,545,632	\$4,606,272	\$54,444	\$867,715	
Impr. on Right of Way - Residential	1.35%	4.1	\$491,530	\$6,634	\$276,030	\$3,725	\$40	\$632	
Remodeled Residential Improvements	varies	4.1	\$178,324	\$0	\$0	\$0	\$14	\$229	
Mobile Homes	1.35%	4.1	\$854,391,507	\$11,534,655	\$252,059,787	\$3,402,968	\$69,208	\$1,102,667	
Mobile Homes - Low Income	varies	4.1	\$64,287,456	\$258,693	\$24,941,833	\$100,195	\$1,552	\$24,794	
Extended Property Tax Assistance Program	varies	4.3	\$0	\$0	\$0	\$0	\$0	\$0	
Penalty	1.35%	4.1	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal			\$73,944,346,856	\$987,743,699	\$30,003,524,495	\$394,758,752	\$5,926,526	\$94,372,431	
Subtotal Percent of Column Statewide Total			48.96%	34.00%	51.88%	39.86%	33.74%	33.75%	
Commercial Land									
Suburban Tracts Commercial	1.89%	4.9	\$1,607,631,583	\$30,384,347	\$123,587,677	\$2,335,807	\$182,283	\$2,903,088	
City/Town Lots Commercial	1.89%	4.9	\$4,269,163,478	\$80,687,156	\$4,111,221,541	\$77,702,050	\$484,119	\$7,741,929	
Industrial Sites	1.89%	4.9	\$253,524,481	\$4,791,615	\$57,135,770	\$1,079,859	\$28,741	\$458,929	
Qualified Golf Courses	0.95%	4.9	\$51,559,045	\$489,814	\$9,863,138	\$93,702	\$2,939	\$46,675	
Locally Assessed Co-op Land	3.00%	5.0	\$33,701	\$1,011	\$5,684	\$171	\$6	\$96	
Eligible Mining Claims	2.16%	3.0	\$1,079,863	\$23,329	\$17,044	\$371	\$140	\$2,227	
Subtotal			\$6,182,992,151	\$116,377,272	\$4,301,830,854	\$81,211,960	\$698,229	\$11,152,945	
Subtotal Percent of Column Statewide Total			4.09%	4.01%	7.44%	8.20%	3.98%	3.99%	
Commercial Improvements									
Impr. on Suburban Tracts Commercial	1.89%	4.8	\$3,703,414,224	\$69,994,548	\$319,346,357	\$6,035,646	\$419,830	\$6,682,470	
Impr. on City/Town Lots Commercial	1.89%	4.8	\$9,061,522,504	\$171,192,279	\$8,539,855,949	\$161,332,751	\$1,027,581	\$16,421,206	
Impr. on Right of Way - Commercial	1.89%	4.8	\$28,747,172	\$543,324	\$22,794,719	\$430,824	\$3,145	\$51,723	
Locally Assessed Co-op Improvements	3.00%	5.0	\$198,472	\$5,954	\$0	\$0	\$36	\$566	
Impr. on Qualified Golf Courses	0.95%	4.8	\$184,403,347	\$1,751,503	\$25,248,757	\$239,862	\$10,511	\$167,121	
Impr. on Industrial Sites	1.89%	4.8	\$1,488,759,509	\$28,137,559	\$364,166,052	\$6,882,732	\$167,520	\$2,690,873	
New Industrial Improvements	varies	4.8	\$175,259,423	\$1,940,467	\$85,097,300	\$957,612	\$19,874	\$316,592	
Improvements on Industrial Land	3.00%	5.0	\$11,250	\$338	\$0	\$0	\$2	\$32	
Remodeled Commercial Improvements	varies	4.8	\$39,853,463	\$118,140	\$20,702,706	\$42,711	\$4,519	\$72,632	
New and Expanding R & D Improvements	varies	5.0	\$19,090	\$90	\$0	\$0	\$2	\$35	
Impr. for Pollution Control	3.00%	5.0	\$16,771,512	\$394,010	\$2,424,092	\$11,030	\$2,364	\$37,888	
Subtotal			\$14,698,959,966	\$274,078,212	\$9,379,635,932	\$175,933,168	\$1,655,385	\$26,441,138	
Subtotal Percent of Column Statewide Total			9.73%	9.44%	16.22%	17.77%	9.42%	9.46%	

Property Tax and Property Value Summaries

		Taxes Levied by Levy Type						Totals and Summaries		
Property Type	2018 Tax Rate	Class	County	Miscellaneous and Fire	County Wide School Ret/Trans	Local Schools	Cities/Towns	Total Taxes Levied	Effective Rate	Average Mill Levy for Property Type
Proceeds										
Net Proceeds	100.00%	1.0	\$594,627	\$183,135	\$59,421	\$608,777	\$0	\$1,930,216	40.26%	402.58
Gross Proceeds of Metal Mines	3.00%	2.0	\$5,396,015	\$653,146	\$894,352	\$3,460,828	\$382,774	\$13,047,519	1.76%	585.77
Subtotal			\$5,990,641	\$836,280	\$953,773	\$4,069,605	\$382,774	\$14,977,734	2.00%	553.32
Subtotal Percent of Column Statewide Total			1.27%	1.27%	0.71%	0.67%	0.22%	0.85%		
Agricultural Land										
Tillable Irrigated	2.16%	3.0	\$4,423,547	\$432,847	\$1,091,176	\$5,231,271	\$6,750	\$13,684,271	1.20%	553.93
Tillable Non-Irrigated	2.16%	3.0	\$16,080,333	\$1,084,461	\$3,492,525	\$14,265,949	\$5,072	\$42,931,818	1.17%	542.10
Grazing Land	2.16%	3.0	\$6,294,900	\$371,187	\$1,459,650	\$5,873,307	\$1,873	\$17,401,967	1.12%	517.39
Wild Hay	2.16%	3.0	\$996,039	\$67,724	\$232,074	\$1,005,740	\$887	\$2,881,883	1.09%	503.02
Timber Land	0.37%	10.0	\$834,989	\$66,918	\$239,205	\$995,954	\$161	\$2,633,117	0.20%	537.55
Subtotal			\$28,629,807	\$2,023,138	\$6,514,631	\$27,372,221	\$14,743	\$79,533,056	1.00%	536.80
Subtotal Percent of Column Statewide Total			6.07%	3.08%	4.85%	4.52%	0.01%	4.54%		
Residential Land										
Farmstead 1 Acre	1.35%	4.2	\$261,685	\$27,702	\$62,842	\$282,626	\$836	\$782,264	1.17%	539.94
Non-Qualified Ag Land	15.12%	3.0	\$1,414,135	\$183,582	\$370,154	\$1,606,660	\$12,312	\$4,380,512	8.46%	559.24
Non-Q Ag Land 1 Acre	1.35%	4.2	\$2,442,604	\$447,567	\$741,885	\$3,068,923	\$14,873	\$8,208,659	0.75%	557.29
City/Town Lots Residential	1.35%	4.2	\$19,493,062	\$2,478,095	\$6,936,859	\$34,130,582	\$22,834,766	\$99,247,481	1.02%	755.56
Suburban Tracts Residential	1.35%	4.2	\$35,189,982	\$8,006,592	\$10,597,306	\$43,507,573	\$442,295	\$119,408,614	0.75%	558.57
Suburban Tracts - Low Income	varies	4.2	\$683,502	\$131,403	\$212,614	\$1,013,787	\$320,674	\$2,785,037	0.28%	668.92
Subtotal			\$59,484,970	\$11,274,942	\$18,921,659	\$83,610,151	\$23,625,756	\$234,812,567	0.85%	629.00
Subtotal Percent of Column Statewide Total			12.62%	17.15%	14.09%	13.80%	13.29%	13.40%		
Residential Improvements										
Impr. on Ag and Timber Land	1.35%	4.1	\$13,823,835	\$1,623,841	\$3,434,879	\$15,446,827	\$32,328	\$42,273,250	0.74%	540.65
Impr. on Disparately Owned Ag Land	1.35%	4.1	\$110,990	\$7,868	\$23,984	\$103,920	\$570	\$305,139	0.72%	533.17
Impr. on Right of Way - Agricultural	1.35%	4.1	\$1,213	\$155	\$460	\$2,986	\$1,079	\$6,824	1.00%	739.99
Impr. on Suburban Tracts Residential	1.35%	4.1	\$78,228,112	\$17,789,177	\$22,768,741	\$98,309,508	\$871,582	\$266,966,759	0.76%	552.26
Impr. on City/Town Lots Residential	1.35%	4.1	\$59,850,874	\$6,755,793	\$21,270,997	\$104,188,429	\$70,359,941	\$303,633,780	1.01%	750.29
Impr. on Tracts and Lots - Low Income	varies	4.1	\$1,494,929	\$240,821	\$455,070	\$2,194,051	\$861,906	\$6,168,936	0.27%	679.85
Impr. on Right of Way - Residential	1.35%	4.1	\$1,025	\$210	\$323	\$1,475	\$806	\$4,510	0.92%	679.88
Remodeled Residential Improvements	varies	4.1	\$0	\$0	\$0	\$0	\$0	\$243	0.14%	-
Mobile Homes	1.35%	4.1	\$1,849,811	\$302,666	\$533,218	\$2,533,364	\$609,997	\$7,000,931	0.82%	606.95
Mobile Homes - Low Income	varies	4.1	\$41,063	\$9,325	\$12,682	\$63,039	\$18,476	\$170,931	0.27%	660.75
Extended Property Tax Assistance Program	varies	4.3	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Penalty	1.35%	4.1	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Subtotal			\$155,401,852	\$26,729,856	\$48,500,354	\$222,843,599	\$72,756,685	\$626,531,302	0.85%	634.31
Subtotal Percent of Column Statewide Total			32.97%	40.67%	36.11%	36.77%	40.93%	35.75%		
Commercial Land										
Suburban Tracts Commercial	1.89%	4.9	\$4,990,427	\$1,405,758	\$1,492,465	\$6,751,357	\$440,589	\$18,165,968	1.13%	597.87
City/Town Lots Commercial	1.89%	4.9	\$11,650,031	\$1,381,879	\$4,300,955	\$20,683,895	\$14,427,980	\$60,670,789	1.42%	751.93
Industrial Sites	1.89%	4.9	\$791,073	\$125,929	\$226,488	\$1,073,005	\$197,327	\$2,901,493	1.14%	605.54
Qualified Golf Courses	0.95%	4.9	\$74,296	\$18,341	\$22,566	\$100,019	\$12,998	\$277,834	0.54%	567.22
Locally Assessed Co-op Land	3.00%	5.0	\$198	\$29	\$52	\$158	\$22	\$561	1.66%	554.64
Eligible Mining Claims	2.16%	3.0	\$5,084	\$732	\$846	\$4,867	\$30	\$13,926	1.29%	596.95
Subtotal			\$17,511,110	\$2,932,669	\$6,043,372	\$28,613,301	\$15,078,946	\$82,030,571	1.33%	704.87
Subtotal Percent of Column Statewide Total			3.71%	4.46%	4.50%	4.72%	8.48%	4.68%		
Commercial Improvements										
Impr. on Suburban Tracts Commercial	1.89%	4.8	\$11,640,643	\$2,822,438	\$3,511,242	\$16,020,758	\$1,206,806	\$42,304,188	1.14%	604.39
Impr. on City/Town Lots Commercial	1.89%	4.8	\$25,480,193	\$2,949,659	\$9,163,883	\$43,462,665	\$30,159,411	\$128,664,599	1.42%	751.58
Impr. on Right of Way - Commercial	1.89%	4.8	\$75,931	\$7,626	\$23,733	\$121,710	\$91,327	\$375,195	1.31%	690.55
Locally Assessed Co-op Improvements	3.00%	5.0	\$850	\$17	\$339	\$1,033	\$0	\$2,840	1.43%	476.98
Impr. on Qualified Golf Courses	0.95%	4.8	\$270,243	\$54,059	\$72,522	\$330,415	\$34,448	\$939,319	0.51%	536.29
Impr. on Industrial Sites	1.89%	4.8	\$5,151,481	\$590,780	\$1,302,733	\$6,123,650	\$1,474,578	\$17,501,615	1.18%	622.00
New Industrial Improvements	varies	4.8	\$324,407	\$23,113	\$92,518	\$460,249	\$177,150	\$1,413,905	0.81%	728.64
Improvements on Industrial Land	3.00%	5.0	\$74	\$0	\$0	\$47	\$0	\$155	1.37%	457.14
Remodeled Commercial Improvements	varies	4.8	\$32,023	\$5,025	\$6,206	\$28,414	\$8,804	\$157,623	0.40%	1334.20
New and Expanding R & D Improvements	varies	5.0	\$15	\$0	\$4	\$25	\$0	\$81	0.43%	905.17
Impr. for Pollution Control	3.00%	5.0	\$84,787	\$2,523	\$19,124	\$104,836	\$2,590	\$254,112	1.52%	644.94
Subtotal			\$43,060,646	\$6,455,241	\$14,192,305	\$66,653,801	\$33,155,115	\$191,613,631	1.30%	699.12
Subtotal Percent of Column Statewide Total			9.13%	9.82%	10.57%	11.00%	18.65%	10.93%		

Property Tax and Property Value Summaries

Property Type	2018 Tax		Valuation by Property Type				Taxes Levied by Levy Type	
	Rate	Class	2018 Total Assessed Value	2018 Total Taxable Value	Assessed Value within Towns/Cities	Taxable Value within Towns/Cities	University (6 mills)	State General Fund (95 mills)
Personal Property								
Furniture and Fixtures	varies	8.0	\$802,911,487	\$13,942,753	\$626,526,882	\$10,772,286	\$83,657	\$1,336,755
Machin. other than Farm, Min., Manuf.	varies	8.0	\$887,993,920	\$17,572,303	\$137,002,337	\$2,339,556	\$105,434	\$1,677,803
Repair Tools	varies	8.0	\$2,453,278	\$45,020	\$1,194,480	\$23,457	\$270	\$4,310
Manufacturing Machinery	varies	8.0	\$2,851,824,123	\$78,892,145	\$709,357,411	\$19,054,142	\$473,353	\$7,581,401
Ski Lifts	varies	8.0	\$46,583,175	\$1,096,471	\$0	\$0	\$6,579	\$104,175
Supplies and Materials	varies	8.0	\$316,153,528	\$8,835,980	\$55,826,577	\$1,347,393	\$53,016	\$846,955
Rural Telephone Property	8.00%	7.0	\$15,191,024	\$1,215,281	\$15,142,552	\$1,211,404	\$7,292	\$117,260
Air and H2O Pollution Control	3.00%	5.0	\$84,965,597	\$2,548,966	\$4,081,969	\$122,458	\$15,294	\$245,103
New & Expanding Ind- Air & H2O P C	2.40%	5.0	\$0	\$0	\$0	\$0	\$0	\$0
Aluminum Electrolytic Equipment	3.00%	5.0	\$0	\$0	\$0	\$0	\$0	\$0
Cable TV Systems	varies	8.0	\$14,286,677	\$215,642	\$8,585,495	\$129,929	\$1,294	\$20,581
Theatre and Sound Equipment	varies	8.0	\$1,824,192	\$27,814	\$1,683,737	\$25,283	\$167	\$2,664
Radio and TV Broadcasting Equip.	varies	8.0	\$12,551,168	\$186,349	\$6,230,470	\$93,536	\$1,118	\$17,897
CB's and Mobile Phones	varies	8.0	\$5,483,403	\$150,803	\$463,431	\$8,172	\$905	\$14,514
Rental Equipment	varies	8.0	\$17,774,849	\$286,370	\$5,250,529	\$85,663	\$1,718	\$27,359
New & Expanding Ind- Mach & Eq	varies	8.0	\$573,694,171	\$6,810,461	\$26,184,858	\$340,401	\$97,853	\$1,567,758
Oil & Gas Field Equipment	varies	8.0	\$277,514,348	\$6,236,235	\$5,184,993	\$78,047	\$37,417	\$592,463
Oil & Gas Flow Lines	varies	8.0	\$112,894,229	\$2,928,281	\$994,820	\$15,051	\$17,570	\$278,212
Ag Implements	varies	8.0	\$810,620,016	\$12,968,025	\$6,785,217	\$289,715	\$77,808	\$1,232,890
Local Assessed Utility Intra-Co Lines	varies	8.0	\$0	\$0	\$0	\$0	\$0	\$0
Centrally Assessed Personal Property	varies	8.0	\$180,315,631	\$5,137,550	\$5,918,560	\$149,042	\$30,825	\$488,344
Failure to Report Penalty	8.00%	7.0	\$0	\$0	\$0	\$0	\$0	\$0
Failure to Report Penalty	varies	8.0	\$34,739,081	\$529,222	\$7,881,883	\$123,415	\$3,175	\$50,462
Coal and Ore Haulers	varies	8.0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal			\$7,049,773,897	\$159,625,670	\$1,624,296,201	\$36,208,951	\$1,014,745	\$16,206,905
Subtotal Percent of Column Statewide Total			4.67%	5.50%	2.81%	3.66%	7.24%	7.26%
Utilities Real								
Rural Co-op companies Real	3.00%	5.0	\$101,299,870	\$3,038,372	\$25,571,105	\$767,125	\$18,234	\$289,143
Independent Tele Companies Real	3.00%	5.0	\$2,046,181	\$61,386	\$292,768	\$8,784	\$368	\$5,874
Electric Companies Real	12.00%	9.0	\$57,108,891	\$6,853,063	\$5,541,855	\$665,022	\$41,118	\$654,591
Gas & Electric Companies Real	12.00%	9.0	\$111,778,384	\$13,413,418	\$26,892,080	\$3,227,055	\$80,481	\$1,283,496
Pipelines Real	12.00%	9.0	\$205,265,896	\$18,857,781	\$4,507,102	\$540,852	\$147,791	\$2,340,954
Class 15 Pipeline Real	3.00%	15.0	\$19,476,612	\$272,721	\$0	\$0	\$1,636	\$25,908
Telecom Companies Real	6.00%	13.0	\$348,283,582	\$20,897,015	\$166,378,993	\$9,982,739	\$125,382	\$1,999,215
Centrally Assessed New & Exp Situs	9.60%	9.0	\$0	\$0	\$0	\$0	\$0	\$0
Railroads Real	2.97%	12.0	\$100,574,481	\$3,137,454	\$40,109,685	\$1,251,421	\$18,828	\$299,690
Airlines Real	2.97%	12.0	\$1,855,677	\$57,895	\$1,593,982	\$49,731	\$347	\$5,586
Electric Generation Real Property	6.00%	13.0	\$1,570,760,445	\$94,245,628	\$811,030,273	\$48,661,818	\$565,474	\$8,976,344
Rural Co-op Companies Real Prop New&Exp	1.50%	5.0	\$0	\$0	\$0	\$0	\$0	\$0
10 Year Exempt Electric Generation Real	0.00%	13.0	\$874,536	\$0	\$518,475	\$0	\$0	\$0
Subtotal			\$2,519,324,555	\$160,834,733	\$1,082,436,318	\$65,154,547	\$999,660	\$15,880,803
Subtotal Percent of Column Statewide Total			1.67%	5.54%	1.87%	6.58%	5.69%	5.68%
Utilities Personal								
Rural Co-op Companies Pers Prop	3.00%	5.0	\$409,378,936	\$11,914,920	\$92,282,581	\$2,768,485	\$73,686	\$1,168,802
Independent Tele Companies Pers Prop	varies	5.0	\$8,015,671	\$240,477	\$919,585	\$27,590	\$1,443	\$22,965
Electric Companies Pers Prop	12.00%	9.0	\$18,295,043	\$2,195,411	\$15,386,329	\$1,846,365	\$13,172	\$208,743
Gas & Electric Companies Pers Prop	12.00%	9.0	\$1,272,063,296	\$152,647,423	\$516,845,560	\$62,021,447	\$915,885	\$14,614,601
Pipelines Pers Prop	12.00%	9.0	\$442,876,784	\$49,565,639	\$8,487,308	\$1,018,474	\$297,394	\$4,715,212
Class 15 Pipeline Personal	3.00%	15.0	\$95,251,614	\$1,428,774	\$0	\$0	\$8,573	\$135,734
Telecom Companies Pers Prop	6.00%	13.0	\$296,457,070	\$17,787,420	\$202,657,910	\$12,159,459	\$106,725	\$1,703,504
Rural Co-op Companies Pers Prop New&Exp	1.50%	5.0	\$0	\$0	\$0	\$0	\$0	\$0
Railroads Pers Prop	2.97%	12.0	\$130,538,399	\$4,071,571	\$33,319,057	\$1,039,552	\$24,437	\$391,225
Airlines Pers Prop	2.97%	12.0	\$20,712,593	\$646,233	\$13,725,398	\$428,232	\$3,877	\$62,120
Electric Generation Personal Prop	6.00%	13.0	\$424,274,242	\$25,456,459	\$31,207,451	\$1,872,449	\$152,739	\$2,427,534
Centrally Assessed Pollution Control	3.00%	5.0	\$534,873,019	\$4,727,733	\$245,965,983	\$3,127,625	\$28,366	\$449,135
New & Exp Ind -Elect Gen/Tele Pers Prop	varies	13.0	\$4,080,606	\$187,600	\$0	\$0	\$1,469	\$23,259
10 Year Exempt Electric Generation Pers Prop	0.00%	13.0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal			\$3,656,817,273	\$270,869,660	\$1,160,797,162	\$86,309,678	\$1,627,765	\$25,922,832
Subtotal Percent of Column Statewide Total			2.42%	9.32%	2.01%	8.72%	9.27%	9.27%
Utilities Mileage								
Rural Co-op Companies Mileage	3.00%	5.0	\$787,925,260	\$23,633,896	\$35,817,622	\$1,074,529	\$141,826	\$2,249,338
Independent Tele Companies Mileage	3.00%	5.0	\$24,840,891	\$745,228	\$138,282	\$4,150	\$4,471	\$71,031
Electric Companies Mileage	12.00%	9.0	\$201,569,061	\$24,188,275	\$20,311,819	\$2,437,415	\$145,130	\$2,304,491
Gas & Electric Companies Mileage	12.00%	9.0	\$459,108,619	\$55,093,007	\$17,276,475	\$2,073,173	\$330,558	\$5,252,113
Pipelines Mileage	12.00%	9.0	\$1,439,963,289	\$172,795,600	\$13,657,740	\$1,638,929	\$1,036,774	\$16,426,879
Class 15 Pipeline Millage	3.00%	15.0	\$4,651,958	\$69,779	\$0	\$0	\$419	\$6,629
Telecom Companies Mileage	6.00%	13.0	\$232,539,592	\$13,952,371	\$85,742,711	\$5,144,553	\$83,714	\$1,335,851
Rural Co-op Companies Mileage New&Exp	1.50%	5.0	\$0	\$0	\$0	\$0	\$0	\$0
Railroads Mileage	2.97%	12.0	\$2,411,476,209	\$75,078,474	\$163,034,878	\$5,086,690	\$451,337	\$7,166,010
Airlines Flight Property Mileage	2.97%	12.0	\$158,351,152	\$4,940,556	\$70,026,212	\$2,184,818	\$29,643	\$473,788
Renewable Mileage	1.50%	14.0	\$118,924,000	\$1783,860	\$0	\$0	\$10,703	\$169,881
Subtotal			\$5,839,350,031	\$372,281,046	\$406,005,739	\$19,644,257	\$2,234,576	\$35,456,011
Subtotal Percent of Column Statewide Total			3.87%	12.82%	0.70%	1.98%	12.72%	12.68%
Wind Generation								
Wind Generation Impr. New&Exp	varies	14.0	\$3,542,013	\$98,401	\$0	\$0	\$638	\$10,095
Wind Generation Personal Prop. New&Exp	varies	14.0	\$639,461,214	\$14,325,494	\$8,367	\$251	\$115,103	\$1,822,464
Subtotal			\$643,003,227	\$14,423,895	\$8,367	\$251	\$115,741	\$1,832,559
Subtotal Percent of Column Statewide Total			0.43%	0.50%	0.00%	0.00%	0.66%	0.66%
Statewide Summaries								
Statewide Total			\$151,023,043,539	\$2,904,772,508	\$57,831,967,869	\$990,265,593	\$17,563,853	\$279,592,662
Statewide Average Mill Levy							6.05	96.25

Property Tax and Property Value Summaries

Property Type	Taxes Levied by Levy Type							Totals and Summaries		
	2018 Tax Rate	Class	County	Miscellaneous and Fire	County Wide School Ret/Trans	Local Schools	Cities/Towns	Total Taxes Levied	Effective Rate	Average Mill Levy for Property Type
Personal Property										
Furniture and Fixtures	varies	8.0	\$2,075,180	\$317,774	\$696,428	\$3,389,053	\$2,029,658	\$9,928,504	1.24%	712.09
Machin. other than Farm, Min., Manuf.	varies	8.0	\$3,026,752	\$444,451	\$764,279	\$3,181,490	\$446,022	\$9,646,231	1.09%	548.95
Repair Tools	varies	8.0	\$5,916	\$906	\$2,139	\$8,602	\$3,747	\$25,891	1.06%	575.10
Manufacturing Machinery	varies	8.0	\$13,909,145	\$1,037,002	\$3,662,952	\$18,399,463	\$3,741,699	\$48,805,014	1.71%	618.63
Ski Lifts	varies	8.0	\$1,127,098	\$27,196	\$13,531	\$75,202	\$0	\$353,781	0.76%	322.65
Supplies and Materials	varies	8.0	\$1,526,937	\$99,239	\$385,975	\$1,896,317	\$258,055	\$5,066,493	1.60%	573.39
Rural Telephone Property	8.00%	7.0	\$158,064	\$23,663	\$58,192	\$305,636	\$241,340	\$911,447	6.00%	749.99
Air and H2O Pollution Control	3.00%	5.0	\$432,647	\$16,889	\$117,558	\$624,845	\$23,776	\$1,476,113	1.74%	579.10
New & Expanding Ind- Air & H2O P C	2.40%	5.0	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Aluminum Electrolytic Equipment	3.00%	5.0	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Cable TV Systems	varies	8.0	\$31,810	\$4,475	\$10,387	\$46,501	\$22,675	\$137,722	0.96%	638.66
Theatre and Sound Equipment	varies	8.0	\$3,971	\$608	\$1,441	\$6,717	\$4,663	\$20,231	1.11%	727.34
Radio and TV Broadcasting Equip.	varies	8.0	\$29,432	\$4,396	\$8,883	\$43,434	\$18,129	\$123,290	0.98%	661.61
CB's and Mobile Phones	varies	8.0	\$25,440	\$827	\$7,049	\$37,013	\$1,561	\$87,308	1.59%	578.96
Rental Equipment	varies	8.0	\$45,913	\$7,255	\$13,210	\$61,148	\$15,006	\$171,610	0.97%	599.26
New & Expanding Ind- Mach & Eq	varies	8.0	\$1,217,559	\$89,717	\$336,285	\$1,653,068	\$51,314	\$5,013,555	0.87%	736.16
Oil & Gas Field Equipment	varies	8.0	\$1,122,645	\$32,375	\$86,827	\$534,449	\$15,506	\$2,421,682	0.87%	388.32
Oil & Gas Flow Lines	varies	8.0	\$540,241	\$14,620	\$40,443	\$222,298	\$3,419	\$1,116,804	0.99%	381.39
Ag Implements	varies	8.0	\$2,473,129	\$196,553	\$547,920	\$2,390,006	\$52,691	\$6,970,997	0.86%	537.55
Local Assessed Utility Intra-Co Lines	varies	8.0	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Centrally Assessed Personal Property	varies	8.0	\$1,108,919	\$22,942	\$50,382	\$386,797	\$28,974	\$2,117,183	1.17%	412.10
Failure to Report Penalty	8.00%	7.0	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Failure to Report Penalty	varies	8.0	\$94,108	\$10,811	\$23,454	\$106,171	\$21,957	\$310,139	0.89%	586.03
Coal and Ore Haulers	varies	8.0	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Subtotal			\$27,954,906	\$2,351,698	\$6,827,337	\$33,368,210	\$6,980,193	\$94,703,994	1.34%	593.29
Subtotal Percent of Column Statewide Total			8.22%	5.65%	6.99%	6.99%	4.41%	7.04%		
Utilities Real										
Rural Co-op companies Real	3.00%	5.0	\$549,347	\$51,459	\$117,761	\$610,474	\$162,438	\$1,798,856	1.78%	592.05
Independent Tele Companies Real	3.00%	5.0	\$10,597	\$859	\$2,907	\$14,851	\$2,113	\$37,568	1.84%	612.00
Electric Companies Real	12.00%	9.0	\$1,095,449	\$85,725	\$235,938	\$699,103	\$48,865	\$2,860,790	5.01%	417.45
Gas & Electric Companies Real	12.00%	9.0	\$2,889,352	\$363,100	\$617,172	\$2,827,703	\$608,687	\$8,669,991	7.76%	646.37
Pipelines Real	12.00%	9.0	\$3,117,894	\$322,567	\$860,511	\$2,337,562	\$109,407	\$9,236,687	4.50%	489.81
Class 15 Pipeline Real	3.00%	15.0	\$49,730	\$274	\$269	\$27,560	\$0	\$105,377	0.54%	386.39
Telecom Companies Real	6.00%	13.0	\$3,570,990	\$379,129	\$1,193,942	\$5,029,075	\$1,870,196	\$14,167,928	4.07%	677.99
Centrally Assessed New & Exp Situs	9.60%	9.0	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Railroads Real	2.97%	12.0	\$502,084	\$50,248	\$160,559	\$728,479	\$263,659	\$2,023,527	2.01%	644.96
Airlines Real	2.97%	12.0	\$8,321	\$916	\$2,846	\$14,496	\$9,394	\$41,906	2.26%	723.82
Electric Generation Real Property	6.00%	13.0	\$8,637,867	\$2,571,075	\$2,977,059	\$8,313,482	\$3,642,016	\$35,683,317	2.27%	378.62
Rural Co-op Companies Real Prop New&Exp	1.50%	5.0	\$0	\$0	\$0	\$0	\$0	\$0	-	-
10 Year Exempt Electric Generation Real	0.00%	13.0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	-
Subtotal			\$20,431,610	\$3,825,351	\$6,168,965	\$20,602,784	\$6,716,775	\$74,625,948	2.96%	463.99
Subtotal Percent of Column Statewide Total			4.33%	5.82%	4.59%	3.40%	3.78%	4.26%		
Utilities Personal										
Rural Co-op Companies Pers Prop	3.00%	5.0	\$2,123,443	\$216,449	\$573,312	\$2,530,987	\$579,964	\$7,266,642	1.78%	609.88
Independent Tele Companies Pers Prop	varies	5.0	\$43,538	\$3,666	\$11,736	\$51,611	\$6,143	\$141,101	1.76%	586.76
Electric Companies Pers Prop	12.00%	9.0	\$314,503	\$53,568	\$140,566	\$582,264	\$293,174	\$1,605,990	8.78%	731.52
Gas & Electric Companies Pers Prop	12.00%	9.0	\$26,847,661	\$2,985,395	\$7,784,834	\$36,406,403	\$11,482,556	\$101,037,335	7.94%	661.90
Pipelines Pers Prop	12.00%	9.0	\$8,263,943	\$443,031	\$1,260,125	\$5,840,424	\$206,555	\$21,026,683	4.75%	424.22
Class 15 Pipeline Personal	3.00%	15.0	\$280,519	\$1,450	\$1,457	\$146,358	\$0	\$554,091	0.58%	387.81
Telecom Companies Pers Prop	6.00%	13.0	\$2,815,545	\$312,100	\$971,566	\$4,487,202	\$2,280,470	\$12,677,108	4.28%	712.70
Rural Co-op Companies Pers Prop New&Exp	1.50%	5.0	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Railroads Pers Prop	2.97%	12.0	\$660,991	\$67,824	\$205,415	\$953,095	\$209,741	\$2,512,728	1.92%	617.14
Airlines Pers Prop	2.97%	12.0	\$91,942	\$16,426	\$33,214	\$169,040	\$77,002	\$453,622	2.19%	701.95
Electric Generation Personal Prop	6.00%	13.0	\$4,501,574	\$441,438	\$964,653	\$3,815,091	\$136,860	\$12,439,889	2.93%	488.67
Centrally Assessed Pollution Control	3.00%	5.0	\$396,022	\$147,307	\$123,812	\$230,013	\$231,962	\$1,606,618	0.30%	339.83
New & Exp Ind -Elect Gen/Tele Pers Prop	varies	13.0	\$27,213	\$0	\$10,676	\$56,929	\$0	\$119,547	2.93%	637.24
10 Year Exempt Electric Generation Pers Prop	0.00%	13.0	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Subtotal			\$46,346,895	\$4,688,654	\$12,081,366	\$55,269,416	\$15,504,426	\$161,441,355	4.41%	596.01
Subtotal Percent of Column Statewide Total			9.83%	7.13%	8.99%	9.12%	8.72%	9.21%		
Utilities Mileage										
Rural Co-op Companies Mileage	3.00%	5.0	\$4,331,487	\$382,113	\$1,085,981	\$4,621,198	\$215,876	\$13,027,819	1.65%	551.23
Independent Tele Companies Mileage	3.00%	5.0	\$140,139	\$12,217	\$34,679	\$133,864	\$695	\$397,097	1.60%	532.85
Electric Companies Mileage	12.00%	9.0	\$4,144,392	\$306,773	\$1,025,096	\$5,040,001	\$389,787	\$13,355,670	6.63%	552.15
Gas & Electric Companies Mileage	12.00%	9.0	\$9,955,230	\$978,140	\$2,620,172	\$11,290,818	\$375,358	\$30,802,389	6.71%	559.10
Pipelines Mileage	12.00%	9.0	\$28,076,594	\$1,274,711	\$4,176,403	\$20,007,752	\$239,489	\$71,238,602	4.95%	412.27
Class 15 Pipeline Mileage	3.00%	15.0	\$12,724	\$70	\$68	\$6,784	\$0	\$26,694	0.57%	382.54
Telecom Companies Mileage	6.00%	13.0	\$2,372,467	\$335,424	\$751,528	\$3,511,293	\$957,022	\$9,347,298	4.02%	669.94
Rural Co-op Companies Mileage New&Exp	1.50%	5.0	\$0	\$0	\$0	\$0	\$0	\$0	-	-
Railroads Mileage	2.97%	12.0	\$13,690,770	\$1,041,758	\$3,555,326	\$14,721,818	\$992,674	\$41,619,694	1.73%	554.35
Airlines Flight Property Mileage	2.97%	12.0	\$734,662	\$205,403	\$257,392	\$1,295,004	\$382,538	\$3,378,430	2.13%	683.82
Renewable Mileage	1.50%	14.0	\$372,396	\$18,170	\$100,824	\$399,635	\$0	\$1,071,609	0.90%	600.72
Subtotal			\$63,830,861	\$4,554,778	\$13,607,468	\$61,028,168	\$3,553,439	\$184,265,301	3.16%	494.96
Subtotal Percent of Column Statewide Total			13.54%	6.93%	10.13%	10.07%	2.00%	10.51%		
Wind Generation										
Wind Generation Impr. New&Exp	varies	14.0	\$15,925	\$645	\$36	\$5,671	\$0	\$33,009	0.93%	335.45
Wind Generation Personal Prop. New&Exp	varies	14.0	\$2,739,882	\$55,011	\$513,089	\$2,643,654	\$46	\$7,889,249	1.23%	550.71
Subtotal			\$2,755,807	\$55,655	\$513,124	\$2,649,325	\$46	\$7,922,257	1.23%	549.25
Subtotal Percent of Column Statewide Total			0.58%	0.08%	0.38%	0.44%	0.00%	0.45%		
Statewide Summaries										
Statewide Total			\$471,399,106	\$65,728,262	\$134,324,354	\$606,080,581	\$177,768,897	\$1,752,457,716	1.16%	603.30
Statewide Average Mill Levy			162.28	22.63	46.24	208.65	61.20	603.30		

Property Taxes Paid by County

State Total

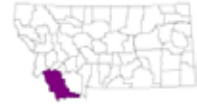
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$3,983,884	\$3,983,884	417.553	\$1,663,481		\$4,794,622	\$4,794,622	402.579	\$1,930,216
CLASS 2 Gross Proceeds		\$596,330,812	\$17,889,922	589.203	\$10,540,788		\$742,469,971	\$22,274,100	585.771	\$13,047,519
CLASS 3 Agricultural Land:										
Tillable Irrigated	1,683,721	\$1,147,386,978	\$24,783,583	544.646	\$13,498,272	1,679,766	\$1,143,710,301	\$24,704,157	553.926	\$13,684,271
Tillable Non-Irrigated	12,189,509	\$3,680,179,712	\$79,491,995	529.991	\$42,130,022	12,167,632	\$3,666,445,034	\$79,195,338	542.100	\$42,931,818
Grazing	34,032,686	\$1,559,422,562	\$33,686,407	505.071	\$17,014,041	34,043,707	\$1,557,012,137	\$33,634,392	517.386	\$17,401,967
Wild Hay	1,111,090	\$264,975,439	\$5,723,548	498.723	\$2,854,465	1,110,673	\$265,236,801	\$5,729,212	503.016	\$2,881,883
Non-Qualified Ag Land	1,088,157	\$51,384,299	\$7,769,710	551.520	\$4,285,149	1,096,895	\$51,803,055	\$7,832,996	559.238	\$4,380,512
Eligible Mining Claims	24,276	\$998,721	\$21,577	590.540	\$12,742	24,328	\$1,079,863	\$23,329	596.952	\$13,926
Class 3 Subtotal		\$6,704,347,711	\$151,476,820	526.778	\$79,794,691		\$6,685,287,191	\$151,119,424	537.948	\$81,294,377
CLASS 4 Land and Improvements:										
Residential		\$85,880,683,084	\$1,171,176,718	619.327	\$725,341,810		\$87,751,283,932	\$1,191,584,454	632.852	\$754,097,029
Residential Low Income		\$2,716,186,591	\$12,840,357	668.788	\$8,587,474		\$2,813,667,115	\$13,102,628	676.625	\$8,865,568
Mobile Homes		\$849,154,200	\$11,459,547	605.158	\$6,934,832		\$854,733,447	\$11,535,676	606.948	\$7,001,560
Mobile Homes Low Income		\$62,640,768	\$280,388	657.307	\$171,155		\$177,529,036	\$258,406	660.741	\$170,739
Commercial		\$28,370,702,017	\$483,571,090	673.457	\$325,664,184		\$28,748,131,223	\$489,488,622	688.431	\$336,979,301
Industrial		\$258,900,703	\$4,893,224	584.119	\$2,858,227		\$256,225,570	\$4,842,397	605.377	\$2,931,474
New Manufacturing		\$1,672,156,925	\$30,020,835	612.576	\$18,390,045		\$1,664,018,932	\$30,078,026	628.882	\$18,915,520
Qualified Golf Courses		\$243,701,296	\$2,314,840	532.479	\$1,232,605		\$235,962,392	\$2,241,317	543.053	\$1,217,153
Remodeled Commercial		\$33,068,376	\$33,567	2526.610	\$84,811		\$39,853,463	\$118,140	1334.202	\$157,623
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$120,087,193,960	\$1,716,570,566	634.559	\$1,089,265,141		\$122,541,405,110	\$1,743,249,666	648.407	\$1,130,335,967
CLASS 5										
Rural Electric and Telephone Co-Op		\$1,324,841,406	\$39,286,742	566.112	\$22,240,693		\$1,333,738,982	\$39,641,244	571.942	\$22,672,484
Qualified New Industrial		\$11,250	\$338	371.500	\$126		\$265,877,422	\$338	457.140	\$155
Pollution Control		\$279,266,319	\$8,377,988	397.635	\$3,331,382		\$370,743,956	\$7,670,709	435.011	\$3,336,842
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$217,450	\$5,871	793.952	\$4,661		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$1,604,336,425	\$47,670,939	536.529	\$25,576,862		\$1,970,360,360	\$47,312,291	549.740	\$26,009,480
CLASS 7										
Non-Centrally Assessed Public Util.		\$14,329,565	\$1,146,364	728.871	\$835,551		\$15,191,024	\$1,215,281	749.988	\$911,447
CLASS 8										
Machinery		\$4,289,215,955	\$110,523,620	574.444	\$63,489,633		\$4,421,715,204	\$106,590,563	606.738	\$64,672,521
Farm Implements		\$804,875,826	\$12,768,031	518.104	\$6,615,170		\$810,620,016	\$12,968,025	537.553	\$6,970,997
Furniture and Fixtures		\$773,639,979	\$13,637,578	700.498	\$9,553,101		\$804,728,158	\$13,970,454	712.122	\$9,948,673
Other Business Equipment		\$796,805,565	\$18,409,389	479.283	\$8,823,306		\$912,553,898	\$22,332,382	480.210	\$10,724,243
Class 8 Subtotal		\$6,664,537,325	\$155,338,618	569.602	\$88,481,210		\$6,949,617,276	\$155,861,423	592.298	\$92,316,434
CLASS 9										
Utilities		\$4,211,367,133	\$502,592,656	501.553	\$252,077,089		\$4,176,210,477	\$495,370,951	524.338	\$259,741,619
CLASS 10										
Timber Land	3,911,625	\$1,327,634,179	\$4,912,562	537.450	\$2,640,259	3,909,972	\$1,323,802,727	\$4,898,379	537.549	\$2,633,117
CLASS 12										
Railroads		\$2,941,894,383	\$89,966,400	549.015	\$49,392,891		\$2,642,589,089	\$82,287,499	560.911	\$46,155,949
Airlines		\$165,660,355	\$5,085,768	679.104	\$3,453,766		\$180,919,422	\$5,644,684	686.302	\$3,873,958
Class 12 Subtotal		\$3,107,554,738	\$95,052,168		\$52,846,656		\$2,823,508,511	\$87,932,183		\$50,029,906
CLASS 13										
Electrical Generation Property		\$2,056,851,656	\$123,411,098	377.091	\$46,537,189		\$1,995,034,687	\$119,702,087	402.025	\$48,123,207
Telecommunication Property		\$925,164,316	\$55,510,020	670.903	\$37,241,854		\$877,280,244	\$52,636,806	687.586	\$36,192,335
Elect Gen/Tele Real Prop New & Exp		\$4,223,412	\$168,841	643.080	\$108,578		\$4,955,142	\$187,600	637.245	\$119,547
Class 13 Subtotal		\$2,986,239,384	\$179,089,959		\$83,887,621		\$2,877,270,073	\$172,526,493		\$84,435,089
CLASS 14										
Wind Generation		\$159,333,193	\$4,779,995	422.752	\$2,020,755		\$204,704,826	\$6,141,144	490.453	\$3,011,941
Wind Generation New & Exp		\$682,143,502	\$12,178,008	622.694	\$7,583,177		\$557,222,401	\$10,066,611	594.234	\$5,981,925
Class 14 Subtotal		\$841,476,695	\$16,958,003		\$9,603,932		\$761,927,227	\$16,207,755		\$8,993,866
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$190,178,993	\$2,532,568	387.937	\$982,478		\$151,198,970	\$2,009,940	387.414	\$778,679
Total		\$148,339,510,804	\$2,895,215,029	586.553	\$1,698,195,759		\$151,023,043,539	\$2,904,772,508	603.303	\$1,752,457,716
ABATED PROPERTY										
Current Values of Abated Property		\$1,190,638,641	\$21,905,048	NA	\$13,730,181		\$1,449,237,451	\$26,091,073	NA	\$16,184,432
Values Without the Property Abatement		\$1,190,638,641	\$35,732,368	NA	\$22,451,995		\$1,449,237,451	\$48,930,714	NA	\$31,551,620
Difference (Property Value Abated)		\$0	-\$13,827,320		-\$8,721,813		\$0	-\$22,839,641		-\$15,367,188

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 BNSF RAILWAY CO	1 NORTHWESTERN ENERGY-T & D	2 BNSF RAILWAY CO
3 NORTHWESTERN ENERGY - ELECTRIC GENERATION	4 ONEOK BAKKEN PIPELINE LLC	3 NORTHWESTERN ENERGY - ELECTRIC GENERATION	4 ONEOK BAKKEN PIPELINE LLC
5 HILAND CRUDE LLC	6 EXPRESS PIPELINE LLC	5 EXPRESS PIPELINE LLC	6 PUGET SOUND ENERGY INC - ELECTRIC GENERATION
7 PUGET SOUND ENERGY INC - ELECTRIC GENERATION	8 CHS INC	7 NORTHERN BORDER PIPELINE COMPANY	8 WBI ENERGY TRANSMISSION INC
9 NORTHERN BORDER PIPELINE COMPANY	10 WBI ENERGY TRANSMISSION INC	9 AVISTA CORPORATION - ELECTRIC GENERATION	10 STILLWATER MINING COMPANY

Property Taxes Paid by County

Beaverhead County



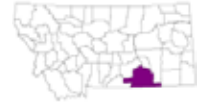
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$372,977	\$11,189	476.866	\$5,336		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	120,300	\$72,094,572	\$1,557,249	565.706	\$880,945	118,861	\$71,232,722	\$1,538,632	566.778	\$872,063
Tillable Non-Irrigated	431	\$111,927	\$2,418	615.752	\$1,489	383	\$95,936	\$2,073	613.322	\$1,271
Grazing	908,968	\$47,822,878	\$1,033,022	545.480	\$563,493	910,296	\$47,911,028	\$1,034,929	549.000	\$568,176
Wild Hay	1,297	\$433,149	\$9,356	524.817	\$4,910	1,297	\$433,149	\$9,356	525.667	\$4,918
Non-Qualified Ag Land	19,326	\$929,957	\$140,604	567.154	\$79,744	19,100	\$919,077	\$138,956	568.492	\$78,995
Eligible Mining Claims	1,593	\$51,198	\$1,100	538.783	\$593	1,593	\$51,198	\$1,100	544.145	\$599
Class 3 Subtotal		\$121,443,681	\$2,743,749	558.059	\$1,531,174		\$120,643,110	\$2,725,046	559.999	\$1,526,023
CLASS 4 Land and Improvements:										
Residential		\$575,820,583	\$7,787,815	636.789	\$4,959,193		\$583,068,759	\$7,852,890	649.526	\$5,100,658
Residential Low Income		\$29,569,859	\$146,593	666.296	\$97,674		\$31,407,293	\$146,250	676.807	\$98,983
Mobile Homes		\$10,823,310	\$146,113	567.467	\$82,914		\$10,815,230	\$146,006	611.641	\$89,303
Mobile Homes Low Income		\$493,010	\$2,010	596.346	\$1,199		\$1,293,521	\$3,180	627.232	\$1,995
Commercial		\$269,502,775	\$4,335,174	646.753	\$2,803,785		\$273,408,201	\$4,393,244	665.021	\$2,921,600
Industrial		\$716,637	\$13,545	620.587	\$8,406		\$717,247	\$13,557	627.538	\$8,508
New Manufacturing		\$8,649,020	\$163,466	616.566	\$100,788		\$8,649,020	\$163,466	614.120	\$100,388
Qualified Golf Courses		\$1,061,095	\$10,080	616.566	\$6,215		\$1,291,324	\$12,267	614.120	\$7,533
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$896,636,289	\$12,604,796	639.453	\$8,060,174		\$910,650,595	\$12,730,860	654.234	\$8,328,968
CLASS 5										
Rural Electric and Telephone Co-Op		\$29,449,747	\$883,483	546.681	\$482,984		\$28,720,338	\$861,612	550.796	\$474,572
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$94,303	\$2,829	616.566	\$1,744		\$94,709	\$2,841	614.120	\$1,745
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$29,544,050	\$886,312	546.904	\$484,728		\$28,815,047	\$864,453	551.004	\$476,317
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$26,517,155	\$599,324	621.042	\$372,205		\$27,818,030	\$624,234	624.697	\$389,957
Farm Implements		\$12,455,240	\$189,615	562.107	\$106,584		\$11,702,863	\$177,803	578.019	\$102,774
Furniture and Fixtures		\$4,876,616	\$81,538	692.083	\$56,431		\$4,429,130	\$74,056	730.421	\$54,092
Other Business Equipment		\$3,861,424	\$88,614	611.465	\$54,184		\$4,840,304	\$105,296	628.667	\$66,196
Class 8 Subtotal		\$47,710,435	\$959,091	614.545	\$589,405		\$48,790,327	\$981,389	624.644	\$613,018
CLASS 9										
Utilities		\$29,812,411	\$3,577,478	590.300	\$2,111,785		\$29,260,207	\$3,511,217	599.862	\$2,106,245
CLASS 10										
Timber Land	29,916	\$5,731,810	\$21,210	540.895	\$11,472	29,930	\$5,735,507	\$21,224	544.765	\$11,562
CLASS 12										
Railroads		\$14,432,916	\$443,090	570.635	\$252,843		\$13,142,624	\$410,052	573.895	\$235,327
Airlines		\$1,292	\$40	748.236	\$30		\$2,789	\$87	791.300	\$69
Class 12 Subtotal		\$14,434,208	\$443,130		\$252,873		\$13,145,413	\$410,139		\$235,396
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$7,176,286	\$430,574	641.088	\$276,036		\$6,996,722	\$419,802	649.287	\$272,572
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$7,176,286	\$430,574		\$276,036		\$6,996,722	\$419,802		\$272,572
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$1,152,862,147	\$21,677,529	614.599	\$13,322,982		\$1,164,036,928	\$21,664,130	626.386	\$13,570,101
ABATED PROPERTY										
Current Values of Abated Property		\$998,033	\$13,157	717.566	\$9,441		\$964,024	\$12,753	715.120	\$9,120
Values Without the Property Abatement		\$998,033	\$23,471	717.566	\$16,842		\$964,024	\$25,506	715.120	\$18,240
Difference (Property Value Abated)		\$0	-\$10,314		-\$7,401		\$0	-\$12,753		-\$9,120

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 SPECIALTY MINERALS	1 NORTHWESTERN ENERGY-T & D	2 SPECIALTY MINERALS
3 UNION PACIFIC RAILROAD CO	4 VIGILANTE ELEC COOP INC	3 UNION PACIFIC RAILROAD CO	4 VIGILANTE ELEC COOP INC
5 IDAHO POWER COMPANY	6 SOUTHERN MONTANA TELEPHONE CO	5 IDAHO POWER COMPANY	6 SOUTHERN MONTANA TELEPHONE CO
7 VERIZON WIRELESS	8 MATADOR CATTLE COMPANY	7 VERIZON WIRELESS	8 MATADOR CATTLE COMPANY
9 3 RIVERS TELEPHONE COOPERATIVE INC	10 CLARK CANYON RANCH LLC	9 CLARK CANYON RANCH LLC	10 3 RIVERS TELEPHONE COOPERATIVE INC

Property Taxes Paid by County

Big Horn County



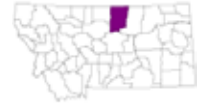
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	51,258	\$36,462,860	\$787,604	548.405	\$431,926	50,963	\$36,208,031	\$782,098	566.947	\$443,408
Tillable Non-Irrigated	164,179	\$33,308,545	\$719,488	538.443	\$387,403	163,869	\$33,213,639	\$717,439	563.953	\$404,602
Grazing	1,376,458	\$54,391,716	\$1,175,187	508.059	\$597,065	1,375,558	\$54,375,570	\$1,174,840	531.534	\$624,468
Wild Hay	36,453	\$7,991,126	\$172,636	507.527	\$87,617	36,424	\$7,983,982	\$172,882	523.818	\$90,349
Non-Qualified Ag Land	9,756	\$462,646	\$69,961	532.945	\$37,285	11,282	\$536,101	\$81,066	553.322	\$44,856
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$132,616,893	\$2,924,876	526.961	\$1,541,297		\$132,317,323	\$2,927,925	549.086	\$1,607,683
CLASS 4 Land and Improvements:										
Residential		\$197,090,084	\$2,670,170	615.189	\$1,642,658		\$200,619,050	\$2,710,895	635.493	\$1,722,754
Residential Low Income		\$7,487,369	\$33,416	650.378	\$21,733		\$8,112,073	\$38,236	672.225	\$25,703
Mobile Homes		\$13,188,595	\$178,031	506.539	\$90,180		\$13,630,895	\$184,002	556.239	\$102,349
Mobile Homes Low Income		\$158,860	\$511	570.766	\$292		\$289,405	\$423	642.894	\$272
Commercial		\$165,224,491	\$2,655,733	602.167	\$1,599,195		\$169,745,804	\$2,736,926	623.037	\$1,705,206
Industrial		\$13,181,752	\$249,139	424.973	\$105,877		\$13,181,752	\$249,139	440.545	\$109,757
New Manufacturing		\$63,579,927	\$1,201,371	459.806	\$552,398		\$63,185,369	\$1,193,731	475.348	\$567,438
Qualified Golf Courses		\$492,825	\$4,682	554.708	\$2,597		\$492,825	\$4,682	576.625	\$2,700
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$460,403,903	\$6,993,053	574.131	\$4,014,930		\$469,257,173	\$7,118,034	595.133	\$4,236,178
CLASS 5										
Rural Electric and Telephone Co-Op		\$26,959,972	\$808,789	504.709	\$408,203		\$28,186,738	\$845,599	527.711	\$446,231
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$2,681,567	\$80,447	558.817	\$44,955		\$2,609,715	\$78,291	572.800	\$44,845
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$29,641,539	\$889,236	509.604	\$453,158		\$30,796,453	\$923,890	531.531	\$491,077
CLASS 7 Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$149,436,526	\$4,050,025	444.493	\$1,800,208		\$150,266,966	\$3,815,425	455.666	\$1,738,560
Farm Implements		\$24,293,866	\$436,612	518.215	\$226,259		\$23,858,716	\$420,759	558.462	\$234,978
Furniture and Fixtures		\$3,318,501	\$60,252	575.075	\$34,650		\$6,374,293	\$105,954	646.243	\$68,472
Other Business Equipment		\$26,171,844	\$701,444	435.248	\$305,302		\$25,819,501	\$703,999	448.456	\$315,713
Class 8 Subtotal		\$203,220,737	\$5,248,333	450.890	\$2,366,419		\$206,319,476	\$5,046,137	467.233	\$2,357,723
CLASS 9										
Utilities		\$46,070,878	\$5,528,509	551.105	\$3,046,788		\$46,294,525	\$5,555,345	585.212	\$3,251,052
CLASS 10										
Timber Land	30,261	\$3,132,710	\$11,601	542.310	\$6,291	30,261	\$3,132,680	\$11,601	569.776	\$6,610
CLASS 12										
Railroads		\$69,117,976	\$2,121,918	541.180	\$1,148,340		\$61,248,274	\$1,910,947	553.707	\$1,058,104
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$69,117,976	\$2,121,918		\$1,148,340		\$61,248,274	\$1,910,947		\$1,058,104
CLASS 13										
Electrical Generation Property		\$17,814,624	\$1,068,878	686.408	\$733,687		\$16,962,206	\$1,017,733	706.555	\$719,084
Telecommunication Property		\$9,263,383	\$555,808	542.529	\$301,542		\$9,168,892	\$550,133	559.186	\$307,627
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$27,078,007	\$1,624,686		\$1,035,229		\$26,131,098	\$1,567,866		\$1,026,711
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$971,282,643	\$25,342,212	537.145	\$13,612,451		\$975,497,002	\$25,061,745	560.022	\$14,035,137
ABATED PROPERTY										
Current Values of Abated Property		\$8,786,477	\$119,557	497.435	\$59,472		\$27,729,114	\$385,915	540.384	\$208,542
Values Without the Property Abatement		\$8,786,477	\$206,496	497.435	\$102,718		\$27,729,114	\$771,825	540.384	\$417,082
Difference (Property Value Abated)		\$0	-\$86,938		-\$43,246		\$0	-\$385,909		-\$208,539

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 SPRING CREEK COAL LLC	2 BNSF RAILWAY CO	1 SPRING CREEK COAL LLC	2 BNSF RAILWAY CO
3 NORTHWESTERN ENERGY-T & D	4 WESTMORELAND RESOURCES INC	3 NORTHWESTERN ENERGY-T & D	4 DECKER COAL COMPANY
5 DECKER COAL COMPANY	6 ROCKY MOUNTAIN POWER, LLC	5 PACIFICORP - ELECTRIC TRANSMISSION	6 ROCKY MOUNTAIN POWER, LLC
7 PACIFICORP - ELECTRIC TRANSMISSION	8 CENEX PIPELINE LLC	7 WESTMORELAND RESOURCES INC	8 PHILLIPS 66 CARRIER LLC
9 PHILLIPS 66 CARRIER LLC	10 WBI ENERGY TRANSMISSION INC	9 CENEX PIPELINE LLC	10 WBI ENERGY TRANSMISSION INC

Property Taxes Paid by County

Blaine County



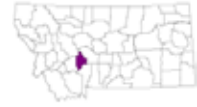
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	54,772	\$42,909,805	\$926,857	643.482	\$596,416	54,538	\$42,695,921	\$922,237	642.309	\$592,361
Tillable Non-Irrigated	470,741	\$142,969,762	\$3,088,146	659.750	\$2,037,404	468,599	\$141,959,149	\$3,066,315	657.547	\$2,016,247
Grazing	997,538	\$48,847,501	\$1,055,132	618.564	\$652,666	1,000,220	\$45,817,394	\$989,685	615.195	\$608,850
Wild Hay	28,560	\$6,612,233	\$142,819	599.970	\$85,687	28,563	\$6,611,960	\$142,815	602.687	\$86,073
Non-Qualified Ag Land	3,561	\$160,711	\$24,297	655.370	\$15,924	3,595	\$162,347	\$24,544	658.305	\$16,157
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$241,500,012	\$5,237,251	646.923	\$3,388,097		\$237,246,771	\$5,145,596	645.151	\$3,319,688
CLASS 4 Land and Improvements:										
Residential		\$95,806,802	\$1,302,865	928.282	\$1,209,426		\$96,429,212	\$1,303,900	942.813	\$1,229,334
Residential Low Income		\$3,115,320	\$16,140	923.951	\$14,913		\$3,595,839	\$16,626	945.467	\$15,719
Mobile Homes		\$3,309,990	\$44,687	761.560	\$34,032		\$3,241,130	\$43,757	810.882	\$35,482
Mobile Homes Low Income		\$103,790	\$357	753.058	\$269		\$179,089	\$326	807.196	\$263
Commercial		\$111,075,773	\$1,635,491	715.334	\$1,228,801		\$110,743,590	\$1,629,185	756.426	\$1,232,358
Industrial		\$51,608	\$976	1143.163	\$1,116		\$54,376	\$1,029	1155.569	\$1,189
New Manufacturing		\$7,868,589	\$120,939	1131.296	\$136,818		\$7,868,589	\$120,939	1153.374	\$139,488
Qualified Golf Courses		\$608,633	\$5,782	653.164	\$3,777		\$608,633	\$5,782	656.577	\$3,796
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$221,940,505	\$3,127,237	840.726	\$2,629,150		\$222,720,458	\$3,121,544	851.383	\$2,657,630
CLASS 5										
Rural Electric and Telephone Co-Op		\$31,508,181	\$945,247	674.871	\$637,920		\$30,958,712	\$928,753	682.320	\$633,707
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$31,508,181	\$945,247	674.871	\$637,920		\$30,958,712	\$928,753	682.320	\$633,707
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$2,424,953	\$39,176	753.191	\$29,507		\$2,270,422	\$36,324	758.436	\$27,549
Farm Implements		\$21,884,636	\$354,879	627.460	\$222,672		\$24,372,235	\$389,857	642.987	\$250,673
Furniture and Fixtures		\$1,213,756	\$25,363	871.263	\$22,098		\$1,123,906	\$22,272	913.001	\$20,334
Other Business Equipment		\$7,382,003	\$118,404	613.449	\$72,635		\$6,636,505	\$106,050	633.450	\$67,177
Class 8 Subtotal		\$32,905,348	\$537,821	645.031	\$346,911		\$34,403,068	\$554,502	659.571	\$365,734
CLASS 9										
Utilities		\$20,189,978	\$2,422,787	675.430	\$1,636,423		\$22,658,822	\$2,719,055	669.038	\$1,819,150
CLASS 10										
Timber Land	11,057	\$2,156,249	\$7,978	549.155	\$4,381	11,057	\$2,157,329	\$7,981	560.991	\$4,477
CLASS 12										
Railroads		\$66,304,752	\$2,035,556	656.621	\$1,336,588		\$58,677,758	\$1,830,746	657.091	\$1,202,967
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$66,304,752	\$2,035,556		\$1,336,588		\$58,677,758	\$1,830,746		\$1,202,967
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$3,764,244	\$225,858	716.195	\$161,758		\$4,557,363	\$273,439	728.023	\$199,070
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$3,764,244	\$225,858		\$161,758		\$4,557,363	\$273,439		\$199,070
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$620,269,269	\$14,539,735	697.484	\$10,141,229		\$613,380,281	\$14,581,616	699.677	\$10,202,423
ABATED PROPERTY										
Current Values of Abated Property		\$3,049,210	\$28,779	1,046.301	\$30,112		\$3,042,040	\$28,726	1,064.313	\$30,573
Values Without the Property Abatement		\$3,049,210	\$58,074	1,046.301	\$60,763		\$3,042,040	\$57,155	1,064.313	\$60,831
Difference (Property Value Abated)		\$0	-\$29,295		-\$30,651		\$0	-\$28,429		-\$30,258

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 BNSF RAILWAY CO	2 NORTHWESTERN ENERGY-T & D	1 BNSF RAILWAY CO	2 NORTHWESTERN ENERGY-T & D
3 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	4 NORTHWESTERN ENERGY - HAVRE PIPELINE	3 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	4 NORTHWESTERN ENERGY - HAVRE PIPELINE
5 HARTLAND COLONY INC	6 TRIANGLE COMMUNICATION SYSTEM INC	5 TRIANGLE COMMUNICATION SYSTEM INC	6 HARTLAND COLONY INC
7 NORTHWESTERN ENERGY BEAR PAW SOUTH GAS PRODUCTION	8 HILL COUNTY ELECTRIC COOP INC	7 NORTHWESTERN ENERGY BEAR PAW SOUTH GAS PRODUCTION	8 HILL COUNTY ELECTRIC COOP INC
9 OMIMEX CANADA LTD	10 NORTH HARLEM HUTTERIAN BRETHERN INC	9 NORTH HARLEM HUTTERIAN BRETHERN INC	10 COLUMBIA GRAIN INC

Property Taxes Paid by County

Broadwater County



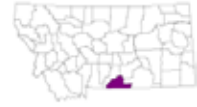
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$291,699	\$291,699	528.760	\$154,239		\$308,628	\$308,628	519.810	\$160,428
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	43,532	\$27,321,224	\$590,140	528.971	\$312,167	43,766	\$27,697,476	\$598,263	520.201	\$311,217
Tillable Non-Irrigated	50,726	\$17,614,141	\$380,451	522.695	\$198,860	50,092	\$17,354,540	\$374,844	514.801	\$192,970
Grazing	282,012	\$13,319,056	\$287,689	525.790	\$151,264	282,092	\$13,320,738	\$287,732	517.681	\$148,953
Wild Hay	4,921	\$1,489,609	\$32,174	528.793	\$17,013	4,779	\$1,454,410	\$31,416	519.860	\$16,332
Non-Qualified Ag Land	18,540	\$890,783	\$134,676	522.379	\$70,352	18,403	\$884,983	\$133,803	515.646	\$68,995
Eligible Mining Claims	2,113	\$99,994	\$2,154	528.605	\$1,139	2,133	\$181,494	\$3,914	519.724	\$2,034
Class 3 Subtotal		\$60,734,807	\$1,427,284	526.030	\$750,795		\$60,893,641	\$1,429,972	517.843	\$740,501
CLASS 4 Land and Improvements:										
Residential		\$412,714,511	\$5,583,424	532.574	\$2,973,587		\$428,629,312	\$5,740,573	525.261	\$3,015,300
Residential Low Income		\$15,818,903	\$64,208	556.037	\$35,702		\$17,468,116	\$77,071	543.791	\$41,911
Mobile Homes		\$5,299,060	\$71,548	515.064	\$36,852		\$5,358,070	\$72,343	539.902	\$39,058
Mobile Homes Low Income		\$260,800	\$732	521.615	\$382		\$1,280,487	\$903	544.027	\$491
Commercial		\$104,788,953	\$1,630,055	536.466	\$874,469		\$108,183,038	\$1,688,990	529.093	\$893,634
Industrial		\$942,016	\$17,801	533.452	\$9,496		\$860,516	\$16,261	524.946	\$8,536
New Manufacturing		\$8,138,829	\$144,165	527.819	\$76,093		\$7,970,649	\$140,986	522.007	\$73,596
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$547,963,072	\$7,511,933	533.362	\$4,006,581		\$569,750,188	\$7,737,127	526.361	\$4,072,526
CLASS 5										
Rural Electric and Telephone Co-Op		\$4,666,887	\$140,006	516.698	\$72,341		\$4,673,181	\$140,197	511.020	\$71,644
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$391,467	\$11,744	530.984	\$6,236		\$1,181,940	\$11,795	522.034	\$6,157
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$5,058,354	\$151,750	517.804	\$78,577		\$5,855,121	\$151,992	511.875	\$77,801
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$28,259,626	\$578,600	538.018	\$311,297		\$29,197,787	\$612,254	532.191	\$325,836
Farm Implements		\$6,430,529	\$100,900	515.355	\$51,999		\$6,159,122	\$94,239	521.310	\$49,128
Furniture and Fixtures		\$799,170	\$14,884	514.759	\$7,652		\$773,893	\$14,554	540.165	\$7,861
Other Business Equipment		\$3,888,588	\$91,153	526.253	\$47,970		\$1,621,043	\$36,905	522.329	\$19,276
Class 8 Subtotal		\$39,377,913	\$785,517	533.302	\$418,917		\$37,751,845	\$757,951	530.511	\$402,102
CLASS 9										
Utilities		\$39,322,650	\$4,718,715	525.399	\$2,479,210		\$38,738,384	\$4,648,609	518.162	\$2,408,733
CLASS 10										
Timber Land	52,362	\$10,259,321	\$37,963	528.760	\$20,073	52,358	\$10,260,504	\$37,967	519.810	\$19,736
CLASS 12										
Railroads		\$24,569,426	\$754,281	532.149	\$401,390		\$22,977,506	\$716,898	523.001	\$374,938
Airlines		\$1,292	\$40	585.420	\$23		\$1,394	\$43	573.400	\$25
Class 12 Subtotal		\$24,570,718	\$754,321		\$401,413		\$22,978,900	\$716,941		\$374,963
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$4,579,853	\$274,790	541.548	\$148,812		\$4,299,118	\$257,943	531.601	\$137,123
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$4,579,853	\$274,790		\$148,812		\$4,299,118	\$257,943		\$137,123
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$732,158,387	\$15,953,972	530.189	\$8,458,618		\$750,836,329	\$16,047,130	523.079	\$8,393,912
ABATED PROPERTY										
Current Values of Abated Property		\$6,828,199	\$86,718	620.973	\$53,850		\$6,731,930	\$85,683	611.366	\$52,383
Values Without the Property Abatement		\$6,828,199	\$154,719	620.973	\$96,076		\$6,731,930	\$163,804	611.366	\$100,144
Difference (Property Value Abated)		\$0	-\$68,001		-\$42,227		\$0	-\$78,122		-\$47,761

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 GRAYMONT WESTERN US INC	1 NORTHWESTERN ENERGY-T & D	2 GRAYMONT WESTERN US INC
3 MONTANA RAIL LINK	4 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	3 MONTANA RAIL LINK	4 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION
5 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	6 YELLOWSTONE PIPELINE CO	5 YELLOWSTONE PIPELINE CO	6 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY
7 PACIFICORP - ELECTRIC TRANSMISSION	8 AVISTA CORPORATION - ELECTRIC TRANSMISSION	7 PACIFICORP - ELECTRIC TRANSMISSION	8 AVISTA CORPORATION - ELECTRIC TRANSMISSION
9 VIGILANTE ELEC COOP INC	10 VERIZON WIRELESS	9 VIGILANTE ELEC COOP INC	10 VERIZON WIRELESS

Property Taxes Paid by County

Carbon County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$355,251	\$355,251	462.035	\$164,138		\$384,723	\$384,723	467.710	\$179,939
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	74,708	\$49,462,983	\$1,068,414	502.929	\$537,337	74,326	\$49,209,591	\$1,062,941	493.972	\$525,063
Tillable Non-Irrigated	37,010	\$8,646,098	\$186,762	529.011	\$98,799	36,931	\$8,630,341	\$186,422	509.567	\$94,994
Grazing	509,317	\$23,655,541	\$510,958	498.423	\$254,673	509,079	\$23,639,112	\$510,605	487.948	\$249,149
Wild Hay	12,889	\$3,254,647	\$70,305	517.040	\$36,350	12,886	\$3,254,227	\$70,295	496.111	\$34,874
Non-Qualified Ag Land	31,221	\$1,502,651	\$227,210	496.727	\$112,861	31,862	\$1,533,500	\$231,877	488.267	\$113,218
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$86,521,920	\$2,063,649	503.972	\$1,040,021		\$86,266,771	\$2,062,140	493.321	\$1,017,298
CLASS 4 Land and Improvements:										
Residential		\$1,253,401,516	\$16,945,628	538.558	\$9,126,199		\$1,270,890,074	\$17,121,422	521.901	\$8,935,694
Residential Low Income		\$37,554,982	\$192,090	551.248	\$105,889		\$39,373,240	\$194,928	531.942	\$103,690
Mobile Homes		\$11,040,140	\$149,056	524.685	\$78,207		\$11,171,850	\$150,837	532.516	\$80,323
Mobile Homes Low Income		\$735,590	\$2,059	569.209	\$1,172		\$1,757,812	\$2,101	567.987	\$1,193
Commercial		\$309,179,901	\$4,822,641	538.599	\$2,597,469		\$313,116,443	\$4,876,559	523.119	\$2,551,019
Industrial		\$3,599,840	\$68,035	464.600	\$31,609		\$3,663,675	\$69,241	469.797	\$32,529
New Manufacturing		\$19,628,187	\$282,082	499.008	\$140,761		\$14,380,767	\$221,501	496.737	\$110,028
Qualified Golf Courses		\$2,537,200	\$24,103	581.385	\$14,013		\$2,537,200	\$24,103	559.900	\$13,495
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$1,637,677,356	\$22,485,694	537.912	\$12,095,320		\$1,656,891,061	\$22,660,692	521.960	\$11,827,972
CLASS 5										
Rural Electric and Telephone Co-Op		\$13,496,098	\$404,885	509.876	\$206,441		\$13,624,820	\$408,751	499.038	\$203,982
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$13,496,098	\$404,885	509.876	\$206,441		\$13,624,820	\$408,751	499.038	\$203,982
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$22,347,895	\$357,520	511.837	\$182,992		\$21,603,967	\$365,982	507.070	\$185,578
Farm Implements		\$7,353,996	\$118,861	473.482	\$56,279		\$7,784,042	\$127,779	486.854	\$62,210
Furniture and Fixtures		\$2,581,581	\$44,588	572.841	\$25,542		\$2,402,558	\$41,022	565.715	\$23,207
Other Business Equipment		\$2,729,456	\$41,535	486.079	\$20,189		\$2,450,980	\$37,327	492.900	\$18,399
Class 8 Subtotal		\$35,012,928	\$562,503	506.666	\$285,001		\$34,241,547	\$572,110	505.835	\$289,393
CLASS 9										
Utilities		\$106,797,748	\$12,815,684	493.022	\$6,318,409		\$116,238,211	\$13,948,569	487.846	\$6,804,759
CLASS 10										
Timber Land	6,992	\$852,916	\$3,155	505.756	\$1,596	6,992	\$852,982	\$3,155	482.425	\$1,522
CLASS 12										
Railroads		\$36,030,983	\$1,106,151	499.740	\$552,788		\$31,917,889	\$995,838	492.693	\$490,642
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$36,030,983	\$1,106,151		\$552,788		\$31,917,889	\$995,838		\$490,642
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$9,509,111	\$570,549	533.268	\$304,255		\$9,371,289	\$562,271	517.980	\$291,245
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$9,509,111	\$570,549		\$304,255		\$9,371,289	\$562,271		\$291,245
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$1,926,254,311	\$40,367,521	519.427	\$20,967,970		\$1,949,789,293	\$41,598,249	507.395	\$21,106,753

ABATED PROPERTY										
Current Values of Abated Property		\$31,285,656	\$456,016	506.230	\$230,849		\$25,707,053	\$410,262	501.861	\$205,894
Values Without the Property Abatement		\$31,285,656	\$656,172	506.230	\$332,174		\$25,707,053	\$550,922	501.861	\$276,486
Difference (Property Value Abated)		\$0	-\$200,156		-\$101,325		\$0	-\$140,660		-\$70,592

Top 10 Property Owners by Taxable Value									
TY 2017					TY 2018				
1 EXPRESS PIPELINE LLC	2 NORTHWESTERN ENERGY-T & D	1 EXPRESS PIPELINE LLC	2 NORTHWESTERN ENERGY-T & D						
3 WBI ENERGY TRANSMISSION INC	4 BNSF RAILWAY CO	3 WBI ENERGY TRANSMISSION INC	4 BNSF RAILWAY CO						
5 MONTANA LIMESTONE COMPANY	6 EXXONMOBIL PIPELINE COMPANY	5 MONTANA LIMESTONE COMPANY	6 EXXONMOBIL PIPELINE COMPANY						
7 BEARTOOTH ELEC COOP INC	8 PACIFICORP - ELECTRIC TRANSMISSION	7 BEARTOOTH ELEC COOP INC	8 PACIFICORP - ELECTRIC TRANSMISSION						
9 VERIZON WIRELESS	10 COLORADO INTERSTATE GAS CO	9 VERIZON WIRELESS	10 RED BUTTE PIPELINE COMPANY						

Property Taxes Paid by County

Carter County



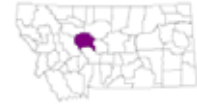
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	125	\$142,500	\$3,077	229.903	\$707	125	\$142,500	\$3,077	231.830	\$713
Tillable Non-Irrigated	107,267	\$23,622,586	\$510,246	266.421	\$135,940	107,272	\$23,623,298	\$510,261	268.348	\$136,928
Grazing	1,186,738	\$44,883,445	\$969,521	256.578	\$248,757	1,186,826	\$44,868,307	\$969,191	258.812	\$250,838
Wild Hay	86,923	\$16,192,028	\$349,743	260.577	\$91,135	86,923	\$16,192,000	\$349,743	262.638	\$91,856
Non-Qualified Ag Land	2,603	\$125,260	\$18,941	273.376	\$5,178	2,601	\$125,204	\$18,933	275.129	\$5,209
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$84,965,819	\$1,851,528	260.173	\$481,718		\$84,951,309	\$1,851,205	262.285	\$485,544
CLASS 4 Land and Improvements:										
Residential		\$26,472,141	\$365,046	417.533	\$152,419		\$27,059,087	\$369,686	421.081	\$155,668
Residential Low Income		\$407,720	\$1,985	514.063	\$1,020		\$513,870	\$1,849	517.770	\$957
Mobile Homes		\$5,854,820	\$79,038	302.934	\$23,943		\$6,077,930	\$82,049	313.847	\$25,751
Mobile Homes Low Income		\$15,580	\$42	255.743	\$11		\$106,756	\$42	275.500	\$12
Commercial		\$48,758,382	\$684,734	287.640	\$196,957		\$52,238,340	\$731,728	288.946	\$211,430
Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
New Manufacturing		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$81,508,643	\$1,130,845	331.036	\$374,350		\$85,995,983	\$1,185,354	332.236	\$393,818
CLASS 5										
Rural Electric and Telephone Co-Op		\$13,650,001	\$409,501	316.142	\$129,461		\$14,280,434	\$428,413	316.631	\$135,649
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$13,650,001	\$409,501	316.142	\$129,461		\$14,280,434	\$428,413	316.631	\$135,649
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$3,387,632	\$51,018	222.946	\$11,374		\$2,550,089	\$38,488	240.555	\$9,258
Farm Implements		\$12,092,653	\$193,238	254.479	\$49,175		\$12,539,718	\$201,924	265.518	\$53,615
Furniture and Fixtures		\$166,579	\$2,570	302.107	\$776		\$97,532	\$1,470	332.070	\$488
Other Business Equipment		\$1,317,389	\$19,774	248.120	\$4,906		\$773,554	\$11,637	263.806	\$3,070
Class 8 Subtotal		\$16,964,253	\$266,600	248.432	\$66,232		\$15,960,893	\$253,519	262.036	\$66,431
CLASS 9										
Utilities		\$405,198,130	\$48,623,772	249.851	\$12,148,713		\$404,651,784	\$48,558,212	251.768	\$12,225,390
CLASS 10										
Timber Land	10,505	\$1,237,213	\$4,577	256.297	\$1,173	10,531	\$1,239,981	\$4,587	258.381	\$1,185
CLASS 12										
Railroads		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$632,040	\$37,923	252.929	\$9,592		\$769,289	\$46,156	256.061	\$11,819
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$632,040	\$37,923	252.929	\$9,592		\$769,289	\$46,156	256.061	\$11,819
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$604,156,099	\$52,324,746	252.485	\$13,211,239		\$607,849,673	\$52,327,446	254.548	\$13,319,835
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 BISON PIPELINE LLC	2 ONEOK BAKKEN PIPELINE LLC	1 BISON PIPELINE LLC	2 ONEOK BAKKEN PIPELINE LLC
3 BRIDGER PIPELINE LLC	4 BUTTE PIPE LINE CO	3 BRIDGER PIPELINE LLC	4 BUTTE PIPE LINE CO
5 WBI ENERGY TRANSMISSION INC	6 BELLE FOURCHE PIPELINE COMPANY	5 WBI ENERGY TRANSMISSION INC	6 BELLE FOURCHE PIPELINE COMPANY
7 HILAND CRUDE LLC	8 SOUTHEAST ELECTRIC COOPERATIVE INC	7 HILAND CRUDE LLC	8 SOUTHEAST ELECTRIC COOPERATIVE INC
9 BLACK HILLS POWER & LIGHT CO	10 KITTELMANN SCOTT	9 BLACK HILLS POWER & LIGHT CO	10 MID RIVERS TELEPHONE COOPERATIVE

Property Taxes Paid by County

Cascade County



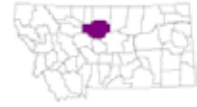
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	42,378	\$27,321,586	\$590,145	664.192	\$391,970	42,061	\$27,096,490	\$585,282	653.256	\$382,339
Tillable Non-Irrigated	335,642	\$99,000,156	\$2,138,375	592.605	\$1,267,213	335,550	\$98,998,447	\$2,138,339	591.572	\$1,264,982
Grazing	780,391	\$48,706,099	\$1,052,068	619.048	\$651,280	780,204	\$48,690,196	\$1,051,722	601.824	\$632,952
Wild Hay	58,778	\$16,248,078	\$350,970	610.657	\$214,322	58,754	\$16,241,041	\$350,819	602.543	\$211,384
Non-Qualified Ag Land	48,851	\$2,345,914	\$354,687	611.384	\$216,850	49,502	\$2,377,683	\$359,488	600.126	\$215,738
Eligible Mining Claims	282	\$13,594	\$294	582.501	\$171	282	\$13,594	\$294	581.101	\$171
Class 3 Subtotal		\$193,635,427	\$4,486,539	611.118	\$2,741,806		\$193,417,451	\$4,485,944	603.566	\$2,707,565
CLASS 4 Land and Improvements:										
Residential		\$4,515,966,472	\$60,965,887	683.593	\$41,675,836		\$4,599,258,232	\$61,566,612	699.020	\$43,036,284
Residential Low Income		\$234,069,004	\$1,130,063	699.312	\$790,267		\$244,556,104	\$1,161,586	717.922	\$833,929
Mobile Homes		\$44,902,180	\$604,071	619.375	\$374,147		\$44,506,480	\$598,728	652.830	\$390,867
Mobile Homes Low Income		\$5,624,170	\$23,146	644.930	\$14,928		\$15,027,897	\$23,310	680.452	\$15,861
Commercial		\$1,972,711,706	\$34,256,613	703.634	\$24,104,117		\$1,990,188,918	\$34,537,810	721.421	\$24,916,301
Industrial		\$19,789,135	\$374,011	652.707	\$244,120		\$20,228,978	\$382,325	675.488	\$258,256
New Manufacturing		\$138,336,429	\$2,381,854	709.440	\$1,689,783		\$149,385,391	\$2,540,011	733.286	\$1,862,554
Qualified Golf Courses		\$2,966,807	\$28,187	622.852	\$17,556		\$2,966,807	\$28,187	638.958	\$18,010
Remodeled Commercial		\$3,957,058	\$15,036	1135.895	\$17,079		\$3,957,058	\$30,074	903.138	\$27,161
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$6,938,322,961	\$99,778,868	690.806	\$68,927,833		\$7,070,075,865	\$100,868,643	707.447	\$71,359,223
CLASS 5										
Rural Electric and Telephone Co-Op		\$14,896,338	\$446,891	640.357	\$286,170		\$15,508,385	\$465,260	639.561	\$297,562
Qualified New Industrial		\$0	\$0	-	\$0		\$82,086,591	\$0	-	\$0
Pollution Control		\$2,968,813	\$89,064	728.565	\$64,889		\$4,433,798	\$71,321	750.740	\$53,544
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$17,865,151	\$535,955	655.015	\$351,059		\$102,028,774	\$536,581	654.339	\$351,106
CLASS 7										
Non-Centrally Assessed Public Util.		\$14,329,565	\$1,146,364	728.871	\$835,551		\$15,067,196	\$1,205,375	749.161	\$903,020
CLASS 8										
Machinery		\$394,596,450	\$10,707,388	718.830	\$7,696,794		\$470,320,254	\$12,809,884	743.418	\$9,523,094
Farm Implements		\$15,148,649	\$256,743	588.240	\$151,026		\$14,688,162	\$244,611	602.011	\$147,258
Furniture and Fixtures		\$73,981,619	\$1,308,655	679.219	\$888,864		\$82,647,380	\$1,414,862	717.629	\$1,015,345
Other Business Equipment		\$33,995,437	\$836,353	711.391	\$594,974		\$27,284,234	\$611,589	734.389	\$449,144
Class 8 Subtotal		\$517,722,155	\$13,109,139	711.844	\$9,331,659		\$594,940,030	\$15,080,946	738.338	\$11,134,842
CLASS 9										
Utilities		\$142,687,022	\$17,122,450	630.854	\$10,801,761		\$149,358,716	\$17,923,024	644.343	\$11,548,569
CLASS 10										
Timber Land	73,354	\$15,740,361	\$58,235	613.164	\$35,708	73,144	\$15,695,313	\$58,070	591.354	\$34,340
CLASS 12										
Railroads		\$109,973,419	\$3,376,185	620.245	\$2,094,063		\$107,888,356	\$3,366,111	636.017	\$2,140,903
Airlines		\$25,454,578	\$781,457	709.255	\$554,252		\$27,486,073	\$857,566	731.090	\$626,958
Class 12 Subtotal		\$135,427,997	\$4,157,642		\$2,648,315		\$135,374,429	\$4,223,677		\$2,767,860
CLASS 13										
Electrical Generation Property		\$308,948,019	\$18,536,878	557.144	\$10,327,705		\$301,937,949	\$18,116,280	575.040	\$10,417,586
Telecommunication Property		\$73,763,708	\$4,425,830	651.890	\$2,885,153		\$69,706,547	\$4,182,379	674.997	\$2,823,093
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$382,711,727	\$22,962,708		\$13,212,858		\$371,644,496	\$22,298,659		\$13,240,679
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$18,769,056	\$281,536	591.646	\$166,570		\$18,401,714	\$276,025	594.042	\$163,970
Class 14 Subtotal		\$18,769,056	\$281,536		\$166,570		\$18,401,714	\$276,025		\$163,970
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$8,377,211,422	\$163,639,436	666.423	\$109,053,119		\$8,666,003,984	\$166,956,944	684.076	\$114,211,175
ABATED PROPERTY										
Current Values of Abated Property		\$38,860,817	\$327,525	825.231	\$270,284		\$50,639,115	\$496,536	809.061	\$401,727
Values Without the Property Abatement		\$38,860,817	\$747,916	825.231	\$617,204		\$50,639,115	\$977,167	809.061	\$790,587
Difference (Property Value Abated)		\$0	-\$420,392		-\$346,920		\$0	-\$480,631		-\$388,860

Top 10 Property Owners by Taxable Value

TY 2017				TY 2018			
1	NORTHWESTERN ENERGY - ELECTRIC GENERATION	2	NORTHWESTERN ENERGY-T & D	1	NORTHWESTERN ENERGY - ELECTRIC GENERATION	2	NORTHWESTERN ENERGY-T & D
3	MONTANA REFINING COMPANY INC	4	BNSF RAILWAY CO	3	MONTANA REFINING COMPANY INC	4	BNSF RAILWAY CO
5	CENTURYLINK INC	6	ENERGY WEST MONTANA INC	5	QWEST CORPORATION AND OR CENTURYLINK INC -	6	ENERGY WEST MONTANA INC
7	PHILLIPS 66 CARRIER LLC	8	VERIZON WIRELESS	7	PHILLIPS 66 CARRIER LLC	8	VERIZON WIRELESS
9	CHARTER COMMUNICATIONS INC	10	GK HOLIDAY VILLAGE LLC	9	CHARTER COMMUNICATIONS INC	10	GK HOLIDAY VILLAGE LLC

Property Taxes Paid by County

Chouteau County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	9,725	\$5,998,961	\$129,583	573.453	\$74,310	9,652	\$5,955,135	\$128,636	568.583	\$73,140
Tillable Non-Irrigated	1,196,035	\$405,780,308	\$8,764,835	557.694	\$4,888,098	1,195,901	\$405,731,802	\$8,763,788	554.080	\$4,855,840
Grazing	806,447	\$39,660,325	\$856,703	560.906	\$480,530	806,376	\$39,655,840	\$856,603	559.845	\$479,564
Wild Hay	24,032	\$6,488,446	\$140,162	599.437	\$84,018	24,362	\$6,575,344	\$142,039	603.408	\$85,708
Non-Qualified Ag Land	5,331	\$272,111	\$41,135	589.056	\$24,231	5,504	\$280,433	\$42,392	581.520	\$24,652
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$458,200,151	\$9,932,418	558.896	\$5,551,187		\$458,198,554	\$9,933,458	555.587	\$5,518,904
CLASS 4 Land and Improvements:										
Residential		\$141,278,887	\$1,926,116	707.033	\$1,361,827		\$142,179,788	\$1,926,893	704.351	\$1,357,208
Residential Low Income		\$5,936,558	\$24,014	737.567	\$17,712		\$6,516,092	\$27,322	733.746	\$20,047
Mobile Homes		\$4,476,960	\$60,435	567.985	\$34,326		\$4,453,720	\$60,119	592.412	\$35,615
Mobile Homes Low Income		\$48,930	\$248	687.867	\$171		\$160,064	\$324	694.251	\$225
Commercial		\$166,865,047	\$2,384,337	596.101	\$1,421,305		\$169,672,196	\$2,422,865	592.405	\$1,435,317
Industrial		\$1,064,153	\$20,107	649.691	\$13,063		\$1,064,905	\$20,122	643.245	\$12,943
New Manufacturing		\$44,349,187	\$729,800	639.384	\$466,623		\$46,130,714	\$755,341	627.746	\$474,163
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$364,019,722	\$5,145,057	644.313	\$3,315,027		\$370,177,479	\$5,212,986	639.848	\$3,335,519
CLASS 5										
Rural Electric and Telephone Co-Op		\$36,274,966	\$1,088,249	575.331	\$626,103		\$35,633,077	\$1,068,992	577.470	\$617,311
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$36,274,966	\$1,088,249	575.331	\$626,103		\$35,633,077	\$1,068,992	577.470	\$617,311
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$7,732,904	\$146,152	682.460	\$99,743		\$6,741,636	\$124,138	684.616	\$84,987
Farm Implements		\$55,110,015	\$912,165	547.969	\$499,838		\$52,253,029	\$866,086	566.064	\$490,261
Furniture and Fixtures		\$876,003	\$15,169	632.621	\$9,596		\$950,508	\$16,928	646.128	\$10,938
Other Business Equipment		\$3,209,946	\$49,917	534.667	\$26,689		\$2,300,062	\$35,999	568.993	\$20,483
Class 8 Subtotal		\$66,928,868	\$1,123,402	566.018	\$635,866		\$62,245,235	\$1,043,152	581.573	\$606,669
CLASS 9										
Utilities		\$59,476,439	\$7,137,147	528.788	\$3,774,035		\$68,399,860	\$8,207,976	523.828	\$4,299,564
CLASS 10										
Timber Land	20,313	\$6,190,400	\$22,904	624.671	\$14,307	20,313	\$6,193,237	\$22,915	627.623	\$14,382
CLASS 12										
Railroads		\$26,400,326	\$810,489	571.342	\$463,067		\$23,418,730	\$730,663	565.860	\$413,453
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$26,400,326	\$810,489		\$463,067		\$23,418,730	\$730,663		\$413,453
CLASS 13										
Electrical Generation Property		\$30,849	\$1,851	761.955	\$1,410		\$29,904	\$1,794	764.770	\$1,372
Telecommunication Property		\$3,399,151	\$203,957	622.156	\$126,893		\$3,267,569	\$196,054	608.054	\$119,211
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$3,430,000	\$205,808		\$128,304		\$3,297,473	\$197,848		\$120,583
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$1,020,920,872	\$25,465,474	569.708	\$14,507,895		\$1,027,563,645	\$26,417,990	565.008	\$14,926,385
ABATED PROPERTY										
Current Values of Abated Property		\$14,269,213	\$161,287	714.302	\$115,208		\$13,364,525	\$135,397	739.917	\$100,182
Values Without the Property Abatement		\$14,269,213	\$269,733	714.302	\$192,671		\$13,364,525	\$252,371	739.917	\$186,734
Difference (Property Value Abated)		\$0	-\$108,446		-\$77,464		\$0	-\$116,975		-\$86,551

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 EXPRESS PIPELINE LLC	2 NORTHWESTERN ENERGY-T & D	1 EXPRESS PIPELINE LLC	2 NORTHWESTERN ENERGY-T & D
3 BNSF RAILWAY CO	4 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	3 BNSF RAILWAY CO	4 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC
5 EGT LLC	6 PHILLIPS 66 CARRIER LLC	5 PHILLIPS 66 CARRIER LLC	6 EGT LLC
7 HILL COUNTY ELECTRIC COOP INC	8 CHS INC	7 HILL COUNTY ELECTRIC COOP INC	8 TWIN HILLS COLONY INC
9 TWIN HILLS COLONY INC	10 MOUNTAIN VIEW CO-OP	9 CHS INC	10 3 RIVERS TELEPHONE COOPERATIVE INC

Property Taxes Paid by County

Custer County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	33,322	\$26,887,104	\$580,770	536.426	\$311,540	33,216	\$26,188,154	\$565,672	565.453	\$319,861
Tillable Non-Irrigated	79,459	\$23,068,513	\$498,279	525.596	\$261,894	79,459	\$23,068,513	\$498,279	549.674	\$273,891
Grazing	1,643,453	\$70,747,320	\$1,528,130	523.855	\$800,518	1,643,205	\$70,735,149	\$1,527,867	550.830	\$841,594
Wild Hay	33,667	\$7,666,982	\$165,603	519.870	\$86,092	33,661	\$7,665,828	\$165,578	548.095	\$90,752
Non-Qualified Ag Land	20,579	\$990,429	\$149,739	537.404	\$80,470	20,940	\$1,007,808	\$152,368	568.852	\$86,875
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$129,360,348	\$2,922,521	527.118	\$1,540,515		\$128,665,452	\$2,909,764	554.263	\$1,612,774
CLASS 4 Land and Improvements:										
Residential		\$516,235,129	\$6,973,689	776.001	\$5,411,591		\$519,361,538	\$6,971,047	799.089	\$5,570,489
Residential Low Income		\$24,256,252	\$109,705	807.609	\$88,599		\$24,913,456	\$112,171	825.782	\$92,629
Mobile Homes		\$10,434,720	\$140,866	682.086	\$96,083		\$10,547,160	\$142,384	658.286	\$93,729
Mobile Homes Low Income		\$628,290	\$2,053	835.210	\$1,715		\$1,231,756	\$1,953	798.624	\$1,560
Commercial		\$228,702,348	\$3,890,119	759.957	\$2,956,324		\$231,865,891	\$3,953,347	784.253	\$3,100,423
Industrial		\$2,018,599	\$38,152	667.845	\$25,480		\$1,596,076	\$30,167	709.114	\$21,392
New Manufacturing		\$16,945,454	\$320,268	647.877	\$207,494		\$16,384,924	\$309,674	684.697	\$212,033
Qualified Golf Courses		\$1,371,601	\$13,030	663.375	\$8,644		\$1,371,601	\$13,030	680.330	\$8,865
Remodeled Commercial		\$709,080	\$5,389	813.547	\$4,384		\$933,380	\$9,385	794.646	\$7,458
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$801,301,473	\$11,493,271	765.693	\$8,800,313		\$808,205,782	\$11,543,158	789.089	\$9,108,577
CLASS 5										
Rural Electric and Telephone Co-Op		\$23,713,105	\$711,392	641.263	\$456,190		\$15,485,629	\$464,564	649.961	\$301,949
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$23,713,105	\$711,392	641.263	\$456,190		\$15,485,629	\$464,564	649.961	\$301,949
CLASS 7 Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$11,156,173	\$177,033	660.894	\$117,000		\$10,211,193	\$163,764	674.985	\$110,538
Farm Implements		\$8,157,008	\$130,645	558.887	\$73,016		\$8,589,932	\$135,702	550.357	\$74,684
Furniture and Fixtures		\$9,261,259	\$185,212	845.988	\$156,687		\$8,689,169	\$176,039	819.657	\$144,292
Other Business Equipment		\$3,818,507	\$58,388	758.266	\$44,273		\$3,334,181	\$51,083	717.048	\$36,629
Class 8 Subtotal		\$32,392,947	\$551,278	709.218	\$390,976		\$30,824,475	\$526,588	695.313	\$366,143
CLASS 9										
Utilities		\$36,872,489	\$4,424,695	616.999	\$2,730,031		\$37,662,122	\$4,519,457	646.223	\$2,920,579
CLASS 10										
Timber Land	31,711	\$3,463,681	\$12,816	520.935	\$6,676	31,711	\$3,463,685	\$12,816	550.025	\$7,049
CLASS 12										
Railroads		\$57,890,140	\$1,777,227	570.679	\$1,014,226		\$51,204,546	\$1,597,583	603.401	\$963,983
Airlines		\$14,018	\$430	847.545	\$364		\$13,737	\$429	869.720	\$373
Class 12 Subtotal		\$57,904,158	\$1,777,657		\$1,014,590		\$51,218,283	\$1,598,012		\$964,356
CLASS 13										
Electrical Generation Property		\$1,743,591	\$104,615	663.375	\$69,399		\$2,427,394	\$145,644	680.330	\$99,086
Telecommunication Property		\$6,535,640	\$392,141	685.633	\$268,865		\$5,979,300	\$358,759	732.631	\$262,838
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$8,279,231	\$496,756		\$338,264		\$8,406,694	\$504,403		\$361,924
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$1,093,287,432	\$22,390,386	682.327	\$15,277,555		\$1,083,932,122	\$22,078,762	708.525	\$15,643,351
ABATED PROPERTY										
Current Values of Abated Property		\$709,080	\$5,389	813.547	\$4,384		\$933,380	\$9,385	794.646	\$7,458
Values Without the Property Abatement		\$709,080	\$13,404	813.547	\$10,905		\$933,380	\$17,641	794.646	\$14,018
Difference (Property Value Abated)		\$0	-\$8,015		-\$6,520		\$0	-\$8,256		-\$6,561

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 BNSF RAILWAY CO	2 HILAND CRUDE LLC	1 BNSF RAILWAY CO	2 HILAND CRUDE LLC
3 CENEX PIPELINE LLC	4 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION	3 CENEX PIPELINE LLC	4 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION
5 WBI ENERGY TRANSMISSION INC	6 MONTANA DAKOTA UTILITIES - GAS DISTRIBUTION	5 WBI ENERGY TRANSMISSION INC	6 MONTANA DAKOTA UTILITIES - GAS DISTRIBUTION
7 BASIN ELECTRIC POWER COOPERATIVE	8 MONTANA DAKOTA UTILITIES - ELECTRIC TRANSMISSION	7 MONTANA DAKOTA UTILITIES - ELECTRIC TRANSMISSION	8 MID RIVERS TELEPHONE COOPERATIVE
9 MID RIVERS TELEPHONE COOPERATIVE	10 TONGUE RIVER ELECTRIC COOP INC	9 TONGUE RIVER ELECTRIC COOP INC	10 WAL MART REAL ESTATE BUSINESS TRUST

Property Taxes Paid by County

Daniels County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	608	\$364,421	\$7,871	570.283	\$4,489	608	\$364,421	\$7,871	587.890	\$4,627
Tillable Non-Irrigated	441,032	\$145,712,089	\$3,147,368	568.501	\$1,789,280	440,579	\$145,575,607	\$3,144,417	586.183	\$1,843,202
Grazing	210,802	\$8,901,806	\$192,276	568.937	\$109,393	211,216	\$8,932,178	\$192,931	586.624	\$113,178
Wild Hay	6,024	\$1,199,888	\$25,916	568.413	\$14,731	6,024	\$1,199,748	\$25,913	586.097	\$15,188
Non-Qualified Ag Land	2,477	\$115,414	\$17,451	568.301	\$9,917	2,375	\$110,474	\$16,704	585.996	\$9,788
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$156,293,618	\$3,390,882	568.528	\$1,927,810		\$156,182,428	\$3,387,836	586.210	\$1,985,984
CLASS 4 Land and Improvements:										
Residential		\$74,219,715	\$1,008,267	708.736	\$714,595		\$74,645,922	\$1,010,559	733.038	\$740,778
Residential Low Income		\$2,455,707	\$11,022	743.805	\$8,198		\$2,722,465	\$13,658	753.360	\$10,289
Mobile Homes		\$1,035,440	\$13,978	558.664	\$7,809		\$1,218,250	\$16,446	605.184	\$9,953
Mobile Homes Low Income		\$0	\$0	-	\$0		\$43,409	\$0	-	\$0
Commercial		\$62,015,273	\$936,119	603.383	\$564,838		\$61,718,564	\$927,047	622.627	\$577,204
Industrial		\$90,014	\$1,702	674.410	\$1,148		\$90,014	\$1,702	697.728	\$1,188
New Manufacturing		\$4,516,801	\$85,368	583.011	\$49,770		\$6,311,091	\$119,280	598.024	\$71,332
Qualified Golf Courses		\$139,490	\$1,325	572.390	\$758		\$139,490	\$1,325	589.480	\$781
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$144,472,440	\$2,057,781	654.645	\$1,347,117		\$146,889,205	\$2,090,017	675.366	\$1,411,526
CLASS 5										
Rural Electric and Telephone Co-Op		\$14,382,707	\$431,487	588.378	\$253,877		\$12,419,511	\$372,592	604.976	\$225,409
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$14,382,707	\$431,487	588.378	\$253,877		\$12,419,511	\$372,592	604.976	\$225,409
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$1,621,491	\$24,949	652.960	\$16,291		\$2,400,450	\$81,451	400.882	\$32,652
Farm Implements		\$29,640,758	\$456,441	557.838	\$254,620		\$30,533,851	\$616,691	623.469	\$384,487
Furniture and Fixtures		\$449,927	\$6,897	657.389	\$4,534		\$514,764	-\$121,512	694.460	-\$84,385
Other Business Equipment		\$834,518	\$12,536	575.601	\$7,216		\$784,045	-\$50,037	704.173	-\$35,235
Class 8 Subtotal		\$32,546,694	\$500,823	564.392	\$282,661		\$34,233,110	\$526,593	564.990	\$297,520
CLASS 9										
Utilities		\$1,285,430	\$154,251	695.659	\$107,306		\$1,539,042	\$184,687	722.058	\$133,355
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$15,257,167	\$468,394	585.856	\$274,412		\$13,494,704	\$421,035	604.539	\$254,532
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$15,257,167	\$468,394		\$274,412		\$13,494,704	\$421,035		\$254,532
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$11,695,586	\$701,733	602.094	\$422,509		\$10,971,355	\$658,281	620.947	\$408,758
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$11,695,586	\$701,733		\$422,509		\$10,971,355	\$658,281		\$408,758
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$375,933,642	\$7,705,351	599.024	\$4,615,692		\$375,729,355	\$7,641,041	617.335	\$4,717,083
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	\$0		\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NEMONT COMMUNICATIONS INC	2 BNSF RAILWAY CO	1 NEMONT COMMUNICATIONS INC	2 BNSF RAILWAY CO
3 NEMONT TELEPHONE COOPERATIVE INC	4 SAGEBRUSH CELLULAR INC	3 NEMONT TELEPHONE COOPERATIVE INC	4 PRO CO-OP
5 SHERIDAN ELECTRIC CO OP INC	6 PRO CO-OP	5 SAGEBRUSH CELLULAR INC	6 SHERIDAN ELECTRIC CO OP INC
7 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION	8 TADE INC	7 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION	8 TADE INC
9 NORVAL ELECTRIC COOPERATIVE INC	10 A BAR S PROPERTIES LLC	9 A BAR S PROPERTIES LLC	10 MONTANA DAKOTA UTILITIES - ELECTRIC TRANSMISSION

Property Taxes Paid by County

Dawson County



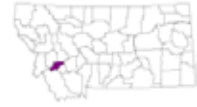
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	19,098	\$14,613,157	\$315,647	562.993	\$177,707	19,147	\$14,667,336	\$316,817	583.416	\$184,836
Tillable Non-Irrigated	379,677	\$107,357,317	\$2,318,896	474.642	\$1,100,646	379,604	\$107,334,893	\$2,318,412	487.931	\$1,131,225
Grazing	915,512	\$38,985,472	\$842,076	488.779	\$411,589	915,223	\$38,971,018	\$841,765	505.879	\$425,831
Wild Hay	11,351	\$2,297,064	\$49,618	475.006	\$23,569	11,350	\$2,296,813	\$49,613	491.639	\$24,392
Non-Qualified Ag Land	6,481	\$311,944	\$47,173	542.516	\$25,592	6,700	\$322,460	\$48,762	556.873	\$27,154
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$163,564,954	\$3,573,410	486.679	\$1,739,103		\$163,592,520	\$3,575,369	501.609	\$1,793,438
CLASS 4 Land and Improvements:										
Residential		\$452,399,147	\$6,114,153	700.352	\$4,282,059		\$451,006,562	\$6,088,000	721.838	\$4,394,552
Residential Low Income		\$19,676,469	\$94,211	718.312	\$67,673		\$20,072,013	\$91,256	738.536	\$67,396
Mobile Homes		\$11,122,242	\$150,142	617.999	\$92,788		\$11,152,152	\$150,546	597.843	\$90,003
Mobile Homes Low Income		\$248,830	\$1,290	593.537	\$766		\$326,630	\$1,346	572.488	\$771
Commercial		\$159,148,404	\$2,621,750	656.416	\$1,720,958		\$167,469,737	\$2,767,235	671.801	\$1,859,031
Industrial		\$1,059,710	\$20,028	578.662	\$11,589		\$1,059,710	\$20,028	600.800	\$12,033
New Manufacturing		\$15,917,670	\$300,846	548.234	\$164,934		\$17,762,332	\$335,711	576.244	\$193,451
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$130,223	\$990	922.491	\$913		\$130,223	\$990	946.544	\$937
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$659,702,695	\$9,303,410	681.651	\$6,341,679		\$668,979,359	\$9,455,112	699.957	\$6,618,174
CLASS 5										
Rural Electric and Telephone Co-Op		\$16,301,183	\$489,042	567.575	\$277,568		\$17,760,336	\$532,809	583.433	\$310,859
Qualified New Industrial		\$0	\$0	-	\$0		\$436,170	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$16,301,183	\$489,042	567.575	\$277,568		\$18,196,506	\$532,809	583.433	\$310,859
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$17,698,495	\$402,546	598.749	\$241,024		\$14,593,509	\$322,565	594.791	\$191,858
Farm Implements		\$25,263,265	\$362,749	477.862	\$182,901		\$24,036,207	\$368,421	488.802	\$180,085
Furniture and Fixtures		\$4,248,783	\$73,812	768.326	\$56,712		\$4,164,728	\$78,172	712.644	\$55,709
Other Business Equipment		\$11,448,166	\$212,118	612.147	\$129,847		\$13,357,955	\$254,686	621.576	\$158,307
Class 8 Subtotal		\$58,658,709	\$1,071,225	569.894	\$610,484		\$56,152,399	\$1,023,844	572.313	\$585,959
CLASS 9										
Utilities		\$52,725,364	\$6,327,047	606.483	\$3,837,247		\$57,005,265	\$6,840,635	630.641	\$4,313,982
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$126,722,869	\$3,890,393	598.560	\$2,328,635		\$116,804,964	\$3,644,318	627.102	\$2,285,359
Airlines		\$519,737	\$15,955	614.878	\$9,810		\$493,811	\$15,406	633.710	\$9,763
Class 12 Subtotal		\$127,242,606	\$3,906,348		\$2,338,445		\$117,298,775	\$3,659,724		\$2,295,122
CLASS 13										
Electrical Generation Property		\$13,975,887	\$838,554	615.064	\$515,765		\$14,427,037	\$865,621	633.906	\$548,722
Telecommunication Property		\$5,984,524	\$359,072	670.930	\$240,912		\$5,775,240	\$346,516	702.779	\$243,524
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$19,960,411	\$1,197,626		\$756,677		\$20,202,277	\$1,212,137		\$792,246
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$1,098,155,922	\$25,868,108	614.703	\$15,901,204		\$1,101,427,101	\$26,299,630	635.362	\$16,709,780
ABATED PROPERTY										
Current Values of Abated Property		\$130,223	\$990	922.491	\$913		\$130,223	\$990	946.544	\$937
Values Without the Property Abatement		\$130,223	\$2,462	922.491	\$2,271		\$130,223	\$2,461	946.544	\$2,330
Difference (Property Value Abated)		\$0	-\$1,472		-\$1,358		\$0	-\$1,471		-\$1,393

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 BNSF RAILWAY CO	2 WBI ENERGY TRANSMISSION INC	1 BNSF RAILWAY CO	2 WBI ENERGY TRANSMISSION INC
3 BRIDGER PIPELINE LLC	4 CENEX PIPELINE LLC	3 BRIDGER PIPELINE LLC	4 CENEX PIPELINE LLC
5 MONTANA DAKOTA UTILITIES - ELECTRIC GENERATION	6 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION	5 MONTANA DAKOTA UTILITIES - ELECTRIC GENERATION	6 MONTANA DAKOTA UTILITIES - ELECTRIC TRANSMISSION
7 MONTANA DAKOTA UTILITIES - ELECTRIC TRANSMISSION	8 MONTANA DAKOTA UTILITIES - GAS DISTRIBUTION	7 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION	8 MONTANA DAKOTA UTILITIES - GAS DISTRIBUTION
9 MID RIVERS TELEPHONE COOPERATIVE	10 CHS INC	9 MID RIVERS TELEPHONE COOPERATIVE	10 CHS INC

Property Taxes Paid by County

Deer Lodge County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	9,384	\$6,007,469	\$129,755	704.365	\$91,395	8,754	\$5,628,579	\$121,571	704.224	\$85,613
Tillable Non-Irrigated	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Grazing	140,284	\$6,700,871	\$144,767	633.062	\$91,646	140,542	\$6,760,593	\$146,056	631.274	\$92,201
Wild Hay	1,493	\$567,803	\$12,263	611.186	\$7,495	1,493	\$567,803	\$12,263	615.909	\$7,553
Non-Qualified Ag Land	25,562	\$1,228,279	\$185,709	680.465	\$126,369	25,645	\$1,233,232	\$186,456	658.954	\$122,866
Eligible Mining Claims	325	\$6,650	\$146	711.228	\$104	334	\$7,086	\$155	691.604	\$107
Class 3 Subtotal		\$14,511,072	\$472,640	670.719	\$317,009		\$14,197,293	\$466,501	660.965	\$308,341
CLASS 4 Land and Improvements:										
Residential		\$501,760,372	\$6,773,005	755.196	\$5,114,949		\$504,231,124	\$6,782,967	731.918	\$4,964,574
Residential Low Income		\$36,929,928	\$178,010	787.601	\$140,201		\$40,352,777	\$187,373	765.756	\$143,482
Mobile Homes		\$5,673,820	\$76,593	668.915	\$51,234		\$5,272,090	\$71,168	687.503	\$48,928
Mobile Homes Low Income		\$342,320	\$1,351	660.906	\$893		\$747,388	\$1,311	694.746	\$911
Commercial		\$81,556,913	\$1,417,859	783.791	\$1,111,305		\$80,714,353	\$1,405,587	763.925	\$1,073,763
Industrial		\$68,016	\$1,286	672.585	\$865		\$68,016	\$1,286	648.290	\$834
New Manufacturing		\$2,070,170	\$39,126	672.585	\$26,316		\$1,830,740	\$34,601	648.290	\$22,431
Qualified Golf Courses		\$860,336	\$8,174	722.145	\$5,903		\$860,336	\$8,174	695.680	\$5,686
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$629,261,875	\$8,495,404	759.430	\$6,451,666		\$634,076,824	\$8,492,467	737.196	\$6,260,609
CLASS 5										
Rural Electric and Telephone Co-Op		\$1,168,878	\$35,066	571.559	\$20,042		\$789,176	\$23,675	578.290	\$13,691
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$15,190,665	\$455,720	682.310	\$310,943		\$14,621,112	\$438,634	655.286	\$287,431
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$16,359,543	\$490,786	674.397	\$330,985		\$15,410,288	\$462,309	651.343	\$301,122
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$10,569,444	\$152,755	643.145	\$98,244		\$11,895,158	\$172,340	682.716	\$117,659
Farm Implements		\$240,683	\$3,610	673.378	\$2,431		\$231,642	\$3,475	648.103	\$2,252
Furniture and Fixtures		\$9,426,778	\$202,866	670.092	\$135,939		\$5,090,648	\$86,464	753.084	\$65,115
Other Business Equipment		\$856,233	\$12,927	659.852	\$8,530		\$768,389	\$11,605	691.952	\$8,030
Class 8 Subtotal		\$21,093,138	\$372,158	658.708	\$245,143		\$17,985,837	\$273,884	704.883	\$193,056
CLASS 9										
Utilities		\$40,370,111	\$4,844,394	712.062	\$3,449,509		\$40,676,501	\$4,881,178	688.997	\$3,363,118
CLASS 10										
Timber Land	54,036	\$12,312,148	\$45,560	642.066	\$29,253	54,012	\$12,307,040	\$45,541	630.962	\$28,735
CLASS 12										
Railroads		\$13,236,434	\$406,355	696.758	\$283,131		\$11,993,473	\$374,205	680.828	\$254,769
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$13,236,434	\$406,355	\$283,131	\$11,993,473		\$374,205	\$254,769		
CLASS 13										
Electrical Generation Property		\$87,962,923	\$5,277,775	683.275	\$3,606,170		\$86,304,488	\$5,178,269	656.010	\$3,396,996
Telecommunication Property		\$5,862,940	\$351,780	771.814	\$271,509		\$5,807,315	\$348,441	736.454	\$256,611
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$93,825,863	\$5,629,555	\$3,877,679	\$92,111,803		\$5,526,710	\$3,653,607		
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	\$0	\$0		\$0	\$0		
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0	\$0	\$0		\$0	\$0		
Total		\$840,970,184	\$20,756,852	721.900	\$14,984,375		\$838,759,059	\$20,522,795	699.873	\$14,363,357

ABATED PROPERTY										
Current Values of Abated Property	\$1,114,194	\$8,357	731.585	\$6,114	\$1,160,625	\$8,705	772.960	\$6,728		
Values Without the Property Abatement	\$1,114,194	\$26,203	731.585	\$19,170	\$1,160,625	\$17,409	772.960	\$13,457		
Difference (Property Value Abated)	\$0	-\$17,846		-\$13,056	\$0	-\$8,705		-\$6,728		

Top 10 Property Owners by Taxable Value									
TY 2017					TY 2018				
1	NORTHWESTERN ENERGY - ELECTRIC GENERATION	2	NORTHWESTERN ENERGY-T & D	1	NORTHWESTERN ENERGY - ELECTRIC GENERATION	2	NORTHWESTERN ENERGY-T & D		
3	NORTHWESTERN ENERGY - SUBSTATION	4	ARCO ENVIRONMENTAL REMEDIATION LLC	3	NORTHWESTERN ENERGY - SUBSTATION	4	BNSF RAILWAY CO		
5	BNSF RAILWAY CO	6	PACIFICORP - ELECTRIC TRANSMISSION	5	ARCO ENVIRONMENTAL REMEDIATION LLC	6	PACIFICORP - ELECTRIC TRANSMISSION		
7	IDAHO POWER COMPANY	8	CENTURYLINK INC	7	IDAHO POWER COMPANY	8	CHARTER COMMUNICATIONS INC		
9	CHARTER COMMUNICATIONS INC	10	RARUS RAILWAY COMPANY	9	VERIZON WIRELESS	10	QWEST CORPORATION AND OR CENTURYLINK INC -		

Property Taxes Paid by County

Fallon County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Tillable Non-Irrigated	145,699	\$38,803,525	\$838,179	289.617	\$242,751	145,538	\$38,780,465	\$837,681	318.528	\$266,825
Grazing	631,841	\$26,885,817	\$580,738	288.149	\$167,339	632,180	\$26,897,408	\$580,986	313.634	\$182,217
Wild Hay	55,874	\$11,943,191	\$257,976	288.355	\$74,389	55,874	\$11,943,253	\$257,977	314.328	\$81,089
Non-Qualified Ag Land	3,976	\$191,376	\$28,933	293.611	\$8,495	4,076	\$196,180	\$29,659	325.949	\$9,667
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$77,823,909	\$1,705,826	288.994	\$492,974		\$77,817,306	\$1,706,303	316.356	\$539,799
CLASS 4 Land and Improvements:										
Residential		\$137,587,371	\$1,862,963	422.445	\$787,000		\$138,529,276	\$1,875,657	460.548	\$863,831
Residential Low Income		\$1,281,821	\$6,119	398.933	\$2,441		\$1,538,212	\$6,597	481.999	\$3,180
Mobile Homes		\$9,006,830	\$121,593	363.955	\$44,254		\$9,008,240	\$121,609	370.308	\$45,033
Mobile Homes Low Income		\$96,760	\$294	468.190	\$138		\$136,670	\$402	465.560	\$187
Commercial		\$91,483,741	\$1,483,939	357.403	\$530,364		\$95,423,240	\$1,553,566	393.311	\$611,034
Industrial		\$1,052,217	\$19,890	347.606	\$6,914		\$1,111,573	\$21,012	379.770	\$7,980
New Manufacturing		\$10,944,170	\$206,847	291.171	\$60,228		\$10,944,170	\$206,847	323.717	\$66,960
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$251,452,910	\$3,701,645	386.677	\$1,431,339		\$256,691,381	\$3,785,690	422.170	\$1,598,205
CLASS 5										
Rural Electric and Telephone Co-Op		\$9,795,873	\$293,881	328.932	\$96,667		\$10,646,495	\$319,398	357.720	\$114,255
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$9,795,873	\$293,881	328.932	\$96,667		\$10,646,495	\$319,398	357.720	\$114,255
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$34,605,130	\$836,518	284.620	\$238,090		\$26,270,747	\$593,807	302.746	\$179,773
Farm Implements		\$11,538,170	\$185,325	285.754	\$52,957		\$10,926,663	\$174,271	310.142	\$54,049
Furniture and Fixtures		\$1,189,821	\$20,072	419.541	\$8,421		\$1,830,944	\$28,913	413.248	\$11,948
Other Business Equipment		\$48,319,539	\$1,227,530	282.770	\$347,109		\$39,676,792	\$1,019,389	297.466	\$303,234
Class 8 Subtotal		\$95,652,660	\$2,269,445	284.905	\$646,577		\$78,705,146	\$1,816,380	302.251	\$549,004
CLASS 9										
Utilities		\$286,053,377	\$34,326,419	290.876	\$9,984,748		\$284,534,997	\$34,144,195	318.623	\$10,879,115
CLASS 10										
Timber Land	122	\$13,281	\$49	292.000	\$14	122	\$13,281	\$49	326.480	\$16
CLASS 12										
Railroads		\$26,392,723	\$810,254	298.047	\$241,493		\$23,343,562	\$728,319	324.756	\$236,526
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$26,392,723	\$810,254	298.047	\$241,493		\$23,343,562	\$728,319	324.756	\$236,526
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$763,694	\$45,822	309.977	\$14,204		\$928,935	\$55,737	345.907	\$19,280
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$763,694	\$45,822	309.977	\$14,204		\$928,935	\$55,737	345.907	\$19,280
CLASS 14										
Wind Generation		\$20,405,224	\$612,157	292.000	\$178,750		\$21,046,816	\$631,405	326.480	\$206,141
Wind Generation New & Exp		\$12,943,290	\$271,808	335.286	\$91,133		\$13,549,169	\$325,179	351.730	\$114,375
Class 14 Subtotal		\$33,348,514	\$883,965	313.643	\$269,883		\$34,595,985	\$956,584	339.110	\$320,516
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$781,296,941	\$44,037,306	299.244	\$13,177,900		\$767,277,088	\$43,512,655	327.645	\$14,256,715

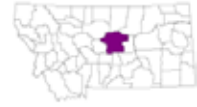
ABATED PROPERTY										
Current Values of Abated Property		\$12,943,290	\$271,808	335.286	\$91,133		\$13,549,169	\$325,179	351.730	\$114,375
Values Without the Property Abatement		\$12,943,290	\$388,299	335.286	\$130,191		\$13,549,169	\$406,475	351.730	\$142,970
Difference (Property Value Abated)		\$0	-\$116,491		-\$39,058		\$0	-\$81,296		-\$28,594

Top 10 Property Owners by Taxable Value

TY 2017					TY 2018				
1	WBI ENERGY TRANSMISSION INC	2	ONEOK BAKKEN PIPELINE LLC	1	WBI ENERGY TRANSMISSION INC	2	ONEOK BAKKEN PIPELINE LLC		
3	BRIDGER PIPELINE LLC	4	BUTTE PIPE LINE CO	3	BRIDGER PIPELINE LLC	4	BUTTE PIPE LINE CO		
5	HILAND CRUDE LLC	6	PLAINS PIPELINE LP	5	HILAND CRUDE LLC	6	BISON PIPELINE LLC		
7	BISON PIPELINE LLC	8	DENBURY ONSHORE LLC	7	MONTANA DAKOTA UTILITIES - ELECTRIC TRANSMISSION	8	DENBURY ONSHORE LLC		
9	MONTANA DAKOTA UTILITIES - ELECTRIC TRANSMISSION	10	MONTANA DAKOTA UTILITIES - WIND GENERATION	9	MONTANA DAKOTA UTILITIES - WIND GENERATION	10	BNSF RAILWAY CO		

Property Taxes Paid by County

Fergus County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	12,084	\$8,643,060	\$186,688	569.901	\$106,394	12,090	\$8,646,871	\$186,771	567.216	\$105,939
Tillable Non-Irrigated	375,735	\$98,647,312	\$2,130,778	516.338	\$1,100,202	370,996	\$98,260,771	\$2,122,430	516.248	\$1,095,699
Grazing	1,360,262	\$69,013,857	\$1,490,723	580.655	\$865,596	1,363,982	\$69,135,686	\$1,493,348	588.907	\$879,444
Wild Hay	160,463	\$41,340,554	\$892,952	573.608	\$512,204	161,540	\$41,486,383	\$896,101	576.625	\$516,714
Non-Qualified Ag Land	21,869	\$1,052,535	\$159,153	608.437	\$96,835	21,845	\$1,051,403	\$158,984	613.473	\$97,532
Eligible Mining Claims	19	\$922	\$20	665.243	\$13	19	\$922	\$20	660.270	\$13
Class 3 Subtotal		\$218,698,240	\$4,860,314	551.660	\$2,681,243		\$218,582,036	\$4,857,654	554.865	\$2,695,343
CLASS 4 Land and Improvements:										
Residential		\$533,626,136	\$7,218,802	746.570	\$5,389,343		\$543,847,371	\$7,311,321	744.571	\$5,443,795
Residential Low Income		\$31,322,102	\$138,740	801.184	\$111,156		\$30,723,725	\$137,457	790.511	\$108,661
Mobile Homes		\$19,690,110	\$265,812	640.069	\$170,138		\$19,578,610	\$264,307	657.215	\$173,707
Mobile Homes Low Income		\$1,618,370	\$5,926	725.694	\$4,300		\$2,575,781	\$5,671	744.715	\$4,223
Commercial		\$328,217,456	\$5,165,002	684.418	\$3,535,019		\$341,813,153	\$5,395,105	680.437	\$3,671,029
Industrial		\$717,838	\$13,569	615.107	\$8,346		\$659,748	\$12,471	616.468	\$7,688
New Manufacturing		\$13,383,825	\$233,263	590.067	\$137,641		\$13,095,885	\$236,105	601.180	\$141,942
Qualified Golf Courses		\$2,280,330	\$21,662	684.613	\$14,830		\$2,280,330	\$21,662	680.600	\$14,743
Remodeled Commercial		\$599,390	\$5,394	873.075	\$4,709		\$684,270	\$8,057	918.500	\$7,400
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$931,455,557	\$13,068,170	717.429	\$9,375,483		\$955,258,873	\$13,392,156	714.836	\$9,573,189
CLASS 5										
Rural Electric and Telephone Co-Op		\$34,562,529	\$1,036,880	603.014	\$625,253		\$34,029,683	\$1,020,894	607.183	\$619,869
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$917,336	\$27,520	429.589	\$11,822		\$18,584,797	\$32,348	417.295	\$13,499
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$35,479,865	\$1,064,400	598.530	\$637,076		\$52,614,480	\$1,053,242	601.351	\$633,368
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$25,318,117	\$387,655	620.345	\$240,480		\$22,231,920	\$339,738	634.339	\$215,509
Farm Implements		\$24,531,239	\$379,662	528.281	\$200,568		\$28,422,393	\$434,858	542.590	\$235,950
Furniture and Fixtures		\$3,871,270	\$69,898	786.528	\$54,977		\$3,650,093	\$68,560	813.784	\$55,793
Other Business Equipment		\$4,160,940	\$62,868	598.843	\$37,648		\$2,638,170	\$39,845	610.120	\$24,310
Class 8 Subtotal		\$57,881,566	\$900,083	592.915	\$533,673		\$56,942,576	\$883,001	601.995	\$531,562
CLASS 9										
Utilities		\$135,269,353	\$13,461,274	499.633	\$6,725,691		\$175,577,394	\$15,295,155	503.962	\$7,708,177
CLASS 10										
Timber Land	156,308	\$36,984,712	\$136,847	604.221	\$82,686	156,304	\$36,983,159	\$136,845	604.345	\$82,702
CLASS 12										
Railroads		\$12,773,747	\$392,153	450.870	\$176,810		\$11,399,887	\$355,676	444.247	\$158,008
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$12,773,747	\$392,153		\$176,810		\$11,399,887	\$355,676		\$158,008
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$6,298,928	\$377,933	676.631	\$255,721		\$6,073,572	\$364,417	665.171	\$242,400
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$6,298,928	\$377,933		\$255,721		\$6,073,572	\$364,417		\$242,400
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$1,434,841,968	\$34,261,174	597.422	\$20,468,384		\$1,513,431,977	\$36,338,146	595.098	\$21,624,748
ABATED PROPERTY										
Current Values of Abated Property		\$52,356,688	\$2,862,077	529.354	\$1,515,052		\$97,933,152	\$5,789,929	515.548	\$2,984,984
Values Without the Property Abatement		\$52,356,688	\$5,658,754	529.354	\$2,995,485		\$97,933,152	\$11,580,335	515.548	\$5,970,213
Difference (Property Value Abated)		\$0	-\$2,796,677		-\$1,480,433		\$0	-\$5,790,406		-\$2,985,229

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 EXPRESS PIPELINE LLC	2 PHILLIPS 66 CARRIER LLC	1 EXPRESS PIPELINE LLC	2 PHILLIPS 66 CARRIER LLC
3 NORTHWESTERN ENERGY-T & D	4 FERUGS ELECTRIC COOP	3 NORTHWESTERN ENERGY-T & D	4 WILKS RANCH MONTANA LTD
5 FRONT RANGE PIPELINE LLC	6 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	5 FERUGS ELECTRIC COOP	6 FRONT RANGE PIPELINE LLC
7 BNSF RAILWAY CO	8 WILKS RANCH MONTANA LTD	7 BNSF RAILWAY CO	8 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC
9 VERIZON WIRELESS	10 MID RIVERS TELEPHONE COOPERATIVE	9 VERIZON WIRELESS	10 MID RIVERS TELEPHONE COOPERATIVE

Property Taxes Paid by County

Flathead County



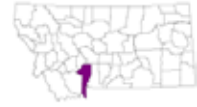
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	19,423	\$12,582,144	\$271,771	606.332	\$164,783	19,014	\$12,260,943	\$264,834	610.714	\$161,738
Tillable Non-Irrigated	15,965	\$22,871,348	\$494,020	573.843	\$283,490	15,298	\$14,354,349	\$310,059	585.891	\$181,661
Grazing	51,307	\$2,503,538	\$54,215	576.603	\$31,261	50,865	\$2,548,406	\$55,186	577.437	\$31,866
Wild Hay	17,347	\$4,138,742	\$89,405	573.381	\$51,263	17,467	\$4,284,997	\$92,568	574.116	\$53,145
Non-Qualified Ag Land	58,392	\$2,787,594	\$421,518	581.313	\$245,034	59,020	\$2,817,800	\$426,083	590.524	\$251,612
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$44,883,366	\$1,330,929	582.924	\$775,831		\$36,266,495	\$1,148,730	591.977	\$680,022
CLASS 4 Land and Improvements:										
Residential		\$12,755,534,607	\$173,185,483	613.726	\$106,288,394		\$12,967,255,398	\$175,056,812	631.001	\$110,461,089
Residential Low Income		\$298,377,017	\$1,433,428	661.645	\$948,420		\$311,053,052	\$1,456,526	673.500	\$980,971
Mobile Homes		\$77,176,025	\$1,041,907	604.478	\$629,810		\$80,620,620	\$1,088,421	623.962	\$679,133
Mobile Homes Low Income		\$6,281,885	\$26,549	596.214	\$15,829		\$19,186,135	\$25,663	605.924	\$15,550
Commercial		\$2,513,093,961	\$44,734,264	695.636	\$31,118,751		\$2,582,175,144	\$45,944,371	708.541	\$32,553,458
Industrial		\$20,560,220	\$388,587	636.434	\$247,310		\$20,196,191	\$381,707	643.580	\$245,659
New Manufacturing		\$81,747,065	\$1,498,530	645.049	\$966,626		\$73,546,304	\$1,369,300	665.518	\$911,293
Qualified Golf Courses		\$27,679,808	\$262,960	611.119	\$160,700		\$27,678,188	\$262,944	628.402	\$165,234
Remodeled Commercial		\$0	\$0	-	\$0		\$2,060	\$0	-	\$4
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$15,780,450,588	\$222,571,708	630.699	\$140,375,839		\$16,081,713,092	\$225,585,744	647.259	\$146,012,391
CLASS 5										
Rural Electric and Telephone Co-Op		\$177,922,659	\$5,337,694	600.301	\$3,204,221		\$176,828,459	\$5,304,869	612.202	\$3,247,651
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$2,277,333	\$68,320	646.112	\$44,142		\$2,191,291	\$65,738	664.731	\$43,698
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$180,199,992	\$5,406,014	600.880	\$3,248,364		\$179,019,750	\$5,370,607	612.845	\$3,291,349
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$187,693,794	\$4,035,257	636.161	\$2,567,074		\$198,375,556	\$4,278,581	647.115	\$2,768,735
Farm Implements		\$5,172,501	\$84,811	567.815	\$48,157		\$5,298,498	\$82,966	585.359	\$48,565
Furniture and Fixtures		\$89,714,882	\$1,624,094	713.626	\$1,158,996		\$94,272,846	\$1,680,047	753.956	\$1,266,681
Other Business Equipment		\$34,294,324	\$722,314	635.778	\$459,231		\$32,818,485	\$695,738	651.470	\$453,253
Class 8 Subtotal		\$316,875,501	\$6,466,477	654.678	\$4,233,458		\$330,765,385	\$6,737,332	673.447	\$4,537,233
CLASS 9										
Utilities		\$60,400,185	\$7,247,997	702.368	\$5,090,760		\$65,909,959	\$7,909,196	715.295	\$5,657,405
CLASS 10										
Timber Land	481,144	\$214,134,869	\$792,317	566.117	\$448,544	481,018	\$214,142,543	\$792,348	561.893	\$445,215
CLASS 12										
Railroads		\$132,576,193	\$4,070,086	508.599	\$2,070,042		\$118,043,052	\$3,682,942	523.092	\$1,926,518
Airlines		\$13,906,044	\$426,915	654.271	\$279,318		\$18,505,758	\$577,380	660.307	\$381,248
Class 12 Subtotal		\$146,482,237	\$4,497,001		\$2,349,360		\$136,548,810	\$4,260,322		\$2,307,766
CLASS 13										
Electrical Generation Property		\$4,420,582	\$265,235	511.570	\$135,686		\$4,866,458	\$291,987	514.710	\$150,289
Telecommunication Property		\$99,955,533	\$5,997,348	679.102	\$4,072,810		\$91,041,819	\$5,462,526	684.051	\$3,736,645
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$13,988	\$0	-	\$0
Class 13 Subtotal		\$104,376,115	\$6,262,583		\$4,208,496		\$95,922,265	\$5,754,513		\$3,886,934
CLASS 14										
Wind Generation		\$3,101,409	\$93,042	529.220	\$49,240		\$3,225,659	\$96,770	566.812	\$54,850
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$3,101,409	\$93,042		\$49,240		\$3,225,659	\$96,770		\$54,850
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$75,343	\$1,130	608.350	\$687		\$71,743	\$1,076	626.160	\$674
Class 15 Subtotal		\$75,343	\$1,130		\$687		\$71,743	\$1,076		\$674
Total		\$16,850,979,605	\$254,669,198	631.331	\$160,780,579		\$17,143,585,701	\$257,656,638	647.660	\$166,873,839
ABATED PROPERTY										
Current Values of Abated Property		\$31,925,027	\$434,592	686.320	\$298,269		\$25,625,995	\$328,028	730.557	\$239,643
Values Without the Property Abatement		\$31,925,027	\$704,566	686.320	\$483,558		\$25,625,995	\$575,767	730.557	\$420,631
Difference (Property Value Abated)		\$0	-\$269,974		-\$185,288		\$0	-\$247,739		-\$180,988

Top 10 Property Owners by Taxable Value

TY 2017				TY 2018			
1	FLATHEAD ELECTRIC COOP INC.	2	NORTHWESTERN ENERGY-T & D	1	FLATHEAD ELECTRIC COOP INC.	2	NORTHWESTERN ENERGY-T & D
3	BNSF RAILWAY CO	4	CENTURYLINK INC	3	BNSF RAILWAY CO	4	FLATHEAD ELECTRIC COOPERATIVE INC - CLASS 9
5	FLATHEAD ELECTRIC COOPERATIVE INC - CLASS 9	6	PLUM CREEK MDF INC	5	WEYERHAEUSER NR COMPANY	6	QWEST CORPORATION AND OR CENTURYLINK INC -
7	CHARTER COMMUNICATIONS INC	8	VERIZON WIRELESS	7	CHARTER COMMUNICATIONS INC	8	VERIZON WIRELESS
9	PLUM CREEK NORTHWEST PLYWOOD INC	10	TWO BEAR PROPERTIES OF WHITEFISH LLC	9	SEMITOOL INC	10	TWO BEAR PROPERTIES OF WHITEFISH LLC

Property Taxes Paid by County

Gallatin County



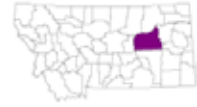
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$283,750	\$283,750	479.574	\$136,079		\$286,997	\$286,997	485.600	\$139,366
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	75,550	\$58,070,861	\$1,254,323	600.786	\$753,580	75,968	\$58,135,988	\$1,255,729	607.625	\$763,013
Tillable Non-Irrigated	78,251	\$34,460,979	\$744,369	571.207	\$425,189	77,823	\$34,291,860	\$740,717	578.561	\$428,550
Grazing	427,529	\$21,615,723	\$466,985	525.802	\$245,531	427,216	\$21,598,741	\$466,599	535.445	\$249,838
Wild Hay	17,934	\$6,254,616	\$135,085	560.811	\$75,757	18,056	\$6,305,139	\$136,181	581.968	\$79,253
Non-Qualified Ag Land	73,525	\$3,538,657	\$535,066	555.636	\$297,302	72,880	\$3,505,242	\$530,012	575.141	\$304,832
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$123,940,836	\$3,135,808	573.173	\$1,797,359		\$123,836,970	\$3,129,238	583.364	\$1,825,486
CLASS 4 Land and Improvements:										
Residential		\$12,793,167,500	\$173,317,558	590.194	\$102,290,911		\$13,227,907,376	\$178,850,855	620.087	\$110,903,040
Residential Low Income		\$121,611,042	\$582,465	627.373	\$365,423		\$130,765,747	\$640,835	653.615	\$418,859
Mobile Homes		\$62,330,860	\$841,487	624.261	\$625,308		\$62,310,160	\$841,021	586.584	\$493,329
Mobile Homes Low Income		\$2,486,870	\$10,232	628.059	\$6,426		\$1,175,184	\$9,816	593.460	\$5,825
Commercial		\$4,119,794,832	\$71,705,279	624.579	\$44,785,629		\$4,242,433,838	\$73,819,383	652.862	\$48,193,853
Industrial		\$19,369,551	\$366,083	595.865	\$218,136		\$19,148,304	\$361,901	619.377	\$224,153
New Manufacturing		\$84,604,907	\$1,511,872	570.272	\$862,178		\$98,013,167	\$1,789,435	599.689	\$1,073,105
Qualified Golf Courses		\$35,956,180	\$341,587	529.882	\$181,001		\$33,772,735	\$320,845	571.008	\$183,205
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$17,239,321,742	\$248,676,563	600.117	\$149,235,012		\$17,826,102,511	\$256,634,091	629.283	\$161,495,370
CLASS 5										
Rural Electric and Telephone Co-Op		\$18,669,663	\$560,090	464.171	\$259,978		\$19,083,373	\$572,501	469.313	\$268,682
Qualified New Industrial		\$0	\$0	-	\$0		\$10,693,936	\$0	-	\$0
Pollution Control		\$34,032	\$1,021	479.574	\$490		\$325,314	\$1,026	485.600	\$498
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$18,703,695	\$561,111	464.199	\$260,467		\$30,102,623	\$573,527	469.342	\$269,180
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$159,230,750	\$3,105,823	606.538	\$1,883,800		\$161,728,662	\$3,270,570	590.160	\$1,930,159
Farm Implements		\$18,930,921	\$306,874	625.290	\$191,885		\$17,774,971	\$281,974	606.420	\$170,994
Furniture and Fixtures		\$78,426,406	\$1,296,796	671.739	\$871,108		\$84,935,963	\$1,416,778	629.520	\$891,891
Other Business Equipment		\$37,647,887	\$628,378	572.427	\$359,701		\$26,187,608	\$473,332	573.208	\$271,318
Class 8 Subtotal		\$294,235,964	\$5,337,872	619.441	\$3,306,495		\$290,627,224	\$5,442,653	599.774	\$3,264,362
CLASS 9										
Utilities		\$204,087,923	\$24,490,535	548.616	\$13,435,902		\$212,456,482	\$25,494,770	570.021	\$14,532,560
CLASS 10										
Timber Land	126,640	\$29,356,952	\$108,708	475.075	\$51,644	126,716	\$29,380,104	\$108,783	499.165	\$54,301
CLASS 12										
Railroads		\$49,769,051	\$1,527,910	519.142	\$793,202		\$46,522,548	\$1,451,502	565.191	\$820,376
Airlines		\$42,967,449	\$1,319,098	623.687	\$822,704		\$45,667,498	\$1,424,827	632.587	\$901,327
Class 12 Subtotal		\$92,736,500	\$2,847,008		\$1,615,906		\$92,190,046	\$2,876,329		\$1,721,703
CLASS 13										
Electrical Generation Property		\$38,698,166	\$2,321,890	477.428	\$1,108,536		\$38,229,782	\$2,293,788	486.512	\$1,115,955
Telecommunication Property		\$68,343,078	\$4,100,595	607.195	\$2,489,862		\$64,015,795	\$3,840,951	636.602	\$2,445,155
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$504,487	\$0	-	\$0
Class 13 Subtotal		\$107,041,244	\$6,422,485		\$3,598,399		\$102,750,064	\$6,134,739		\$3,561,110
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$18,109,708,606	\$291,863,840	594.240	\$173,437,264		\$18,707,733,021	\$300,681,127	621.467	\$186,863,439
ABATED PROPERTY										
Current Values of Abated Property		\$14,591,527	\$154,051	822.209	\$126,662		\$12,673,509	\$157,721	787.752	\$124,245
Values Without the Property Abatement		\$14,591,527	\$295,578	822.209	\$243,027		\$12,673,509	\$245,596	787.752	\$193,469
Difference (Property Value Abated)		\$0	-\$141,527		-\$116,364		\$0	-\$87,875		-\$69,224

Top 10 Property Owners by Taxable Value

TY 2017				TY 2018			
1	NORTHWESTERN ENERGY-T & D	2	NORTHWESTERN ENERGY - ELECTRIC GENERATION	1	NORTHWESTERN ENERGY-T & D	2	NORTHWESTERN ENERGY - ELECTRIC GENERATION
3	MONTANA RAIL LINK	4	CENTURYLINK INC	3	MONTANA RAIL LINK	4	VERIZON WIRELESS
5	VERIZON WIRELESS	6	OLDCASTLE MATERIALS CEMENT HOLDINGS INC	5	CHARTER COMMUNICATIONS INC	6	GCC THREE FORKS LLC
7	CHARTER COMMUNICATIONS INC	8	LUZENAC AMERICA INC	7	LUZENAC AMERICA INC	8	CENTURYLINK INC
9	YELLOWSTONE PIPELINE CO	10	D & G INVESTMENTS LLLP	9	YELLOWSTONE PIPELINE CO	10	QWEST CORPORATION AND OR CENTURYLINK INC -

Property Taxes Paid by County

Garfield County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	1,612	\$1,036,875	\$22,397	483.431	\$10,827	1,612	\$1,036,875	\$22,397	564.974	\$12,654
Tillable Non-Irrigated	260,332	\$76,349,968	\$1,649,166	538.711	\$888,423	260,332	\$76,350,279	\$1,649,172	616.886	\$1,017,352
Grazing	1,827,788	\$82,041,329	\$1,772,072	525.520	\$931,259	1,827,804	\$82,041,930	\$1,772,085	604.393	\$1,071,035
Wild Hay	8,682	\$1,840,195	\$39,750	528.417	\$21,005	8,682	\$1,840,195	\$39,750	601.994	\$23,929
Non-Qualified Ag Land	4,497	\$216,426	\$32,723	513.058	\$16,789	4,482	\$215,697	\$32,613	594.191	\$19,378
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$161,484,793	\$3,516,108	531.355	\$1,868,302		\$161,484,976	\$3,516,017	609.880	\$2,144,348
CLASS 4 Land and Improvements:										
Residential		\$37,352,296	\$510,481	603.643	\$308,148		\$38,003,050	\$519,246	665.089	\$345,345
Residential Low Income		\$609,397	\$3,005	682.873	\$2,052		\$593,210	\$3,297	761.627	\$2,511
Mobile Homes		\$5,513,730	\$74,443	608.142	\$45,272		\$5,611,100	\$75,758	588.012	\$44,547
Mobile Homes Low Income		\$107,440	\$365	797.090	\$291		\$107,440	\$290	761.520	\$221
Commercial		\$46,194,913	\$652,957	563.139	\$367,706		\$47,478,771	\$670,799	638.802	\$428,508
Industrial		\$19,000	\$359	471.300	\$169		\$19,000	\$359	559.220	\$201
New Manufacturing		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$89,796,776	\$1,241,610	582.822	\$723,638		\$91,812,571	\$1,269,749	646.846	\$821,332
CLASS 5										
Rural Electric and Telephone Co-Op		\$10,021,413	\$300,642	575.098	\$172,899		\$11,038,592	\$331,159	651.160	\$215,637
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$10,021,413	\$300,642	575.098	\$172,899		\$11,038,592	\$331,159	651.160	\$215,637
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$2,056,725	\$31,053	517.532	\$16,071		\$1,484,098	\$22,503	554.392	\$12,476
Farm Implements		\$14,517,088	\$238,215	548.050	\$130,554		\$14,949,491	\$242,251	565.288	\$136,937
Furniture and Fixtures		\$272,498	\$4,180	682.425	\$2,853		\$364,368	\$5,495	720.853	\$3,961
Other Business Equipment		\$993,902	\$15,026	529.369	\$7,954		\$739,837	\$11,347	546.588	\$6,202
Class 8 Subtotal		\$17,840,213	\$288,475	545.739	\$157,432		\$17,537,794	\$281,596	566.682	\$159,575
CLASS 9										
Utilities		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$895,457	\$53,724	552.451	\$29,680		\$1,222,867	\$73,372	625.955	\$45,928
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$895,457	\$53,724		\$29,680		\$1,222,867	\$73,372		\$45,928
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$280,038,652	\$5,400,559	546.601	\$2,951,951		\$283,096,800	\$5,471,893	618.949	\$3,386,820
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 MCCONE ELECTRIC COOP INC	2 HILLENBRAND JOHN	1 MCCONE ELECTRIC COOP INC	2 HILLENBRAND JOHN
3 MID RIVERS TELEPHONE COOPERATIVE	4 SINGLETON FARMS	3 MID RIVERS TELEPHONE COOPERATIVE	4 SINGLETON FARMS
5 C E CATTLE CO	6 MURRAY LIGE M & MARY ANN	5 C E CATTLE CO	6 MURRAY LIGE M & MARY ANN
7 L O CATTLE COMPANY	8 CHARANGUS RANCH INC	7 L O CATTLE COMPANY	8 CHARANGUS RANCH INC
9 SINGLETON BROS INC	10 LACOSTA LIVESTOCK CO	9 SINGLETON BROS INC	10 LACOSTA LIVESTOCK CO

Property Taxes Paid by County

Glacier County



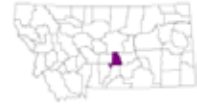
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	15,394	\$9,195,898	\$198,638	663.024	\$131,702	14,127	\$8,433,490	\$182,170	665.167	\$121,173
Tillable Non-Irrigated	348,961	\$93,434,750	\$2,018,193	673.220	\$1,358,688	347,816	\$93,191,498	\$2,012,938	671.146	\$1,350,976
Grazing	412,437	\$23,755,495	\$513,354	729.581	\$374,533	412,221	\$23,821,659	\$514,786	709.744	\$385,366
Wild Hay	19,530	\$6,357,975	\$137,346	743.541	\$102,122	18,382	\$6,454,153	\$139,426	719.711	\$100,346
Non-Qualified Ag Land	29,616	\$666,869	\$100,845	698.837	\$70,474	29,280	\$629,959	\$95,263	690.747	\$65,803
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$133,410,987	\$2,968,376	686.409	\$2,037,520		\$132,530,759	\$2,944,583	680.458	\$2,003,665
CLASS 4 Land and Improvements:										
Residential		\$200,803,244	\$2,712,461	745.101	\$2,021,058		\$200,569,917	\$2,698,187	757.413	\$2,043,641
Residential Low Income		\$6,997,963	\$28,838	754.854	\$21,768		\$7,287,461	\$28,582	783.967	\$22,407
Mobile Homes		\$9,038,839	\$122,132	692.727	\$84,604		\$8,540,248	\$115,290	705.596	\$81,348
Mobile Homes Low Income		\$152,825	\$411	773.335	\$318		\$319,364	\$689	779.921	\$537
Commercial		\$185,339,292	\$3,043,454	718.833	\$2,187,737		\$185,289,607	\$3,037,777	718.653	\$2,183,108
Industrial		\$1,107,691	\$20,936	634.720	\$13,288		\$1,107,691	\$20,936	645.294	\$13,510
New Manufacturing		\$5,234,477	\$98,933	660.903	\$65,385		\$5,237,567	\$98,991	665.706	\$65,899
Qualified Golf Courses		\$1,659,377	\$15,765	670.380	\$10,569		\$1,659,377	\$15,765	666.196	\$10,503
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$410,333,728	\$6,042,930	728.906	\$4,404,727		\$410,011,232	\$6,016,217	734.839	\$4,420,954
CLASS 5										
Rural Electric and Telephone Co-Op		\$36,054,329	\$1,081,631	701.155	\$758,391		\$36,574,325	\$1,097,232	690.659	\$757,813
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$36,054,329	\$1,081,631	701.155	\$758,391		\$36,574,325	\$1,097,232	690.659	\$757,813
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$84,377	\$6,750	840.640	\$5,674
CLASS 8										
Machinery		\$3,322,747	\$54,195	677.529	\$36,718		\$7,044,547	\$120,356	667.175	\$80,299
Farm Implements		\$15,628,421	\$271,475	638.393	\$173,308		\$14,943,409	\$251,627	664.781	\$167,277
Furniture and Fixtures		\$6,884,223	\$118,302	749.516	\$88,670		\$8,885,693	\$158,280	750.720	\$118,824
Other Business Equipment		\$9,349,600	\$152,623	663.161	\$101,213		\$8,800,450	\$148,190	686.075	\$101,670
Class 8 Subtotal		\$35,184,991	\$596,595	670.320	\$399,909		\$39,674,099	\$678,454	689.906	\$468,070
CLASS 9										
Utilities		\$91,033,438	\$10,924,011	650.876	\$7,110,173		\$90,100,402	\$10,812,047	661.858	\$7,156,045
CLASS 10										
Timber Land	4,481	\$1,132,011	\$4,195	719.653	\$3,019	4,418	\$1,132,248	\$4,195	701.423	\$2,942
CLASS 12										
Railroads		\$81,781,569	\$2,510,695	693.869	\$1,742,093		\$72,507,828	\$2,262,245	688.340	\$1,557,194
Airlines		\$2,583	\$79	802.580	\$63		\$1,394	\$43	840.640	\$36
Class 12 Subtotal		\$81,784,152	\$2,510,774		\$1,742,156		\$72,509,222	\$2,262,288		\$1,557,230
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$10,872,343	\$652,340	712.055	\$464,502		\$9,246,315	\$554,783	712.623	\$395,351
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$10,872,343	\$652,340		\$464,502		\$9,246,315	\$554,783		\$395,351
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$112,719,563	\$2,105,200	666.549	\$1,403,219		\$95,573,627	\$1,915,401	664.998	\$1,273,738
Class 14 Subtotal		\$112,719,563	\$2,105,200		\$1,403,219		\$95,573,627	\$1,915,401		\$1,273,738
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$912,525,542	\$26,886,052	681.529	\$18,323,617		\$887,436,606	\$26,291,950	686.198	\$18,041,481
ABATED PROPERTY										
Current Values of Abated Property		\$76,107,980	\$1,556,026	678.863	\$1,056,328		\$59,678,592	\$1,376,975	673.521	\$927,422
Values Without the Property Abatement		\$76,107,980	\$2,283,239	678.863	\$1,550,006		\$59,678,592	\$1,790,358	673.521	\$1,205,844
Difference (Property Value Abated)		\$0	-\$727,213		-\$493,678		\$0	-\$413,383		-\$278,422

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 BNSF RAILWAY CO	1 NORTHWESTERN ENERGY-T & D	2 BNSF RAILWAY CO
3 FRONT RANGE PIPELINE LLC	4 PHILLIPS 66 CARRIER LLC	3 FRONT RANGE PIPELINE LLC	4 PHILLIPS 66 CARRIER LLC
5 NATURENER GLACIER WIND ENERGY 2 LLC	6 ROCKY MOUNTAIN PIPELINE SYSTEM LLC	5 ROCKY MOUNTAIN PIPELINE SYSTEM LLC	6 NATURENER GLACIER WIND ENERGY 2 LLC
7 GLACIER ELECTRIC COOPERATIVE INC	8 OMIMEX CANADA LTD	7 GLACIER ELECTRIC COOPERATIVE INC	8 MONTANA ALBERTA TIE LIMITED (M.A.T.L.)
9 MONTANA ALBERTA TIE LIMITED (M.A.T.L.)	10 NATURENER RIM ROCK WIND ENERGY LLC	9 NATURENER RIM ROCK WIND ENERGY LLC	10 GLACIER PARK INC

Property Taxes Paid by County

Golden Valley County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	8,584	\$6,606,981	\$142,707	487.261	\$69,536	8,539	\$6,522,015	\$140,873	468.902	\$66,056
Tillable Non-Irrigated	102,925	\$17,619,783	\$380,595	495.380	\$188,539	102,910	\$17,617,399	\$380,545	478.032	\$181,913
Grazing	519,551	\$21,650,342	\$467,635	492.051	\$230,100	519,578	\$21,658,791	\$467,817	474.579	\$222,016
Wild Hay	16,476	\$2,984,401	\$64,468	483.250	\$31,154	16,476	\$2,984,401	\$64,468	465.283	\$29,996
Non-Qualified Ag Land	3,234	\$155,677	\$23,543	502.174	\$11,823	3,228	\$155,359	\$23,496	485.214	\$11,401
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$49,017,184	\$1,078,948	492.287	\$531,152		\$48,937,965	\$1,077,199	474.732	\$511,381
CLASS 4 Land and Improvements:										
Residential		\$20,915,167	\$285,381	517.883	\$147,794		\$21,407,186	\$288,001	502.845	\$144,820
Residential Low Income		\$1,709,639	\$7,201	526.072	\$3,788		\$2,034,898	\$8,030	514.534	\$4,132
Mobile Homes		\$1,346,560	\$18,178	485.702	\$8,829		\$1,252,910	\$16,912	506.714	\$8,570
Mobile Homes Low Income		\$39,900	\$108	481.346	\$52		\$183,991	\$726	518.494	\$376
Commercial		\$36,213,247	\$506,707	491.194	\$248,892		\$37,179,924	\$524,614	472.784	\$248,029
Industrial		\$32,875	\$621	478.047	\$297		\$78,497	\$1,483	512.909	\$761
New Manufacturing		\$569,510	\$10,764	490.405	\$5,279		\$583,580	\$10,898	476.812	\$5,196
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$60,826,898	\$828,960	500.543	\$414,930		\$62,720,986	\$850,664	484.191	\$411,884
CLASS 5										
Rural Electric and Telephone Co-Op		\$3,208,855	\$96,264	489.933	\$47,163		\$3,511,047	\$105,331	470.185	\$49,525
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$3,208,855	\$96,264	489.933	\$47,163		\$3,511,047	\$105,331	470.185	\$49,525
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$581,966	\$8,909	455.533	\$4,058		\$5,797,575	\$80,089	597.430	\$47,848
Farm Implements		\$3,088,697	\$50,739	472.582	\$23,978		\$3,681,389	\$61,934	475.729	\$29,464
Furniture and Fixtures		\$123,724	\$1,935	474.908	\$919		\$136,138	\$2,223	491.003	\$1,092
Other Business Equipment		\$201,056	\$3,027	452.389	\$1,370		\$275,821	\$4,138	469.599	\$1,943
Class 8 Subtotal		\$3,995,443	\$64,610	469.355	\$30,325		\$9,890,923	\$148,385	541.474	\$80,346
CLASS 9										
Utilities		\$27,307,547	\$3,276,904	482.495	\$1,581,090		\$29,758,293	\$3,570,993	466.176	\$1,664,710
CLASS 10										
Timber Land	13,916	\$2,512,280	\$9,290	505.344	\$4,695	13,916	\$2,513,268	\$9,294	488.530	\$4,540
CLASS 12										
Railroads		\$24,907,571	\$764,663	498.241	\$380,987		\$22,029,905	\$687,332	481.085	\$330,665
Airlines		\$1,813	\$56	460.776	\$26		\$1,901	\$59	441.730	\$26
Class 12 Subtotal		\$24,909,384	\$764,719		\$381,013		\$22,031,806	\$687,391		\$330,691
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$135,893	\$8,154	493.252	\$4,022		\$156,126	\$9,367	489.890	\$4,589
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$135,893	\$8,154		\$4,022		\$156,126	\$9,367		\$4,589
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$171,913,484	\$6,127,849	488.653	\$2,994,390		\$179,520,414	\$6,458,624	473.424	\$3,057,666
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$4,291,207	\$57,054	651.356	\$37,162
Values Without the Property Abatement		\$0	\$0	-	\$0		\$4,291,207	\$114,105	651.356	\$74,323
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	-\$57,052		-\$37,161

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 PHILLIPS 66 CARRIER LLC	1 PHILLIPS 66 CARRIER LLC	2 NORTHWESTERN ENERGY-T & D
3 BNSF RAILWAY CO	4 EXPRESS PIPELINE LLC	3 BNSF RAILWAY CO	4 EXPRESS PIPELINE LLC
5 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	6 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	5 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	6 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION
7 FRONT RANGE PIPELINE LLC	8 GOLDEN VALLEY COLONY INC	7 ROCKY MOUNTAIN PIPELINE SYSTEM LLC	8 GOLDEN VALLEY COLONY INC
9 AVISTA CORPORATION - ELECTRIC TRANSMISSION	10 ROCKY MOUNTAIN PIPELINE SYSTEM LLC	9 FRONT RANGE PIPELINE LLC	10 AVISTA CORPORATION - ELECTRIC TRANSMISSION

Property Taxes Paid by County

Granite County



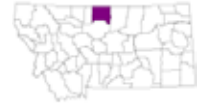
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$235,831	\$235,831	516.960	\$121,915
CLASS 2 Gross Proceeds		\$33,119	\$994	528.094	\$525		\$625,253	\$18,758	516.960	\$9,697
CLASS 3 Agricultural Land:										
Tillable Irrigated	27.870	\$17,020,915	\$367,659	543.037	\$199,653	27.865	\$17,012,338	\$367,475	544.127	\$199,953
Tillable Non-Irrigated	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Grazing	208.399	\$8,584,567	\$185,448	541.066	\$100,340	208.387	\$8,639,950	\$186,639	540.890	\$100,951
Wild Hay	1.159	\$383,830	\$8,295	541.936	\$4,495	1.159	\$383,830	\$8,295	540.422	\$4,483
Non-Qualified Ag Land	13,318	\$638,883	\$96,622	545.033	\$52,662	13,213	\$634,990	\$96,034	542.051	\$52,055
Eligible Mining Claims	356	\$17,151	\$372	531.508	\$198	372	\$17,885	\$388	523.156	\$203
Class 3 Subtotal		\$26,645,346	\$658,396	542.755	\$357,347		\$26,688,993	\$658,831	542.848	\$357,645
CLASS 4 Land and Improvements:										
Residential		\$392,198,540	\$5,301,589	564.037	\$2,990,292		\$398,348,030	\$5,371,547	558.231	\$2,998,563
Residential Low Income		\$11,126,699	\$50,341	583.063	\$29,352		\$12,927,929	\$55,784	578.724	\$32,284
Mobile Homes		\$4,259,860	\$57,513	550.354	\$31,662		\$4,341,000	\$58,609	574.012	\$33,642
Mobile Homes Low Income		\$221,660	\$1,215	581.134	\$706		\$354,079	\$413	587.555	\$243
Commercial		\$76,356,155	\$1,177,932	579.867	\$683,044		\$78,414,935	\$1,208,956	575.185	\$695,374
Industrial		\$403,669	\$7,631	528.094	\$4,030		\$403,669	\$7,631	516.960	\$3,945
New Manufacturing		\$733,116	\$13,290	532.396	\$7,076		\$732,676	\$13,282	521.265	\$6,923
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$485,299,699	\$6,609,511	566.782	\$3,746,152		\$495,522,318	\$6,716,222	561.472	\$3,770,974
CLASS 5										
Rural Electric and Telephone Co-Op		\$5,260,015	\$157,802	569.375	\$89,849		\$4,968,219	\$149,048	576.783	\$85,968
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$5,260,015	\$157,802	569.375	\$89,849		\$4,968,219	\$149,048	576.783	\$85,968
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$9,185,171	\$119,258	545.624	\$65,070		\$8,727,835	\$116,789	553.447	\$64,637
Farm Implements		\$1,607,647	\$24,817	536.625	\$13,318		\$1,661,105	\$26,138	544.219	\$14,225
Furniture and Fixtures		\$2,317,042	\$35,513	597.638	\$21,224		\$1,905,252	\$29,103	602.179	\$17,525
Other Business Equipment		\$1,900,692	\$28,577	530.831	\$15,170		\$1,481,056	\$22,251	525.613	\$11,696
Class 8 Subtotal		\$15,010,552	\$208,166	551.394	\$114,782		\$13,775,248	\$194,282	556.318	\$108,082
CLASS 9										
Utilities		\$31,389,985	\$3,766,794	570.080	\$2,147,374		\$31,655,432	\$3,798,653	573.439	\$2,178,297
CLASS 10										
Timber Land	120,422	\$31,261,227	\$115,696	538.321	\$62,282	119,647	\$31,572,189	\$116,844	538.029	\$62,865
CLASS 12										
Railroads		\$30,982,075	\$951,151	568.981	\$541,187		\$28,980,631	\$904,196	574.803	\$519,734
Airlines		\$0	\$0	-	\$0		\$1,394	\$43	662.360	\$28
Class 12 Subtotal		\$30,982,075	\$951,151	568.981	\$541,187		\$28,982,025	\$904,239	574.803	\$519,763
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$2,600,895	\$156,057	553.798	\$86,424		\$2,943,042	\$176,586	564.869	\$99,748
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$2,600,895	\$156,057	553.798	\$86,424		\$2,943,042	\$176,586	564.869	\$99,748
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$628,482,913	\$12,624,567	566.033	\$7,145,921		\$636,968,550	\$12,969,294	564.021	\$7,314,955
ABATED PROPERTY										
Current Values of Abated Property		\$2,698,958	\$20,363	629.059	\$12,810		\$2,099,141	\$15,865	617.916	\$9,803
Values Without the Property Abatement		\$2,698,958	\$63,195	629.059	\$39,753		\$2,099,141	\$31,722	617.916	\$19,602
Difference (Property Value Abated)		\$0	-\$42,832		-\$26,944		\$0	-\$15,858		-\$9,799

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 MONTANA RAIL LINK	1 NORTHWESTERN ENERGY-T & D	2 MONTANA RAIL LINK
3 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	4 PACIFICORP - ELECTRIC TRANSMISSION	3 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	4 PACIFICORP - ELECTRIC TRANSMISSION
5 YELLOWSTONE PIPELINE CO	6 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	5 YELLOWSTONE PIPELINE CO	6 POTENTATE MINING LLC
7 ROCKING J RANCH LLC	8 BLACKFOOT TELEPHONE COOP INC	7 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	8 ROCKING J RANCH LLC
9 AVISTA CORPORATION - ELECTRIC TRANSMISSION	10 VERIZON WIRELESS	9 BLACKFOOT TELEPHONE COOP INC	10 AVISTA CORPORATION - ELECTRIC TRANSMISSION

Property Taxes Paid by County

Hill County



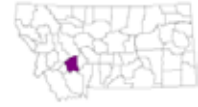
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	2,498	\$2,039,006	\$44,048	594.194	\$26,173	2,513	\$2,048,978	\$44,263	589.185	\$26,079
Tillable Non-Irrigated	1,133,498	\$366,091,967	\$7,907,564	499.100	\$3,946,668	1,132,535	\$365,779,517	\$7,900,812	492.076	\$3,887,798
Grazing	385,285	\$17,832,681	\$385,233	548.936	\$211,468	386,204	\$17,860,181	\$385,826	544.135	\$209,941
Wild Hay	5,824	\$1,475,602	\$31,872	577.686	\$18,412	5,827	\$1,475,921	\$31,879	573.482	\$18,282
Non-Qualified Ag Land	8,067	\$388,244	\$58,702	550.487	\$32,315	8,257	\$397,405	\$60,088	546.094	\$32,814
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$387,827,500	\$8,427,419	502.531	\$4,235,036		\$387,562,002	\$8,422,868	495.664	\$4,174,915
CLASS 4 Land and Improvements:										
Residential		\$577,751,945	\$7,804,022	719.482	\$5,614,856		\$580,537,048	\$7,806,789	715.793	\$5,588,046
Residential Low Income		\$23,239,288	\$107,053	738.158	\$79,022		\$23,830,916	\$109,898	722.977	\$79,454
Mobile Homes		\$13,287,220	\$179,380	638.226	\$114,485		\$12,406,510	\$167,478	645.161	\$108,050
Mobile Homes Low Income		\$384,408	\$1,144	730.102	\$835		\$913,959	\$1,085	702.041	\$762
Commercial		\$370,806,123	\$5,995,482	655.870	\$3,932,259		\$370,224,135	\$5,973,160	648.679	\$3,874,665
Industrial		\$654,437	\$12,369	524.618	\$6,489		\$637,219	\$12,043	518.027	\$6,239
New Manufacturing		\$31,385,444	\$559,574	576.822	\$322,775		\$31,284,287	\$577,151	569.004	\$328,401
Qualified Golf Courses		\$1,719,204	\$16,333	605.904	\$9,896		\$1,719,204	\$16,333	601.720	\$9,828
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$1,019,228,069	\$14,675,357	686.908	\$10,080,617		\$1,021,552,278	\$14,663,937	681.634	\$9,995,444
CLASS 5										
Rural Electric and Telephone Co-Op		\$47,840,512	\$1,435,212	663.945	\$952,902		\$46,591,716	\$1,397,742	672.727	\$940,298
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$47,840,512	\$1,435,212	663.945	\$952,902		\$46,591,716	\$1,397,742	672.727	\$940,298
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$10,184,947	\$177,675	600.055	\$106,615		\$11,874,130	\$195,298	605.069	\$118,169
Farm Implements		\$46,502,225	\$742,079	510.775	\$379,036		\$46,633,586	\$745,087	510.156	\$380,111
Furniture and Fixtures		\$8,193,564	\$146,397	755.452	\$110,596		\$7,466,351	\$135,067	738.225	\$99,710
Other Business Equipment		\$5,751,758	\$94,475	582.831	\$55,063		\$4,867,942	\$79,803	580.242	\$46,305
Class 8 Subtotal		\$70,632,484	\$1,160,627	561.171	\$651,310		\$70,842,009	\$1,155,255	557.708	\$644,294
CLASS 9										
Utilities		\$64,749,583	\$7,769,931	576.010	\$4,475,558		\$73,741,226	\$8,848,946	562.592	\$4,978,342
CLASS 10										
Timber Land	9,389	\$2,380,383	\$8,816	587.704	\$5,181	9,389	\$2,366,172	\$8,764	583.430	\$5,113
CLASS 12										
Railroads		\$164,028,717	\$5,035,684	545.117	\$2,745,038		\$150,001,388	\$4,680,048	541.607	\$2,534,747
Airlines		\$398,516	\$12,233	606.266	\$7,416		\$615,449	\$19,202	647.764	\$12,438
Class 12 Subtotal		\$164,427,233	\$5,047,917		\$2,752,454		\$150,616,837	\$4,699,250		\$2,547,185
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$13,048,000	\$782,899	668.609	\$523,453		\$15,924,206	\$955,456	692.525	\$661,677
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$13,048,000	\$782,899		\$523,453		\$15,924,206	\$955,456		\$661,677
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$1,770,133,764	\$39,308,178	602.330	\$23,676,512		\$1,769,196,446	\$40,152,218	596.412	\$23,947,269
ABATED PROPERTY										
Current Values of Abated Property		\$10,322,611	\$160,990	629.713	\$101,378		\$3,057,550	\$43,268	643.188	\$27,829
Values Without the Property Abatement		\$10,322,611	\$195,358	629.713	\$123,020		\$3,057,550	\$57,603	643.188	\$37,049
Difference (Property Value Abated)		\$0	-\$34,368		-\$21,642		\$0	-\$14,335		-\$9,220

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 BNSF RAILWAY CO	2 EXPRESS PIPELINE LLC	1 EXPRESS PIPELINE LLC	2 BNSF RAILWAY CO
3 NORTHWESTERN ENERGY-T & D	4 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	3 NORTHWESTERN ENERGY-T & D	4 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC
5 HILL COUNTY ELECTRIC COOP INC	6 NORTHWESTERN ENERGY - HAVRE PIPELINE	5 HILL COUNTY ELECTRIC COOP INC	6 TRIANGLE COMMUNICATION SYSTEM INC
7 CHARTER COMMUNICATIONS INC	8 TRIANGLE COMMUNICATION SYSTEM INC	7 NORTHWESTERN ENERGY - HAVRE PIPELINE	8 CHARTER COMMUNICATIONS INC
9 COOL SPRING COLONY INC	10 HARVEST STATES COOPERATIVES	9 COOL SPRING COLONY INC	10 HARVEST STATES COOPERATIVES

Property Taxes Paid by County

Jefferson County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$215,335	\$215,335	653.048	\$140,624		\$209,853	\$209,853	658.510	\$138,190
CLASS 2 Gross Proceeds		\$44,017,974	\$1,320,539	431.388	\$569,664		\$52,485,571	\$1,574,568	458.146	\$721,382
CLASS 3 Agricultural Land:										
Tillable Irrigated	20,779	\$12,452,192	\$268,971	515.341	\$138,612	20,791	\$12,458,982	\$269,117	539.298	\$145,134
Tillable Non-Irrigated	21,224	\$7,305,631	\$157,809	499.355	\$78,803	21,224	\$7,305,631	\$157,809	509.787	\$80,449
Grazing	283,732	\$10,138,841	\$219,086	508.857	\$111,483	283,301	\$10,125,366	\$218,799	529.212	\$115,791
Wild Hay	1,947	\$731,563	\$15,802	512.058	\$8,092	1,932	\$729,498	\$15,757	534.587	\$8,423
Non-Qualified Ag Land	37,266	\$1,788,307	\$270,401	530.659	\$143,491	37,597	\$1,808,214	\$273,411	547.620	\$149,725
Eligible Mining Claims	6,638	\$258,365	\$5,584	530.067	\$2,960	6,702	\$261,533	\$5,655	546.951	\$3,093
Class 3 Subtotal		\$32,674,899	\$937,653	515.585	\$483,440		\$32,689,224	\$940,548	534.386	\$502,616
CLASS 4 Land and Improvements:										
Residential		\$1,048,682,966	\$14,159,380	582.071	\$8,241,769		\$1,078,079,333	\$14,460,688	593.093	\$8,576,533
Residential Low Income		\$31,429,749	\$139,907	557.170	\$77,952		\$32,415,696	\$144,714	566.089	\$81,921
Mobile Homes		\$7,655,160	\$103,346	524.215	\$54,176		\$7,528,150	\$101,631	547.264	\$55,619
Mobile Homes Low Income		\$372,300	\$1,673	532.150	\$890		\$2,207,714	\$1,808	535.110	\$967
Commercial		\$120,902,754	\$1,954,587	573.817	\$1,121,575		\$124,495,727	\$2,016,398	588.395	\$1,186,438
Industrial		\$8,332,880	\$157,500	569.640	\$89,718		\$8,213,850	\$155,250	581.820	\$90,328
New Manufacturing		\$21,694,600	\$406,187	572.547	\$232,561		\$21,747,390	\$407,185	583.087	\$237,424
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$1,239,070,409	\$16,922,580	580.210	\$9,818,642		\$1,274,687,860	\$17,287,674	591.707	\$10,229,231
CLASS 5										
Rural Electric and Telephone Co-Op		\$3,463,483	\$103,907	494.778	\$51,411		\$3,454,874	\$103,647	512.939	\$53,165
Qualified New Industrial		\$0	\$0	-	\$0		\$652,229	\$0	-	\$0
Pollution Control		\$6,339,844	\$190,196	466.277	\$88,684		\$6,511,611	\$189,505	487.371	\$92,359
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$9,803,327	\$294,103	476.346	\$140,095		\$10,618,714	\$293,152	496.411	\$145,524
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$88,657,849	\$2,062,831	503.840	\$1,039,338		\$88,718,784	\$2,045,029	525.569	\$1,074,804
Farm Implements		\$3,004,578	\$45,283	494.586	\$22,396		\$3,282,895	\$51,319	518.073	\$26,587
Furniture and Fixtures		\$1,548,496	\$30,841	580.799	\$17,912		\$1,453,568	\$28,494	599.862	\$17,093
Other Business Equipment		\$7,302,087	\$194,200	529.378	\$102,805		\$5,796,800	\$151,167	548.895	\$82,975
Class 8 Subtotal		\$100,513,010	\$2,333,155	506.804	\$1,182,451		\$99,252,047	\$2,276,009	527.880	\$1,201,459
CLASS 9										
Utilities		\$56,949,705	\$6,833,977	510.232	\$3,486,914		\$54,966,340	\$6,595,959	527.230	\$3,477,588
CLASS 10										
Timber Land	64,505	\$13,214,790	\$48,937	529.078	\$25,892	64,329	\$13,184,032	\$48,822	543.461	\$26,533
CLASS 12										
Railroads		\$23,046,228	\$707,518	485.246	\$343,320		\$21,553,228	\$672,461	504.915	\$339,536
Airlines		\$3,875	\$119	716.868	\$85		\$1,394	\$43	737.090	\$32
Class 12 Subtotal		\$23,050,103	\$707,637		\$343,406		\$21,554,622	\$672,504		\$339,567
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$12,343,768	\$740,627	547.256	\$405,313		\$11,540,414	\$692,426	553.561	\$383,300
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$12,343,768	\$740,627		\$405,313		\$11,540,414	\$692,426		\$383,300
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$1,531,853,320	\$30,354,543	546.753	\$16,596,440		\$1,571,188,677	\$30,591,515	561.116	\$17,165,390

ABATED PROPERTY

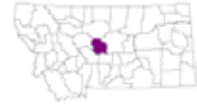
Current Values of Abated Property	\$12,240,748	\$160,090	754.023	\$120,711	\$11,838,928	\$156,504	759.484	\$118,862
Values Without the Property Abatement	\$12,240,748	\$285,988	754.023	\$215,641	\$11,838,928	\$312,968	759.484	\$237,694
Difference (Property Value Abated)	\$0	-\$125,898		-\$94,930	\$0	-\$156,464		-\$118,832

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 GOLDEN SUNLIGHT MINES	1 NORTHWESTERN ENERGY-T & D	2 GOLDEN SUNLIGHT MINES
3 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	4 ASH GROVE CEMENT WEST INC	3 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	4 ASH GROVE CEMENT WEST INC
5 MONTANA RAIL LINK	6 PACIFICORP - ELECTRIC TRANSMISSION	5 MONTANA RAIL LINK	6 PACIFICORP - ELECTRIC TRANSMISSION
7 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	8 MONTANA TUNNELS MINING INC	7 MONTANA TUNNELS MINING INC	8 AVISTA CORPORATION - ELECTRIC TRANSMISSION
9 AVISTA CORPORATION - ELECTRIC TRANSMISSION	10 VERIZON WIRELESS	9 VERIZON WIRELESS	10 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY

Property Taxes Paid by County

Judith Basin County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	8,213	\$7,466,921	\$161,287	438.292	\$70,691	8,216	\$7,469,486	\$161,342	411.173	\$66,339
Tillable Non-Irrigated	164,779	\$54,873,574	\$1,185,270	439.681	\$521,140	164,422	\$54,739,569	\$1,182,376	424.196	\$501,559
Grazing	508,736	\$38,826,088	\$838,594	430.485	\$361,002	508,539	\$38,764,408	\$837,270	420.211	\$351,830
Wild Hay	74,924	\$22,714,141	\$490,618	428.565	\$210,262	74,821	\$22,651,277	\$489,262	417.726	\$204,378
Non-Qualified Ag Land	4,107	\$197,692	\$29,889	429.044	\$12,824	4,507	\$216,894	\$32,793	411.566	\$13,497
Eligible Mining Claims	19	\$923	\$20	448.610	\$9	19	\$923	\$20	449.790	\$9
Class 3 Subtotal		\$124,079,339	\$2,705,678	434.615	\$1,175,927		\$123,842,557	\$2,703,063	420.860	\$1,137,612
CLASS 4 Land and Improvements:										
Residential		\$78,729,887	\$1,071,170	472.711	\$506,354		\$79,927,284	\$1,079,389	459.217	\$495,674
Residential Low Income		\$2,046,060	\$9,369	487.339	\$4,566		\$2,107,300	\$9,386	473.630	\$4,447
Mobile Homes		\$3,551,220	\$47,946	421.680	\$20,218		\$3,697,490	\$49,920	448.396	\$22,384
Mobile Homes Low Income		\$192,150	\$1,101	468.077	\$515		\$259,798	\$204	500.530	\$102
Commercial		\$83,122,799	\$1,173,715	442.434	\$519,292		\$86,429,800	\$1,230,668	430.394	\$529,672
Industrial		\$259,344	\$4,901	453.491	\$2,223		\$259,344	\$4,901	440.530	\$2,159
New Manufacturing		\$11,215,740	\$197,526	448.809	\$88,651		\$11,215,740	\$204,752	410.824	\$84,117
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$179,117,200	\$2,505,728	455.684	\$1,141,819		\$183,896,756	\$2,579,220	441.434	\$1,138,555
CLASS 5										
Rural Electric and Telephone Co-Op		\$11,747,049	\$352,420	440.842	\$155,362		\$12,256,622	\$367,700	431.721	\$158,744
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$11,747,049	\$352,420	440.842	\$155,362		\$12,256,622	\$367,700	431.721	\$158,744
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$1,144,319	\$19,167	428.877	\$8,220		\$2,192,062	\$35,860	440.210	\$15,786
Farm Implements		\$14,465,835	\$244,277	423.448	\$103,439		\$12,925,420	\$213,369	429.633	\$91,670
Furniture and Fixtures		\$225,080	\$3,804	480.543	\$1,828		\$262,780	\$4,837	473.106	\$2,289
Other Business Equipment		\$880,975	\$13,504	422.793	\$5,709		\$324,290	\$5,095	441.739	\$2,251
Class 8 Subtotal		\$16,716,209	\$280,752	424.560	\$119,196		\$15,704,552	\$259,162	432.146	\$111,996
CLASS 9										
Utilities		\$63,511,653	\$7,621,392	424.713	\$3,236,904		\$73,495,630	\$8,819,479	416.136	\$3,670,104
CLASS 10										
Timber Land	16,028	\$3,344,977	\$12,382	427.016	\$5,287	15,996	\$3,348,947	\$12,398	424.926	\$5,268
CLASS 12										
Railroads		\$57,697,899	\$1,771,325	428.380	\$758,799		\$51,065,453	\$1,593,240	418.621	\$666,964
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$57,697,899	\$1,771,325	428.380	\$758,799		\$51,065,453	\$1,593,240	418.621	\$666,964
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$1,612,100	\$96,727	452.880	\$43,806		\$1,570,562	\$94,229	443.122	\$41,755
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$1,612,100	\$96,727	452.880	\$43,806		\$1,570,562	\$94,229	443.122	\$41,755
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$46,337,826	\$695,067	504.731	\$350,822		\$45,027,527	\$810,496	474.988	\$384,976
Class 14 Subtotal		\$46,337,826	\$695,067	504.731	\$350,822		\$45,027,527	\$810,496	474.988	\$384,976
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$504,164,252	\$16,041,471	435.616	\$6,987,923		\$510,208,606	\$17,238,987	424.385	\$7,315,974
ABATED PROPERTY										
Current Values of Abated Property		\$50,140,691	\$752,490	501.840	\$377,629		\$48,830,392	\$875,145	470.819	\$412,035
Values Without the Property Abatement		\$50,140,691	\$1,462,020	501.840	\$733,700		\$48,830,392	\$1,422,700	470.819	\$669,834
Difference (Property Value Abated)		\$0	-\$709,530		-\$356,070		\$0	-\$547,555		-\$257,799

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 PHILLIPS 66 CARRIER LLC	2 BNSF RAILWAY CO	1 PHILLIPS 66 CARRIER LLC	2 EXPRESS PIPELINE LLC
3 EXPRESS PIPELINE LLC	4 FRONT RANGE PIPELINE LLC	3 BNSF RAILWAY CO	4 NORTHWESTERN ENERGY-T & D
5 NORTHWESTERN ENERGY-T & D	6 NORTHWESTERN ENERGY-SPION KOP WIND GENERATION	5 FRONT RANGE PIPELINE LLC	6 NORTHWESTERN ENERGY-SPION KOP WIND GENERATION
7 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	8 ROCKY MOUNTAIN PIPELINE SYSTEM LLC	7 ROCKY MOUNTAIN PIPELINE SYSTEM LLC	8 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC
9 UNITED GRAIN CORP	10 BOS TERRA LP	9 UNITED GRAIN CORP	10 FERGUS ELECTRIC COOP

Property Taxes Paid by County

Lake County



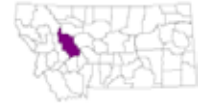
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	70,738	\$44,594,620	\$963,255	630.944	\$607,760	70,097	\$44,209,914	\$954,947	636.020	\$607,365
Tillable Non-Irrigated	7,173	\$3,430,746	\$74,092	594.034	\$44,013	7,141	\$3,379,128	\$72,979	592.066	\$43,208
Grazing	122,862	\$4,787,983	\$103,644	618.741	\$64,129	123,693	\$4,849,732	\$104,976	613.648	\$64,418
Wild Hay	7,461	\$906,855	\$19,610	615.636	\$12,073	7,224	\$857,992	\$18,554	609.455	\$11,308
Non-Qualified Ag Land	45,941	\$2,203,705	\$333,220	614.904	\$204,898	47,502	\$2,278,823	\$344,575	620.131	\$213,881
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$55,923,909	\$1,493,821	624.488	\$932,873		\$55,575,589	\$1,496,031	628.316	\$939,981
CLASS 4 Land and Improvements:										
Residential		\$3,483,044,765	\$47,223,247	589.468	\$27,836,608		\$3,513,429,563	\$47,403,534	589.161	\$27,928,292
Residential Low Income		\$101,079,452	\$467,048	634.201	\$296,202		\$105,354,378	\$483,633	636.894	\$308,023
Mobile Homes		\$17,069,269	\$230,467	605.537	\$139,556		\$16,969,579	\$229,126	592.708	\$135,805
Mobile Homes Low Income		\$1,630,220	\$5,879	636.784	\$3,744		\$6,979,804	\$7,206	611.731	\$4,408
Commercial		\$567,314,708	\$9,195,220	655.624	\$6,028,611		\$570,384,312	\$9,218,570	657.141	\$6,057,898
Industrial		\$1,700,556	\$32,141	671.662	\$21,588		\$1,364,870	\$25,796	680.044	\$17,542
New Manufacturing		\$17,370,829	\$328,307	663.083	\$217,695		\$17,038,440	\$322,027	682.720	\$219,854
Qualified Golf Courses		\$1,192,777	\$11,331	669.944	\$7,591		\$472,500	\$4,488	692.070	\$3,106
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$4,190,402,576	\$57,493,640	600.964	\$34,551,595		\$4,231,993,446	\$57,694,380	601.011	\$34,674,928
CLASS 5										
Rural Electric and Telephone Co-Op		\$15,413,194	\$462,399	557.040	\$257,575		\$14,584,523	\$437,539	562.043	\$245,916
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$15,413,194	\$462,399	557.040	\$257,575		\$14,584,523	\$437,539	562.043	\$245,916
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$17,110,346	\$319,649	646.080	\$206,519		\$16,472,121	\$307,142	637.237	\$195,722
Farm Implements		\$3,374,449	\$50,652	635.209	\$32,174		\$3,886,366	\$61,128	640.010	\$39,122
Furniture and Fixtures		\$12,284,614	\$232,812	706.256	\$164,424		\$12,151,892	\$222,895	705.724	\$157,302
Other Business Equipment		\$1,703,195	\$27,055	664.437	\$17,976		\$1,811,923	\$26,837	684.107	\$18,360
Class 8 Subtotal		\$34,472,604	\$630,167	668.226	\$421,094		\$34,322,302	\$618,002	664.248	\$410,507
CLASS 9										
Utilities		\$4,529,054	\$543,484	617.523	\$335,614		\$5,154,721	\$618,567	616.857	\$381,567
CLASS 10										
Timber Land	62,936	\$33,930,581	\$125,546	516.888	\$64,893	62,886	\$34,012,527	\$125,847	521.235	\$65,596
CLASS 12										
Railroads		\$21,657,496	\$664,885	639.270	\$425,041		\$20,264,809	\$632,261	644.669	\$407,599
Airlines		\$3,875	\$119	716.994	\$85		\$7,478	\$233	706.970	\$165
Class 12 Subtotal		\$21,661,371	\$665,004		\$425,126		\$20,272,287	\$632,494		\$407,764
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$32,166,206	\$1,929,977	647.074	\$1,248,837		\$26,423,379	\$1,585,397	649.884	\$1,030,324
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$32,166,206	\$1,929,977		\$1,248,837		\$26,423,379	\$1,585,397		\$1,030,324
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$4,388,499,495	\$63,344,038	603.650	\$38,237,608		\$4,422,338,774	\$63,208,257	603.665	\$38,156,582

ABATED PROPERTY										
Current Values of Abated Property	\$0	\$0	-	\$0	\$0	\$0	-	\$0		\$0
Values Without the Property Abatement	\$0	\$0	-	\$0	\$0	\$0	-	\$0		\$0
Difference (Property Value Abated)	\$0	\$0		\$0	\$0	\$0		\$0		\$0

Top 10 Property Owners by Taxable Value									
TY 2017					TY 2018				
1 MONTANA RAIL LINK	2 RONAN TELEPHONE CO & SUBSIDIARY (MONTANA WEST LLC)	1 MONTANA RAIL LINK	2 NORTHWESTERN ENERGY-T & D						
3 CENTURYLINK INC	4 NORTHWESTERN ENERGY-T & D	3 RONAN TELEPHONE CO & SUBSIDIARY (MONTANA WEST LLC)	4 SECOND STEP ASSET MANAGEMENT, CO						
5 SECOND STEP ASSET MANAGEMENT, CO	6 LEE ROBERT M TRUSTEE	5 QWEST CORPORATION AND OR CENTURYLINK INC -	6 LEE ROBERT M TRUSTEE						
7 WAL-MART STORES INC	8 CHARTER COMMUNICATIONS INC	7 CHARTER COMMUNICATIONS INC	8 WAL-MART STORES INC						
9 VERIZON WIRELESS	10 FLATHEAD ELECTRIC COOP INC.	9 VERIZON WIRELESS	10 FLATHEAD ELECTRIC COOP INC.						

Property Taxes Paid by County

Lewis and Clark County



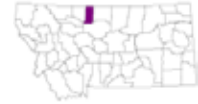
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	34,182	\$22,391,586	\$483,659	595.709	\$288,120	34,180	\$22,395,869	\$483,751	667.054	\$322,688
Tillable Non-Irrigated	24,212	\$7,592,415	\$163,996	593.402	\$97,316	23,836	\$7,489,239	\$161,765	636.532	\$102,969
Grazing	584,209	\$29,583,838	\$639,067	535.690	\$342,342	588,198	\$29,864,201	\$645,159	603.256	\$389,196
Wild Hay	9,996	\$2,600,074	\$56,158	526.574	\$29,571	9,996	\$2,600,031	\$56,157	594.290	\$33,374
Non-Qualified Ag Land	61,054	\$2,935,983	\$443,945	594.973	\$264,135	61,284	\$2,947,074	\$445,624	674.876	\$300,741
Eligible Mining Claims	45	\$2,153	\$46	659.978	\$30	45	\$2,153	\$46	769.567	\$35
Class 3 Subtotal		\$65,105,849	\$1,786,871	571.678	\$1,021,515		\$65,298,567	\$1,792,502	641.005	\$1,149,002
CLASS 4 Land and Improvements:										
Residential		\$5,028,400,044	\$67,877,575	699.563	\$47,484,646		\$5,132,364,553	\$68,865,243	786.334	\$54,151,054
Residential Low Income		\$125,825,045	\$620,354	702.200	\$435,613		\$127,451,729	\$617,439	782.923	\$483,407
Mobile Homes		\$51,095,895	\$689,204	659.080	\$454,240		\$51,453,615	\$694,543	653.672	\$454,003
Mobile Homes Low Income		\$4,062,970	\$17,499	663.628	\$11,613		\$16,163,447	\$17,061	684.946	\$11,686
Commercial		\$1,689,877,227	\$29,368,374	754.657	\$22,163,043		\$1,754,045,797	\$30,392,230	850.154	\$25,838,075
Industrial		\$8,482,260	\$160,315	722.375	\$115,807		\$8,588,183	\$162,316	809.209	\$131,348
New Manufacturing		\$35,393,070	\$558,746	784.433	\$438,299		\$45,063,470	\$755,461	870.993	\$658,001
Qualified Golf Courses		\$8,159,848	\$77,519	649.880	\$50,378		\$8,159,848	\$77,519	761.617	\$59,040
Remodeled Commercial		\$0	\$0	-	\$0		\$78,509	\$887	948.807	\$842
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$6,951,296,359	\$99,969,586	716.050	\$71,153,639		\$7,143,369,151	\$101,582,699	805.132	\$81,787,454
CLASS 5										
Rural Electric and Telephone Co-Op		\$8,531,101	\$255,931	593.617	\$151,925		\$8,633,338	\$258,997	657.830	\$170,376
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$367,670	\$11,030	844.205	\$9,312		\$367,670	\$11,030	867.220	\$9,565
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$8,898,771	\$266,961	603.970	\$161,236		\$9,001,008	\$270,027	666.384	\$179,942
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$116,472,061	\$2,617,099	732.040	\$1,915,821		\$122,436,867	\$2,711,280	778.383	\$2,110,414
Farm Implements		\$3,466,530	\$54,289	551.576	\$29,945		\$3,714,072	\$59,972	566.077	\$33,949
Furniture and Fixtures		\$54,405,045	\$959,638	745.986	\$715,876		\$52,295,737	\$926,172	781.363	\$723,676
Other Business Equipment		\$17,714,792	\$399,217	733.940	\$293,001		\$12,220,706	\$285,974	759.542	\$217,209
Class 8 Subtotal		\$192,058,428	\$4,030,243	733.118	\$2,954,643		\$190,667,382	\$3,983,397	774.527	\$3,085,248
CLASS 9										
Utilities		\$141,357,176	\$16,962,855	705.308	\$11,964,041		\$144,250,375	\$17,310,038	794.616	\$13,754,838
CLASS 10										
Timber Land	216,649	\$55,466,439	\$205,241	517.799	\$106,274	219,406	\$56,159,024	\$207,804	589.471	\$122,494
CLASS 12										
Railroads		\$60,574,420	\$1,859,632	601.992	\$1,119,484		\$55,079,653	\$1,718,482	687.006	\$1,180,608
Airlines		\$5,491,436	\$168,587	778.065	\$131,172		\$6,337,549	\$197,732	879.840	\$173,973
Class 12 Subtotal		\$66,065,856	\$2,028,219		\$1,250,656		\$61,417,202	\$1,916,214		\$1,354,581
CLASS 13										
Electrical Generation Property		\$47,698,311	\$2,861,900	603.506	\$1,727,174		\$46,272,360	\$2,776,341	692.270	\$1,921,977
Telecommunication Property		\$100,346,285	\$6,020,795	743.785	\$4,478,179		\$96,505,462	\$5,790,330	839.951	\$4,863,594
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$148,044,596	\$8,882,695		\$6,205,353		\$142,777,822	\$8,566,671		\$6,785,571
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$7,628,293,474	\$133,532,671	710.069	\$94,817,357		\$7,812,940,531	\$135,629,352	797.903	\$108,219,130
ABATED PROPERTY										
Current Values of Abated Property		\$28,968,055	\$319,781	869.679	\$278,106		\$37,305,456	\$464,688	891.106	\$414,087
Values Without the Property Abatement		\$28,968,055	\$627,168	869.679	\$545,435		\$37,305,456	\$857,632	891.106	\$764,241
Difference (Property Value Abated)		\$0	-\$307,387		-\$267,328		\$0	-\$392,944		-\$350,155

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 VERIZON WIRELESS	1 NORTHWESTERN ENERGY-T & D	2 VERIZON WIRELESS
3 NORTHWESTERN ENERGY - ELECTRIC GENERATION	4 THE BOEING COMPANY	3 NORTHWESTERN ENERGY - ELECTRIC GENERATION	4 THE BOEING COMPANY
5 CENTURYLINK INC	6 BNSF RAILWAY CO	5 BNSF RAILWAY CO	6 YELLOWSTONE PIPELINE CO
7 CHARTER COMMUNICATIONS INC	8 YELLOWSTONE PIPELINE CO	7 CHARTER COMMUNICATIONS INC	8 CENTURYLINK INC
9 MONTANA RAIL LINK	10 HEALTH CARE SERVICE CORPORATION	9 MONTANA RAIL LINK	10 HEALTH CARE SERVICE CORPORATION

Property Taxes Paid by County

Liberty County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	8,256	\$5,398,009	\$116,595	499.525	\$58,242	8,256	\$5,398,009	\$116,595	516.357	\$60,205
Tillable Non-Irrigated	564,696	\$176,982,743	\$3,822,826	498.395	\$1,905,275	564,694	\$176,978,777	\$3,822,741	516.425	\$1,974,158
Grazing	217,354	\$11,462,728	\$247,616	499.192	\$123,608	217,349	\$11,462,458	\$247,608	515.917	\$127,745
Wild Hay	6,284	\$1,893,982	\$40,913	499.214	\$20,424	6,284	\$1,893,982	\$40,913	515.796	\$21,103
Non-Qualified Ag Land	1,067	\$51,330	\$7,759	498.043	\$3,864	1,067	\$51,330	\$7,759	516.077	\$4,004
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$195,788,792	\$4,235,709	498.480	\$2,111,414		\$195,784,556	\$4,235,616	516.386	\$2,187,215
CLASS 4 Land and Improvements:										
Residential		\$51,602,843	\$701,484	575.199	\$403,493		\$52,188,343	\$702,923	596.131	\$419,034
Residential Low Income		\$1,500,735	\$6,381	566.994	\$3,618		\$1,708,252	\$7,774	595.669	\$4,631
Mobile Homes		\$2,087,550	\$28,179	514.965	\$14,511		\$1,962,160	\$26,487	529.885	\$14,035
Mobile Homes Low Income		\$0	\$0	-	\$0		\$26,222	\$0	-	\$0
Commercial		\$83,200,895	\$1,193,449	516.528	\$616,450		\$85,485,539	\$1,224,075	533.517	\$653,065
Industrial		\$374,808	\$7,082	511.581	\$3,623		\$374,808	\$7,082	528.671	\$3,744
New Manufacturing		\$32,075,226	\$606,223	501.450	\$303,991		\$34,751,463	\$656,803	523.480	\$343,823
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$170,842,057	\$2,542,798	529.215	\$1,345,686		\$176,496,787	\$2,625,144	547.906	\$1,438,332
CLASS 5										
Rural Electric and Telephone Co-Op		\$13,861,317	\$415,836	509.885	\$212,029		\$12,924,191	\$387,721	529.560	\$205,321
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$13,861,317	\$415,836	509.885	\$212,029		\$12,924,191	\$387,721	529.560	\$205,321
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$2,591,959	\$40,984	506.815	\$20,772		\$3,010,821	\$46,225	520.087	\$24,041
Farm Implements		\$25,749,369	\$418,500	496.679	\$207,860		\$27,620,691	\$446,816	513.852	\$229,597
Furniture and Fixtures		\$497,711	\$7,615	527.382	\$4,016		\$593,121	\$9,028	531.766	\$4,801
Other Business Equipment		\$5,237,375	\$80,962	492.774	\$39,896		\$4,612,952	\$71,077	508.909	\$36,172
Class 8 Subtotal		\$34,076,414	\$548,062	497.287	\$272,544		\$35,837,585	\$573,145	514.024	\$294,610
CLASS 9										
Utilities		\$5,614,732	\$673,764	516.887	\$348,260		\$5,355,931	\$642,709	536.080	\$344,543
CLASS 10										
Timber Land	727	\$160,026	\$592	499.594	\$296	727	\$160,026	\$592	515.705	\$305
CLASS 12										
Railroads		\$32,043,929	\$983,747	500.949	\$492,807		\$28,372,169	\$885,211	519.274	\$459,667
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$32,043,929	\$983,747		\$492,807		\$28,372,169	\$885,211		\$459,667
CLASS 13										
Electrical Generation Property		\$1,324,249	\$79,455	491.250	\$39,032		\$1,193,744	\$71,625	506.491	\$36,277
Telecommunication Property		\$2,189,986	\$131,397	510.512	\$67,080		\$2,506,740	\$150,407	532.857	\$80,145
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$3,514,235	\$210,852		\$106,112		\$3,700,484	\$222,032		\$116,423
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$455,901,502	\$9,611,360	508.684	\$4,889,148		\$458,631,729	\$9,572,170	527.197	\$5,046,417
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	\$0		\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 BNSF RAILWAY CO	2 NORTHWESTERN ENERGY-T & D	1 BNSF RAILWAY CO	2 NORTHWESTERN ENERGY-T & D
3 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	4 EGT LLC	3 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	4 EGT LLC
5 GAVILON GRAIN LLC	6 EAGLE CREEK COLONY	5 GAVILON GRAIN LLC	6 EAGLE CREEK COLONY
7 RIVERVIEW COLONY	8 SAGE CREEK COLONY	7 RIVERVIEW COLONY	8 SAGE CREEK COLONY
9 COLUMBIA GRAIN INC	10 TIBER MONTANA LLC	9 COLUMBIA GRAIN INC	10 WANKEN FARMS

Property Taxes Paid by County

Lincoln County



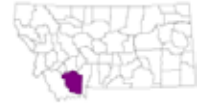
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	2,441	\$2,109,018	\$45,554	492.067	\$22,416	2,444	\$2,114,476	\$45,672	478.602	\$21,859
Tillable Non-Irrigated	70	\$26,518	\$573	486.079	\$279	69	\$26,461	\$572	474.506	\$271
Grazing	27,423	\$686,092	\$14,965	518.693	\$7,762	27,581	\$687,598	\$14,994	517.215	\$7,755
Wild Hay	1,865	\$153,807	\$3,322	534.048	\$1,774	1,871	\$154,151	\$3,330	535.786	\$1,784
Non-Qualified Ag Land	24,368	\$1,172,856	\$177,335	514.208	\$91,187	24,191	\$1,164,290	\$176,035	508.161	\$89,454
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$4,148,291	\$241,749	510.519	\$123,418		\$4,146,976	\$240,603	503.417	\$121,124
CLASS 4 Land and Improvements:										
Residential		\$1,650,457,965	\$22,292,105	548.605	\$12,229,553		\$1,684,992,475	\$22,530,003	544.636	\$12,270,653
Residential Low Income		\$141,027,183	\$598,082	578.113	\$345,759		\$150,634,205	\$635,874	579.025	\$368,187
Mobile Homes		\$18,008,640	\$243,124	565.303	\$137,439		\$17,521,410	\$236,546	570.661	\$134,988
Mobile Homes Low Income		\$2,483,290	\$8,555	590.568	\$5,052		\$8,819,078	\$10,158	587.788	\$5,971
Commercial		\$187,977,565	\$3,330,749	612.011	\$2,038,454		\$190,141,200	\$3,374,181	610.921	\$2,061,357
Industrial		\$3,148,298	\$59,504	585.374	\$34,832		\$3,148,298	\$59,504	598.505	\$35,613
New Manufacturing		\$10,871,810	\$201,321	565.265	\$113,800		\$8,416,540	\$154,916	574.813	\$89,048
Qualified Golf Courses		\$16,050,988	\$152,485	518.940	\$79,131		\$16,050,988	\$152,485	506.506	\$77,235
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$2,030,025,739	\$26,885,925	557.316	\$14,984,019		\$2,079,724,194	\$27,153,667	553.997	\$15,043,051
CLASS 5										
Rural Electric and Telephone Co-Op		\$69,219,473	\$2,076,584	527.835	\$1,096,093		\$68,058,837	\$2,041,765	528.574	\$1,079,224
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$108,856	\$3,266	599.501	\$1,958		\$3,808	\$114	619.697	\$71
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$69,328,329	\$2,079,850	527.947	\$1,098,051		\$68,062,645	\$2,041,879	528.579	\$1,079,295
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$15,340,245	\$233,834	561.416	\$131,278		\$13,553,361	\$206,994	570.510	\$118,092
Farm Implements		\$523,846	\$7,977	470.019	\$3,749		\$544,122	\$8,162	481.596	\$3,931
Furniture and Fixtures		\$4,499,845	\$74,541	631.121	\$47,045		\$3,982,373	\$65,962	639.199	\$42,163
Other Business Equipment		\$1,902,417	\$28,836	596.688	\$17,206		\$1,542,793	\$23,300	604.790	\$14,092
Class 8 Subtotal		\$22,266,153	\$345,189	577.303	\$199,278		\$19,622,649	\$304,418	585.634	\$178,277
CLASS 9										
Utilities		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 10										
Timber Land	416,334	\$274,231,166	\$1,014,647	532.309	\$540,106	415,889	\$273,943,956	\$1,013,591	531.558	\$538,782
CLASS 12										
Railroads		\$132,793,657	\$4,076,767	525.581	\$2,142,672		\$117,657,837	\$3,670,921	521.236	\$1,913,417
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$132,793,657	\$4,076,767		\$2,142,672		\$117,657,837	\$3,670,921		\$1,913,417
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$12,385,045	\$743,110	622.977	\$462,941		\$9,728,588	\$583,714	626.190	\$365,516
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$12,385,045	\$743,110		\$462,941		\$9,728,588	\$583,714		\$365,516
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$2,545,178,380	\$35,387,237	552.473	\$19,550,484		\$2,572,886,845	\$35,008,793	549.561	\$19,239,463
ABATED PROPERTY										
Current Values of Abated Property		\$442,240	\$4,201	692.661	\$2,910		\$442,240	\$4,201	693.897	\$2,915
Values Without the Property Abatement		\$442,240	\$8,360	692.661	\$5,790		\$442,240	\$8,358	693.897	\$5,800
Difference (Property Value Abated)		\$0	-\$4,159		-\$2,881		\$0	-\$4,157		-\$2,885

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 BNSF RAILWAY CO	2 INTERBEL TELEPHONE COOPERATIVE INC	1 BNSF RAILWAY CO	2 INTERBEL TELEPHONE COOPERATIVE INC
3 FLATHEAD ELECTRIC COOP INC.	4 LINCOLN ELECTRIC COOPERATIVE INC	3 FLATHEAD ELECTRIC COOP INC.	4 WEYERHAEUSER CO
5 WEYERHAEUSER CO	6 FRONTIER COMMUNICATIONS	5 LINCOLN ELECTRIC COOPERATIVE INC	6 FRONTIER COMMUNICATIONS
7 NORTHERN LIGHTS INC	8 TROY MINE INC	7 NORTHERN LIGHTS INC	8 STIMSON LUMBER CO
9 STIMSON LUMBER CO	10 VERIZON WIRELESS	9 WILDERNESS PRESERVE US LP	10 VERIZON WIRELESS

Property Taxes Paid by County

Madison County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$2,837,849	\$2,837,849	376.483	\$1,068,401		\$3,368,590	\$3,368,590	353.376	\$1,190,378
CLASS 2 Gross Proceeds		\$40,996	\$1,230	446.125	\$549		\$43,462	\$1,304	285.190	\$372
CLASS 3 Agricultural Land:										
Tillable Irrigated	88,094	\$56,666,743	\$1,224,009	467.449	\$572,162	88,161	\$56,710,999	\$1,224,965	457.098	\$559,929
Tillable Non-Irrigated	12,580	\$4,161,892	\$89,899	481.173	\$43,257	12,581	\$4,160,877	\$89,877	476.947	\$42,867
Grazing	803,665	\$36,110,024	\$780,063	413.988	\$322,937	802,609	\$36,086,026	\$779,549	400.627	\$312,309
Wild Hay	1,972	\$483,134	\$10,437	427.813	\$4,465	1,972	\$483,134	\$10,437	415.348	\$4,335
Non-Qualified Ag Land	56,683	\$2,669,635	\$403,719	371.379	\$149,933	57,118	\$2,691,738	\$407,067	360.890	\$146,907
Eligible Mining Claims	4,868	\$213,258	\$4,599	488.114	\$2,245	4,770	\$208,526	\$4,495	482.048	\$2,167
Class 3 Subtotal		\$100,304,686	\$2,512,726	435.781	\$1,094,999		\$100,341,300	\$2,516,390	424.621	\$1,068,513
CLASS 4 Land and Improvements:										
Residential		\$5,748,213,352	\$86,833,478	276.337	\$23,995,276		\$5,962,481,593	\$90,118,340	279.386	\$25,177,841
Residential Low Income		\$31,103,295	\$142,708	460.111	\$65,662		\$31,591,532	\$149,266	439.717	\$65,635
Mobile Homes		\$6,695,790	\$90,395	476.567	\$43,079		\$6,707,940	\$90,558	467.930	\$42,375
Mobile Homes Low Income		\$194,670	\$769	542.746	\$417		\$791,460	\$892	490.821	\$438
Commercial		\$566,411,276	\$9,523,372	336.723	\$3,206,742		\$552,353,939	\$9,292,947	345.516	\$3,210,860
Industrial		\$2,156,965	\$40,768	422.339	\$17,218		\$2,011,219	\$38,013	406.725	\$15,461
New Manufacturing		\$9,087,920	\$161,618	359.772	\$58,146		\$8,492,510	\$150,365	345.102	\$51,891
Qualified Golf Courses		\$48,036,037	\$456,340	252.961	\$115,436		\$48,597,018	\$461,669	276.016	\$127,428
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$6,411,899,305	\$97,249,448	282.798	\$27,501,976		\$6,613,027,211	\$100,302,050	286.055	\$28,691,928
CLASS 5										
Rural Electric and Telephone Co-Op		\$17,899,890	\$537,000	440.151	\$236,361		\$18,780,716	\$563,430	426.712	\$240,422
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$17,899,890	\$537,000	440.151	\$236,361		\$18,780,716	\$563,430	426.712	\$240,422
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$33,232,030	\$652,757	373.397	\$243,738		\$31,948,137	\$633,249	376.078	\$238,151
Farm Implements		\$10,121,366	\$156,631	475.616	\$74,496		\$12,690,764	\$195,970	455.974	\$89,357
Furniture and Fixtures		\$14,432,621	\$308,971	282.783	\$87,372		\$12,754,858	\$304,633	266.956	\$81,324
Other Business Equipment		\$25,493,967	\$610,521	295.728	\$180,548		\$38,908,818	\$980,450	264.389	\$259,221
Class 8 Subtotal		\$83,279,984	\$1,728,880	339.037	\$586,154		\$96,302,577	\$2,114,303	315.968	\$668,053
CLASS 9										
Utilities		\$30,061,190	\$3,607,327	429.875	\$1,550,699		\$34,251,840	\$4,110,207	406.857	\$1,672,268
CLASS 10										
Timber Land	78,548	\$17,090,624	\$63,258	354.188	\$22,405	79,147	\$17,176,949	\$63,568	350.571	\$22,285
CLASS 12										
Railroads		\$21,912,730	\$672,721	525.403	\$353,450		\$20,465,111	\$638,513	510.497	\$325,959
Airlines		\$2,583	\$79	420.955	\$33		\$1,394	\$43	421.680	\$18
Class 12 Subtotal		\$21,915,313	\$672,800		\$353,483		\$20,466,505	\$638,556		\$325,977
CLASS 13										
Electrical Generation Property		\$31,880,176	\$1,912,810	318.417	\$609,071		\$30,967,571	\$1,858,054	313.266	\$582,065
Telecommunication Property		\$4,490,241	\$269,414	319.843	\$86,170		\$5,087,121	\$305,225	323.759	\$98,819
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$36,370,417	\$2,182,224		\$695,241		\$36,054,692	\$2,163,279		\$680,885
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$6,721,700,254	\$111,392,742	297.239	\$33,110,267		\$6,939,813,842	\$115,841,677	298.348	\$34,561,080
ABATED PROPERTY										
Current Values of Abated Property		\$3,970,592	\$35,041	560.460	\$19,639		\$3,777,698	\$34,853	540.722	\$18,846
Values Without the Property Abatement		\$3,970,592	\$88,399	560.460	\$49,544		\$3,777,698	\$69,596	540.722	\$37,632
Difference (Property Value Abated)		\$0	-\$53,357		-\$29,905		\$0	-\$34,744		-\$18,787

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 NORTHWESTERN ENERGY - ELECTRIC GENERATION	1 NORTHWESTERN ENERGY-T & D	2 LUZENAC AMERICA INC
3 YELLOWSTONE DEVELOPMENT LLC	4 LUZENAC AMERICA INC	3 NORTHWESTERN ENERGY - ELECTRIC GENERATION	4 YELLOWSTONE DEVELOPMENT LLC
5 YELLOWSTONE MTN CLUB LLC &	6 BARRETTS MINERALS INC	5 YELLOWSTONE MTN CLUB LLC &	6 BARRETTS MINERALS INC
7 BIG SKY RESORT LLC	8 CIP GC OWNER LLC	7 BIG SKY RESORT LLC	8 MB MT ACQUISITION LLC
9 MONTANA RAIL LINK	10 188 FOXTAIL PINE LLC	9 MONTANA RAIL LINK	10 188 FOXTAIL PINE LLC

Property Taxes Paid by County

McCone County



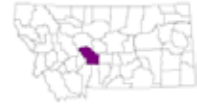
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	9,468	\$9,394,656	\$202,920	595.488	\$120,837	9,468	\$9,414,701	\$203,353	607.333	\$123,503
Tillable Non-Irrigated	496,834	\$139,555,137	\$3,014,376	603.381	\$1,818,818	496,280	\$139,362,734	\$3,010,220	618.766	\$1,862,622
Grazing	820,616	\$36,573,746	\$789,995	616.850	\$487,151	821,265	\$36,601,791	\$790,602	638.097	\$504,481
Wild Hay	5,851	\$1,278,207	\$27,610	623.384	\$17,212	5,851	\$1,278,207	\$27,610	647.847	\$17,887
Non-Qualified Ag Land	2,143	\$103,140	\$15,592	604.523	\$9,426	2,274	\$109,446	\$16,544	621.653	\$10,285
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$186,904,886	\$4,050,493	605.714	\$2,453,442		\$186,766,879	\$4,048,329	622.177	\$2,518,777
CLASS 4 Land and Improvements:										
Residential		\$47,905,334	\$655,419	773.996	\$507,292		\$48,527,502	\$659,845	806.018	\$531,847
Residential Low Income		\$1,444,617	\$7,973	812.503	\$6,478		\$1,418,437	\$8,130	853.798	\$6,941
Mobile Homes		\$5,123,490	\$69,166	600.547	\$41,537		\$5,424,590	\$73,230	640.441	\$46,899
Mobile Homes Low Income		\$110,890	\$512	762.744	\$391		\$132,750	\$300	745.377	\$224
Commercial		\$72,192,441	\$1,030,712	647.775	\$667,669		\$73,452,955	\$1,048,843	668.187	\$700,823
Industrial		\$110,242	\$2,084	840.854	\$1,752		\$110,242	\$2,084	882.756	\$1,840
New Manufacturing		\$2,247,873	\$39,250	893.077	\$35,053		\$2,247,872	\$42,484	929.790	\$39,501
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$129,134,887	\$1,805,116	698.112	\$1,260,173		\$131,314,348	\$1,834,916	723.780	\$1,328,075
CLASS 5										
Rural Electric and Telephone Co-Op		\$16,410,978	\$492,328	695.848	\$342,585		\$17,165,914	\$514,976	721.540	\$371,576
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$16,410,978	\$492,328	695.848	\$342,585		\$17,165,914	\$514,976	721.540	\$371,576
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$2,766,890	\$64,317	827.769	\$53,239		\$2,495,543	\$59,857	860.478	\$51,506
Farm Implements		\$27,767,695	\$425,803	585.934	\$249,493		\$26,791,905	\$411,848	614.322	\$253,007
Furniture and Fixtures		\$370,676	\$6,073	838.059	\$5,090		\$314,960	\$5,033	894.021	\$4,499
Other Business Equipment		\$2,555,684	\$40,619	605.410	\$24,591		\$990,485	\$14,887	650.650	\$9,686
Class 8 Subtotal		\$33,460,945	\$536,813	619.235	\$332,413		\$30,592,893	\$491,625	648.256	\$318,699
CLASS 9										
Utilities		\$1,647,538	\$197,704	573.994	\$113,481		\$1,723,581	\$206,830	576.225	\$119,181
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$9,609,902	\$295,025	652.113	\$192,390		\$8,526,923	\$266,041	680.301	\$180,988
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$9,609,902	\$295,025	652.113	\$192,390		\$8,526,923	\$266,041	680.301	\$180,988
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$3,143,559	\$188,613	855.021	\$161,268		\$2,493,132	\$149,589	847.368	\$126,757
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$3,143,559	\$188,613	855.021	\$161,268		\$2,493,132	\$149,589	847.368	\$126,757
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$380,312,695	\$7,566,092	641.778	\$4,855,752		\$378,583,670	\$7,512,306	660.789	\$4,964,052
ABATED PROPERTY										
Current Values of Abated Property		\$1,698,550	\$33,401	899.657	\$30,050		\$0	\$0	-	\$0
Values Without the Property Abatement		\$1,698,550	\$34,724	899.657	\$31,240		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	-\$1,323	-	-\$1,190		\$0	\$0	-	\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 BNSF RAILWAY CO	2 MCCONE ELECTRIC COOP INC	1 BNSF RAILWAY CO	2 MCCONE ELECTRIC COOP INC
3 MID RIVERS TELEPHONE COOPERATIVE	4 WBI ENERGY TRANSMISSION INC	3 MID RIVERS TELEPHONE COOPERATIVE	4 WBI ENERGY TRANSMISSION INC
5 CABLE & CELLULAR COMMUNICATIONS CORP	6 PRAIRIE ELK HUTTERIAN BRETHAREN INC	5 CABLE & CELLULAR COMMUNICATIONS CORP	6 PRAIRIE ELK HUTTERIAN BRETHAREN INC
7 CENEX HARVEST STATES CO OP	8 GREAT NORTHERN PROPERTIES LP	7 CENEX HARVEST STATES CO OP	8 GREAT NORTHERN PROPERTIES LP
9 GACKLE MYRON L & PAULINE	10 PAWLOWSKI BROS INC	9 GF HOLDING LLP	10 EISSINGER LAND & CATTLE CO

Property Taxes Paid by County

Meagher County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$170,609	\$5,118	570.677	\$2,921		\$130,447	\$3,913	563.830	\$2,206
CLASS 3 Agricultural Land:										
Tillable Irrigated	42,945	\$25,749,378	\$556,187	570.172	\$317,122	42,961	\$25,758,891	\$556,392	563.317	\$313,425
Tillable Non-Irrigated	24,203	\$6,192,648	\$133,764	570.623	\$76,329	24,203	\$6,192,648	\$133,764	563.776	\$75,413
Grazing	682,182	\$37,509,486	\$810,251	570.079	\$461,907	682,192	\$37,497,643	\$809,995	563.223	\$456,208
Wild Hay	9,707	\$3,166,625	\$68,402	570.134	\$38,998	9,678	\$3,149,509	\$68,032	563.276	\$38,321
Non-Qualified Ag Land	7,874	\$378,959	\$57,291	570.473	\$32,683	7,851	\$377,862	\$57,124	563.623	\$32,196
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$72,997,096	\$1,625,895	570.172	\$927,039		\$72,976,553	\$1,625,307	563.317	\$915,563
CLASS 4 Land and Improvements:										
Residential		\$125,999,091	\$1,706,585	638.134	\$1,089,030		\$126,792,462	\$1,701,766	632.142	\$1,075,757
Residential Low Income		\$3,765,543	\$16,627	665.112	\$11,059		\$4,648,836	\$20,149	653.502	\$13,167
Mobile Homes		\$2,153,090	\$29,070	654.685	\$19,032		\$2,645,840	\$35,722	663.871	\$23,715
Mobile Homes Low Income		\$92,380	\$249	675.197	\$168		\$251,250	\$249	688.276	\$171
Commercial		\$80,907,535	\$1,159,589	611.307	\$708,865		\$80,875,459	\$1,163,070	605.861	\$704,658
Industrial		\$93,401	\$1,765	570.677	\$1,007		\$93,401	\$1,765	563.830	\$995
New Manufacturing		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$213,011,040	\$2,913,885	627.740	\$1,829,161		\$215,307,248	\$2,922,721	622.182	\$1,818,464
CLASS 5										
Rural Electric and Telephone Co-Op		\$11,440,015	\$343,200	607.467	\$208,483		\$11,438,693	\$343,160	599.851	\$205,845
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$11,440,015	\$343,200	607.467	\$208,483		\$11,438,693	\$343,160	599.851	\$205,845
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$1,186,024	\$19,674	619.224	\$12,183		\$1,036,539	\$17,035	616.867	\$10,508
Farm Implements		\$6,268,734	\$94,571	567.221	\$53,643		\$5,292,220	\$79,930	570.407	\$45,593
Furniture and Fixtures		\$379,595	\$6,715	654.244	\$4,393		\$412,627	\$7,486	681.469	\$5,101
Other Business Equipment		\$343,421	\$5,187	572.872	\$2,971		\$253,633	\$3,825	577.916	\$2,210
Class 8 Subtotal		\$8,177,774	\$126,147	580.196	\$73,190		\$6,995,019	\$108,276	585.660	\$63,413
CLASS 9										
Utilities		\$25,526,259	\$3,063,145	574.909	\$1,761,029		\$24,725,664	\$2,967,079	568.618	\$1,687,136
CLASS 10										
Timber Land	177,132	\$40,033,781	\$148,122	570.314	\$84,476	177,134	\$40,030,963	\$148,112	563.462	\$83,455
CLASS 12										
Railroads		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Airlines		\$1,292	\$40	570.677	\$23		\$1,394	\$43	563.830	\$24
Class 12 Subtotal		\$1,292	\$40		\$23		\$1,394	\$43		\$24
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$1,796,735	\$107,802	620.381	\$66,878		\$1,072,683	\$64,360	667.218	\$42,942
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$1,796,735	\$107,802		\$66,878		\$1,072,683	\$64,360		\$42,942
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$12,719,102	\$228,944	638.010	\$146,069		\$12,336,361	\$259,064	607.115	\$157,282
Class 14 Subtotal		\$12,719,102	\$228,944		\$146,069		\$12,336,361	\$259,064		\$157,282
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$385,873,703	\$8,562,298	595.549	\$5,099,269		\$385,015,025	\$8,442,035	589.470	\$4,976,330
ABATED PROPERTY										
Current Values of Abated Property		\$12,719,102	\$228,944	638.010	\$146,069		\$12,336,361	\$259,064	607.115	\$157,282
Values Without the Property Abatement		\$12,719,102	\$381,573	638.010	\$243,447		\$12,336,361	\$370,091	607.115	\$224,688
Difference (Property Value Abated)		\$0	-\$152,629		-\$97,379		\$0	-\$111,027		-\$67,406

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	1 NORTHWESTERN ENERGY-T & D	2 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY
3 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	4 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	3 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	4 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC
5 AVISTA CORPORATION - ELECTRIC TRANSMISSION	6 GORDON BUTTE WIND LLC	5 AVISTA CORPORATION - ELECTRIC TRANSMISSION	6 GORDON BUTTE WIND LLC
7 PACIFICORP - ELECTRIC TRANSMISSION	8 GALT RANCH LP	7 PACIFICORP - ELECTRIC TRANSMISSION	8 GALT RANCH LP
9 CATLIN RANCH LP	10 SPRINGDALE COLONY	9 CATLIN RANCH LP	10 CASTLE MOUNTAIN RANCH INC

Property Taxes Paid by County

Mineral County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	481	\$300,053	\$6,482	652.346	\$4,229	478	\$298,495	\$6,448	635.016	\$4,095
Tillable Non-Irrigated	263	\$142,205	\$3,071	630.606	\$1,937	263	\$142,205	\$3,071	666.910	\$2,048
Grazing	4,961	\$57,335	\$1,283	637.571	\$818	4,846	\$56,588	\$1,267	644.226	\$816
Wild Hay	1,372	\$52,040	\$1,125	632.948	\$712	1,372	\$52,040	\$1,125	664.442	\$747
Non-Qualified Ag Land	5,514	\$263,913	\$39,908	651.443	\$29,998	5,583	\$268,718	\$40,633	655.688	\$26,643
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$815,546	\$51,869	649.578	\$33,693		\$818,046	\$52,544	653.718	\$34,349
CLASS 4 Land and Improvements:										
Residential		\$284,924,888	\$3,856,787	683.017	\$2,634,251		\$295,848,410	\$3,955,121	688.691	\$2,723,856
Residential Low Income		\$19,748,711	\$86,966	696.825	\$60,600		\$19,953,099	\$83,265	709.511	\$59,077
Mobile Homes		\$3,613,780	\$48,781	652.457	\$31,828		\$3,837,520	\$51,803	673.286	\$34,878
Mobile Homes Low Income		\$350,700	\$1,606	642.960	\$1,033		\$1,488,165	\$1,517	667.828	\$1,013
Commercial		\$54,995,103	\$949,390	722.333	\$685,776		\$55,070,517	\$953,346	729.880	\$695,828
Industrial		\$703,771	\$13,300	643.646	\$8,560		\$703,771	\$13,300	646.517	\$8,599
New Manufacturing		\$3,862,320	\$72,000	643.310	\$46,318		\$3,721,250	\$69,334	628.633	\$43,586
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$368,199,273	\$5,028,830	689.696	\$3,468,366		\$380,622,732	\$5,127,686	695.604	\$3,566,837
CLASS 5										
Rural Electric and Telephone Co-Op		\$6,916,245	\$207,489	663.757	\$137,722		\$6,509,899	\$195,300	675.729	\$131,970
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$6,916,245	\$207,489	663.757	\$137,722		\$6,509,899	\$195,300	675.729	\$131,970
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$15,380,228	\$280,273	649.716	\$182,098		\$10,054,939	\$143,373	631.041	\$90,474
Farm Implements		\$45,042	\$676	669.740	\$453		\$15,602	\$234	664.006	\$155
Furniture and Fixtures		\$1,570,104	\$27,277	761.128	\$20,762		\$1,649,596	\$27,557	772.851	\$21,298
Other Business Equipment		\$220,947	\$3,624	649.632	\$2,354		\$330,076	\$5,024	652.133	\$3,276
Class 8 Subtotal		\$17,216,321	\$311,852	659.504	\$205,667		\$12,050,213	\$176,188	653.866	\$115,203
CLASS 9										
Utilities		\$33,792,406	\$4,055,086	642.460	\$2,605,232		\$32,171,795	\$3,860,612	636.555	\$2,457,493
CLASS 10										
Timber Land	88,088	\$41,644,167	\$154,076	624.620	\$96,239	88,073	\$41,518,721	\$153,610	624.424	\$95,918
CLASS 12										
Railroads		\$29,736,420	\$912,909	643.452	\$587,413		\$27,800,165	\$867,366	652.628	\$566,067
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$29,736,420	\$912,909	643.452	\$587,413		\$27,800,165	\$867,366	652.628	\$566,067
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$4,949,047	\$296,948	699.812	\$207,808		\$4,825,755	\$289,549	709.712	\$205,497
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$4,949,047	\$296,948	699.812	\$207,808		\$4,825,755	\$289,549	709.712	\$205,497
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$503,269,425	\$11,019,059	666.313	\$7,342,140		\$506,317,326	\$10,722,855	668.976	\$7,173,334
ABATED PROPERTY										
Current Values of Abated Property		\$2,930,685	\$32,922	739.766	\$24,354		\$448,721	\$4,091	681.872	\$2,790
Values Without the Property Abatement		\$2,930,685	\$68,433	739.766	\$50,625		\$448,721	\$7,144	681.872	\$4,872
Difference (Property Value Abated)		\$0	-\$35,512	-	-\$26,270		\$0	-\$3,053	-	-\$2,082

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 PACIFICORP - ELECTRIC TRANSMISSION	1 NORTHWESTERN ENERGY-T & D	2 PACIFICORP - ELECTRIC TRANSMISSION
3 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	4 MONTANA RAIL LINK	3 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	4 MONTANA RAIL LINK
5 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	6 TRICON TIMBER LLC	5 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	6 AVISTA CORPORATION - ELECTRIC TRANSMISSION
7 AVISTA CORPORATION - ELECTRIC TRANSMISSION	8 VERIZON WIRELESS	7 VERIZON WIRELESS	8 IFG KAMP LLC
9 BLACKFOOT TELEPHONE COOP INC	10 MISSOULA ELECTRIC COOPERATIVE INC	9 BLACKFOOT TELEPHONE COOP INC	10 MISSOULA ELECTRIC COOPERATIVE INC

Property Taxes Paid by County

Missoula County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	13,955	\$8,898,024	\$192,205	680.943	\$130,881	13,916	\$8,870,180	\$191,602	665.687	\$127,547
Tillable Non-Irrigated	1,416	\$346,481	\$7,485	797.535	\$5,970	1,284	\$376,219	\$8,126	785.612	\$6,384
Grazing	77,025	\$2,561,037	\$55,413	657.360	\$36,426	76,128	\$2,531,354	\$54,768	642.558	\$35,192
Wild Hay	1,752	\$273,913	\$5,919	695.971	\$4,119	1,904	\$290,904	\$6,287	686.127	\$4,314
Non-Qualified Ag Land	30,750	\$1,467,257	\$221,845	707.634	\$156,985	31,309	\$1,497,762	\$226,458	691.169	\$156,521
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$13,546,712	\$482,867	692.491	\$334,381		\$13,566,419	\$487,241	677.194	\$329,957
CLASS 4 Land and Improvements:										
Residential		\$9,126,488,304	\$123,276,986	840.780	\$103,648,795		\$9,293,666,452	\$125,169,500	824.183	\$103,162,625
Residential Low Income		\$279,687,595	\$1,368,018	846.603	\$1,158,167		\$284,198,203	\$1,355,712	827.515	\$1,121,871
Mobile Homes		\$77,838,580	\$1,050,680	778.566	\$818,024		\$79,000,750	\$1,066,582	798.558	\$851,727
Mobile Homes Low Income		\$11,571,980	\$50,727	789.391	\$40,043		\$25,322,123	\$48,220	810.713	\$39,093
Commercial		\$3,708,659,550	\$64,669,097	886.969	\$57,359,504		\$3,717,073,979	\$64,704,880	866.456	\$56,063,917
Industrial		\$24,674,106	\$466,338	801.247	\$373,652		\$26,660,701	\$503,885	777.135	\$391,587
New Manufacturing		\$102,049,615	\$1,918,857	853.061	\$1,636,903		\$61,529,282	\$1,161,302	794.419	\$922,561
Qualified Golf Courses		\$17,577,381	\$166,986	826.776	\$138,060		\$13,792,036	\$131,024	782.602	\$102,540
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$13,348,547,111	\$192,967,689	855.963	\$165,173,149		\$13,501,243,526	\$194,141,105	837.823	\$162,655,920
CLASS 5										
Rural Electric and Telephone Co-Op		\$60,549,073	\$1,816,480	735.067	\$1,335,235		\$58,378,011	\$1,751,348	716.883	\$1,255,511
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$113,554	\$3,407	866.226	\$2,951		\$113,302	\$3,399	840.120	\$2,856
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$60,662,627	\$1,819,887	735.313	\$1,338,186		\$58,491,313	\$1,754,747	717.122	\$1,258,367
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$126,140,306	\$2,203,866	805.476	\$1,775,161		\$124,941,164	\$2,228,787	813.725	\$1,813,620
Farm Implements		\$432,756	\$6,493	713.273	\$4,631		\$540,259	\$8,105	693.877	\$5,624
Furniture and Fixtures		\$120,738,242	\$2,033,416	865.369	\$1,759,655		\$131,165,277	\$2,306,480	876.496	\$2,021,620
Other Business Equipment		\$21,542,529	\$346,423	823.644	\$285,330		\$17,449,266	\$276,449	826.331	\$228,439
Class 8 Subtotal		\$268,853,833	\$4,590,198	833.249	\$3,824,777		\$274,095,966	\$4,819,822	844.285	\$4,069,303
CLASS 9										
Utilities		\$180,730,888	\$21,687,686	760.536	\$16,494,264		\$183,791,883	\$22,055,003	747.697	\$16,490,459
CLASS 10										
Timber Land	356,168	\$126,221,923	\$467,005	624.947	\$291,854	355,367	\$125,503,041	\$464,345	611.220	\$283,817
CLASS 12										
Railroads		\$73,324,306	\$2,251,062	762.727	\$1,716,945		\$69,218,641	\$2,159,621	746.224	\$1,611,562
Airlines		\$24,133,749	\$740,903	703.409	\$521,158		\$25,097,583	\$783,045	661.164	\$517,721
Class 12 Subtotal		\$97,458,055	\$2,991,965		\$2,238,104		\$94,316,224	\$2,942,666		\$2,129,283
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$88,540,981	\$5,312,467	866.370	\$4,602,563		\$84,158,392	\$5,049,504	849.439	\$4,289,246
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$88,540,981	\$5,312,467		\$4,602,563		\$84,158,392	\$5,049,504		\$4,289,246
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$14,184,562,130	\$230,319,764	843.598	\$194,297,278		\$14,335,166,764	\$231,714,433	826.476	\$191,506,352
ABATED PROPERTY										
Current Values of Abated Property		\$27,414,503	\$458,097	872.167	\$399,537		\$15,697,953	\$207,646	911.482	\$189,265
Values Without the Property Abatement		\$27,414,503	\$623,831	872.167	\$544,085		\$15,697,953	\$415,274	911.482	\$378,515
Difference (Property Value Abated)		\$0	-\$165,734		-\$144,548		\$0	-\$207,629		-\$189,250

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 MONTANA RAIL LINK	1 NORTHWESTERN ENERGY-T & D	2 MONTANA RAIL LINK
3 VERIZON WIRELESS	4 CHARTER COMMUNICATIONS INC	3 VERIZON WIRELESS	4 CHARTER COMMUNICATIONS INC
5 CENTURYLINK INC	6 MISSOULA ELECTRIC COOPERATIVE INC	5 MISSOULA ELECTRIC COOPERATIVE INC	6 SOUTHGATE MALL ASSOCIATES LLC
7 SOUTHGATE MALL ASSOCIATES	8 RCHP BILLINGS MISSOULA LLC	7 QWEST CORPORATION AND OR CENTURYLINK INC -	8 RCHP BILLINGS MISSOULA LLC
9 MOUNTAIN WATER CO	10 YELLOWSTONE PIPELINE CO	9 YELLOWSTONE PIPELINE CO	10 GATEWAY LIMITED PARTNERSHIP

Property Taxes Paid by County

Musselshell County



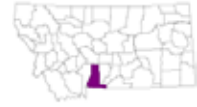
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	14,002	\$11,814,442	\$255,187	567.532	\$144,827	13,995	\$11,809,983	\$255,090	535.289	\$136,547
Tillable Non-Irrigated	84,589	\$13,679,255	\$295,473	570.617	\$168,602	84,564	\$13,684,301	\$295,582	533.192	\$157,602
Grazing	674,953	\$28,029,799	\$605,457	571.166	\$345,817	675,085	\$28,038,716	\$605,651	535.155	\$324,117
Wild Hay	18,550	\$3,568,353	\$77,073	568.021	\$43,779	18,543	\$3,567,617	\$77,057	531.467	\$40,953
Non-Qualified Ag Land	35,465	\$1,706,873	\$258,129	596.700	\$154,026	35,626	\$1,714,632	\$259,301	553.523	\$143,529
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$58,798,722	\$1,491,319	574.692	\$857,050		\$58,815,249	\$1,492,681	537.789	\$802,748
CLASS 4 Land and Improvements:										
Residential		\$188,281,771	\$2,549,459	638.442	\$1,627,682		\$191,012,838	\$2,541,722	596.610	\$1,516,416
Residential Low Income		\$15,155,587	\$60,097	635.379	\$38,184		\$17,656,087	\$75,993	588.378	\$44,713
Mobile Homes		\$8,462,330	\$114,234	594.398	\$67,900		\$8,387,680	\$113,224	603.890	\$68,375
Mobile Homes Low Income		\$999,060	\$4,084	595.283	\$2,431		\$1,522,965	\$3,604	604.389	\$2,178
Commercial		\$83,706,655	\$1,264,133	617.698	\$780,853		\$84,092,319	\$1,274,242	579.034	\$737,829
Industrial		\$2,901,985	\$54,848	602.629	\$33,053		\$2,497,585	\$47,205	558.314	\$26,355
New Manufacturing		\$18,545,010	\$290,098	623.969	\$181,012		\$18,117,350	\$342,418	558.560	\$191,261
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$318,052,398	\$4,336,953	629.732	\$2,731,116		\$323,286,824	\$4,398,408	588.196	\$2,587,126
CLASS 5										
Rural Electric and Telephone Co-Op		\$14,693,804	\$440,818	616.522	\$271,774		\$16,364,256	\$490,928	574.854	\$282,212
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$14,693,804	\$440,818	616.522	\$271,774		\$16,364,256	\$490,928	574.854	\$282,212
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$104,738,912	\$2,504,818	607.514	\$1,521,712		\$100,726,508	\$2,720,456	605.884	\$1,648,281
Farm Implements		\$4,940,610	\$85,141	574.606	\$48,923		\$4,926,593	\$81,250	566.332	\$46,014
Furniture and Fixtures		\$520,853	\$9,097	663.263	\$6,034		\$512,477	\$8,650	669.718	\$5,793
Other Business Equipment		\$13,991,763	\$389,165	587.068	\$228,466		\$15,832,251	\$446,741	599.345	\$267,752
Class 8 Subtotal		\$124,192,138	\$2,988,222	604.083	\$1,805,135		\$121,997,829	\$3,257,096	604.170	\$1,967,840
CLASS 9										
Utilities		\$14,010,585	\$1,681,264	596.082	\$1,002,171		\$16,138,493	\$1,936,614	560.140	\$1,084,775
CLASS 10										
Timber Land	165,744	\$16,063,751	\$59,436	563.024	\$33,464	163,448	\$15,875,718	\$58,743	528.171	\$31,026
CLASS 12										
Railroads		\$57,046,582	\$1,401,573	537.871	\$753,865		\$51,780,740	\$1,454,273	496.338	\$721,811
Airlines		\$1,292	\$40	516.999	\$21		\$0	\$0	-	\$0
Class 12 Subtotal		\$57,047,874	\$1,401,613		\$753,886		\$51,780,740	\$1,454,273		\$721,811
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$4,370,188	\$262,210	613.044	\$160,746		\$4,568,330	\$274,100	567.233	\$155,478
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$4,370,188	\$262,210		\$160,746		\$4,568,330	\$274,100		\$155,478
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$607,229,460	\$12,661,835	601.441	\$7,615,342		\$608,827,439	\$13,362,843	571.212	\$7,633,017
ABATED PROPERTY										
Current Values of Abated Property		\$143,370,524	\$3,214,134	584.230	\$1,877,793		\$106,342,844	\$2,887,273	553.455	\$1,597,977
Values Without the Property Abatement		\$143,370,524	\$3,708,782	584.230	\$2,166,781		\$106,342,844	\$3,208,081	553.455	\$1,775,529
Difference (Property Value Abated)		\$0	-\$494,648		-\$288,988		\$0	-\$320,808		-\$177,553

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 SIGNAL PEAK ENERGY LLP	2 GLOBAL RAIL GROUP LLC	1 SIGNAL PEAK ENERGY LLP	2 GLOBAL RAIL GROUP LLC
3 NORTHWESTERN ENERGY-T & D	4 PHILLIPS 66 CARRIER LLC	3 NORTHWESTERN ENERGY-T & D	4 PHILLIPS 66 CARRIER LLC
5 MUSSELSHELL RESOURCES LLC	6 MID RIVERS TELEPHONE COOPERATIVE	5 MUSSELSHELL RESOURCES LLC	6 MID RIVERS TELEPHONE COOPERATIVE
7 VERIZON WIRELESS	8 FERGUS ELECTRIC COOP	7 FERGUS ELECTRIC COOP	8 VERIZON WIRELESS
9 WILKS RANCH MONTANA LTD	10 TRANEL PROPERTIES LP	9 WILKS RANCH MONTANA LTD	10 TRANEL PROPERTIES LP

Property Taxes Paid by County

Park County



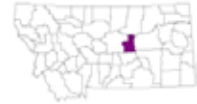
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	50,897	\$32,779,341	\$708,037	486.066	\$344,153	50,746	\$32,697,315	\$706,266	491.754	\$347,309
Tillable Non-Irrigated	21,270	\$3,647,569	\$78,792	520.017	\$40,973	21,235	\$3,637,093	\$78,566	519.040	\$40,779
Grazing	515,101	\$33,734,586	\$728,700	493.949	\$359,941	515,135	\$33,718,869	\$728,356	501.751	\$365,454
Wild Hay	8,505	\$2,630,874	\$56,835	518.027	\$29,442	8,421	\$2,612,455	\$56,436	520.491	\$29,374
Non-Qualified Ag Land	51,141	\$2,460,574	\$372,037	484.791	\$180,360	51,203	\$2,464,362	\$372,604	483.937	\$180,317
Eligible Mining Claims	323	\$15,558	\$337	385.664	\$130	323	\$15,558	\$337	387.065	\$130
Class 3 Subtotal		\$75,268,502	\$1,944,738	491.068	\$954,999		\$75,145,652	\$1,942,565	495.924	\$963,364
CLASS 4 Land and Improvements:										
Residential		\$1,788,078,318	\$24,196,438	545.143	\$13,190,525		\$1,830,845,273	\$24,699,202	540.048	\$13,338,751
Residential Low Income		\$76,626,047	\$388,089	611.458	\$237,300		\$78,027,466	\$384,054	602.829	\$231,519
Mobile Homes		\$11,079,820	\$149,578	487.869	\$72,974		\$12,002,160	\$162,030	508.613	\$82,411
Mobile Homes Low Income		\$1,047,530	\$4,111	492.986	\$2,027		\$3,069,127	\$3,580	517.007	\$1,851
Commercial		\$610,968,703	\$9,942,860	548.791	\$5,456,556		\$627,247,833	\$10,231,239	543.749	\$5,563,223
Industrial		\$1,992,087	\$37,650	521.354	\$19,629		\$1,992,087	\$37,650	510.373	\$19,216
New Manufacturing		\$2,938,050	\$55,528	535.809	\$29,752		\$2,876,580	\$54,367	524.206	\$28,499
Qualified Golf Courses		\$2,957,969	\$28,099	464.602	\$13,055		\$2,957,969	\$28,099	461.056	\$12,955
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$2,495,688,524	\$34,802,353	546.567	\$19,021,819		\$2,559,018,495	\$35,600,221	541.525	\$19,278,424
CLASS 5										
Rural Electric and Telephone Co-Op		\$15,465,634	\$463,973	480.868	\$223,110		\$13,665,118	\$409,954	480.359	\$196,925
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$15,465,634	\$463,973	480.868	\$223,110		\$13,665,118	\$409,954	480.359	\$196,925
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$11,247,652	\$174,688	569.947	\$99,563		\$8,813,406	\$150,448	583.500	\$87,786
Farm Implements		\$4,608,341	\$73,883	464.510	\$34,319		\$4,490,502	\$71,526	501.844	\$35,895
Furniture and Fixtures		\$8,009,183	\$139,716	630.470	\$88,087		\$10,209,889	\$172,574	645.521	\$111,400
Other Business Equipment		\$2,431,362	\$37,065	544.794	\$20,193		\$2,117,190	\$31,990	563.583	\$18,029
Class 8 Subtotal		\$26,296,538	\$425,351	569.321	\$242,161		\$25,630,987	\$426,538	593.406	\$253,110
CLASS 9										
Utilities		\$40,558,040	\$4,866,953	560.813	\$2,729,453		\$44,646,797	\$5,357,603	567.821	\$3,042,159
CLASS 10										
Timber Land	135,883	\$31,094,826	\$115,065	472.933	\$54,418	135,925	\$31,120,591	\$115,156	475.366	\$54,741
CLASS 12										
Railroads		\$36,065,935	\$1,107,222	610.147	\$675,568		\$33,624,170	\$1,049,071	622.692	\$653,248
Airlines		\$1,292	\$40	548.319	\$22		\$1,394	\$43	533.040	\$23
Class 12 Subtotal		\$36,067,227	\$1,107,262		\$675,590		\$33,625,564	\$1,049,114		\$653,271
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$11,554,804	\$693,292	570.760	\$395,703		\$11,255,554	\$675,337	566.690	\$382,707
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$11,554,804	\$693,292		\$395,703		\$11,255,554	\$675,337		\$382,707
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$2,731,994,095	\$44,418,987	547.002	\$24,297,254		\$2,794,108,758	\$45,576,488	544.682	\$24,824,701
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	\$0		\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 MONTANA RAIL LINK	1 NORTHWESTERN ENERGY-T & D	2 MONTANA RAIL LINK
3 PARK ELECTRIC CO OP INC	4 YELLOWSTONE PIPELINE CO	3 YELLOWSTONE PIPELINE CO	4 PARK ELECTRIC CO OP INC
5 CENTURYLINK INC	6 ROCK CREEK RANCH I LTD	5 ROCK CREEK RANCH I LTD	6 PHILIP MORRIS INC
7 PHILIP MORRIS INC	8 MOUNTAIN SKY GUEST RANCH LLC	7 MOUNTAIN SKY GUEST RANCH LLC	8 VERIZON WIRELESS
9 VERIZON WIRELESS	10 KEMP JAMES A	9 QWEST CORPORATION AND OR CENTURYLINK INC -	10 KEMP JAMES A

Property Taxes Paid by County

Petroleum County



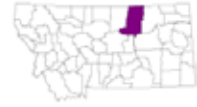
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	10,136	\$7,055,421	\$152,398	590.748	\$90,029	10,151	\$7,028,733	\$151,822	643.560	\$97,707
Tillable Non-Irrigated	73,476	\$11,067,652	\$239,070	590.748	\$141,230	73,419	\$11,059,414	\$238,892	643.560	\$153,741
Grazing	501,420	\$18,627,343	\$402,389	590.811	\$237,736	501,125	\$18,614,609	\$402,114	643.624	\$258,810
Wild Hay	13,516	\$2,493,880	\$53,877	591.666	\$31,877	13,513	\$2,492,881	\$53,855	644.500	\$34,710
Non-Qualified Ag Land	4,561	\$219,505	\$33,192	591.605	\$19,637	5,088	\$244,870	\$37,026	644.346	\$23,858
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$39,463,801	\$880,926	590.865	\$520,509		\$39,440,507	\$883,709	643.680	\$568,825
CLASS 4 Land and Improvements:										
Residential		\$10,704,184	\$147,377	692.266	\$102,024		\$10,840,803	\$148,185	746.201	\$110,576
Residential Low Income		\$555,957	\$1,652	745.993	\$1,232		\$617,557	\$1,918	803.702	\$1,541
Mobile Homes		\$2,216,330	\$29,919	657.405	\$19,669		\$2,270,960	\$30,655	632.805	\$19,399
Mobile Homes Low Income		\$0	\$0	-	\$0		\$6,194	\$0	-	\$0
Commercial		\$23,689,177	\$329,991	608.414	\$200,771		\$23,720,957	\$330,228	661.290	\$218,376
Industrial		\$0	\$0	-	\$0		\$60,787	\$1,149	643.560	\$739
New Manufacturing		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$37,165,648	\$508,939	636.022	\$323,696		\$37,517,258	\$512,135	684.647	\$350,632
CLASS 5										
Rural Electric and Telephone Co-Op		\$5,220,479	\$156,614	604.088	\$94,609		\$5,025,857	\$150,779	659.788	\$99,482
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$5,220,479	\$156,614	604.088	\$94,609		\$5,025,857	\$150,779	659.788	\$99,482
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$569,862	\$8,648	610.353	\$5,279		\$1,369,385	\$20,646	601.695	\$12,423
Farm Implements		\$6,663,338	\$107,822	608.571	\$65,617		\$5,847,452	\$89,611	609.919	\$54,655
Furniture and Fixtures		\$40,911	\$652	675.905	\$441		\$70,758	\$1,072	614.755	\$659
Other Business Equipment		\$224,877	\$3,374	603.034	\$2,035		\$248,689	\$3,732	610.479	\$2,278
Class 8 Subtotal		\$7,498,988	\$120,496	608.908	\$73,371		\$7,536,284	\$115,061	608.506	\$70,015
CLASS 9										
Utilities		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 10										
Timber Land	1,067	\$137,989	\$510	590.748	\$301	1,067	\$138,648	\$513	643.560	\$330
CLASS 12										
Railroads		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$79,928	\$4,795	590.748	\$2,833		\$156,534	\$9,392	643.560	\$6,044
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$79,928	\$4,795		\$2,833		\$156,534	\$9,392		\$6,044
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$89,566,833	\$1,672,280	607.146	\$1,015,319		\$89,815,088	\$1,671,589	655.262	\$1,095,329
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 TWIN CREEKS FARM & RANCH LLC	2 FLAT WILLOW FARM LLC	1 TWIN CREEKS FARM & RANCH LLC	2 FLAT WILLOW FARM LLC
3 FERGUS ELECTRIC COOP	4 KLAMERT GENE J & RONNA	3 KLAMERT GENE J & RONNA	4 FERGUS ELECTRIC COOP
5 MID RIVERS TELEPHONE COOPERATIVE	6 LEK RANCH LLC	5 MID RIVERS TELEPHONE COOPERATIVE	6 LEK RANCH LLC
7 MCCONE ELECTRIC COOP INC	8 NEW VIEW INC	7 MCCONE ELECTRIC COOP INC	8 NEW VIEW INC
9 LUND # RANCH INC	10 WALKING SEVEN INC	9 LUND # RANCH INC	10 WALKING SEVEN INC

Property Taxes Paid by County

Phillips County



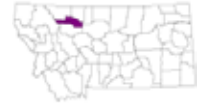
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	44,257	\$26,477,443	\$571,898	476.263	\$272,374	44,572	\$26,666,160	\$575,975	504.492	\$290,575
Tillable Non-Irrigated	415,081	\$118,943,989	\$2,569,187	490.211	\$1,259,444	414,858	\$118,878,346	\$2,567,771	519.355	\$1,333,584
Grazing	1,099,342	\$43,124,019	\$931,482	493.703	\$459,875	1,099,108	\$43,114,220	\$931,265	521.892	\$486,020
Wild Hay	18,135	\$3,704,695	\$80,019	514.780	\$41,192	18,097	\$3,697,229	\$79,858	541.724	\$43,261
Non-Qualified Ag Land	5,250	\$252,673	\$36,205	491.019	\$18,759	5,159	\$248,319	\$37,547	520.117	\$19,529
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$192,502,819	\$4,190,791	489.560	\$2,051,645		\$192,604,274	\$4,192,416	518.309	\$2,172,968
CLASS 4 Land and Improvements:										
Residential		\$141,612,358	\$1,919,650	624.161	\$1,198,171		\$143,163,307	\$1,934,679	670.473	\$1,297,150
Residential Low Income		\$9,683,585	\$41,716	619.775	\$25,855		\$10,366,331	\$44,615	676.095	\$30,164
Mobile Homes		\$3,974,450	\$53,658	520.362	\$27,922		\$3,932,350	\$53,089	513.637	\$27,268
Mobile Homes Low Income		\$213,070	\$759	558.289	\$424		\$240,030	\$578	624.767	\$361
Commercial		\$124,625,572	\$1,874,072	548.396	\$1,027,734		\$125,873,471	\$1,898,563	582.777	\$1,106,439
Industrial		\$143,504	\$2,712	496.708	\$1,347		\$105,143	\$1,987	559.840	\$1,112
New Manufacturing		\$3,799,960	\$71,819	506.782	\$36,397		\$3,060,960	\$57,852	559.840	\$32,388
Qualified Golf Courses		\$632,830	\$6,013	533.672	\$3,209		\$632,830	\$6,013	559.840	\$3,366
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$284,685,329	\$3,970,399	584.590	\$2,321,057		\$287,374,422	\$3,997,376	624.972	\$2,498,249
CLASS 5										
Rural Electric and Telephone Co-Op		\$21,222,999	\$636,690	543.707	\$346,173		\$22,296,574	\$668,898	574.764	\$384,458
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$21,222,999	\$636,690	543.707	\$346,173		\$22,296,574	\$668,898	574.764	\$384,458
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$4,376,807	\$75,991	515.820	\$39,198		\$4,301,699	\$71,914	525.685	\$37,804
Farm Implements		\$25,360,800	\$385,296	487.300	\$187,755		\$27,398,043	\$418,435	504.021	\$210,900
Furniture and Fixtures		\$1,162,184	\$24,401	724.901	\$17,688		\$1,200,907	\$24,439	674.698	\$16,489
Other Business Equipment		\$8,173,426	\$183,550	387.453	\$71,117		\$7,405,484	\$157,028	445.498	\$69,956
Class 8 Subtotal		\$39,073,217	\$669,238	471.817	\$315,758		\$40,306,133	\$671,816	498.870	\$335,149
CLASS 9										
Utilities		\$59,013,108	\$7,081,575	449.681	\$3,184,448		\$43,959,047	\$5,275,080	495.221	\$2,612,329
CLASS 10										
Timber Land	2,355	\$316,779	\$1,171	511.076	\$598	2,355	\$316,779	\$1,171	536.417	\$628
CLASS 12										
Railroads		\$62,671,061	\$1,924,002	497.292	\$956,790		\$55,469,138	\$1,730,637	527.818	\$913,462
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$62,671,061	\$1,924,002		\$956,790		\$55,469,138	\$1,730,637		\$913,462
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$6,032,117	\$361,929	557.626	\$201,821		\$6,778,872	\$406,731	575.602	\$234,115
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$6,032,117	\$361,929		\$201,821		\$6,778,872	\$406,731		\$234,115
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$665,517,429	\$18,835,795	497.897	\$9,378,290		\$649,105,239	\$16,944,125	540.090	\$9,151,358
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	\$0		\$0

Top 10 Property Owners by Taxable Value

TY 2017				TY 2018			
1	WBI ENERGY MIDSTREAM LLC	2	NORTHERN BORDER PIPELINE COMPANY	1	NORTHERN BORDER PIPELINE COMPANY	2	BNSF RAILWAY CO
3	BNSF RAILWAY CO	4	NORTHWESTERN ENERGY-T & D	3	WBI ENERGY MIDSTREAM LLC	4	NORTHWESTERN ENERGY-T & D
5	TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	6	OMIMEX CANADA LTD	5	TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	6	WHITEWATER PIPELINE COMPANY
7	TRIANGLE COMMUNICATION SYSTEM INC	8	SCOUT ENERGY MANAGEMENT LLC	7	TRIANGLE COMMUNICATION SYSTEM INC	8	SCOUT ENERGY MANAGEMENT LLC
9	BIG FLAT ELECTRIC COOP INC	10	MONTANA DAKOTA UTILITIES - GAS DISTRIBUTION	9	BIG FLAT ELECTRIC COOP INC	10	MONTANA DAKOTA UTILITIES - GAS DISTRIBUTION

Property Taxes Paid by County

Pondera County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	77.077	\$48,026,540	\$1,037,399	640.419	\$664,370	77.250	\$48,134,525	\$1,039,733	663.491	\$689,853
Tillable Non-Irrigated	424.211	\$136,730,327	\$2,953,399	604.489	\$1,785,297	424.259	\$136,596,697	\$2,950,516	617.096	\$1,820,751
Grazing	234.534	\$11,457,731	\$247,543	610.429	\$151,107	234.967	\$11,462,186	\$247,644	620.678	\$153,707
Wild Hay	6.059	\$1,705,480	\$36,840	564.418	\$20,793	6.089	\$1,711,214	\$36,963	586.994	\$21,697
Non-Qualified Ag Land	3.493	\$157,378	\$23,796	633.673	\$15,079	3.611	\$161,124	\$24,362	644.405	\$15,699
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$198,077,456	\$4,298,977	613.320	\$2,636,647		\$198,065,746	\$4,299,218	628.418	\$2,701,707
CLASS 4 Land and Improvements:										
Residential		\$175,765,661	\$2,378,571	728.095	\$1,731,825		\$179,637,366	\$2,415,194	746.636	\$1,803,270
Residential Low Income		\$9,660,474	\$45,646	749.457	\$34,210		\$9,342,036	\$45,408	766.908	\$34,824
Mobile Homes		\$3,840,780	\$51,854	691.143	\$35,839		\$3,814,290	\$51,498	677.121	\$34,870
Mobile Homes Low Income		\$127,270	\$343	637.201	\$219		\$224,099	\$362	614.505	\$222
Commercial		\$187,984,346	\$2,803,866	659.419	\$1,848,924		\$190,051,967	\$2,833,660	676.587	\$1,917,218
Industrial		\$907,859	\$17,160	693.195	\$11,895		\$898,179	\$16,978	708.516	\$12,029
New Manufacturing		\$25,981,536	\$349,798	716.636	\$250,678		\$25,958,407	\$349,360	732.065	\$255,754
Qualified Golf Courses		\$168,700	\$1,603	659.868	\$1,058		\$168,700	\$1,603	674.804	\$1,082
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$404,436,626	\$5,648,841	693.000	\$3,914,646		\$410,095,044	\$5,714,063	710.400	\$4,059,271
CLASS 5										
Rural Electric and Telephone Co-Op		\$16,462,269	\$493,866	633.044	\$312,639		\$15,804,599	\$474,135	637.993	\$302,495
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$16,462,269	\$493,866	633.044	\$312,639		\$15,804,599	\$474,135	637.993	\$302,495
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$6,178,727	\$99,607	668.629	\$66,600		\$5,613,216	\$87,489	667.184	\$58,371
Farm Implements		\$26,522,883	\$405,069	623.451	\$252,541		\$25,912,878	\$404,009	624.207	\$252,185
Furniture and Fixtures		\$1,172,853	\$21,921	775.430	\$16,998		\$1,151,270	\$20,876	766.808	\$16,008
Other Business Equipment		\$2,147,040	\$33,596	646.736	\$21,728		\$1,543,307	\$23,555	646.952	\$15,239
Class 8 Subtotal		\$36,021,503	\$560,193	638.827	\$357,867		\$34,220,671	\$535,928	637.777	\$341,803
CLASS 9										
Utilities		\$28,259,675	\$3,391,158	652.258	\$2,211,909		\$30,806,226	\$3,696,752	666.676	\$2,464,535
CLASS 10										
Timber Land	1,321	\$186,316	\$698	724.469	\$506	1,321	\$186,316	\$698	625.102	\$436
CLASS 12										
Railroads		\$38,476,453	\$1,181,229	645.234	\$762,169		\$34,043,122	\$1,062,147	660.588	\$701,641
Airlines		\$2,583	\$79	786.098	\$62		\$2,789	\$87	803.064	\$70
Class 12 Subtotal		\$38,479,036	\$1,181,308		\$762,231		\$34,045,911	\$1,062,234		\$701,711
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$3,262,151	\$195,727	674.945	\$132,105		\$3,403,900	\$204,234	704.743	\$143,932
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$3,262,151	\$195,727		\$132,105		\$3,403,900	\$204,234		\$143,932
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$41,279,079	\$619,186	626.694	\$388,040		\$40,471,179	\$607,068	643.058	\$390,380
Class 14 Subtotal		\$41,279,079	\$619,186		\$388,040		\$40,471,179	\$607,068		\$390,380
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$766,464,111	\$16,389,954	653.851	\$10,716,590		\$767,099,592	\$16,594,330	669.281	\$11,106,271

ABATED PROPERTY

Current Values of Abated Property	\$15,050,168	\$142,929	759.807	\$108,599	\$15,045,784	\$142,897	774.743	\$110,708
Values Without the Property Abatement	\$15,050,168	\$284,600	759.807	\$216,241	\$15,045,784	\$284,292	774.743	\$220,253
Difference (Property Value Abated)	\$0	-\$141,670		-\$107,642	\$0	-\$141,395		-\$109,545

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 BNSF RAILWAY CO	1 NORTHWESTERN ENERGY-T & D	2 PHILLIPS 66 CARRIER LLC
3 PHILLIPS 66 CARRIER LLC	4 FRONT RANGE PIPELINE LLC	3 BNSF RAILWAY CO	4 FRONT RANGE PIPELINE LLC
5 MONTANA ALBERTA TIE LIMITED (M.A.T.L.)	6 KINGSBURY COLONY A MT CORP	5 MONTANA ALBERTA TIE LIMITED (M.A.T.L.)	6 KINGSBURY COLONY A MT CORP
7 SUN RIVER ELECTRIC COOP INC	8 3 RIVERS TELEPHONE COOPERATIVE INC	7 ROCKY MOUNTAIN PIPELINE SYSTEM LLC	8 3 RIVERS TELEPHONE COOPERATIVE INC
9 MIDWAY COLONY INC	10 BIRCH CREEK COLONY INC	9 MIDWAY COLONY INC	10 SUN RIVER ELECTRIC COOP INC

Property Taxes Paid by County

Powder River County



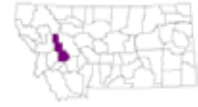
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	11,350	\$6,822,072	\$147,358	375.281	\$55,301	11,350	\$6,822,072	\$147,358	377.852	\$55,680
Tillable Non-Irrigated	43,764	\$11,443,245	\$247,179	371.025	\$91,710	43,564	\$11,418,606	\$246,647	373.487	\$92,119
Grazing	1,179,333	\$39,477,213	\$852,744	382.179	\$325,901	1,179,318	\$39,476,263	\$852,723	384.441	\$327,821
Wild Hay	77,081	\$14,194,364	\$306,596	386.060	\$118,365	77,216	\$14,231,774	\$307,404	387.961	\$119,261
Non-Qualified Ag Land	3,920	\$188,684	\$28,529	414.228	\$11,818	4,015	\$193,255	\$29,220	414.398	\$12,109
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$72,125,578	\$1,582,406	381.124	\$603,093		\$72,141,970	\$1,583,352	383.357	\$606,990
CLASS 4 Land and Improvements:										
Residential		\$31,831,977	\$439,330	446.286	\$196,067		\$32,413,676	\$447,222	445.435	\$199,208
Residential Low Income		\$993,597	\$5,528	448.013	\$2,477		\$739,507	\$3,236	434.093	\$1,405
Mobile Homes		\$9,437,410	\$127,405	419.732	\$53,476		\$9,897,630	\$133,620	405.853	\$54,230
Mobile Homes Low Income		\$44,460	\$210	406.362	\$85		\$44,460	\$210	395.617	\$83
Commercial		\$66,870,981	\$960,612	400.535	\$384,759		\$68,228,796	\$980,561	402.217	\$394,398
Industrial		\$962,020	\$18,183	388.192	\$7,059		\$962,020	\$18,183	387.640	\$7,048
New Manufacturing		\$126,200	\$2,385	388.192	\$926		\$0	\$0	-	\$0
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$110,266,645	\$1,553,653	415.053	\$644,848		\$112,286,089	\$1,583,032	414.630	\$656,373
CLASS 5										
Rural Electric and Telephone Co-Op		\$12,199,647	\$365,992	395.575	\$144,777		\$14,040,300	\$421,207	399.827	\$168,410
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$12,199,647	\$365,992	395.575	\$144,777		\$14,040,300	\$421,207	399.827	\$168,410
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$8,579,113	\$217,735	388.181	\$84,521		\$3,864,697	\$70,517	435.194	\$30,688
Farm Implements		\$10,964,808	\$165,148	376.695	\$62,210		\$11,510,745	\$173,324	378.056	\$65,526
Furniture and Fixtures		\$181,285	\$3,012	469.631	\$1,415		\$156,149	\$2,638	446.350	\$1,178
Other Business Equipment		\$2,440,466	\$55,061	381.812	\$21,023		\$2,713,098	\$62,351	385.417	\$24,031
Class 8 Subtotal		\$22,165,672	\$440,955	383.641	\$169,168		\$18,244,689	\$308,830	393.172	\$121,423
CLASS 9										
Utilities		\$72,678,402	\$8,721,409	375.021	\$3,270,711		\$69,361,639	\$8,323,397	376.928	\$3,137,322
CLASS 10										
Timber Land	42,545	\$4,780,815	\$17,687	370.267	\$6,549	42,545	\$4,780,815	\$17,687	372.513	\$6,589
CLASS 12										
Railroads		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$1,264,930	\$75,893	410.712	\$31,170		\$1,022,076	\$61,325	421.780	\$25,866
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$1,264,930	\$75,893	410.712	\$31,170		\$1,022,076	\$61,325	421.780	\$25,866
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$190,103,650	\$2,531,438	387.839	\$981,791		\$151,127,227	\$2,008,864	387.286	\$778,005
Total		\$485,585,339	\$15,289,433	382.755	\$5,852,107		\$443,004,805	\$14,307,694	384.477	\$5,500,978
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 HILAND CRUDE LLC	2 DENBURY ONSHORE LLC	1 HILAND CRUDE LLC	2 BISON PIPELINE LLC
3 BISON PIPELINE LLC	4 BELLE FOURCHE PIPELINE COMPANY	3 DENBURY ONSHORE LLC	4 BELLE FOURCHE PIPELINE COMPANY
5 BLACK HILLS POWER & LIGHT CO	6 TONGUE RIVER ELECTRIC COOP INC	5 BLACK HILLS POWER & LIGHT CO	6 TONGUE RIVER ELECTRIC COOP INC
7 WBI ENERGY TRANSMISSION INC	8 DENBURY GREENCORE PIPELINE COMPANY LLC	7 WBI ENERGY TRANSMISSION INC	8 DENBURY GREENCORE PIPELINE COMPANY LLC
9 RANGE TELEPHONE COOP INC	10 GAY RANCH INC	9 RANGE TELEPHONE COOP INC	10 GAY RANCH INC

Property Taxes Paid by County

Powell County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	45,601	\$27,936,420	\$603,432	563.335	\$339,935	45,471	\$27,858,403	\$601,747	565.637	\$340,370
Tillable Non-Irrigated	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Grazing	345,417	\$15,009,241	\$324,207	547.168	\$177,396	345,275	\$14,991,835	\$323,833	549.210	\$177,852
Wild Hay	4,383	\$1,165,187	\$25,168	550.278	\$13,849	4,451	\$1,175,836	\$25,399	551.445	\$14,006
Non-Qualified Ag Land	20,484	\$980,763	\$148,322	548.334	\$81,330	20,290	\$971,444	\$146,918	553.759	\$81,357
Eligible Mining Claims	10	\$184	\$4	560.741	\$2	20	\$677	\$15	536.246	\$8
Class 3 Subtotal		\$45,091,795	\$1,101,133	556.256	\$612,512		\$44,998,195	\$1,097,912	558.873	\$613,594
CLASS 4 Land and Improvements:										
Residential		\$394,296,439	\$5,363,950	602.904	\$3,233,945		\$398,675,501	\$5,402,821	611.937	\$3,306,188
Residential Low Income		\$26,188,531	\$123,683	649.173	\$80,292		\$27,914,252	\$128,934	658.672	\$84,925
Mobile Homes		\$5,352,900	\$72,259	566.619	\$40,943		\$5,736,000	\$77,431	578.611	\$44,802
Mobile Homes Low Income		\$474,700	\$2,113	626.042	\$1,323		\$928,808	\$1,791	628.422	\$1,126
Commercial		\$118,758,493	\$1,861,345	601.064	\$1,118,787		\$121,270,742	\$1,903,302	610.627	\$1,162,208
Industrial		\$604,148	\$11,419	547.764	\$6,255		\$604,148	\$11,419	554.637	\$6,333
New Manufacturing		\$3,688,250	\$69,708	598.917	\$41,749		\$3,705,400	\$70,032	608.022	\$42,581
Qualified Golf Courses		\$19,492,550	\$185,180	601.146	\$111,320		\$19,394,368	\$184,246	610.840	\$112,545
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$568,856,011	\$7,689,657	602.708	\$4,634,614		\$578,229,219	\$7,779,976	611.918	\$4,760,709
CLASS 5										
Rural Electric and Telephone Co-Op		\$11,171,932	\$335,159	534.639	\$179,189		\$10,716,702	\$321,506	536.718	\$172,558
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$11,171,932	\$335,159	534.639	\$179,189		\$10,716,702	\$321,506	536.718	\$172,558
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$8,932,736	\$135,792	571.925	\$77,663		\$8,718,079	\$132,479	585.193	\$77,526
Farm Implements		\$3,350,982	\$51,722	560.843	\$29,008		\$3,965,307	\$60,696	566.078	\$34,359
Furniture and Fixtures		\$2,387,795	\$38,907	639.756	\$24,891		\$2,386,915	\$38,233	627.646	\$23,997
Other Business Equipment		\$1,048,795	\$15,825	564.899	\$8,940		\$694,485	\$12,025	588.506	\$7,077
Class 8 Subtotal		\$15,720,308	\$242,247	579.994	\$140,502		\$15,764,786	\$243,433	587.258	\$142,958
CLASS 9										
Utilities		\$54,298,736	\$6,515,843	567.342	\$3,696,713		\$53,129,586	\$6,375,545	576.790	\$3,677,350
CLASS 10										
Timber Land	197,020	\$56,879,005	\$210,458	532.765	\$112,125	197,259	\$56,974,572	\$210,812	534.143	\$112,604
CLASS 12										
Railroads		\$42,906,297	\$1,317,222	541.922	\$713,832		\$39,464,366	\$1,231,286	550.043	\$677,261
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$42,906,297	\$1,317,222	541.922	\$713,832		\$39,464,366	\$1,231,286	550.043	\$677,261
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$6,132,939	\$367,978	583.667	\$214,776		\$5,326,980	\$319,618	593.875	\$189,813
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$356,061	\$0	-	\$0
Class 13 Subtotal		\$6,132,939	\$367,978	583.667	\$214,776		\$5,683,041	\$319,618	593.875	\$189,813
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$801,057,023	\$17,779,697	579.552	\$10,304,263		\$804,960,467	\$17,580,088	588.555	\$10,346,846

ABATED PROPERTY

Current Values of Abated Property	\$0	\$0	-	\$0	\$0	\$0	-	\$0
Values Without the Property Abatement	\$0	\$0	-	\$0	\$0	\$0	-	\$0
Difference (Property Value Abated)	\$0	\$0	-	\$0	\$0	\$0	-	\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 MONTANA RAIL LINK	1 NORTHWESTERN ENERGY-T & D	2 MONTANA RAIL LINK
3 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	4 BNSF RAILWAY CO	3 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	4 ROCK CREEK CATTLE COMPANY LTD
5 ROCK CREEK CATTLE COMPANY LTD	6 PACIFICORP - ELECTRIC TRANSMISSION	5 PACIFICORP - ELECTRIC TRANSMISSION	6 YELLOWSTONE PIPELINE CO
7 YELLOWSTONE PIPELINE CO	8 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	7 BNSF RAILWAY CO	8 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY
9 MISSOULA ELECTRIC COOPERATIVE INC	10 BLACKFOOT TELEPHONE COOP INC	9 MISSOULA ELECTRIC COOPERATIVE INC	10 SUN MOUNTAIN LUMBER INC

Property Taxes Paid by County

Prairie County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	14,239	\$13,385,474	\$289,123	559.888	\$161,876	14,230	\$13,363,753	\$288,654	570.731	\$164,744
Tillable Non-Irrigated	81,180	\$23,030,295	\$497,457	558.461	\$277,810	81,180	\$23,030,290	\$497,456	569.302	\$283,202
Grazing	465,715	\$21,817,265	\$471,242	558.546	\$263,210	465,741	\$21,818,307	\$471,263	569.386	\$288,331
Wild Hay	11,901	\$2,444,532	\$52,806	558.498	\$29,492	11,901	\$2,444,532	\$52,806	569.339	\$30,065
Non-Qualified Ag Land	649	\$31,215	\$4,719	558.885	\$2,637	649	\$31,215	\$4,719	569.726	\$2,689
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$60,708,781	\$1,315,347	558.808	\$735,027		\$60,688,097	\$1,314,898	569.649	\$749,030
CLASS 4 Land and Improvements:										
Residential		\$30,673,636	\$418,071	681.169	\$284,777		\$31,005,767	\$417,673	694.834	\$290,213
Residential Low Income		\$2,453,264	\$11,690	698.200	\$8,162		\$2,224,894	\$10,490	707.925	\$7,426
Mobile Homes		\$1,622,710	\$21,905	566.462	\$12,408		\$1,589,840	\$21,461	594.228	\$12,753
Mobile Homes Low Income		\$135,750	\$694	689.529	\$479		\$123,456	\$694	715.616	\$497
Commercial		\$29,794,710	\$416,092	589.329	\$245,215		\$30,564,702	\$428,023	601.189	\$257,323
Industrial		\$48,204	\$911	609.265	\$555		\$48,204	\$911	621.320	\$566
New Manufacturing		\$297,050	\$5,614	696.742	\$3,912		\$297,050	\$5,614	710.880	\$3,991
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$65,025,324	\$874,977	634.882	\$555,508		\$65,853,913	\$884,866	647.294	\$572,769
CLASS 5										
Rural Electric and Telephone Co-Op		\$4,829,988	\$144,898	574.359	\$83,223		\$5,131,852	\$153,955	585.420	\$90,128
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$4,829,988	\$144,898	574.359	\$83,223		\$5,131,852	\$153,955	585.420	\$90,128
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$746,680	\$12,520	589.734	\$7,383		\$885,739	\$14,315	595.582	\$8,526
Farm Implements		\$9,416,564	\$142,579	537.459	\$76,630		\$10,261,539	\$157,532	559.592	\$88,154
Furniture and Fixtures		\$146,965	\$2,287	617.084	\$1,411		\$122,856	\$1,948	633.606	\$1,234
Other Business Equipment		\$397,925	\$9,049	547.868	\$4,957		\$423,091	\$9,510	562.005	\$5,344
Class 8 Subtotal		\$10,708,134	\$166,434	543.051	\$90,382		\$11,693,225	\$183,305	563.315	\$103,258
CLASS 9										
Utilities		\$7,628,877	\$915,464	575.381	\$526,740		\$7,664,650	\$919,758	587.882	\$540,709
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$61,788,368	\$1,896,904	567.442	\$1,076,382		\$54,720,367	\$1,707,276	578.549	\$987,742
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$61,788,368	\$1,896,904	567.442	\$1,076,382		\$54,720,367	\$1,707,276	578.549	\$987,742
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$1,657,825	\$99,471	575.557	\$57,251		\$1,871,112	\$112,267	582.326	\$65,376
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$1,657,825	\$99,471	575.557	\$57,251		\$1,871,112	\$112,267	582.326	\$65,376
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$212,347,297	\$5,413,495	577.171	\$3,124,514		\$207,623,216	\$5,276,325	589.238	\$3,109,013
ABATED PROPERTY										
Current Values of Abated Property		\$1,425,590	\$9,694	657.775	\$6,376		\$1,425,590	\$9,694	668.615	\$6,482
Values Without the Property Abatement		\$1,425,590	\$19,495	657.775	\$12,823		\$1,425,590	\$19,245	668.615	\$12,868
Difference (Property Value Abated)		\$0	-\$9,801	-	-\$6,447		\$0	-\$9,551	-	-\$6,386

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 BNSF RAILWAY CO	2 CENEX PIPELINE LLC	1 BNSF RAILWAY CO	2 CENEX PIPELINE LLC
3 WBI ENERGY TRANSMISSION INC	4 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION	3 WBI ENERGY TRANSMISSION INC	4 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION
5 TONGUE RIVER ELECTRIC COOP INC	6 EATON FRANK & SONS	5 TONGUE RIVER ELECTRIC COOP INC	6 EATON FRANK & SONS
7 MID RIVERS TELEPHONE COOPERATIVE	8 BEEFLAND INC	7 MID RIVERS TELEPHONE COOPERATIVE	8 BEEFLAND INC
9 BRIDGER PIPELINE LLC	10 SACKMAN INC	9 SACKMAN INC	10 BRIDGER PIPELINE LLC

Property Taxes Paid by County

Ravalli County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	44,281	\$27,928,319	\$603,227	516.879	\$311,795	43,936	\$27,711,032	\$598,531	514.814	\$308,132
Tillable Non-Irrigated	3,030	\$1,126,864	\$24,340	530.403	\$12,910	3,030	\$1,145,176	\$24,736	528.257	\$13,067
Grazing	116,056	\$5,314,032	\$114,915	514.005	\$59,067	116,100	\$5,326,663	\$115,184	508.210	\$58,538
Wild Hay	516	\$113,603	\$2,452	528.710	\$1,296	511	\$112,453	\$2,428	523.780	\$1,272
Non-Qualified Ag Land	42,630	\$2,051,749	\$310,274	515.294	\$159,882	42,602	\$2,050,423	\$310,078	509.945	\$158,123
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$36,534,567	\$1,055,208	516.439	\$544,951		\$36,345,747	\$1,050,957	512.991	\$539,131
CLASS 4 Land and Improvements:										
Residential		\$3,658,980,923	\$49,577,733	534.195	\$26,484,173		\$3,780,122,240	\$50,752,423	530.533	\$26,925,856
Residential Low Income		\$267,272,152	\$1,246,009	553.984	\$690,269		\$271,785,435	\$1,250,004	548.086	\$685,110
Mobile Homes		\$23,874,350	\$321,940	528.967	\$170,296		\$23,839,710	\$321,840	520.071	\$167,380
Mobile Homes Low Income		\$3,906,390	\$14,711	548.359	\$8,067		\$15,193,011	\$13,428	541.657	\$7,273
Commercial		\$934,025,793	\$14,977,056	575.606	\$8,620,881		\$935,717,700	\$15,054,152	569.215	\$8,569,048
Industrial		\$2,308,710	\$43,637	567.749	\$24,775		\$2,460,062	\$46,498	567.064	\$26,367
New Manufacturing		\$49,619,501	\$937,808	700.564	\$656,994		\$46,050,801	\$870,360	685.479	\$596,614
Qualified Golf Courses		\$7,984,509	\$75,853	506.350	\$38,408		\$7,984,509	\$75,853	526.672	\$39,950
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$4,947,972,328	\$67,194,747	546.082	\$36,693,863		\$5,083,153,468	\$68,384,558	541.315	\$37,017,598
CLASS 5										
Rural Electric and Telephone Co-Op		\$25,324,314	\$759,733	514.065	\$390,552		\$26,531,903	\$795,957	511.250	\$406,933
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$25,324,314	\$759,733	514.065	\$390,552		\$26,531,903	\$795,957	511.250	\$406,933
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$51,274,122	\$1,227,945	707.598	\$688,892		\$52,025,397	\$1,211,577	686.535	\$831,790
Farm Implements		\$2,322,661	\$37,212	512.610	\$19,075		\$2,755,474	\$42,249	498.839	\$21,075
Furniture and Fixtures		\$13,327,148	\$248,603	623.543	\$155,015		\$14,456,538	\$268,522	610.602	\$163,960
Other Business Equipment		\$6,413,119	\$145,012	687.457	\$99,690		\$8,456,812	\$183,760	662.853	\$121,806
Class 8 Subtotal		\$73,337,050	\$1,658,773	688.866	\$1,142,672		\$77,694,221	\$1,706,108	667.386	\$1,138,632
CLASS 9										
Utilities		\$52,617,261	\$6,314,065	561.311	\$3,544,154		\$53,500,807	\$6,420,091	556.259	\$3,571,236
CLASS 10										
Timber Land	96,523	\$31,180,968	\$115,388	496.360	\$57,274	96,420	\$30,991,357	\$114,687	487.905	\$55,956
CLASS 12										
Railroads		\$25,365,347	\$778,715	523.442	\$407,612		\$23,719,788	\$740,060	517.419	\$382,921
Airlines		\$9,563	\$294	751.808	\$221		\$9,379	\$293	738.670	\$216
Class 12 Subtotal		\$25,374,910	\$779,009		\$407,833		\$23,729,167	\$740,353		\$383,138
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$26,788,342	\$1,607,305	574.809	\$923,894		\$25,463,209	\$1,527,794	558.968	\$853,987
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$26,788,342	\$1,607,305		\$923,894		\$25,463,209	\$1,527,794		\$853,987
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$5,219,129,740	\$79,484,228	549.860	\$43,705,192		\$5,357,409,879	\$80,740,505	544.542	\$43,966,612
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	\$0		\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 GLAXO SMITH KLINE BIOLOGICALS	1 NORTHWESTERN ENERGY-T & D	2 GLAXO SMITH KLINE BIOLOGICALS
3 MONTANA RAIL LINK	4 VERIZON WIRELESS	3 MONTANA RAIL LINK	4 RAVALLI COUNTY ELECTRIC COOP INC
5 RAVALLI COUNTY ELECTRIC COOP INC	6 CENTURYLINK INC	5 VERIZON WIRELESS	6 CHARTER COMMUNICATIONS INC
7 CHARTER COMMUNICATIONS INC	8 DOUBLE FORK LLC	7 QWEST CORPORATION AND OR CENTURYLINK INC -	8 STOCK FARM CLUB
9 MD-CDW LLC	10 STOCK FARM CLUB	9 CENTURYLINK INC	10 DOUBLE FORK LLC

Property Taxes Paid by County

Richland County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	51,200	\$39,967,250	\$863,290	355.755	\$307,119	51,088	\$39,947,761	\$862,868	438.452	\$378,326
Tillable Non-Irrigated	384,230	\$124,497,173	\$2,689,135	308.222	\$828,852	383,874	\$124,405,451	\$2,687,154	392.447	\$1,054,565
Grazing	720,240	\$31,082,282	\$671,375	316.931	\$212,780	720,834	\$31,124,348	\$672,287	403.941	\$271,564
Wild Hay	8,321	\$1,729,559	\$37,356	307.956	\$11,504	8,168	\$1,696,503	\$36,642	396.849	\$14,541
Non-Qualified Ag Land	13,185	\$634,584	\$95,939	337.756	\$32,404	13,167	\$633,740	\$95,809	424.500	\$40,871
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$197,910,848	\$4,357,095	319.630	\$1,392,659		\$197,807,803	\$4,354,760	404.079	\$1,759,668
CLASS 4 Land and Improvements:										
Residential		\$703,747,757	\$9,511,746	420.188	\$3,996,722		\$707,386,535	\$9,541,577	475.792	\$4,539,805
Residential Low Income		\$12,069,660	\$51,600	416.441	\$21,488		\$12,014,312	\$44,036	475.567	\$20,942
Mobile Homes		\$28,696,560	\$387,399	391.359	\$151,612		\$27,796,440	\$375,245	419.463	\$157,401
Mobile Homes Low Income		\$165,080	\$538	435.403	\$234		\$589,099	\$652	461.196	\$301
Commercial		\$377,733,546	\$6,448,517	403.618	\$2,602,735		\$363,496,562	\$6,171,189	463.258	\$2,858,852
Industrial		\$9,573,236	\$180,937	383.345	\$69,361		\$9,572,079	\$180,915	456.329	\$82,557
New Manufacturing		\$75,825,526	\$1,322,802	385.261	\$509,624		\$71,651,662	\$1,286,775	455.563	\$586,207
Qualified Golf Courses		\$2,518,916	\$23,930	371.500	\$8,890		\$2,518,916	\$23,930	457.140	\$10,939
Remodeled Commercial		\$189,657	\$1,441	601.910	\$867		\$189,657	\$1,441	643.990	\$927
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$1,210,519,938	\$17,928,910	410.596	\$7,361,535		\$1,195,215,262	\$17,625,760	468.515	\$8,257,932
CLASS 5										
Rural Electric and Telephone Co-Op		\$51,463,945	\$1,543,915	352.073	\$543,570		\$57,685,450	\$1,730,563	429.401	\$743,106
Qualified New Industrial		\$11,250	\$338	371.500	\$126		\$184,581	\$338	457.140	\$155
Pollution Control		\$2,269,712	\$68,091	371.500	\$25,296		\$15,341,338	\$69,883	457.140	\$31,946
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$53,744,907	\$1,612,344	352.897	\$568,992		\$73,211,369	\$1,800,784	430.483	\$775,206
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$151,495,020	\$3,844,060	329.909	\$1,268,191		\$170,840,810	\$4,342,835	385.354	\$1,673,527
Farm Implements		\$22,458,893	\$346,549	314.055	\$108,835		\$22,031,068	\$342,537	376.865	\$129,090
Furniture and Fixtures		\$9,383,803	\$169,558	420.491	\$71,298		\$9,515,119	\$167,460	464.388	\$77,766
Other Business Equipment		\$174,709,296	\$4,250,155	310.106	\$1,317,997		\$284,044,548	\$7,472,963	361.427	\$2,700,929
Class 8 Subtotal		\$358,047,012	\$8,610,322	321.280	\$2,766,321		\$486,431,545	\$12,325,795	371.685	\$4,581,313
CLASS 9										
Utilities		\$300,072,084	\$36,008,647	309.543	\$11,146,207		\$150,149,441	\$18,017,934	419.504	\$7,558,601
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$30,788,440	\$945,205	375.396	\$354,826		\$27,259,046	\$850,482	445.986	\$379,303
Airlines		\$959,967	\$29,470	371.328	\$10,943		\$1,113,657	\$34,747	456.984	\$15,879
Class 12 Subtotal		\$31,748,407	\$974,675		\$365,770		\$28,372,703	\$885,229		\$395,182
CLASS 13										
Electrical Generation Property		\$48,359,314	\$2,901,560	371.615	\$1,078,264		\$50,461,329	\$3,027,679	457.192	\$1,384,231
Telecommunication Property		\$5,927,307	\$355,639	381.741	\$135,762		\$5,985,106	\$359,106	453.619	\$162,897
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$54,286,621	\$3,257,199		\$1,214,026		\$56,446,435	\$3,386,785		\$1,547,129
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$2,206,329,817	\$72,749,192	341.110	\$24,815,509		\$2,187,634,558	\$58,397,047	425.964	\$24,875,030

ABATED PROPERTY

Current Values of Abated Property	\$11,924,027	\$112,918	552.248	\$62,359	\$7,364,594	\$69,603	594.228	\$41,360
Values Without the Property Abatement	\$11,924,027	\$225,399	552.248	\$124,476	\$7,364,594	\$139,191	594.228	\$82,711
Difference (Property Value Abated)	\$0	-\$112,481		-\$62,117	\$0	-\$69,588		-\$41,351

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 HILAND CRUDE LLC	2 ONEOK BAKKEN PIPELINE LLC	1 HILAND CRUDE LLC	2 ONEOK BAKKEN PIPELINE LLC
3 PLAINS PIPELINE LP	4 MONTANA DAKOTA UTILITIES - ELECTRIC GENERATION	3 MONTANA DAKOTA UTILITIES - ELECTRIC GENERATION	4 ONEOK ROCKIES MIDSTREAM LLC
5 ONEOK ROCKIES MIDSTREAM LLC	6 CONTINENTAL RESOURCES INC	5 XTO ENERGY INC	6 LOWER YELLOWSTONE RURAL ELEC
7 XTO ENERGY INC	8 LOWER YELLOWSTONE RURAL ELEC	7 CONTINENTAL RESOURCES INC	8 PLAINS PIPELINE LP
9 HILAND PARTNERS LLC	10 BRIDGER PIPELINE LLC	9 HILAND PARTNERS LLC	10 TESORO HIGH PLAINS PIPELINE COMPANY

Property Taxes Paid by County

Roosevelt County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	18,689	\$11,305,074	\$244,187	528.072	\$128,948	18,729	\$11,279,477	\$243,635	529.225	\$128,938
Tillable Non-Irrigated	565,710	\$194,258,529	\$4,196,020	569.145	\$2,388,144	565,390	\$194,119,141	\$4,193,014	571.594	\$2,396,702
Grazing	435,178	\$15,356,179	\$331,859	541.244	\$179,617	435,313	\$15,395,784	\$332,727	545.064	\$181,357
Wild Hay	17,431	\$3,697,988	\$79,873	547.012	\$43,691	17,444	\$3,703,282	\$79,988	553.234	\$44,252
Non-Qualified Ag Land	13,861	\$650,720	\$98,405	558.161	\$54,926	13,821	\$652,722	\$98,708	558.187	\$55,098
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$225,268,490	\$4,950,344	564.673	\$2,795,326		\$225,150,406	\$4,948,072	567.160	\$2,806,347
CLASS 4 Land and Improvements:										
Residential		\$161,494,019	\$2,189,598	690.037	\$1,510,903		\$162,905,550	\$2,200,603	711.683	\$1,566,131
Residential Low Income		\$3,006,594	\$15,375	730.724	\$11,235		\$3,310,725	\$15,798	759.623	\$12,001
Mobile Homes		\$10,579,185	\$142,816	594.694	\$84,932		\$9,436,740	\$127,380	634.201	\$80,784
Mobile Homes Low Income		\$106,090	\$431	739.452	\$319		\$132,560	\$319	761.194	\$243
Commercial		\$122,600,208	\$1,897,273	610.725	\$1,158,712		\$122,301,312	\$1,891,754	622.899	\$1,178,371
Industrial		\$1,375,348	\$25,992	602.727	\$15,666		\$1,375,348	\$25,992	613.930	\$15,957
New Manufacturing		\$61,003,195	\$1,082,813	606.431	\$656,652		\$63,635,890	\$1,132,571	609.341	\$690,121
Qualified Golf Courses		\$245,550	\$2,333	578.600	\$1,350		\$245,550	\$2,333	576.000	\$1,344
Remodeled Commercial		\$1,090	\$0	-	\$2		\$1,090	\$0	-	\$2
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$360,411,279	\$5,356,631	642.152	\$3,439,770		\$363,343,765	\$5,396,750	656.868	\$3,544,954
CLASS 5										
Rural Electric and Telephone Co-Op		\$88,825,487	\$2,206,223	569.738	\$1,256,970		\$95,676,583	\$2,499,321	566.202	\$1,415,120
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$88,825,487	\$2,206,223	569.738	\$1,256,970		\$95,676,583	\$2,499,321	566.202	\$1,415,120
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$50,289,460	\$1,113,071	480.962	\$535,345		\$49,454,989	\$1,087,492	496.450	\$539,885
Farm Implements		\$34,374,773	\$539,332	536.061	\$289,115		\$33,745,359	\$534,382	557.029	\$297,667
Furniture and Fixtures		\$3,402,441	\$60,737	714.202	\$43,378		\$3,363,508	\$57,753	748.041	\$43,202
Other Business Equipment		\$41,607,610	\$980,025	456.149	\$447,037		\$44,535,838	\$1,072,675	481.004	\$515,960
Class 8 Subtotal		\$129,674,284	\$2,693,164	488.227	\$1,314,875		\$131,099,694	\$2,752,302	507.471	\$1,396,714
CLASS 9										
Utilities		\$132,030,571	\$15,843,665	546.307	\$8,655,499		\$123,063,362	\$14,767,606	561.818	\$8,296,714
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$127,782,809	\$3,922,932	542.580	\$2,128,504		\$113,070,108	\$3,527,791	539.899	\$1,904,649
Airlines		\$1,992,159	\$61,159	578.600	\$35,387		\$1,868,563	\$58,298	576.000	\$33,580
Class 12 Subtotal		\$129,774,968	\$3,984,091		\$2,163,891		\$114,938,671	\$3,586,089		\$1,938,229
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$9,544,496	\$572,670	587.667	\$336,539		\$8,976,112	\$538,563	589.405	\$317,432
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$9,544,496	\$572,670		\$336,539		\$8,976,112	\$538,563		\$317,432
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$1,075,529,575	\$35,606,788	560.648	\$19,962,870		\$1,062,248,593	\$34,488,703	571.651	\$19,715,510
ABATED PROPERTY										
Current Values of Abated Property		\$58,414,120	\$1,140,863	588.232	\$671,092		\$69,293,328	\$1,554,810	571.739	\$888,945
Values Without the Property Abatement		\$58,414,120	\$1,669,599	588.232	\$982,111		\$69,293,328	\$1,995,956	571.739	\$1,141,165
Difference (Property Value Abated)		\$0	-\$528,736		-\$311,019		\$0	-\$441,146		-\$252,220

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHERN BORDER PIPELINE COMPANY	2 BNSF RAILWAY CO	1 NORTHERN BORDER PIPELINE COMPANY	2 BNSF RAILWAY CO
3 HILAND CRUDE LLC	4 BASIN ELECTRIC POWER COOPERATIVE	3 BASIN ELECTRIC POWER COOPERATIVE	4 BRIDGER PIPELINE LLC
5 BRIDGER PIPELINE LLC	6 OASIS PETROLEUM NORTH AMERICA LLP	5 ONEOK BAKKEN PIPELINE LLC	6 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION
7 ONEOK BAKKEN PIPELINE LLC	8 SHERIDAN ELECTRIC CO OP INC	7 SHERIDAN ELECTRIC CO OP INC	8 CENEX HARVEST STATES COOPERATIVES
9 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION	10 CENEX HARVEST STATES COOPERATIVES	9 MONTANA DAKOTA UTILITIES - ELECTRIC TRANSMISSION	10 SAGEBRUSH CELLULAR INC

Property Taxes Paid by County

Rosebud County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	32,084	\$26,767,092	\$578,165	389.302	\$225,081	32,087	\$26,770,026	\$578,229	414.285	\$239,551
Tillable Non-Irrigated	143,139	\$34,544,441	\$746,173	368.563	\$275,012	142,033	\$34,286,788	\$740,607	407.302	\$301,650
Grazing	2,168,837	\$80,982,512	\$1,749,259	354.754	\$620,557	2,169,874	\$81,024,434	\$1,750,162	380.820	\$686,497
Wild Hay	24,839	\$5,661,040	\$122,274	329.106	\$40,241	24,753	\$5,646,617	\$121,963	354.330	\$43,215
Non-Qualified Ag Land	12,768	\$613,705	\$92,797	370.075	\$34,342	12,916	\$620,841	\$93,875	399.379	\$37,492
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$148,568,790	\$3,288,668	363.440	\$1,195,232		\$148,348,706	\$3,284,836	392.228	\$1,288,406
CLASS 4 Land and Improvements:										
Residential		\$203,274,901	\$2,755,579	423.544	\$1,167,110		\$205,662,874	\$2,778,257	448.151	\$1,245,079
Residential Low Income		\$3,327,252	\$15,908	554.526	\$8,821		\$3,613,313	\$16,832	567.998	\$9,561
Mobile Homes		\$9,750,685	\$131,643	387.852	\$51,098		\$10,061,015	\$135,833	374.412	\$50,858
Mobile Homes Low Income		\$66,460	\$198	391.603	\$78		\$203,305	\$336	390.550	\$131
Commercial		\$99,805,819	\$1,557,771	427.289	\$665,618		\$100,109,456	\$1,561,382	449.225	\$701,411
Industrial		\$13,096,401	\$247,520	241.024	\$59,658		\$13,073,989	\$247,096	259.471	\$64,114
New Manufacturing		\$26,321,000	\$497,467	260.173	\$129,428		\$25,223,610	\$476,726	280.035	\$133,500
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$355,642,518	\$5,206,086	399.873	\$2,081,771		\$357,947,562	\$5,216,462	422.634	\$2,204,653
CLASS 5										
Rural Electric and Telephone Co-Op		\$17,054,373	\$511,621	400.421	\$204,864		\$20,042,319	\$601,279	428.231	\$257,486
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$164,401,656	\$4,932,049	269.451	\$1,328,944		\$227,499,487	\$4,398,065	300.933	\$1,323,524
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$181,456,029	\$5,443,670	281.760	\$1,533,808		\$247,541,806	\$4,999,344	316.244	\$1,581,010
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$97,286,444	\$2,625,216	268.729	\$705,473		\$101,740,636	\$2,729,248	286.045	\$780,687
Farm Implements		\$7,066,612	\$110,695	372.701	\$41,256		\$8,449,856	\$135,454	382.203	\$51,771
Furniture and Fixtures		\$2,796,218	\$50,796	407.349	\$20,692		\$2,386,821	\$43,725	390.628	\$17,080
Other Business Equipment		\$15,790,415	\$440,187	266.962	\$117,513		\$15,998,731	\$447,059	284.486	\$127,182
Class 8 Subtotal		\$122,939,689	\$3,226,894	274.237	\$884,933		\$128,576,044	\$3,355,487	291.082	\$976,721
CLASS 9										
Utilities		\$51,308,867	\$6,157,052	307.684	\$1,894,427		\$49,846,037	\$5,981,518	335.883	\$2,009,092
CLASS 10										
Timber Land	43,359	\$4,849,114	\$17,940	279.706	\$5,018	43,359	\$4,850,138	\$17,945	294.913	\$5,292
CLASS 12										
Railroads		\$81,076,027	\$2,489,038	398.558	\$992,026		\$71,970,969	\$2,245,494	423.934	\$951,941
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$81,076,027	\$2,489,038		\$992,026		\$71,970,969	\$2,245,494		\$951,941
CLASS 13										
Electrical Generation Property		\$1,142,084,512	\$68,525,071	272.814	\$18,694,604		\$1,084,017,388	\$65,041,046	305.221	\$19,851,902
Telecommunication Property		\$5,669,657	\$340,179	405.813	\$138,049		\$5,207,990	\$312,485	426.435	\$133,254
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$1,147,754,169	\$68,865,250		\$18,832,654		\$1,089,225,378	\$65,353,531		\$19,985,157
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$2,093,595,203	\$94,694,598	289.561	\$27,419,870		\$2,098,306,640	\$90,454,617	320.628	\$29,002,272
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	\$0		\$0

Top 10 Property Owners by Taxable Value

TY 2017				TY 2018			
1	PUGET SOUND ENERGY INC - ELECTRIC GENERATION	2	AVISTA CORPORATION - ELECTRIC GENERATION	1	PUGET SOUND ENERGY INC - ELECTRIC GENERATION	2	AVISTA CORPORATION - ELECTRIC GENERATION
3	PORTLAND GENERAL ELECTRIC COMPANY - ELECTRIC GENERATION	4	NORTHWESTERN ENERGY - ELECTRIC GENERATION	3	PORTLAND GENERAL ELECTRIC COMPANY - ELECTRIC GENERATION	4	NORTHWESTERN ENERGY - ELECTRIC GENERATION
5	PACIFICORP - ELECTRIC GENERATION	6	WESTERN ENERGY CO	5	PACIFICORP - ELECTRIC GENERATION	6	WESTERN ENERGY CO
7	BNSF RAILWAY CO	8	TALEN MONTANA LLC	7	NORTHWESTERN ENERGY-T & D	8	BNSF RAILWAY CO
9	NORTHWESTERN ENERGY-T & D	10	PUGET SOUND ENERGY INC - POLLUTION CONTROL	9	PUGET SOUND ENERGY INC - POLLUTION CONTROL	10	CENEX PIPELINE LLC

Property Taxes Paid by County

Sanders County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	11,909	\$7,762,532	\$167,672	924.540	\$155,019	11,635	\$7,675,237	\$165,785	894.680	\$148,325
Tillable Non-Irrigated	1,139	\$682,853	\$14,750	540.193	\$7,968	1,156	\$709,505	\$15,326	525.676	\$8,057
Grazing	120,354	\$5,777,697	\$124,824	876.121	\$109,361	119,779	\$5,753,394	\$124,299	864.032	\$107,398
Wild Hay	9,981	\$1,707,481	\$36,883	784.506	\$28,935	9,865	\$1,689,772	\$36,501	755.774	\$27,586
Non-Qualified Ag Land	24,896	\$1,185,688	\$179,279	587.350	\$105,300	25,155	\$1,201,316	\$181,645	580.688	\$105,475
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$17,116,251	\$523,408	776.799	\$406,583		\$17,029,224	\$523,556	757.973	\$396,841
CLASS 4 Land and Improvements:										
Residential		\$858,841,686	\$11,594,247	517.994	\$6,005,749		\$877,388,389	\$11,685,442	513.738	\$6,003,253
Residential Low Income		\$75,668,324	\$324,635	566.898	\$184,035		\$80,997,395	\$337,512	571.414	\$192,859
Mobile Homes		\$5,848,900	\$78,971	487.876	\$38,528		\$6,103,680	\$82,414	567.224	\$46,747
Mobile Homes Low Income		\$565,800	\$2,353	538.532	\$1,267		\$4,242,275	\$2,021	671.560	\$1,357
Commercial		\$159,620,384	\$2,644,114	623.678	\$1,649,077		\$164,000,426	\$2,726,198	619.236	\$1,688,160
Industrial		\$383,144	\$7,242	472.596	\$3,423		\$383,144	\$7,242	467.981	\$3,389
New Manufacturing		\$4,421,090	\$83,559	472.596	\$39,490		\$4,547,290	\$85,944	467.981	\$40,220
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$1,105,349,328	\$14,735,121	537.598	\$7,921,568		\$1,137,662,599	\$14,926,773	534.341	\$7,975,986
CLASS 5										
Rural Electric and Telephone Co-Op		\$18,132,988	\$543,991	499.458	\$271,701		\$17,945,596	\$538,365	507.432	\$273,183
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$18,132,988	\$543,991	499.458	\$271,701		\$17,945,596	\$538,365	507.432	\$273,183
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$8,215,132	\$125,872	453.400	\$57,071		\$9,009,192	\$137,212	487.879	\$66,943
Farm Implements		\$589,090	\$9,006	659.787	\$5,942		\$868,124	\$13,986	848.920	\$11,873
Furniture and Fixtures		\$1,682,708	\$30,910	584.986	\$18,082		\$1,788,405	\$31,000	657.889	\$20,394
Other Business Equipment		\$863,729	\$13,076	501.604	\$6,559		\$717,159	\$10,793	662.559	\$7,151
Class 8 Subtotal		\$11,350,659	\$178,863	490.055	\$87,653		\$12,382,880	\$192,990	551.121	\$106,361
CLASS 9										
Utilities		\$44,067,875	\$5,288,137	486.432	\$2,572,318		\$48,144,882	\$5,777,384	487.597	\$2,817,037
CLASS 10										
Timber Land	264,277	\$163,067,605	\$603,376	454.469	\$274,216	263,996	\$159,498,146	\$590,174	449.204	\$285,109
CLASS 12										
Railroads		\$82,967,401	\$2,547,099	507.279	\$1,292,090		\$77,587,242	\$2,420,721	509.772	\$1,234,015
Airlines		\$2,583	\$79	685.716	\$54		\$2,789	\$87	685.881	\$60
Class 12 Subtotal		\$82,969,984	\$2,547,178		\$1,292,145		\$77,590,031	\$2,420,808		\$1,234,075
CLASS 13										
Electrical Generation Property		\$273,786,335	\$16,427,179	409.052	\$6,719,577		\$280,994,585	\$16,859,675	403.926	\$6,810,053
Telecommunication Property		\$7,621,353	\$457,283	571.732	\$261,443		\$6,899,183	\$413,956	562.460	\$232,834
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$281,407,688	\$16,884,462		\$6,981,020		\$287,893,768	\$17,273,631		\$7,042,887
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$1,723,462,378	\$41,304,536	479.541	\$19,807,203		\$1,758,147,126	\$42,243,681	476.083	\$20,111,479
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	\$0		\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 AVISTA CORPORATION - ELECTRIC GENERATION	2 NORTHWESTERN ENERGY - ELECTRIC GENERATION	1 AVISTA CORPORATION - ELECTRIC GENERATION	2 NORTHWESTERN ENERGY - ELECTRIC GENERATION
3 AVISTA CORPORATION - ELECTRIC TRANSMISSION	4 MONTANA RAIL LINK	3 AVISTA CORPORATION - ELECTRIC TRANSMISSION	4 MONTANA RAIL LINK
5 NORTHWESTERN ENERGY-T & D	6 YELLOWSTONE PIPELINE CO	5 NORTHWESTERN ENERGY-T & D	6 YELLOWSTONE PIPELINE CO
7 BLACKFOOT TELEPHONE COOP INC	8 VERIZON WIRELESS	7 BLACKFOOT TELEPHONE COOP INC	8 NORTHERN LIGHTS INC
9 NORTHERN LIGHTS INC	10 PACIFICORP - ELECTRIC TRANSMISSION	9 VERIZON WIRELESS	10 WEYERHAEUSER COMPANY

Property Taxes Paid by County

Sheridan County



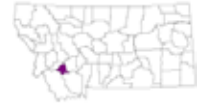
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	5,833	\$4,282,571	\$92,505	548.476	\$50,737	6,472	\$4,706,024	\$101,650	562.314	\$57,159
Tillable Non-Irrigated	598,636	\$210,204,162	\$4,540,432	588.078	\$2,670,127	598,180	\$210,157,069	\$4,539,415	629.888	\$2,859,324
Grazing	342,072	\$17,868,753	\$385,966	586.874	\$226,513	342,132	\$17,861,667	\$385,817	628.880	\$242,833
Wild Hay	5,001	\$1,190,258	\$25,717	594.855	\$15,298	5,001	\$1,190,258	\$25,717	639.544	\$16,447
Non-Qualified Ag Land	3,889	\$170,060	\$25,713	585.190	\$15,047	3,826	\$167,042	\$25,257	623.393	\$15,745
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$233,715,804	\$5,070,333	587.283	\$2,977,722		\$234,082,060	\$5,077,856	628.475	\$3,191,308
CLASS 4 Land and Improvements:										
Residential		\$148,226,826	\$2,010,683	744.648	\$1,497,251		\$148,987,610	\$2,019,149	800.880	\$1,617,095
Residential Low Income		\$4,765,509	\$20,183	753.882	\$15,216		\$5,049,246	\$20,664	809.124	\$16,720
Mobile Homes		\$6,577,180	\$88,794	642.976	\$57,092		\$6,686,773	\$90,273	695.021	\$62,742
Mobile Homes Low Income		\$32,710	\$88	694.930	\$61		\$79,883	\$88	758.835	\$67
Commercial		\$113,813,815	\$1,712,994	652.010	\$1,116,889		\$119,283,281	\$1,789,321	699.394	\$1,251,440
Industrial		\$754,920	\$14,265	647.141	\$9,231		\$761,575	\$14,391	684.574	\$9,852
New Manufacturing		\$29,469,384	\$420,342	854.334	\$359,112		\$34,008,363	\$522,281	892.129	\$465,942
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$303,640,344	\$4,267,349	715.867	\$3,054,852		\$314,856,731	\$4,456,167	768.341	\$3,423,857
CLASS 5										
Rural Electric and Telephone Co-Op		\$29,114,328	\$873,423	605.000	\$528,421		\$26,723,837	\$801,714	637.802	\$511,334
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$29,114,328	\$873,423	605.000	\$528,421		\$26,723,837	\$801,714	637.802	\$511,334
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$8,406,183	\$148,458	542.298	\$80,508		\$6,402,634	\$130,044	603.558	\$78,489
Farm Implements		\$56,609,524	\$850,802	554.621	\$471,872		\$54,274,199	\$816,008	608.684	\$496,691
Furniture and Fixtures		\$840,948	\$13,197	716.786	\$9,459		\$896,844	\$14,326	772.649	\$11,069
Other Business Equipment		\$18,346,482	\$285,253	509.432	\$145,317		\$17,179,601	\$317,618	585.426	\$185,942
Class 8 Subtotal		\$84,203,137	\$1,297,709	544.927	\$707,157		\$78,753,278	\$1,277,996	604.220	\$772,191
CLASS 9										
Utilities		\$42,515,321	\$5,101,846	607.878	\$3,101,302		\$34,568,978	\$4,148,278	662.245	\$2,747,175
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$38,076,548	\$1,168,951	609.943	\$712,993		\$33,638,162	\$1,049,512	651.588	\$683,850
Airlines		\$826	\$25	499.412	\$12		\$0	\$0	-	\$0
Class 12 Subtotal		\$38,077,374	\$1,168,976		\$713,006		\$33,638,162	\$1,049,512		\$683,850
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$4,724,720	\$283,484	608.312	\$172,447		\$4,119,877	\$247,194	667.027	\$164,885
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$4,724,720	\$283,484		\$172,447		\$4,119,877	\$247,194		\$164,885
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
Total		\$735,991,028	\$18,063,120	623.088	\$11,254,907		\$726,742,923	\$17,058,717	673.826	\$11,494,600
ABATED PROPERTY										
Current Values of Abated Property		\$22,829,888	\$275,245	842.667	\$231,940		\$14,059,862	\$143,456	807.517	\$115,843
Values Without the Property Abatement		\$22,829,888	\$439,725	842.667	\$370,542		\$14,059,862	\$264,876	807.517	\$213,892
Difference (Property Value Abated)		\$0	-\$164,480		-\$138,602		\$0	-\$121,420		-\$98,049

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 PLAINS PIPELINE LP	2 BNSF RAILWAY CO	1 PLAINS PIPELINE LP	2 BNSF RAILWAY CO
3 SHERIDAN ELECTRIC CO OP INC	4 NORTH DAKOTA PIPELINE COMPANY LLC	3 SHERIDAN ELECTRIC CO OP INC	4 NORTH DAKOTA PIPELINE COMPANY LLC
5 BRIDGER PIPELINE LLC	6 HILAND CRUDE LLC	5 BRIDGER PIPELINE LLC	6 NEW CENTURY AG
7 NEMONT TELEPHONE COOPERATIVE INC	8 NEW CENTURY AG	7 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION	8 NEMONT TELEPHONE COOPERATIVE INC
9 MONTANA DAKOTA UTILITIES - ELECTRIC DISTRIBUTION	10 SAGEBRUSH CELLULAR INC	9 MONTANA DAKOTA UTILITIES - ELECTRIC TRANSMISSION	10 SAGEBRUSH CELLULAR INC

Property Taxes Paid by County

Silver Bow County



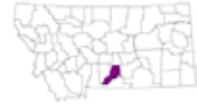
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$183,671,608	\$5,510,148	782.560	\$4,312,021		\$238,223,021	\$7,146,691	804.710	\$5,751,014
CLASS 3 Agricultural Land:										
Tillable Irrigated	3,264	\$2,271,918	\$49,079	735.411	\$36,093	3,259	\$2,268,780	\$49,011	758.255	\$37,163
Tillable Non-Irrigated	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Grazing	99,721	\$3,960,022	\$85,699	686.213	\$58,808	99,389	\$3,944,381	\$85,361	716.999	\$61,204
Wild Hay	847	\$343,637	\$7,424	685.096	\$5,086	847	\$343,637	\$7,424	713.575	\$5,298
Non-Qualified Ag Land	29,821	\$1,409,363	\$213,099	703.897	\$150,000	29,874	\$1,411,654	\$213,443	743.289	\$158,650
Eligible Mining Claims	7,684	\$318,771	\$6,901	746.039	\$5,148	7,716	\$318,314	\$6,890	777.446	\$5,357
Class 3 Subtotal		\$8,303,711	\$362,202	704.400	\$255,135		\$8,286,766	\$362,129	739.158	\$267,671
CLASS 4 Land and Improvements:										
Residential		\$1,673,333,728	\$22,589,369	771.307	\$17,423,341		\$1,694,952,912	\$22,778,789	796.007	\$18,132,083
Residential Low Income		\$96,135,335	\$432,942	778.170	\$336,902		\$100,925,519	\$458,338	801.617	\$367,411
Mobile Homes		\$11,430,100	\$154,315	740.740	\$114,307		\$11,486,580	\$155,078	752.704	\$116,728
Mobile Homes Low Income		\$903,540	\$3,396	735.331	\$2,497		\$2,747,671	\$3,003	752.020	\$2,258
Commercial		\$628,614,370	\$11,136,911	774.968	\$8,630,748		\$624,667,571	\$11,080,798	799.110	\$8,854,772
Industrial		\$4,017,656	\$75,832	761.681	\$57,836		\$4,013,658	\$75,857	788.400	\$59,806
New Manufacturing		\$106,817,060	\$2,018,833	702.666	\$1,418,565		\$106,542,447	\$2,013,654	746.969	\$1,504,137
Qualified Golf Courses		\$3,929,083	\$37,327	729.030	\$27,213		\$3,929,083	\$37,327	767.559	\$28,651
Remodeled Commercial		\$1,399,197	\$5,317	1189.858	\$6,326		\$8,855,997	\$67,306	957.110	\$64,419
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$2,526,580,069	\$36,454,342	768.571	\$28,017,737		\$2,558,121,438	\$36,670,150	794.386	\$29,130,265
CLASS 5										
Rural Electric and Telephone Co-Op		\$3,374,944	\$101,247	693.732	\$70,238		\$3,544,890	\$106,345	713.266	\$75,852
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$3,844,253	\$115,328	669.730	\$77,239		\$3,462,038	\$103,862	723.080	\$75,101
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$217,450	\$5,871	793.952	\$4,661		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$7,436,647	\$222,446	683.933	\$152,138		\$7,006,928	\$210,207	718.115	\$150,953
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$259,556,760	\$7,220,474	719.820	\$5,197,444		\$240,003,050	\$6,659,687	761.112	\$5,068,771
Farm Implements		\$148,236	\$2,362	678.475	\$1,603		\$177,601	\$3,076	754.773	\$2,322
Furniture and Fixtures		\$29,012,587	\$553,918	750.284	\$415,596		\$26,683,505	\$479,277	762.854	\$365,618
Other Business Equipment		\$15,195,912	\$402,365	727.316	\$292,647		\$14,812,305	\$398,365	761.955	\$303,536
Class 8 Subtotal		\$303,913,495	\$8,179,120	722.240	\$5,907,290		\$281,676,461	\$7,540,406	761.265	\$5,740,247
CLASS 9										
Utilities		\$121,148,604	\$14,537,816	770.767	\$11,205,271		\$123,474,715	\$14,816,967	795.746	\$11,790,546
CLASS 10										
Timber Land	32,651	\$6,464,672	\$23,923	687.281	\$16,442	32,620	\$6,462,242	\$23,913	723.822	\$17,309
CLASS 12										
Railroads		\$22,336,379	\$685,728	698.778	\$479,172		\$20,164,301	\$629,125	740.887	\$466,110
Airlines		\$1,654,310	\$50,788	782.560	\$39,745		\$2,032,716	\$63,421	804.710	\$51,036
Class 12 Subtotal		\$23,990,689	\$736,516		\$518,917		\$22,197,017	\$692,546		\$517,146
CLASS 13										
Electrical Generation Property		\$10,733,913	\$644,035	782.560	\$503,996		\$9,346,978	\$560,819	804.710	\$451,297
Telecommunication Property		\$23,725,732	\$1,423,543	771.361	\$1,098,065		\$22,680,285	\$1,360,819	791.658	\$1,077,303
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$34,459,645	\$2,067,578		\$1,602,061		\$32,027,263	\$1,921,638		\$1,528,600
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$3,215,969,140	\$68,094,091	763.458	\$51,987,012		\$3,277,475,851	\$69,384,647	791.151	\$54,893,750
ABATED PROPERTY										
Current Values of Abated Property		\$1,621,977	\$11,279	980.581	\$11,060		\$8,855,997	\$67,306	957.110	\$64,419
Values Without the Property Abatement		\$1,621,977	\$33,073	980.581	\$32,431		\$8,855,997	\$167,378	957.110	\$160,199
Difference (Property Value Abated)		\$0	-\$21,794		-\$21,371		\$0	-\$100,072		-\$95,780

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 MONTANA RESOURCES	1 NORTHWESTERN ENERGY-T & D	2 MONTANA RESOURCES
3 REC ADVANCED SILICON MATERIALS LLC	4 BASIN CREEK EQUITY PARTNERS LLC	3 REC ADVANCED SILICON MATERIALS LLC	4 PRAXAIR INC
5 PRAXAIR INC	6 CHARTER COMMUNICATIONS INC	5 BASIN CREEK EQUITY PARTNERS LLC	6 CHARTER COMMUNICATIONS INC
7 CENTURYLINK INC	8 BNSF RAILWAY CO	7 VERIZON WIRELESS	8 QWEST CORPORATION AND OR CENTURYLINK INC -
9 VERIZON WIRELESS	10 WAL MART STORES INC	9 BNSF RAILWAY CO	10 WAL MART STORES INC

Property Taxes Paid by County

Stillwater County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$195,181,750	\$5,855,452	527.049	\$3,086,112		\$230,837,014	\$6,925,109	493.552	\$3,417,902
CLASS 3 Agricultural Land:										
Tillable Irrigated	19,181	\$11,753,860	\$253,870	501.359	\$127,280	19,444	\$11,914,777	\$257,345	487.652	\$125,495
Tillable Non-Irrigated	141,250	\$28,992,597	\$626,233	460.634	\$288,464	139,300	\$28,471,238	\$614,973	456.020	\$280,440
Grazing	583,402	\$27,857,096	\$601,793	484.430	\$291,526	583,093	\$27,843,246	\$601,510	470.473	\$282,994
Wild Hay	41,177	\$8,680,430	\$187,480	483.850	\$90,712	41,188	\$8,681,093	\$187,495	467.707	\$87,693
Non-Qualified Ag Land	30,741	\$1,478,556	\$223,629	503.594	\$112,618	30,755	\$1,479,240	\$223,726	480.151	\$107,422
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$78,762,539	\$1,893,005	481.035	\$910,601		\$78,389,594	\$1,885,049	468.977	\$884,044
CLASS 4 Land and Improvements:										
Residential		\$743,188,363	\$10,043,386	522.706	\$5,249,737		\$760,194,238	\$10,223,159	504.886	\$5,161,529
Residential Low Income		\$31,526,807	\$139,233	541.151	\$75,346		\$33,250,930	\$162,194	523.961	\$84,983
Mobile Homes		\$8,291,870	\$111,933	504.967	\$56,523		\$8,898,150	\$120,119	522.794	\$62,797
Mobile Homes Low Income		\$546,610	\$3,378	535.150	\$1,808		\$1,593,435	\$3,127	547.831	\$1,713
Commercial		\$211,418,387	\$3,168,837	515.840	\$1,634,614		\$215,801,349	\$3,243,134	498.715	\$1,617,399
Industrial		\$3,436,837	\$64,954	551.885	\$35,847		\$3,090,325	\$58,406	517.261	\$30,211
New Manufacturing		\$36,345,540	\$886,931	585.243	\$402,022		\$36,905,470	\$697,513	552.096	\$385,094
Qualified Golf Courses		\$674,025	\$6,403	520.191	\$3,331		\$674,025	\$6,403	486.230	\$3,113
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$1,035,428,439	\$14,225,055	524.372	\$7,459,227		\$1,060,407,922	\$14,514,055	506.188	\$7,346,840
CLASS 5										
Rural Electric and Telephone Co-Op		\$20,040,760	\$601,226	488.931	\$293,958		\$20,135,943	\$604,085	471.016	\$284,533
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$3,684,804	\$110,543	527.050	\$58,262		\$3,670,410	\$110,111	493.552	\$54,346
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$23,725,564	\$711,769	494.851	\$352,220		\$23,806,353	\$714,196	474.490	\$338,879
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$191,621,807	\$5,528,061	544.681	\$3,011,031		\$188,247,732	\$5,464,440	518.099	\$2,831,119
Farm Implements		\$5,439,849	\$93,247	500.031	\$46,626		\$5,110,552	\$84,693	495.551	\$41,970
Furniture and Fixtures		\$3,431,501	\$71,569	579.286	\$41,459		\$3,033,190	\$63,711	584.535	\$37,242
Other Business Equipment		\$15,581,108	\$430,520	559.894	\$241,046		\$19,871,168	\$554,649	524.103	\$290,694
Class 8 Subtotal		\$216,074,265	\$6,123,397	545.475	\$3,340,162		\$216,262,642	\$6,167,493	519.015	\$3,201,023
CLASS 9										
Utilities		\$80,475,629	\$9,657,064	482.949	\$4,663,867		\$90,278,336	\$10,833,387	478.448	\$5,183,209
CLASS 10										
Timber Land	57,646	\$6,586,908	\$24,390	504.482	\$12,304	57,632	\$6,586,395	\$24,387	480.905	\$11,728
CLASS 12										
Railroads		\$21,687,885	\$665,819	533.525	\$355,231		\$20,312,837	\$633,760	514.451	\$326,039
Airlines		\$1,292	\$40	627.631	\$25		\$1,394	\$43	602.310	\$26
Class 12 Subtotal		\$21,689,177	\$665,859		\$355,256		\$20,314,231	\$633,803		\$326,065
CLASS 13										
Electrical Generation Property		\$27,390,205	\$1,643,412	405.931	\$667,111		\$26,595,514	\$1,595,732	398.760	\$636,314
Telecommunication Property		\$7,855,402	\$471,315	537.640	\$253,398		\$7,911,570	\$474,691	516.860	\$245,349
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$35,245,607	\$2,114,727		\$920,509		\$34,507,084	\$2,070,423		\$881,663
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$1,693,169,878	\$41,270,718	511.265	\$21,100,259		\$1,761,389,571	\$43,767,902	493.315	\$21,591,353

ABATED PROPERTY

Current Values of Abated Property	\$0	\$0	-	\$0	\$0	\$0	-	\$0
Values Without the Property Abatement	\$0	\$0	-	\$0	\$0	\$0	-	\$0
Difference (Property Value Abated)	\$0	\$0		\$0	\$0	\$0		\$0

Top 10 Property Owners by Taxable Value

TY 2017				TY 2018			
1 STILLWATER MINING COMPANY	2 NORTHWESTERN ENERGY-T & D	1 STILLWATER MINING COMPANY	2 NORTHWESTERN ENERGY-T & D				
3 EXPRESS PIPELINE LLC	4 NORTHWESTERN ENERGY - ELECTRIC GENERATION	3 EXPRESS PIPELINE LLC	4 NORTHWESTERN ENERGY - ELECTRIC GENERATION				
5 MONTANA RAIL LINK	6 FRONT RANGE PIPELINE LLC	5 MONTANA RAIL LINK	6 FRONT RANGE PIPELINE LLC				
7 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	8 YELLOWSTONE PIPELINE CO	7 YELLOWSTONE PIPELINE CO	8 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY				
9 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	10 VERIZON WIRELESS	9 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	10 VERIZON WIRELESS				

Property Taxes Paid by County

Sweet Grass County



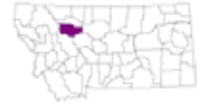
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$172,841,779	\$5,185,252	494.414	\$2,563,660		\$220,125,203	\$6,603,756	476.236	\$3,144,945
CLASS 3 Agricultural Land:										
Tillable Irrigated	33,037	\$19,911,485	\$430,095	487.046	\$209,476	33,442	\$20,134,906	\$434,919	470.297	\$204,541
Tillable Non-Irrigated	6,680	\$1,157,200	\$24,996	525.211	\$13,128	6,680	\$1,157,200	\$24,996	501.705	\$12,541
Grazing	667,825	\$44,622,106	\$963,847	489.503	\$471,806	667,445	\$44,592,906	\$963,219	472.578	\$455,196
Wild Hay	19,476	\$4,821,504	\$104,149	501.525	\$52,233	19,401	\$4,795,585	\$103,588	483.343	\$50,069
Non-Qualified Ag Land	10,772	\$518,457	\$78,399	497.571	\$39,009	10,702	\$515,112	\$77,894	477.918	\$37,227
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$71,030,752	\$1,601,486	490.578	\$785,653		\$71,195,709	\$1,604,616	473.368	\$759,573
CLASS 4 Land and Improvements:										
Residential		\$243,259,025	\$3,293,676	534.441	\$1,760,275		\$249,133,584	\$3,354,915	516.527	\$1,732,903
Residential Low Income		\$14,393,402	\$66,726	564.427	\$37,662		\$13,900,086	\$61,285	547.088	\$33,528
Mobile Homes		\$3,570,980	\$48,209	514.074	\$24,783		\$3,600,510	\$48,606	517.148	\$25,137
Mobile Homes Low Income		\$125,270	\$375	595.250	\$223		\$356,390	\$338	596.120	\$201
Commercial		\$203,620,691	\$3,026,956	508.868	\$1,540,321		\$205,378,731	\$3,053,185	492.247	\$1,502,922
Industrial		\$2,227,261	\$42,097	537.304	\$22,619		\$2,237,788	\$42,296	516.320	\$21,838
New Manufacturing		\$12,022,470	\$227,224	529.178	\$120,242		\$12,006,340	\$226,799	510.267	\$115,728
Qualified Golf Courses		\$923,445	\$8,773	505.920	\$4,438		\$923,445	\$8,773	486.330	\$4,267
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$480,142,544	\$6,714,036	522.869	\$3,510,563		\$487,536,874	\$6,796,197	505.654	\$3,436,524
CLASS 5										
Rural Electric and Telephone Co-Op		\$15,225,138	\$456,758	508.976	\$232,479		\$14,577,552	\$437,328	491.680	\$215,026
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$15,225,138	\$456,758	508.976	\$232,479		\$14,577,552	\$437,328	491.680	\$215,026
CLASS 7 Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$57,513,934	\$1,670,793	521.683	\$871,624		\$57,234,325	\$1,596,931	506.381	\$808,656
Farm Implements		\$3,993,143	\$61,523	483.575	\$29,751		\$3,806,129	\$58,638	474.991	\$27,853
Furniture and Fixtures		\$1,262,160	\$25,655	553.976	\$14,212		\$1,281,117	\$26,241	539.358	\$14,153
Other Business Equipment		\$4,579,031	\$132,411	521.149	\$69,006		\$4,917,657	\$138,974	501.973	\$69,761
Class 8 Subtotal		\$67,348,268	\$1,890,382	520.844	\$984,594		\$67,239,228	\$1,820,784	505.509	\$920,423
CLASS 9										
Utilities		\$17,377,190	\$2,085,247	519.425	\$1,083,130		\$19,600,787	\$2,352,099	497.886	\$1,171,076
CLASS 10										
Timber Land	96,826	\$12,642,063	\$46,794	485.498	\$22,718	96,879	\$12,652,346	\$46,833	469.393	\$21,983
CLASS 12										
Railroads		\$21,652,509	\$664,734	486.472	\$323,375		\$20,242,630	\$631,571	469.362	\$296,435
Airlines		\$1,292	\$40	596.770	\$24		\$1,394	\$43	580.840	\$25
Class 12 Subtotal		\$21,653,801	\$664,774		\$323,398		\$20,244,024	\$631,614		\$296,460
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$3,572,407	\$214,345	512.558	\$109,864		\$3,725,648	\$223,534	495.358	\$110,729
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$3,572,407	\$214,345		\$109,864		\$3,725,648	\$223,534		\$110,729
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$24,820,594	\$372,309	587.330	\$218,668
Class 14 Subtotal		\$0	\$0		\$0		\$24,820,594	\$372,309		\$218,668
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$861,833,942	\$18,859,074	509.890	\$9,616,059		\$941,717,965	\$20,889,070	492.861	\$10,295,408
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$28,112,498	\$416,069	594.920	\$247,528
Values Without the Property Abatement		\$0	\$0	-	\$0		\$28,112,498	\$832,137	594.920	\$495,055
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	-\$416,068		-\$247,527

Top 10 Property Owners by Taxable Value

TY 2017				TY 2018			
1 STILLWATER MINING COMPANY	2 NORTHWESTERN ENERGY-T & D	1 STILLWATER MINING COMPANY	2 NORTHWESTERN ENERGY-T & D				
3 MONTANA RAIL LINK	4 YELLOWSTONE PIPELINE CO	3 MONTANA RAIL LINK	4 BIG TIMBER WIND LLC				
5 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC	6 PARK ELECTRIC CO OP INC	5 YELLOWSTONE PIPELINE CO	6 TRIANGLE TELEPHONE COOPERATIVE ASSOC INC				
7 CREMER RODEO LAND & LIVESTOCK	8 VERIZON WIRELESS	7 CREMER RODEO LAND & LIVESTOCK	8 BROWNING MICHAEL J TRUSTEE ETAL				
9 LEGACY RANCHES PARTNERS LP	10 BURCH ROBERT L & SUSAN S	9 PARK ELECTRIC CO OP INC	10 VERIZON WIRELESS				

Property Taxes Paid by County

Teton County



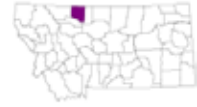
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	120,213	\$80,911,304	\$1,747,683	522.513	\$913,187	120,215	\$80,968,895	\$1,748,932	541.696	\$947,389
Tillable Non-Irrigated	394,696	\$115,474,651	\$2,494,233	465.048	\$1,169,937	394,491	\$115,420,805	\$2,493,070	474.376	\$1,182,653
Grazing	483,523	\$26,566,148	\$573,845	485.471	\$278,585	483,484	\$26,564,871	\$573,816	491.160	\$281,835
Wild Hay	21,924	\$7,711,166	\$166,561	476.206	\$79,317	21,966	\$7,722,736	\$166,812	479.509	\$79,988
Non-Qualified Ag Land	9,488	\$456,676	\$69,048	501.573	\$34,633	9,807	\$471,999	\$71,364	515.892	\$36,816
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$231,119,945	\$5,051,370	488.117	\$2,465,660		\$231,149,306	\$5,053,994	500.333	\$2,528,681
CLASS 4 Land and Improvements:										
Residential		\$271,728,306	\$3,683,180	566.218	\$2,085,481		\$276,524,122	\$3,714,905	578.560	\$2,149,297
Residential Low Income		\$13,725,215	\$65,967	575.505	\$37,964		\$13,575,831	\$60,383	585.076	\$35,329
Mobile Homes		\$5,729,290	\$76,780	539.186	\$41,399		\$5,588,260	\$74,875	545.022	\$40,809
Mobile Homes Low Income		\$396,730	\$2,094	518.234	\$1,085		\$393,182	\$1,988	521.917	\$1,038
Commercial		\$218,012,737	\$3,216,844	527.859	\$1,698,041		\$222,892,223	\$3,289,083	540.873	\$1,778,976
Industrial		\$1,491,399	\$28,184	551.533	\$15,544		\$1,352,199	\$25,554	573.150	\$14,646
New Manufacturing		\$44,034,881	\$817,471	536.414	\$438,503		\$43,925,452	\$812,744	550.477	\$447,397
Qualified Golf Courses		\$1,136,682	\$10,799	580.561	\$6,269		\$1,136,682	\$10,799	591.452	\$6,387
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$566,255,240	\$7,901,319	547.287	\$4,324,287		\$565,925,951	\$7,990,331	559.912	\$4,473,878
CLASS 5										
Rural Electric and Telephone Co-Op		\$25,838,410	\$775,143	567.104	\$439,586		\$27,957,903	\$838,739	572.032	\$479,785
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$25,838,410	\$775,143	567.104	\$439,586		\$27,957,903	\$838,739	572.032	\$479,785
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$5,704,020	\$103,767	532.713	\$55,278		\$6,269,983	\$115,123	528.844	\$60,882
Farm Implements		\$23,411,459	\$375,117	495.768	\$185,971		\$24,933,198	\$402,904	499.924	\$201,421
Furniture and Fixtures		\$1,060,415	\$17,897	624.476	\$11,177		\$754,275	\$13,725	642.261	\$8,815
Other Business Equipment		\$1,976,191	\$31,081	485.399	\$15,087		\$1,055,236	\$16,323	514.286	\$8,395
Class 8 Subtotal		\$32,152,085	\$527,862	506.784	\$267,512		\$33,012,692	\$548,075	509.991	\$279,513
CLASS 9										
Utilities		\$27,756,749	\$3,330,801	535.775	\$1,784,561		\$28,486,753	\$3,418,403	543.858	\$1,859,124
CLASS 10										
Timber Land	5,889	\$1,276,750	\$4,718	477.277	\$2,252	5,889	\$1,277,031	\$4,719	479.712	\$2,264
CLASS 12										
Railroads		\$52,570,445	\$1,613,912	512.456	\$827,059		\$46,498,514	\$1,450,752	527.093	\$764,681
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$52,570,445	\$1,613,912	512.456	\$827,059		\$46,498,514	\$1,450,752	527.093	\$764,681
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$2,555,921	\$153,361	533.096	\$81,756		\$2,826,704	\$169,607	545.294	\$92,486
Elect Gen/Tele Real Prop New & Exp		\$4,223,412	\$168,841	643.080	\$108,578		\$4,080,606	\$187,600	637.245	\$119,547
Class 13 Subtotal		\$6,779,333	\$322,202	596.876	\$190,334		\$6,907,310	\$357,207	601.433	\$212,033
CLASS 14										
Wind Generation		\$17,135,947	\$514,078	491.515	\$252,677		\$16,696,412	\$500,892	496.560	\$248,723
Wind Generation New & Exp		\$67,114,496	\$1,006,717	547.628	\$551,307		\$65,654,456	\$984,817	576.890	\$568,131
Class 14 Subtotal		\$84,250,443	\$1,520,795	519.143	\$803,983		\$82,350,868	\$1,485,709	536.725	\$816,854
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 15 Subtotal		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$1,017,999,400	\$21,048,122	527.612	\$11,105,235		\$1,023,566,328	\$21,147,929	539.855	\$11,416,814
ABATED PROPERTY										
Current Values of Abated Property		\$48,351,239	\$821,517	609.521	\$500,732		\$47,476,449	\$828,020	638.543	\$528,726
Values Without the Property Abatement		\$48,351,239	\$1,559,273	609.521	\$950,409		\$47,476,449	\$1,525,489	638.543	\$974,091
Difference (Property Value Abated)		\$0	-\$737,755	-	-\$449,677		\$0	-\$697,469	-	-\$445,364

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 NORTHWESTERN ENERGY-T & D	2 BNSF RAILWAY CO	1 NORTHWESTERN ENERGY-T & D	2 BNSF RAILWAY CO
3 GREENFIELD WIND LLC	4 FAIRFIELD WIND OWNER LLC	3 GREENFIELD WIND LLC	4 PHILLIPS 66 CARRIER LLC
5 3 RIVERS TELEPHONE COOPERATIVE INC	6 PHILLIPS 66 CARRIER LLC	5 3 RIVERS TELEPHONE COOPERATIVE INC	6 FAIRFIELD WIND OWNER LLC
7 FRONT RANGE PIPELINE LLC	8 MILLERCOORS LLC	7 MOUNTAIN VIEW CO-OP	8 MILLERCOORS USA LLC
9 MONTANA ALBERTA TIE LIMITED (M.A.T.L.)	10 MOUNTAIN VIEW CO-OP	9 MONTANA ALBERTA TIE LIMITED (M.A.T.L.)	10 FRONT RANGE PIPELINE LLC

Property Taxes Paid by County

Toole County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	2,110	\$1,283,946	\$27,732	589.362	\$16,344	2,110	\$1,283,946	\$27,732	593.520	\$16,459
Tillable Non-Irrigated	700,804	\$213,492,185	\$4,611,447	558.493	\$2,575,459	700,744	\$213,474,919	\$4,611,071	560.736	\$2,585,595
Grazing	363,410	\$18,554,250	\$400,890	552.420	\$221,459	362,968	\$18,530,561	\$400,375	554.042	\$221,824
Wild Hay	7,602	\$2,001,697	\$43,235	542.652	\$23,462	7,640	\$2,012,607	\$43,470	543.705	\$23,635
Non-Qualified Ag Land	6,221	\$308,572	\$46,646	585.821	\$27,326	6,191	\$307,123	\$46,428	591.292	\$27,452
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$235,640,650	\$5,129,950	558.300	\$2,864,050		\$235,609,156	\$5,129,076	560.523	\$2,874,966
CLASS 4 Land and Improvements:										
Residential		\$142,711,115	\$1,932,426	799.349	\$1,544,682		\$143,351,978	\$1,932,032	806.043	\$1,557,301
Residential Low Income		\$4,789,848	\$19,147	847.282	\$16,223		\$4,884,521	\$20,445	855.411	\$17,489
Mobile Homes		\$2,596,630	\$35,041	637.159	\$22,327		\$2,673,060	\$36,087	706.674	\$25,502
Mobile Homes Low Income		\$93,090	\$404	767.997	\$310		\$213,035	\$404	854.832	\$345
Commercial		\$180,342,804	\$2,921,070	723.149	\$2,112,368		\$190,351,770	\$3,058,756	724.160	\$2,215,029
Industrial		\$344,189	\$6,505	634.798	\$4,129		\$344,189	\$6,505	638.604	\$4,154
New Manufacturing		\$24,777,211	\$383,373	754.005	\$289,065		\$24,777,211	\$383,373	759.706	\$291,251
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$355,653,887	\$5,297,966	752.950	\$3,989,104		\$366,595,764	\$5,437,602	756.045	\$4,111,070
CLASS 5										
Rural Electric and Telephone Co-Op		\$17,658,835	\$529,769	641.777	\$339,993		\$16,820,547	\$504,615	646.911	\$326,441
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$17,658,835	\$529,769	641.777	\$339,993		\$16,820,547	\$504,615	646.911	\$326,441
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$39,451	\$3,156	871.953	\$2,752
CLASS 8										
Machinery		\$6,295,616	\$99,193	588.380	\$58,363		\$8,848,779	\$137,154	668.153	\$91,640
Farm Implements		\$26,152,124	\$408,333	525.441	\$214,555		\$25,762,765	\$399,595	562.612	\$224,817
Furniture and Fixtures		\$2,694,465	\$52,188	757.942	\$39,596		\$2,604,024	\$49,677	837.701	\$41,615
Other Business Equipment		\$5,484,446	\$83,561	554.549	\$46,339		\$5,411,810	\$83,119	591.477	\$49,163
Class 8 Subtotal		\$40,626,651	\$643,275	557.790	\$358,812		\$42,627,378	\$669,544	608.225	\$407,234
CLASS 9										
Utilities		\$25,100,422	\$3,012,050	543.336	\$1,636,554		\$24,117,854	\$2,894,136	545.044	\$1,577,430
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$92,971,687	\$2,854,231	604.256	\$1,724,687		\$82,363,080	\$2,569,727	608.832	\$1,564,531
Airlines		\$3,105	\$96	863.853	\$83		\$1,394	\$43	871.953	\$37
Class 12 Subtotal		\$92,974,792	\$2,854,327		\$1,724,770		\$82,364,474	\$2,569,770		\$1,564,569
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$3,623,837	\$217,423	689.495	\$149,912		\$3,757,214	\$225,435	668.422	\$150,686
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$3,623,837	\$217,423		\$149,912		\$3,757,214	\$225,435		\$150,686
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$62,000,001	\$1,859,999	666.045	\$1,238,843
Wind Generation New & Exp		\$315,631,994	\$6,150,113	655.885	\$4,033,764		\$188,321,408	\$3,609,027	617.163	\$2,227,358
Class 14 Subtotal		\$315,631,994	\$6,150,113		\$4,033,764		\$250,321,409	\$5,469,026		\$3,466,201
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$1,086,911,068	\$23,834,873	633.398	\$15,096,961		\$1,022,253,247	\$22,902,360	632.308	\$14,481,349

ABATED PROPERTY

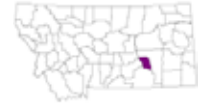
Current Values of Abated Property	\$324,665,776	\$6,235,934	655.608	\$4,088,327	\$197,355,190	\$3,694,848	617.609	\$2,281,972
Values Without the Property Abatement	\$324,665,776	\$9,639,723	655.608	\$6,319,877	\$197,355,190	\$5,820,381	617.609	\$3,594,720
Difference (Property Value Abated)	\$0	-\$3,403,789		-\$2,231,551	\$0	-\$2,125,533		-\$3,312,748

Top 10 Property Owners by Taxable Value

TY 2017					TY 2018				
1	BNSF RAILWAY CO	2	NATURENER RIM ROCK WIND ENERGY LLC	1	NATURENER RIM ROCK WIND ENERGY LLC	2	BNSF RAILWAY CO		
3	NORTHWESTERN ENERGY-T & D	4	NATURENER GLACIER WIND ENERGY 1 LLC	3	NORTHWESTERN ENERGY-T & D	4	NATURENER GLACIER WIND ENERGY 1 LLC		
5	NATURENER GLACIER WIND ENERGY 2 LLC	6	CORRECTIONS CORPORATION OF AMERICA	5	NATURENER GLACIER WIND ENERGY 2 LLC	6	CORRECTIONS CORPORATION OF AMERICA		
7	FRONT RANGE PIPELINE LLC	8	MARIAS RIVER ELEC COOP	7	FRONT RANGE PIPELINE LLC	8	MARIAS RIVER ELEC COOP		
9	NORTHERN TELEPHONE COOPERATIVE INC	10	CHS INC	9	BIG ROSE COLONY INC	10	CHS INC		

Property Taxes Paid by County

Treasure County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	22,061	\$20,821,342	\$449,745	442.232	\$198,891	22,062	\$20,780,664	\$448,865	467.545	\$209,865
Tillable Non-Irrigated	11,956	\$2,581,453	\$55,769	442.291	\$24,666	11,960	\$2,580,986	\$55,759	467.598	\$26,073
Grazing	524,221	\$20,327,497	\$439,079	442.541	\$194,311	524,213	\$20,325,972	\$439,045	467.831	\$205,399
Wild Hay	6,395	\$1,494,788	\$32,292	441.171	\$14,246	6,362	\$1,487,932	\$32,143	466.556	\$14,997
Non-Qualified Ag Land	1,446	\$69,594	\$10,522	442.422	\$4,655	1,535	\$73,900	\$11,173	467.651	\$5,225
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$45,294,674	\$987,407	442.340	\$436,770		\$45,249,454	\$986,985	467.644	\$461,558
CLASS 4 Land and Improvements:										
Residential		\$15,755,109	\$216,554	675.038	\$146,182		\$15,654,029	\$215,209	700.582	\$150,772
Residential Low Income		\$559,390	\$4,022	805.355	\$3,239		\$749,070	\$5,020	835.970	\$4,197
Mobile Homes		\$1,910,360	\$25,791	520.524	\$13,425		\$1,961,580	\$26,483	552.573	\$14,634
Mobile Homes Low Income		\$41,270	\$111	403.115	\$45		\$66,900	\$180	578.566	\$104
Commercial		\$26,301,760	\$372,615	482.098	\$179,637		\$27,685,513	\$391,034	506.065	\$197,889
Industrial		\$69,491	\$1,314	441.165	\$580		\$69,491	\$1,314	466.550	\$613
New Manufacturing		\$1,192,615	\$22,540	441.165	\$9,944		\$1,192,615	\$22,540	466.550	\$10,516
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$45,829,965	\$642,947	549.114	\$353,051		\$47,379,198	\$661,780	572.281	\$378,724
CLASS 5										
Rural Electric and Telephone Co-Op		\$4,647,264	\$139,419	505.976	\$70,543		\$5,959,903	\$178,797	535.333	\$95,716
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$4,647,264	\$139,419	505.976	\$70,543		\$5,959,903	\$178,797	535.333	\$95,716
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$1,288,003	\$20,052	426.773	\$8,558		\$1,315,338	\$20,554	453.368	\$9,318
Farm Implements		\$7,497,480	\$119,397	416.095	\$49,680		\$7,713,767	\$122,198	449.117	\$54,881
Furniture and Fixtures		\$123,963	\$1,905	538.569	\$1,026		\$144,633	\$2,201	562.617	\$1,239
Other Business Equipment		\$397,813	\$5,977	503.148	\$3,007		\$192,722	\$2,890	611.154	\$1,766
Class 8 Subtotal		\$9,307,259	\$147,331	422.664	\$62,271		\$9,366,460	\$147,843	454.566	\$67,204
CLASS 9										
Utilities		\$15,126,860	\$1,815,222	441.165	\$800,812		\$14,144,634	\$1,697,355	466.550	\$791,901
CLASS 10										
Timber Land	1,840	\$155,474	\$575	441.165	\$254	1,840	\$155,474	\$575	466.550	\$268
CLASS 12										
Railroads		\$51,166,864	\$1,570,822	441.165	\$692,991		\$45,330,277	\$1,414,305	466.550	\$659,844
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$51,166,864	\$1,570,822		\$692,991		\$45,330,277	\$1,414,305		\$659,844
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$810,503	\$48,629	449.274	\$21,848		\$890,636	\$53,439	483.295	\$25,827
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$810,503	\$48,629		\$21,848		\$890,636	\$53,439		\$25,827
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$172,338,893	\$5,352,352	455.601	\$2,438,539		\$168,476,036	\$5,141,079	482.592	\$2,481,042
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	\$0		\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 BNSF RAILWAY CO	2 CENEX PIPELINE LLC	1 BNSF RAILWAY CO	2 CENEX PIPELINE LLC
3 NORTHWESTERN ENERGY-T & D	4 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	3 NORTHWESTERN ENERGY-T & D	4 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY
5 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	6 AVISTA CORPORATION - ELECTRIC TRANSMISSION	5 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	6 AVISTA CORPORATION - ELECTRIC TRANSMISSION
7 PACIFICORP - ELECTRIC TRANSMISSION	8 CIRCLE B LLC	7 MID YELLOWSTONE ELECTRIC COOP INC	8 PACIFICORP - ELECTRIC TRANSMISSION
9 MID YELLOWSTONE ELECTRIC COOP INC	10 PV RANCH COMPANY LLC	9 CIRCLE B LLC	10 RANGE TELEPHONE COOP INC

Property Taxes Paid by County

Valley County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	45,255	\$32,147,095	\$694,364	519.892	\$360,994	45,254	\$32,146,974	\$694,361	521.434	\$362,064
Tillable Non-Irrigated	654,316	\$184,056,689	\$3,975,646	509.608	\$2,026,022	653,483	\$183,868,565	\$3,971,584	531.934	\$2,112,619
Grazing	746,896	\$34,582,284	\$747,099	510.862	\$381,665	748,013	\$34,628,352	\$748,097	521.781	\$390,343
Wild Hay	7,480	\$1,763,114	\$38,084	507.525	\$19,329	7,480	\$1,763,114	\$38,084	518.997	\$19,765
Non-Qualified Ag Land	8,087	\$374,183	\$56,573	543.415	\$30,743	7,848	\$362,674	\$54,833	547.015	\$29,994
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$252,923,365	\$5,511,766	511.406	\$2,818,752		\$252,769,679	\$5,506,959	529.291	\$2,914,786
CLASS 4 Land and Improvements:										
Residential		\$385,875,192	\$5,219,445	653.676	\$3,411,824		\$391,158,965	\$5,280,554	658.827	\$3,478,973
Residential Low Income		\$12,192,228	\$56,074	711.254	\$39,883		\$13,520,919	\$62,854	700.765	\$44,046
Mobile Homes		\$3,756,300	\$50,711	551.836	\$27,984		\$3,728,170	\$50,330	553.922	\$27,879
Mobile Homes Low Income		\$81,640	\$426	634.700	\$270		\$222,190	\$356	594.437	\$212
Commercial		\$185,761,855	\$2,975,828	620.958	\$1,847,864		\$189,066,411	\$3,021,449	629.707	\$1,902,627
Industrial		\$385,104	\$7,279	693.732	\$5,050		\$416,181	\$7,866	688.226	\$5,414
New Manufacturing		\$18,275,820	\$345,413	505.920	\$174,751		\$18,106,517	\$342,212	517.645	\$177,144
Qualified Golf Courses		\$806,034	\$7,326	559.603	\$4,100		\$806,034	\$7,326	562.498	\$4,121
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$607,134,173	\$8,662,502	636.274	\$5,511,726		\$617,025,387	\$8,772,947	642.933	\$5,640,415
CLASS 5										
Rural Electric and Telephone Co-Op		\$30,230,284	\$906,915	569.430	\$516,425		\$27,186,300	\$815,585	577.514	\$471,012
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$30,230,284	\$906,915	569.430	\$516,425		\$27,186,300	\$815,585	577.514	\$471,012
CLASS 7 Non-Centrally Assessed Public Util.										
		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$9,686,649	\$187,129	513.004	\$95,998		\$8,286,179	\$126,306	527.593	\$66,638
Farm Implements		\$36,281,730	\$569,949	502.975	\$286,670		\$35,340,853	\$551,934	510.308	\$281,657
Furniture and Fixtures		\$4,564,932	\$91,009	672.177	\$61,174		\$5,641,871	\$109,979	676.141	\$74,362
Other Business Equipment		\$3,007,945	\$50,067	556.016	\$27,838		\$2,182,909	\$37,037	557.033	\$20,631
Class 8 Subtotal		\$53,541,256	\$898,154	525.166	\$471,680		\$51,451,812	\$825,256	537.151	\$443,287
CLASS 9										
Utilities		\$97,613,190	\$11,713,575	549.619	\$6,438,009		\$98,133,521	\$11,776,021	553.034	\$6,512,544
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$95,059,148	\$2,918,316	552.444	\$1,612,205		\$84,230,821	\$2,628,001	553.795	\$1,455,373
Airlines		\$396,165	\$12,162	559.603	\$6,806		\$443,150	\$13,826	558.030	\$7,715
Class 12 Subtotal		\$95,455,313	\$2,930,478		\$1,619,011		\$84,673,971	\$2,641,827		\$1,463,088
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$18,438,986	\$1,106,350	677.127	\$749,140		\$17,985,590	\$1,079,129	672.926	\$726,174
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$18,438,986	\$1,106,350		\$749,140		\$17,985,590	\$1,079,129		\$726,174
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$1,155,336,567	\$31,729,740	571.223	\$18,124,743		\$1,149,226,260	\$31,417,724	578.378	\$18,171,306

ABATED PROPERTY

Current Values of Abated Property	\$0	\$0	-	\$0	\$174,930	\$1,329	582,660	\$774
Values Without the Property Abatement	\$0	\$0	-	\$0	\$174,930	\$1,653	582,660	\$963
Difference (Property Value Abated)	\$0	\$0		\$0	\$0	-\$324		-\$189

Top 10 Property Owners by Taxable Value

TY 2017				TY 2018			
1	NORTHERN BORDER PIPELINE COMPANY	2	BNSF RAILWAY CO	1	NORTHERN BORDER PIPELINE COMPANY	2	BNSF RAILWAY CO
3	WBI ENERGY TRANSMISSION INC	4	NORTHWESTERN ENERGY-T & D	3	WBI ENERGY TRANSMISSION INC	4	NORTHWESTERN ENERGY-T & D
5	SAGEBRUSH CELLULAR INC	6	NORVAL ELECTRIC COOPERATIVE INC	5	SAGEBRUSH CELLULAR INC	6	NORVAL ELECTRIC COOPERATIVE INC
7	NEMONT TELEPHONE COOPERATIVE INC	8	MONTANA AVIATION RESEARCH COMPANY	7	NEMONT TELEPHONE COOPERATIVE INC	8	MONTANA AVIATION RESEARCH COMPANY
9	EGT LLC	10	WBI ENERGY MIDSTREAM LLC	9	EGT LLC	10	MONTANA DAKOTA UTILITIES - GAS DISTRIBUTION

Property Taxes Paid by County

Wheatland County



	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	26,046	\$15,790,189	\$341,066	452.829	\$154,445	26,681	\$16,171,717	\$349,306	447.749	\$156,402
Tillable Non-Irrigated	102,204	\$22,386,164	\$483,546	439.971	\$212,746	101,799	\$22,283,596	\$481,330	430.270	\$207,102
Grazing	582,500	\$30,254,857	\$653,498	446.111	\$291,532	582,177	\$30,237,515	\$653,122	438.597	\$286,457
Wild Hay	27,328	\$6,549,585	\$141,470	434.580	\$61,480	27,078	\$6,489,046	\$140,163	422.839	\$59,266
Non-Qualified Ag Land	6,587	\$317,049	\$47,945	449.194	\$21,537	6,814	\$327,970	\$49,596	442.503	\$21,946
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$75,297,844	\$1,667,525	444.815	\$741,740		\$75,509,844	\$1,673,517	436.908	\$731,174
CLASS 4 Land and Improvements:										
Residential		\$63,467,315	\$859,746	538.324	\$462,822		\$65,423,274	\$880,056	536.188	\$471,875
Residential Low Income		\$3,372,048	\$18,897	561.302	\$10,607		\$2,953,087	\$13,232	557.825	\$7,381
Mobile Homes		\$996,550	\$13,452	462.110	\$6,216		\$1,347,610	\$18,193	469.209	\$8,536
Mobile Homes Low Income		\$14,650	\$40	512.657	\$21		\$82,100	\$40	520.710	\$21
Commercial		\$64,080,607	\$930,037	477.438	\$444,035		\$63,209,106	\$921,381	475.153	\$437,797
Industrial		\$84,842	\$1,604	457.357	\$734		\$84,842	\$1,604	453.680	\$728
New Manufacturing		\$206,660	\$3,906	457.357	\$1,786		\$206,660	\$3,906	453.680	\$1,772
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$132,222,672	\$1,827,682	506.773	\$926,221		\$133,306,679	\$1,838,412	504.844	\$928,110
CLASS 5										
Rural Electric and Telephone Co-Op		\$6,497,129	\$194,912	467.134	\$91,050		\$7,592,278	\$227,768	455.450	\$103,737
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$6,497,129	\$194,912	467.134	\$91,050		\$7,592,278	\$227,768	455.450	\$103,737
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$2,681,066	\$40,668	453.151	\$18,429		\$2,910,286	\$38,237	459.512	\$17,570
Farm Implements		\$6,499,185	\$99,044	435.797	\$43,163		\$6,795,379	\$105,193	439.842	\$46,268
Furniture and Fixtures		\$407,733	\$6,346	561.365	\$3,562		\$604,619	\$9,372	518.729	\$4,862
Other Business Equipment		\$884,869	\$13,296	455.436	\$6,055		\$627,245	\$9,409	460.182	\$4,330
Class 8 Subtotal		\$10,472,853	\$159,354	446.864	\$71,210		\$10,937,529	\$162,211	450.216	\$73,030
CLASS 9										
Utilities		\$61,421,921	\$7,370,619	445.219	\$3,281,539		\$66,862,569	\$8,023,513	435.306	\$3,492,685
CLASS 10										
Timber Land	17,414	\$3,804,868	\$14,079	442.246	\$6,226	17,388	\$3,799,125	\$14,057	433.377	\$6,092
CLASS 12										
Railroads		\$19,154,882	\$588,055	431.616	\$253,814		\$16,941,718	\$528,580	417.216	\$220,532
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$19,154,882	\$588,055		\$253,814		\$16,941,718	\$528,580		\$220,532
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$1,883,785	\$113,029	463.823	\$52,425		\$1,758,870	\$105,530	437.835	\$46,205
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$1,883,785	\$113,029		\$52,425		\$1,758,870	\$105,530		\$46,205
CLASS 14										
Wind Generation		\$110,732,609	\$3,321,978	427.726	\$1,420,896		\$101,735,938	\$3,052,078	413.942	\$1,263,384
Wind Generation New & Exp		\$54,629,096	\$819,437	551.906	\$452,252		\$53,066,366	\$907,225	532.444	\$483,046
Class 14 Subtotal		\$165,361,705	\$4,141,415		\$1,873,149		\$154,802,304	\$3,959,303		\$1,746,430
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$476,117,659	\$16,076,670	453.911	\$7,297,373		\$471,510,916	\$16,532,891	444.447	\$7,347,995
ABATED PROPERTY										
Current Values of Abated Property		\$54,629,096	\$819,437	551.906	\$452,252		\$53,066,366	\$907,225	532.444	\$483,046
Values Without the Property Abatement		\$54,629,096	\$1,638,873	551.906	\$904,504		\$53,066,366	\$1,591,991	532.444	\$847,646
Difference (Property Value Abated)		\$0	-\$819,436		-\$452,252		\$0	-\$684,766		-\$364,600

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 INVENERGY LLC	2 EXPRESS PIPELINE LLC	1 EXPRESS PIPELINE LLC	2 INVENERGY LLC
3 NORTHWESTERN ENERGY-T & D	4 FRONT RANGE PIPELINE LLC	3 NORTHWESTERN ENERGY-T & D	4 MUSSELSHELL WIND PROJECT LLC
5 BNSF RAILWAY CO	6 MUSSELSHELL WIND PROJECT LLC	5 FRONT RANGE PIPELINE LLC	6 BNSF RAILWAY CO
7 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY	8 PHILLIPS 66 CARRIER LLC	7 PHILLIPS 66 CARRIER LLC	8 PUGET SOUND ENERGY INC - TRANSMISSION PROPERTY
9 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	10 NJR CLEAN ENERGY VENTURES	9 PORTLAND GENERAL ELECTRIC COMPANY - TRANSMISSION	10 NJR CLEAN ENERGY VENTURES

Property Taxes Paid by County

Wibaux County



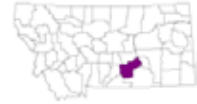
	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Tillable Non-Irrigated	96,084	\$32,078,042	\$692,892	344.939	\$239,005	95,625	\$31,996,402	\$691,128	345.945	\$239,093
Grazing	406,555	\$18,551,760	\$400,722	344.970	\$138,237	407,059	\$18,531,694	\$400,288	345.983	\$138,493
Wild Hay	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Non-Qualified Ag Land	752	\$36,192	\$5,473	352.959	\$1,932	752	\$36,192	\$5,473	354.254	\$1,939
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$50,665,994	\$1,099,087	344.990	\$379,174		\$50,564,288	\$1,096,889	346.000	\$379,524
CLASS 4 Land and Improvements:										
Residential		\$24,022,204	\$328,208	422.803	\$138,767		\$24,042,125	\$328,289	426.436	\$139,994
Residential Low Income		\$1,147,103	\$5,614	428.335	\$2,405		\$1,167,559	\$6,279	429.452	\$2,697
Mobile Homes		\$2,665,350	\$35,979	362.939	\$13,058		\$2,730,320	\$36,856	382.144	\$14,084
Mobile Homes Low Income		\$3,450	\$9	422.570	\$4		\$3,450	\$9	443.841	\$4
Commercial		\$35,255,685	\$505,117	361.883	\$182,793		\$35,590,888	\$509,749	363.415	\$185,250
Industrial		\$79,800	\$1,508	344.931	\$520		\$79,800	\$1,508	345.938	\$522
New Manufacturing		\$673,990	\$12,738	344.931	\$4,394		\$673,990	\$12,738	345.938	\$4,407
Qualified Golf Courses		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Remodeled Commercial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$63,847,582	\$889,173	384.561	\$341,941		\$64,288,132	\$895,428	387.477	\$346,958
CLASS 5										
Rural Electric and Telephone Co-Op		\$4,804,490	\$144,135	366.821	\$52,872		\$7,004,193	\$210,128	368.419	\$77,415
Qualified New Industrial		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Pollution Control		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$4,804,490	\$144,135	366.821	\$52,872		\$7,004,193	\$210,128	368.419	\$77,415
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$9,311,540	\$162,090	326.915	\$52,990		\$5,128,196	\$94,230	345.382	\$32,545
Farm Implements		\$7,736,701	\$121,772	335.964	\$40,911		\$7,048,800	\$110,717	345.394	\$38,241
Furniture and Fixtures		\$256,832	\$4,000	397.980	\$1,592		\$192,698	\$3,021	414.658	\$1,253
Other Business Equipment		\$6,024,753	\$142,245	326.027	\$46,376		\$5,519,621	\$129,377	344.837	\$44,614
Class 8 Subtotal		\$23,329,826	\$430,107	329.844	\$141,868		\$17,889,315	\$337,345	345.797	\$116,653
CLASS 9										
Utilities		\$103,122,960	\$12,374,757	345.504	\$4,275,532		\$108,534,580	\$13,024,148	346.591	\$4,514,056
CLASS 10										
Timber Land	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
CLASS 12										
Railroads		\$20,210,872	\$620,474	352.353	\$218,626		\$17,875,684	\$557,721	353.625	\$197,224
Airlines		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 12 Subtotal		\$20,210,872	\$620,474		\$218,626		\$17,875,684	\$557,721		\$197,224
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$634,968	\$38,099	374.941	\$14,285		\$618,659	\$37,120	409.760	\$15,210
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$634,968	\$38,099		\$14,285		\$618,659	\$37,120		\$15,210
CLASS 14										
Wind Generation		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$0	\$0		\$0		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$266,616,692	\$15,595,832	347.804	\$5,424,297		\$266,774,851	\$16,158,779	349.472	\$5,647,041
ABATED PROPERTY										
Current Values of Abated Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Values Without the Property Abatement		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Difference (Property Value Abated)		\$0	\$0		\$0		\$0	\$0		\$0

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 ONEOK BAKKEN PIPELINE LLC	2 HILAND CRUDE LLC	1 ONEOK BAKKEN PIPELINE LLC	2 HILAND CRUDE LLC
3 BELLE FOURCHE PIPELINE COMPANY	4 BNSF RAILWAY CO	3 BELLE FOURCHE PIPELINE COMPANY	4 BNSF RAILWAY CO
5 BRIDGER PIPELINE LLC	6 WBI ENERGY TRANSMISSION INC	5 WBI ENERGY TRANSMISSION INC	6 BRIDGER PIPELINE LLC
7 DENBURY ONSHORE LLC	8 BUTTE PIPE LINE CO	7 DENBURY ONSHORE LLC	8 GOLDENWEST ELECTRIC COOP INC
9 BERGER JEFFREY W & TAMI M	10 BLACK DIAMOND ENERGY SERVICES INC	9 MONTANA DAKOTA UTILITIES - ELECTRIC TRANSMISSION	10 BUTTE PIPE LINE CO

Property Taxes Paid by County

Yellowstone County

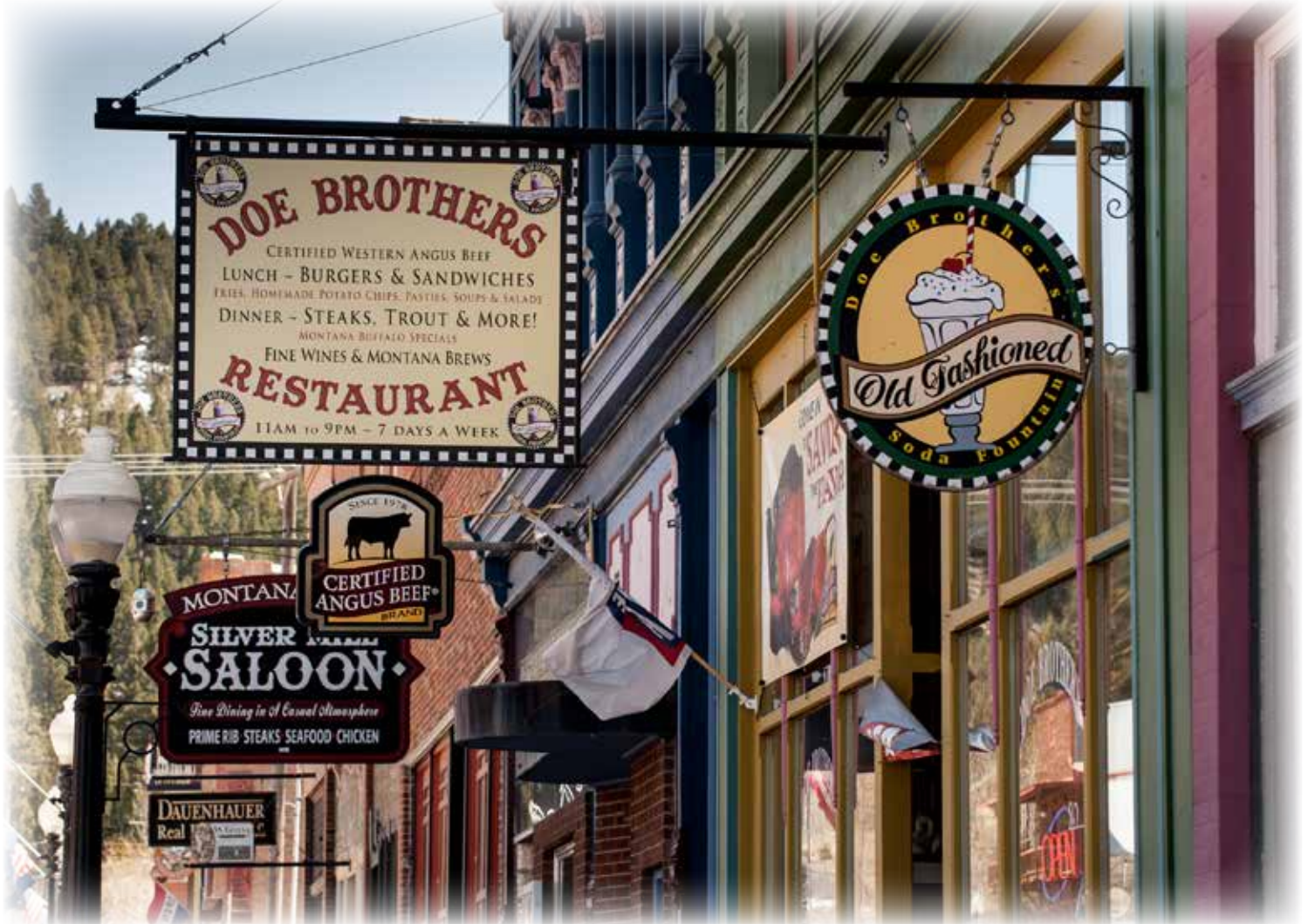


	TY 2017					TY 2018				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 2 Gross Proceeds		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 3 Agricultural Land:										
Tillable Irrigated	59,225	\$49,982,266	\$1,079,604	579.258	\$625,369	58,874	\$49,285,285	\$1,064,550	599.072	\$637,742
Tillable Non-Irrigated	201,048	\$40,023,313	\$864,537	518.662	\$448,402	199,340	\$39,697,655	\$857,502	526.746	\$451,686
Grazing	940,998	\$37,685,513	\$814,084	574.101	\$467,367	941,107	\$37,684,304	\$814,049	582.213	\$473,950
Wild Hay	21,834	\$4,187,724	\$90,454	524.015	\$47,399	21,852	\$4,193,326	\$90,575	529.320	\$47,943
Non-Qualified Ag Land	60,502	\$2,906,349	\$439,448	558.032	\$245,226	61,419	\$2,952,398	\$446,393	580.427	\$259,098
Eligible Mining Claims	0	\$0	\$0	-	\$0	0	\$0	\$0	-	\$0
Class 3 Subtotal		\$134,785,165	\$3,288,127	557.692	\$1,833,764		\$133,812,968	\$3,273,069	571.458	\$1,870,420
CLASS 4 Land and Improvements:										
Residential		\$10,934,980,667	\$147,689,275	662.557	\$97,852,573		\$11,148,719,694	\$150,022,186	678.797	\$101,834,683
Residential Low Income		\$378,707,638	\$1,857,844	672.708	\$1,249,787		\$363,240,882	\$1,842,430	689.468	\$1,270,296
Mobile Homes		\$153,190,405	\$2,067,600	628.581	\$1,299,653		\$153,302,540	\$2,069,118	594.594	\$1,230,285
Mobile Homes Low Income		\$11,438,310	\$50,909	654.548	\$33,322		\$24,298,783	\$53,709	625.635	\$33,602
Commercial		\$4,900,703,380	\$87,342,284	650.674	\$56,831,346		\$4,898,221,091	\$87,028,777	666.945	\$58,043,408
Industrial		\$75,176,949	\$1,420,846	581.155	\$825,731		\$72,266,903	\$1,365,575	616.145	\$841,392
New Manufacturing		\$321,303,146	\$5,920,272	578.464	\$3,424,666		\$333,027,688	\$6,146,368	617.368	\$3,794,569
Qualified Golf Courses		\$31,881,086	\$302,870	603.921	\$182,910		\$30,139,841	\$286,328	610.158	\$174,705
Remodeled Commercial		\$26,082,681	\$0	-	\$50,529		\$25,021,219	\$0	-	\$48,472
Extended Prop Tax Relief Program (Res Only)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 4 Subtotal		\$16,833,464,262	\$246,651,900	655.785	\$161,750,516		\$17,068,238,641	\$248,814,491	672.274	\$167,271,412
CLASS 5										
Rural Electric and Telephone Co-Op		\$60,086,236	\$1,802,594	572.827	\$1,032,575		\$61,810,663	\$1,854,319	587.169	\$1,088,799
Qualified New Industrial		\$0	\$0	-	\$0		\$171,823,915	\$0	-	\$0
Pollution Control		\$73,580,454	\$2,207,413	567.867	\$1,253,516		\$69,731,616	\$2,082,746	622.091	\$1,295,658
Gasohol Related		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Research and Development		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Aluminum Electrolytic Equipment		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 5 Subtotal		\$133,666,690	\$4,010,007	570.097	\$2,286,091		\$303,366,194	\$3,937,065	605.643	\$2,384,457
CLASS 7										
Non-Centrally Assessed Public Util.		\$0	\$0	-	\$0		\$0	\$0	-	\$0
CLASS 8										
Machinery		\$1,705,269,362	\$48,619,690	554.909	\$26,979,499		\$1,769,440,080	\$42,811,820	603.908	\$25,854,404
Farm Implements		\$17,657,833	\$281,423	534.071	\$150,300		\$19,148,493	\$302,773	552.045	\$167,144
Furniture and Fixtures		\$172,624,075	\$2,968,620	654.595	\$1,943,243		\$177,826,804	\$3,016,706	649.459	\$1,959,227
Other Business Equipment		\$128,056,594	\$3,349,344	564.221	\$1,889,770		\$164,354,285	\$4,456,182	592.810	\$2,641,669
Class 8 Subtotal		\$2,023,607,864	\$55,219,077	560.727	\$30,962,812		\$2,130,769,662	\$50,587,481	605.336	\$30,622,445
CLASS 9										
Utilities		\$338,343,564	\$40,601,213	603.007	\$24,482,810		\$341,491,399	\$40,978,960	617.041	\$25,285,689
CLASS 10										
Timber Land	39,220	\$3,955,278	\$14,631	606.730	\$8,877	39,235	\$3,957,626	\$14,641	615.744	\$9,015
CLASS 12										
Railroads		\$314,527,403	\$9,655,991	528.834	\$5,106,415		\$266,680,395	\$8,320,434	553.123	\$4,602,221
Airlines		\$47,729,794	\$1,465,306	705.516	\$1,033,797		\$51,202,813	\$1,597,529	714.270	\$1,141,067
Class 12 Subtotal		\$362,257,197	\$11,121,297		\$6,140,211		\$317,883,208	\$9,917,963		\$5,743,288
CLASS 13										
Electrical Generation Property		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Telecommunication Property		\$158,387,778	\$9,503,307	688.953	\$6,357,262		\$149,955,329	\$8,997,301	680.380	\$6,121,587
Elect Gen/Tele Real Prop New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 13 Subtotal		\$158,387,778	\$9,503,307		\$6,357,262		\$149,955,329	\$8,997,301		\$6,121,587
CLASS 14										
Wind Generation		\$7,958,004	\$238,740	499.256	\$119,192		\$0	\$0	-	\$0
Wind Generation New & Exp		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Class 14 Subtotal		\$7,958,004	\$238,740		\$119,192		\$0	\$0		\$0
CLASS 15										
Carbon Dioxide and Liquid Pipeline		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Carbon Dioxide and Liquid Pipeline (abated)		\$0	\$0	-	\$0		\$0	\$0	-	\$0
Total		\$19,996,425,802	\$370,648,299	631.169	\$233,941,536		\$20,449,475,027	\$366,520,971	652.918	\$239,308,313
ABATED PROPERTY										
Current Values of Abated Property		\$60,853,887	\$428,445	789.800	\$338,386		\$420,675,926	\$3,693,984	815.261	\$3,011,561
Values Without the Property Abatement		\$60,853,887	\$1,185,692	789.800	\$936,459		\$420,675,926	\$11,978,057	815.261	\$9,765,242
Difference (Property Value Abated)		\$0	-\$757,247		-\$598,073		\$0	-\$8,284,073		-\$6,753,681

Top 10 Property Owners by Taxable Value

TY 2017		TY 2018	
1 CHS INC	2 NORTHWESTERN ENERGY-T & D	1 NORTHWESTERN ENERGY-T & D	2 CHS INC
3 PHILLIPS 66 COMPANY	4 EXXON MOBIL CORPORATION	3 PHILLIPS 66 COMPANY	4 EXXON MOBIL CORPORATION
5 BNSF RAILWAY CO	6 MONTANA DAKOTA UTILITIES - GAS DISTRIBUTION	5 BNSF RAILWAY CO	6 MONTANA DAKOTA UTILITIES - GAS DISTRIBUTION
7 CHARTER COMMUNICATIONS INC	8 PHILLIPS 66 CARRIER LLC	7 PHILLIPS 66 CARRIER LLC	8 CHARTER COMMUNICATIONS INC
9 CENTURYLINK INC	10 MONTANA RAIL LINK	9 MONTANA RAIL LINK	10 QWEST CORPORATION AND OR CENTURYLINK INC -

ALCOHOLIC BEVERAGE CONTROL DIVISION



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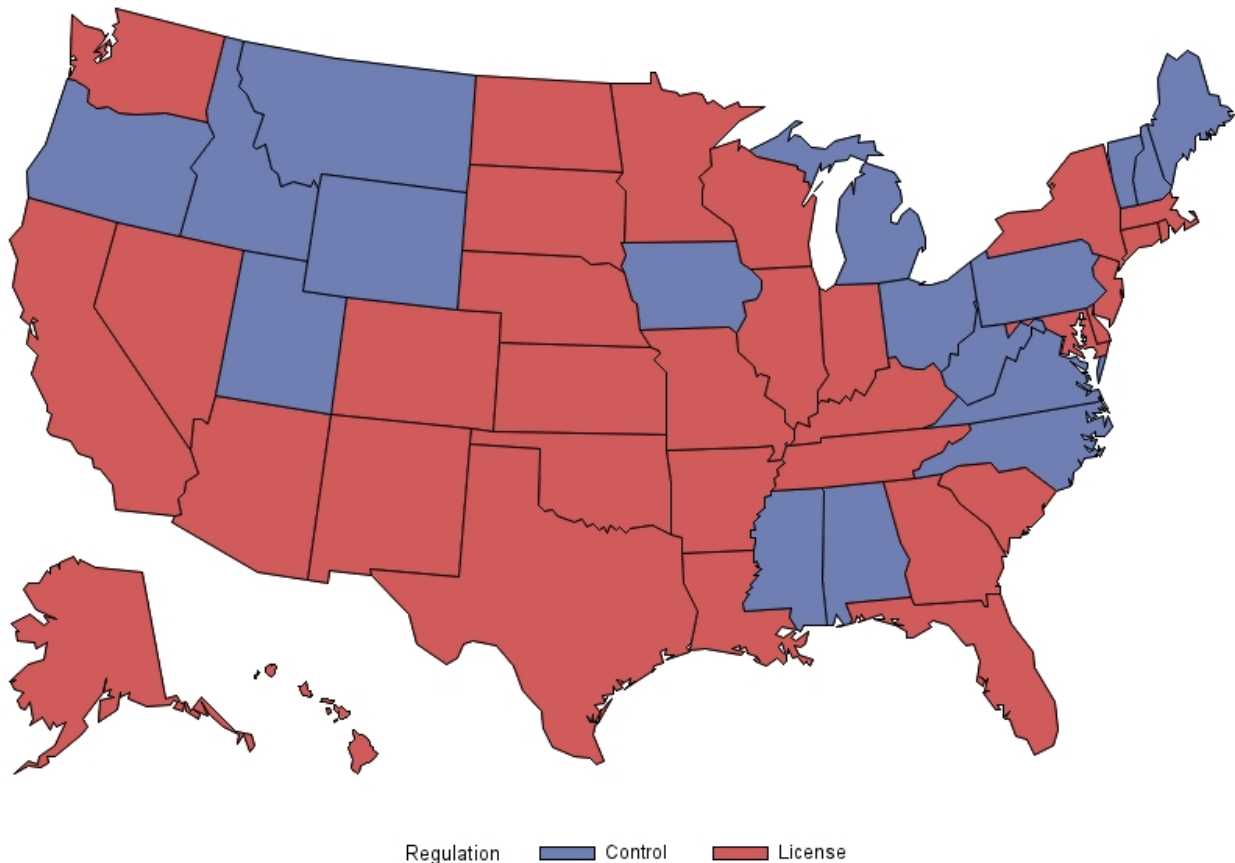
Overview of the Alcoholic Beverage Control Division

The Department of Revenue's Alcoholic Beverage Control Division (ABCD) administers Montana's Alcoholic Beverage Code (Title 16, Chapters 1 through 6, MCA). This division is responsible for licensing and regulating all alcoholic beverage operations in the state. In addition, the Alcoholic Beverage Control Division is the only wholesaler of distilled spirits in the state.

At the end of Prohibition in 1933, individual jurisdictions had to choose how to regulate the sale of alcoholic beverages. Two general systems arose from this: license states and control states. A license state regulates private businesses that are licensed to sell alcoholic beverages. In control states, a state agency acts as the sole wholesaler, and in some states the sole retailer, for some or all alcoholic beverages. Control states also license and regulate any parts of the supply chain that are operated privately. Montana is a control state.

Control states serve as wholesalers to try to control the consumption of alcoholic beverages rather than encourage or promote it. The details vary from state to state. For Montana, the state is the only wholesaler for distilled spirits and fortified wine, but wholesaling of beer and table wine is done by private companies licensed by the state. In some other control states, the state also acts as wholesaler for beer and wine. In some control states, the state also operates retail stores.

As shown in the map below, there are sixteen other control states: Alabama, Idaho, Iowa, Maine, Michigan, Mississippi, New Hampshire, North Carolina, Ohio, Oregon, Pennsylvania, Utah, Vermont, Virginia, West Virginia, and Wyoming. Several counties in Alaska, Maryland, Minnesota, and South Dakota also operate as control jurisdictions.



Liquor Distribution and Licensing and Compliance Bureaus

Because the Alcoholic Beverage Control Division has two very different responsibilities, it is split into two bureaus: Liquor Distribution and Licensing and Compliance.

The Liquor Distribution Bureau is responsible for managing the entire wholesale process for distilled spirits and fortified wine. This includes:

- Operating the state liquor warehouse by ordering, maintaining, and managing liquor warehouse inventories.
- Establishing and posting statutorily-defined prices for all approved liquor products distributed through the warehouse.
- Establishing and maintaining agency contracts and supplying products to the 95 agency liquor stores.

The Licensing and Compliance Bureau is responsible for administering alcoholic beverage licensing laws in an effort to protect the welfare and safety of the public. This division oversees and enforces compliance with the state's alcoholic beverage laws. This includes:

- Licensing all individuals and entities manufacturing, importing, distributing, or retailing alcoholic beverages in Montana.
- Verifying the suitability of alcoholic beverage license applicants and premises to ensure they meet the relevant qualifications.
- Actively monitoring licensee premises activities to ensure compliance with state laws.
- Providing expert testimony in case of violation, revocation, and other regulatory proceedings.

Because Montana's alcoholic beverage laws may seem complex, this section of the Biennial Report gives a general overview of alcoholic beverage laws in Montana in addition to information on revenue collections. More information can be found in the [annual report on the liquor enterprise fund](#) and in [publications](#) explaining each of the types of alcoholic beverage licenses, which are available on the department's website.

Legislative History

Legislative History of Alcoholic Beverage Laws

The responsibilities of the Alcoholic Beverage Control Division have grown with the evolution of the alcoholic beverage industry. Many legislative changes have affected the development of alcoholic beverage licensing and tax rates over the past 20 years. The following is a brief history of the major legislation that occurred during the past three legislative sessions. Additional legislative history is available in previous [Biennial Reports](#), which are available on the Department of Revenue's web site.

2013

SB 120 – Increased the number of all-beverage licenses that an individual may possess from one to three (16-4-205, MCA).

HB 402 – Created a direct shipment endorsement for wineries licensed or registered in Montana allowing wineries to sell and ship up to 18 9-liter cases of wine annually to an individual for personal use (16-4-1101, MCA). This eliminated the wine connoisseur's license.

HB 524 – Allowed licenses to sell beer and wine for off-premise consumption for specialty stores with at least 95 percent of gross income from beer or wine sales. Previously these licenses were only available to grocery stores or drugstores licensed as a pharmacy (16-4-115, MCA).

2015

HB 50 – Added domestic distillers, wine distributors, and importers to the list of alcoholic beverage licensees subject to investigation by the Department of Justice (16-4-406, MCA).

HB 350 – Increased the maximum number of representatives that a liquor vendor may employ from three to five (16-3-107, MCA).

HB 506 – Allowed distilleries to deliver their product directly to an agency store using their own equipment, trucks, and employees if the distillery produces less than 25,000 gallons of product annually (16-4-311, MCA).

SB 193 – Increased the state markup on liquor from 40 to 40.5 percent (16-1-404, MCA). Also changed the method of calculating each agency liquor store's commission rate to one rate based on sales (16-2-101, MCA).

2017

HB 12 – Transferred legislative oversight of administration of alcoholic beverage laws from the Revenue and Transportation Interim Committee to the Economic Affairs Interim Committee.

HB 428 – Requires the department to hold a lottery to choose a new licensee when a quota area is eligible for one or more additional retail beer licenses and there are more applicants than new licenses. The fee for a new license is to be \$25,000.

HB 462 – Creates an academic brewer license that would allow Flathead Valley Community College and Montana State University – Billings to brew beer as part of academic training in brewing.

HB 541 – Eliminates the special tax rate for brewers producing between 10,001 and 20,000 barrels per year, increases the size of small brewers allowed to operate a sample room to 60,000 barrels per year, but limits to total amount of samples a brewer may sell or give away to 2,000 barrels per year.

SB 344 – Modifies conditions for use of an alcoholic beverage license as security for a commercial loan.

2017 Special Session

SB 5 – Made several changes to the quota system. Under previous law, when the boundaries of two or more cities or towns were within 5 miles of each other, the municipalities and the areas within 5 miles of their boundaries were combined in a single quota area. SB 5 changed this so that each municipality defines a separate quota area and where the areas within 5 miles of municipal boundaries overlap, the boundary of the quota areas is to be halfway between the municipal boundaries. If this splitting of quota areas makes new licenses available, the department is to issue at most one new license per type per year in each affected quota area.

SB 5 also temporarily replaces the lottery system for new licenses with a competitive bidding process. Unless future legislatures act, the lottery system will return in 2023.



Sales of Distilled Spirits

Sales of Distilled Spirits

Out-of-state distilleries and Montana distilleries producing more than 25,000 gallons per year are required to ship all distilled spirits to be sold in Montana to the state liquor warehouse. From the liquor warehouse, liquor is distributed to the 95 privately operated agency liquor stores. The agency liquor stores may then sell to the public for off-premises consumption and to Montana's all-beverage license holders.

Montana microdistilleries, which produce 25,000 gallons per year or less, may provide samples and make limited sales at the distillery and deliver their products directly to agency liquor stores.

The Department of Revenue sets a posted price for each product. This is the price that agency liquor stores are to charge for sales of less than a case to all-beverage licensees. Full-case sales are to be made at a discount of 8 percent off the posted price. Agency liquor stores must charge at least the posted price for sales to the public, but may charge more.

Agency liquor stores buy liquor from the state warehouse at a discount off the posted price. This discount serves as the agency stores' commission on sales and is the only compensation that they receive from the state. The commission rate is set in law (16-2-101(4), MCA) and depends on the previous year's purchases. Smaller stores have a higher commission rate, up to 16 percent, while the largest stores have a commission rate of 12.15 percent.

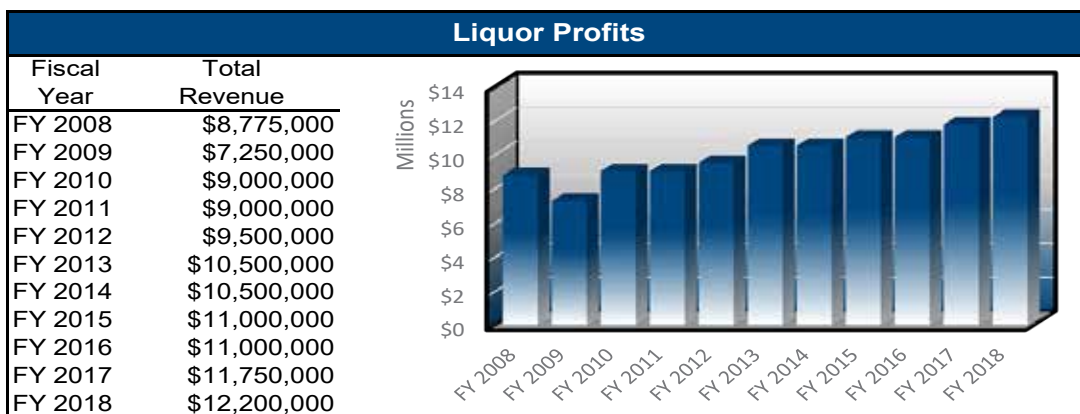
The posted price is calculated as follows:

Posted Price = Base price + markup + liquor license tax + liquor excise tax + freight rate

The base price is the price at which the department purchases liquor. Markups are set in law to cover the department's costs and provide profit for the general fund. Current markups are 40.5 percent for liquor, 51 percent for fortified wine, and 20 percent for sacramental wine (16-1-404, MCA). The law requires a lower markup for liquor produced by Montana micro-distilleries (16-2-211, MCA). The department contracts with a shipping company to deliver spirits to the 95 agency stores. The freight rate for 2018 was \$1.42 per case.

Proceeds from sales by the state liquor warehouse are deposited in the department's Liquor Enterprise Fund. The costs of operating the warehouse and buying products are paid out of this fund. The department maintains a balance in this fund for working capital at the end of each fiscal year and transfers the remaining liquor profits to the general fund. Transfers of liquor profits to the general fund have generally increased over time. An exception was Fiscal Year 2009, when the legislature appropriated \$1.75 million from liquor profits for the liquor warehouse renovation project.

Wholesaling of beer and table wine (wine containing 16 percent alcohol by volume or less) is done by private businesses subject to Montana alcoholic beverage licensing laws.



Overview of Alcoholic Beverage Licenses

Overview of Alcoholic Beverage Licenses

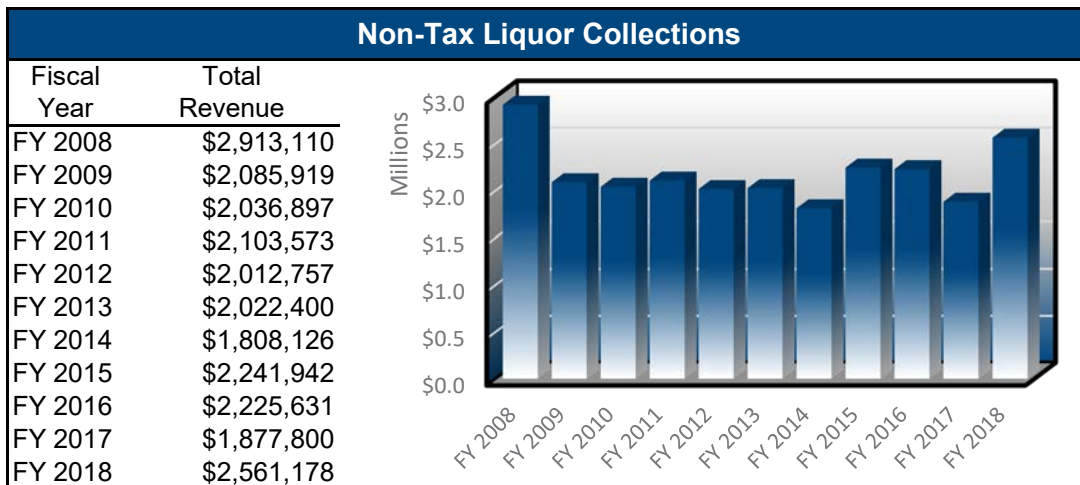
All individuals and corporations manufacturing, importing, distributing, or retailing alcoholic beverages in Montana must be licensed. In general, there are four categories of licensees: manufacturers, wholesalers and distributors, on-premises retailers, and off-premises retailers.

The law places restrictions on ownership of multiple licenses. Retailers, manufacturers, importers, and wholesalers may not have an ownership interest in an agency liquor store. Retailers may not have any affiliation with a manufacturer, importer, or distributor of alcoholic beverages. And wholesalers and distributors may not be a manufacturer of any alcoholic beverage (16-4-401, MCA).

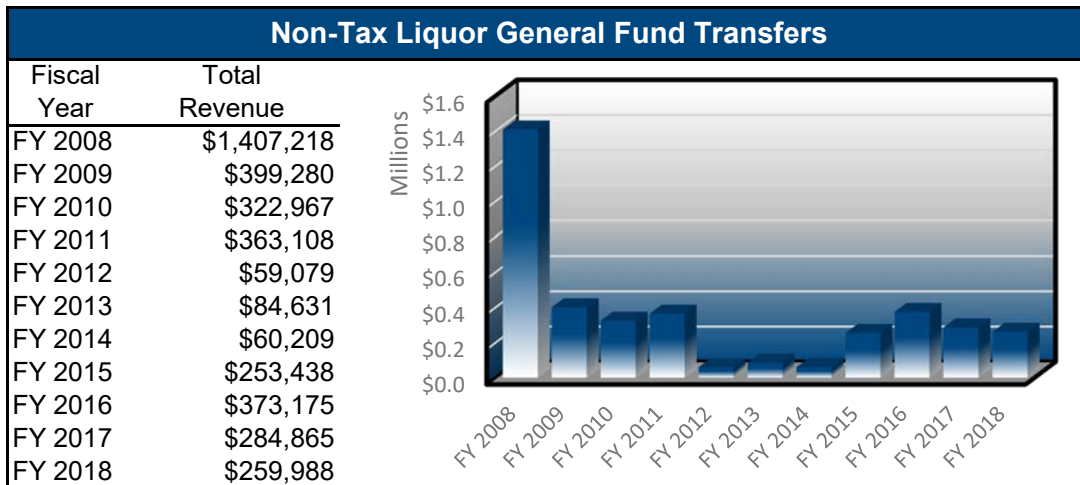
License holders are subject to an annual renewal fee. The fees set in law are described in the table to the right. These annual renewal fees and any initial license fee are deposited in the Liquor Enterprise Fund. Administrative and compliance expenses associated with enforcing Montana's alcoholic beverage laws by the Department Revenue and Department of Justice are paid from this fund.

The balance remaining in the fund at the end of the fiscal year is deposited in the state General Fund (16-2-108, MCA).

Annual License Fees (16-4-501)	
<u>On-Premise</u>	
	<u>Annual Fee</u>
All-Beverage	\$400 - \$800
Beer	\$200
Beer and Wine	\$400
Restaurant Beer and Wine	\$400
<u>Off-Premise</u>	
	<u>Annual Fee</u>
Agency Stores	No Fee
Beer	\$200
Wine	\$200
Beer and Wine	\$400
Sacramental Wine	\$50
<u>Manufacturers</u>	
	<u>Annual Fee</u>
Brewer or Beer Importer	\$200 - \$500 + \$400 per storage depot
Winery	\$200 + \$400 per subwarehouse
Distillery	\$600
<u>Wholesalers</u>	
	<u>Annual fee</u>
Beer	\$400 + \$400 per subwarehouse
Wine	\$400 + \$400 per subwarehouse
Beer and Wine	\$800
Subwarehouse	\$400



Overview of Alcoholic Beverage Licenses



The following table shows the number of licenses by type since the last Biennial Report. The next section explains the types of licenses in more detail.

Number of Licensees by License Type				
Fiscal Year 2016		Fiscal Year 2017		
<u>On-Premise</u>	<u>Licenses</u>	<u>On-Premise</u>	<u>Licenses</u>	
All Beverage	1,569	All Beverage	1,558	
Beer	56	Beer	56	
Beer and Wine	479	Beer and Wine	481	
Restaurant Beer and Wine	244	Restaurant Beer and Wine	246	
Total On-Premise	2,348	Total On-Premise	2,341	
<u>Off-Premise</u>	<u>Licenses</u>	<u>Off-Premise</u>	<u>Licenses</u>	
Agency Liquor Stores	96	Agency Liquor Stores	95	
Beer	81	Beer	83	
Wine	7	Wine	7	
Beer and Wine	807	Beer and Wine	817	
Sacramental Wine	3	Sacramental Wine	3	
Total Off-Premise	994	Total Off-Premise	1,005	
<u>Manufacturers</u>	<u>Licenses</u>	<u>Manufacturers</u>	<u>Licenses</u>	
Domestic Brewery	71	Domestic Brewery	80	
Domestic Brewery Storage Depot	5	Domestic Brewery Storage Depot	5	
Domestic Winery	18	Domestic Winery	20	
Domestic Distiller	20	Domestic Distiller	21	
Foreign Brewer or Importer	94	Foreign Brewer or Importer	107	
Foreign Winery or Importer	1,102	Foreign Winery or Importer	1,137	
Total Manufacturers	1,310	Total Manufacturers	1,370	
<u>Wholesalers and Distributors</u>	<u>Licenses</u>	<u>Wholesalers and Distributors</u>	<u>Licenses</u>	
Beer	2	Beer	2	
Beer Subwarehouse	1	Beer Subwarehouse	1	
Wine	6	Wine	7	
Beer and Wine	20	Beer and Wine	20	
Beer and Wine Subwarehouse	10	Beer and Wine Subwarehouse	10	
Total Wholesaler/Distributor	39	Total Wholesaler/Distributor	40	

Alcoholic Beverage Licensing

Manufacturers

The manufacturer's license applies to breweries, distilleries, and wineries. These licenses differ based on in-state versus out-of-state, production levels, and product being produced.

Manufacturers, Distilled Spirits

Distilleries located outside of Montana or inside Montana with annual production over 25,000 gallons may not sell their products directly in the state. They must sell their product to the department. Distilleries located in Montana that have an annual production of 25,000 gallons or less may make limited direct sales (16-4-311, MCA and 16-4-312, MCA). The table below summarizes the differences between the two types of distilleries.

Distillery License Conditions		
Type	Located in Montana, Annual production 25,000 gallons or less	All Other
On-Premises Consumption Allowed?	Samples of up to 2 oz. per customer per day, with or without charge, between 10 a.m. and 8 p.m.	No
Retail Sales for Off-Premises Consumption Allowed?	Up to 1.75 liters per customer per day, between 8 a.m. and 2 a.m., at department's posted price	No
Wholesale Sales	To department	To department
Delivery of Product	To state liquor warehouse using common carrier. To agency liquor stores using own equipment, trucks and employees	To state liquor warehouse using common carrier
May obtain special permit to sell at event?	No	No

Alcoholic Beverage Licensing

Manufacturers, Beer

Like distilleries, breweries follow different laws based on their annual nationwide production level (16-3-213, MCA and 16-3-214, MCA). These are summarized in the following table.

Brewery License Conditions			
Production Level	Less than 100 Barrels	100 to 60,000 Barrels	More than 60,000 Barrels
On-Premises Consumption Allowed?	Free samples between 8 a.m. and 2 a.m.	Up to 48 oz. per customer per day, with or without charge, between 10 a.m. and 8 p.m. Annual total 2,000 barrels or less	No
Retail Sales for Off-Premises Consumption Allowed?	Yes	Yes	No
Sales and Delivery	To wholesalers, retailers and the public using own trucks, equipment and employees	To wholesalers, retailers and the public using own trucks, equipment and employees. Annual total sales to retailers limited to 10,000 barrels or less	Only to licensed wholesalers.
Participate in events with special license?	May serve samples at a Brew Fest, may donate beer to a special event, may deliver directly to special event	May serve samples at a Brew Fest, may donate beer to a special event, may deliver directly to special event	No

Alcoholic Beverage Licensing

Manufacturers, Wine

Wineries fall into one of three categories – in-state, licensed out-of-state wineries, and registered out-of-state wineries (16-4-107, MCA and 16-3-411, MCA). Unlike breweries and distilleries, overall production level does not determine what a winery can and cannot do. Instead, limitations for wineries are determined by whether or not the winery is licensed or registered.

Like breweries and distilleries, domestic wineries have the option to provide, with or without charge, wine that was produced at the winery for consumption on the premises. Unlike breweries and distilleries, there are no restrictions on sample amounts and they may be open from 8 a.m. to 2 a.m. (16-3-411, MCA).

Winery License and Registration Conditions			
License Type	Licensed, In-State	Licensed, Out-of-State	Out-of-State, Importer's Registration
On-premises consumption allowed?	May provide free samples and sell wine between 8 a.m. and 2 a.m.	N/A	No
Retail sale for off-premises consumption allowed?	May sell wine between 8 a.m. and 2 a.m.	No	No
Direct shipment to individual customers?	With direct shipment endorsement, may ship up to 18 cases of 9 liters per year to an individual customer	With direct shipment endorsement, may ship up to 18 cases of 9 liters per year to an individual customer	With direct shipment endorsement, may ship up to 18 cases of 9 liters per year to an individual customer
Direct sales to licensed retailers allowed?	May deliver up to 4,500 cases per year using own trucks, equipment and employees and may ship up to 4,500 cases per year using common carrier or licensed wine distributor	Yes	No
Sell to licensed table wine distributors.	Yes	Yes	Yes
May provide wine at events with a special license?	Yes	No	No

Alcoholic Beverage Licensing

Wholesalers/Distributors/Importers

The Alcoholic Beverage Control Division is responsible for the wholesale distribution of distilled spirits. The wholesale distribution of beer and table wine is left up to the private sector. For a business to distribute at wholesale, it must be licensed by the department. It may be licensed as a beer wholesaler, table wine distributor, or both. A business licensed only as a table wine distributor is limited to two warehouse locations, while a business licensed as a beer wholesaler may have more than two warehouse locations. One location must be designated at the main warehouse, and additional locations must be separately licensed as sub-warehouses.

Beer importers are businesses outside of Montana that wish to import beer into Montana to a licensed beer wholesaler for sale to a licensed retailer.

Wine importers are businesses outside of Montana that wish to import wine into Montana to a licensed table wine distributor for sale to a licensed retailer.

Wholesale/Distributor Licenses		
License Type	Beer Wholesaler	Table Wine Distributor
Purchases Product From	Licensed breweries or beer importers	Licensed or registered wineries or wine importers
Sells Product to	Other wholesalers or licensed retailers	Other distributors or licensed retailers
Warehouse Locations Allowed	No limit	One or two
Statute	16-4-103, MCA	16-4-108, MCA

Retail, Off-premises

Three types of businesses may be licensed to sell beer and table wine for off-premise consumption. They are stand-alone specialty stores, grocery stores, and drugstores with a pharmacy license. The quota system does not apply to this license type and off-premises licensees cannot apply for a gambling license.

A church supply business in the state or outside Montana may be licensed to sell sacramental wine to representatives of religious organizations. A business with a sacramental wine license may sell sacramental wine on site, may deliver it, or may have it delivered by a licensed table wine distributor or common carrier.

Off-Premises Retail License				
License Type	Convenience Store or Grocery Store	Pharmacy	Stand-alone	Sacramental Wine
General Requirements	The licensee must maintain at least \$3,000 worth of grocery inventory	Must be located at a drugstore licensed as a pharmacy	95% of the business' annual gross income comes from the sale of beer, table wine, or both. This is typically a specialty beer/wine shop.	Used at an establishment located in or outside Montana that sells church supplies at retail to officials of churches or other established religious organizations and used exclusively for religious purposes
Statute	16-4-115, MCA	16-4-115, MCA	16-4-115, MCA	16-4-313, MCA

Alcoholic Beverage Licensing

Retail, On-Premises

Licenses that can be used in bars, taverns, and restaurants are called on-premises licenses. The three most common types of on-premises licenses are the all-beverage license, beer license (with the option to add a wine amendment), and a restaurant beer and wine license. Major differences between these licenses include: type of alcohol that can be sold, the right to apply for a gambling license, whether or not alcohol can be served for off-premise consumption, allowable store hours, quota limitations, and various other regulations.

On-premises licenses are further categorized as city licenses (within the boundaries of an incorporated city or town or within a 5 mile radius of an incorporated city or town) and county licenses (anywhere in the county outside of a 5 mile radius of an incorporated city or town). Restaurant beer and wine licenses only exist within incorporated cities and towns and within a 5 mile radius of that city or town.

On-Premises Retail License					
License Type	County All-Beverage	City All-Beverage	County Beer (option to add wine amendment)	City Beer (option to add wine amendment)	Restaurant Beer and Wine (RBW)
Alcohol	Distilled spirits, beer, wine		Beer and wine		
Gambling	Yes*			Yes, if issued prior to 1997	No
Off-Premises Sales	Yes				No
Sale Hours	8 a.m. - 2 a.m.				11 a.m. - 11 p.m.
Quota Limitations	Yes		No	Yes	
Additional Requirements	May have ownership interest in a maximum of 3 all-beverage licenses		Must have food available to add a wine amendment		Must be used in conjunction with a restaurant
Statute	16-4-201, MCA		16-4-105, MCA		16-4-420, MCA

*All-beverage on-premise licenses that float do not allow gambling.

The five licenses listed above are the most common on-premises licenses issued. Other on-premises licenses include: veterans or fraternal license, golf course beer and wine license, resort all-beverage license, airport all-beverage license, passenger carrier license, and nonprofit arts organization beer and wine license.

Alcoholic Beverage Licensing

Quota System

Most of the on-premises licenses are subject to the quota system. The quota system refers to the limited amount of licenses that may be issued in incorporated cities and towns and countywide. This limit is set in law and varies by license type. Once the quota is met, no new licenses may be issued until the incorporated city/town or county grows by an amount specific to that license type (16-4-502, MCA). Beginning in 2018, newly available licenses are to be allocated by a competitive bidding process, with a minimum bid of 75 percent of the market value of an existing license in the quota area.

The following table lists the quota limitations by license type. Countywide beer is excluded because it is not subject to the quota system.

Quota Limitations		
	Population	Quota
County All Beverage	-	1 license per 750 inhabitants not in a city or town
City All Beverage	<500	2 licenses
	501-3,000	3 licenses for the first 1,000 inhabitants plus 1 license for each additional 1,000
	>3,000	5 licenses for the first 3,000 inhabitants and 1 license for each additional 1,500
City Beer (with or without wine amendment)	<500	1 license
	501-2,000	1 license per 500 inhabitants
	>2,000	4 licenses for the first 2,000 inhabitants, 2 for the next 2,000 inhabitants, and 1 license for each additional 2,000
Restaurant Beer and Wine	<5,000	80% of the beer license quota
	5,001-20,000	160% of the beer license quota
	20,000-60,000	100% of the beer license quota
	>60,000	80% of the beer license quota

Once a quota is met, there are two ways of obtaining an alcoholic beverage license. The first option is to purchase a license from a current license holder at a price determined between the buyer and the seller. The second option is to wait until the population grows enough for the department to issue a new license which is determined through a competitive bid process.

Alcoholic Beverage Licensing

Some all-beverage licenses are allowed to “float” which means that an all-beverage license purchased in one quota area may move to another quota area. An all-beverage license may float out of a quota area if the number of licenses issued in the original quota area exceeds the quota by at least 25 percent. An all-beverage license may float in to a quota area if the number of licenses issued in the new quota area does not exceed that area’s quota by more than 33 percent (43 percent for incorporated cities of more than 10,000 inhabitants) (16-4-204, MCA).

The [Quota Sheet](#) gives current information and availability of the licenses. License sales from the past several years can be seen on the [Purchase Price Report](#).

The following table shows the number of licenses by county.



Alcoholic Beverage Licensing

Number of Licenses by Type and County 2018							
County	All-Beverages	Beer/Wine	Restaurant	Off-Premise	Manufacturer	Wholesale	Total
BEAVERHEAD	25	14	1	14	1	0	55
BIG HORN	7	6	0	10	0	0	23
BLAINE	11	2	0	9	0	0	22
BROADWATER	8	2	0	6	1	0	17
CARBON	35	6	4	17	1	0	63
CARTER	3	1	0	1	0	0	5
CASCADE	110	37	15	60	5	2	229
CHOUTEAU	15	1	1	6	0	0	23
CUSTER	23	8	1	10	2	2	46
DANIELS	10	0	0	2	0	0	12
DAWSON	16	6	1	12	1	1	37
DEER LODGE	28	7	0	8	1	0	44
FALLON	8	3	0	4	1	0	16
FERGUS	27	9	4	14	1	1	56
FLATHEAD	141	39	37	80	18	4	319
GALLATIN	125	45	39	74	21	6	310
GARFIELD	2	1	0	3	0	0	6
GLACIER	24	11	0	15	1	0	51
GOLDEN VALLEY	3	0	0	2	0	0	5
GRANITE	10	2	2	5	2	0	21
HILL	30	11	3	12	3	2	61
JEFFERSON	15	6	0	6	0	1	28
JUDITH BASIN	8	1	0	4	0	0	13
LAKE	42	11	4	28	5	0	90
LEWIS AND CLARK	86	26	20	54	6	5	197
LIBERTY	4	1	0	3	0	0	8
LINCOLN	37	12	10	27	2	0	88
MADISON	32	14	8	11	2	1	68
MCCONE	5	1	0	4	0	0	10
MEAGHER	10	3	0	3	1	0	17
MINERAL	15	3	0	9	1	0	28
MISSOULA	109	46	31	82	20	4	292
MUSSELSHELL	10	3	0	5	0	0	18
PARK - MT	39	28	3	22	2	0	94
PETROLEUM	2	0	0	2	0	0	4
PHILLIPS	12	4	0	7	1	0	24
PONDERA	10	5	0	7	0	0	22
POWDER RIVER	3	2	0	3	0	0	8
POWELL	14	7	0	9	1	0	31
PRAIRIE	3	0	0	2	0	0	5
RAVALLI	41	13	16	29	14	0	113
RICHLAND	19	8	3	14	2	1	47
ROOSEVELT	23	2	0	13	1	0	39
ROSEBUD	17	5	0	6	0	0	28
SANDERS	24	5	1	13	0	0	43
SHERIDAN	13	3	0	8	0	0	24
SILVER BOW	78	29	2	31	5	4	149
STILLWATER	13	5	1	12	0	0	31
SWEET GRASS	8	3	1	4	0	0	16
TETON	17	3	1	5	0	0	26
TOOLE	17	4	0	8	0	1	30
TREASURE	2	0	0	1	0	0	3
VALLEY	23	7	0	10	1	3	44
WHEATLAND	9	3	0	4	1	0	17
WIBAUX	3	1	0	3	1	0	8
YELLOWSTONE	145	71	49	105	11	2	383
Total	1569	546	258	918	136	40	3467

Alcoholic Beverage Taxes

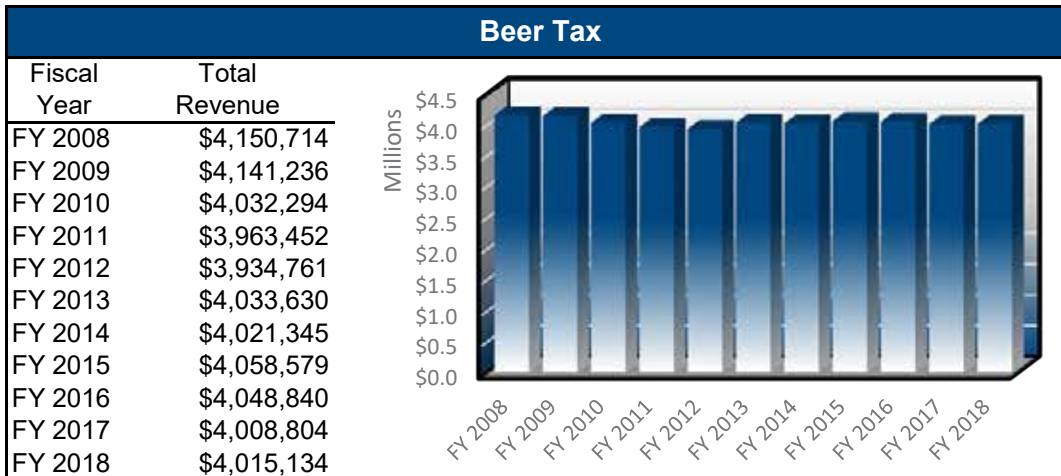
Alcoholic Beverage Taxes

Each type of alcoholic beverage has separate tax rates and distributions. Like some license types, production level determines the tax rate on beer and distilled spirits. A breakdown of each tax is provided in the following section.



Beer Tax

Statute: 16-1-406, MCA



Tax Rate

The State of Montana levies a tax on each 31-gallon barrel of beer sold in Montana. The tax rate depends on the size of the brewer. The 2017 Legislature reduced the number of tax rates from four to three, effective October 1, 2017 (16-1-406, MCA). The following table shows tax rates before and after this change.

Beer Tax Rates			
Before 10/1/2017		Beginning 10/1/2017	
Barrels Produced per Year	Tax per Barrel	Barrels Produced per Year	Tax per Barrel
1 to 5,000	\$1.30	1 to 5,000	\$1.30
5,001 to 10,000	\$2.30	5,001 to 10,000	\$2.30
10,001 to 20,000	\$3.30	Over 10,000	\$4.30
Over 20,000	\$4.30		

Filing Requirements

The beer tax is collected monthly from distributors and breweries. Taxpayers must submit returns to the Department on or before the 15th day of the month.

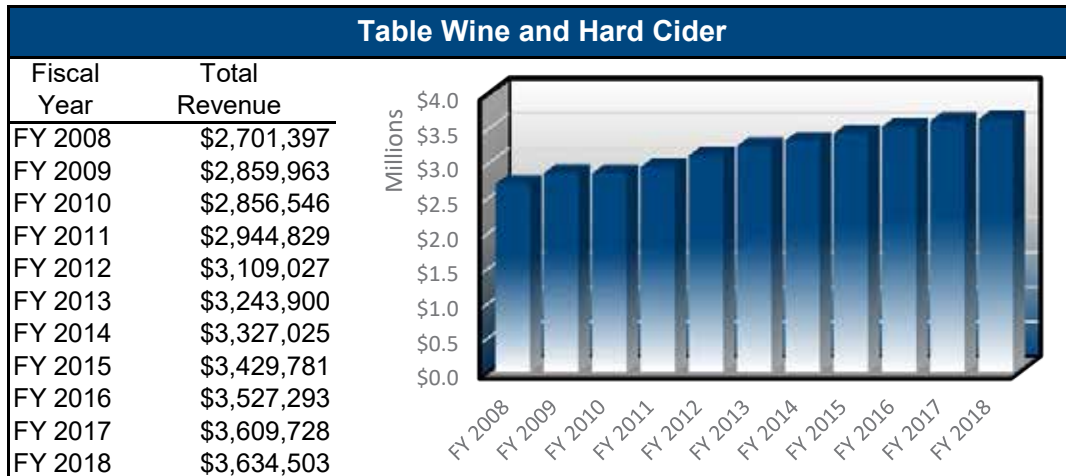
Distribution

The Department of Public Health and Human Services receives 23.26 percent of the revenue collected from the beer tax for treatment, rehabilitation, and prevention of alcoholism and chemical dependency. A small portion of beer tax revenue is refunded from the General Fund to the tribes that have a revenue-sharing agreement with the state. Currently the state has agreements with the Blackfeet, Fort Peck, Fort Belknap, and Confederated Salish and Kootenai tribes. The remainder of the revenue is deposited in the General Fund.

Distribution of Beer Tax					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
DPHHS (23.26%)	\$935,365	\$944,025	\$941,760	\$932,448	\$933,920
Tribal	\$63,443	\$80,245	\$79,807	\$78,812	\$78,814
General Fund (remainder)	\$3,022,537	\$3,034,308	\$3,027,273	\$2,997,545	\$3,002,400

Table Wine and Hard Cider Tax

Statute: 16-1-411, MCA



Tax Rate

A tax of \$0.27 per liter is levied on table wine and a tax of \$0.037 per liter is levied on hard cider sold into Montana. There is an additional \$0.01 per liter tax applied if the wine is sold to an agency liquor store.

Table Wine and Hard Cider Tax Rate	
Product	Tax Per Liter
Table Wine	\$0.27
Table Wine Sold to Agency Liquor Stores	\$0.28
Hard Cider	\$0.037

Filing Requirements

The wine and hard cider tax is collected monthly from distributors and wineries. Taxpayers must submit returns to the department on or before the 15th day of the month.

Distribution

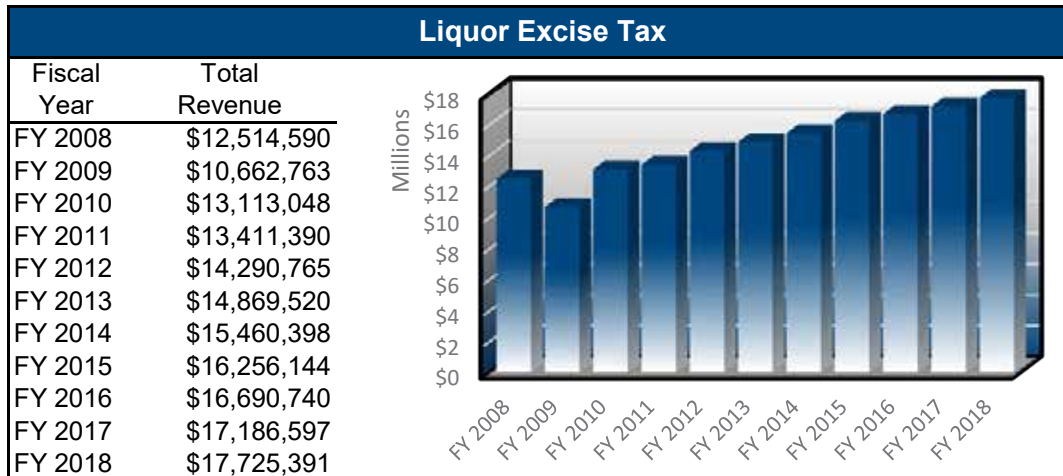
A small portion of wine tax revenue is refunded from the General Fund to the tribes that have a revenue-sharing agreement with the state. Currently the state has agreements with the Blackfeet, Fort Peck, Fort Belknap, and Confederated Salish and Kootenai tribes.

The \$0.01 per liter tax from agency liquor stores is deposited in the General Fund. The remaining revenues from the tax are deposited 69 percent to the state general fund and 31 percent to the Department of Public Health and Human Services for treatment, rehabilitation and prevention of alcoholism and chemical dependency.

Distribution of Table Wine and Hard Cider Taxes					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Table Wine and Hard Cider	\$3,324,575	\$3,427,366	\$3,524,965	\$3,607,230	\$3,632,089
Tribal Revenue	\$46,035	\$59,858	\$61,056	\$62,334	\$62,850
General Fund (69% Less Tribal Amounts)	\$2,247,921	\$2,305,024	\$2,371,170	\$2,426,655	\$2,443,292
DPHHS (31%)	\$1,030,618	\$1,062,483	\$1,092,739	\$1,118,241	\$1,125,947
Agency Liquor Stores	\$2,450	\$2,415	\$2,328	\$2,498	\$2,414
General Fund (100%)	\$2,450	\$2,415	\$2,328	\$2,498	\$2,414

Liquor Excise Tax

Statute: 16-1-401, MCA.



Tax Rate

The Department of Revenue collects an excise tax on the retail selling price of all liquor sold by the state liquor warehouse. The tax rate ranges from 3 to 16 percent of the retail selling price depending on the number of proof gallons¹ produced by the manufacturer nationwide.

Liquor Excise Tax Rate	
Annual Production Level	Tax Rate
Less than 20,000 Proof Gallons	3.0%
20,000 - 50,000 Proof Gallons	8.0%
50,001 - 200,000 Proof Gallons	13.8%
Over 200,000 Proof Gallons	16.0%

Filing Requirements

The department collects the tax at the time the agency liquor store pays the invoice (within 60 days of shipment).

Distributions

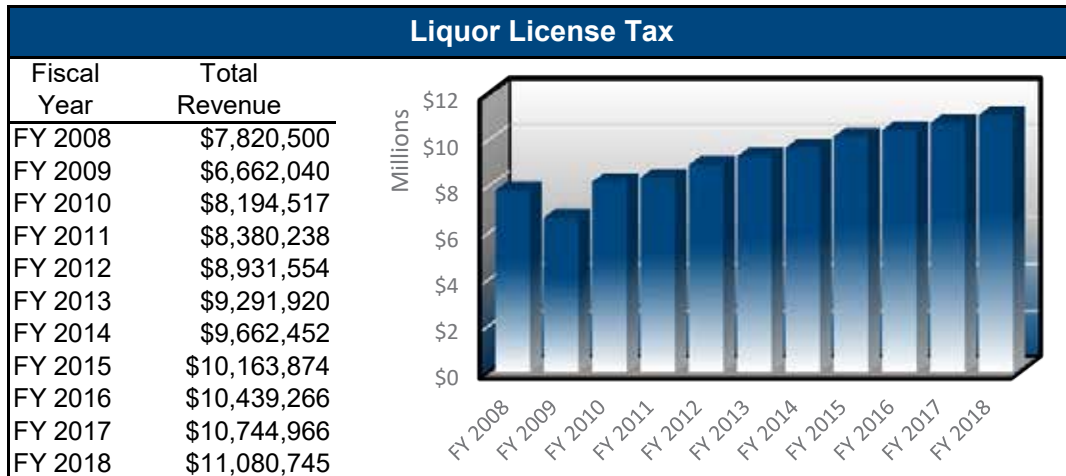
The revenue collected from the tax is deposited in the state General Fund. A small portion of this tax revenue is refunded from the General Fund to the tribes that have a revenue-sharing agreement with the state. Currently the state has agreements with the Blackfeet, Fort Peck, Fort Belknap, and Confederated Salish and Kootenai tribes.

Distribution of Liquor Excise Tax					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
General Fund	\$15,084,184	\$15,750,727	\$16,174,180	\$16,659,242	\$17,183,753
Tribal	\$376,214	\$505,417	\$516,561	\$527,354	\$541,637

¹ A proof gallon is equal to a gallon of liquid that is 50 percent alcohol by volume.

Liquor License Tax

Statute: 16-1-404, MCA



Tax Rate

The Department of Revenue collects a license tax on the retail selling price of all liquor sold by the state liquor warehouse. The tax rate ranges from 2 to 10 percent of the retail price, depending on the number of proof gallons produced by the manufacturer nationwide.

Liquor License Tax Rate	
Annual Production Level	Tax Rate
Less than 50,000 Proof Gallons	2.0%
50,001 - 200,000 Proof Gallons	8.6%
Over 200,000 Proof Gallons	10.0%

Filing Requirements

The department collects the tax at the time the agency liquor store pays the invoice (within 60 days of shipment).

Distribution

The revenues collected from the tax are deposited 34.5 percent to the state General Fund and 65.5 percent to the Department of Public Health and Human Services for treatment, rehabilitation and prevention of alcoholism and chemical dependency (16-1-404, MCA).

Distribution of Liquor License Tax					
Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
General Fund (34.5%)	\$3,333,546	\$3,506,537	\$3,601,547	\$3,707,013	\$3,822,857
DPHHS (65.5%)	\$6,328,906	\$6,657,338	\$6,837,719	\$7,037,953	\$7,257,888

State Comparison

State Comparison

The table on the next page compares states on their taxes on wine and beer. The first two columns show per-gallon taxes on wine. Many states apply a higher tax rate to wines with added alcohol or that have alcohol content over a threshold, so table wine and fortified wine are shown separately. The third shows per-gallon taxes on beer

Most states apply state and local sales taxes to wine and beer and some have special sales taxes on alcoholic beverages. The fourth and fifth columns show the average sales tax rates applied to wine and beer.

In some states there are local taxes that apply in some parts of the state, and some states have additional taxes that apply in certain circumstances, such as sales for on-premises consumption. The sixth column indicates states where one or more additional taxes may apply.

In the control states, state revenue from sales of distilled spirits come from a combination of taxes and markups included in the wholesale price the state charges. It has not been possible to develop information that is comparable between states. The state is also the sole wholesaler for table wine in three states and for fortified wine in eight states, so it has not been possible to give a rate per gallon in these cases.



State Comparison

State and Local Taxes on Beer and Wine						
State	Per Gallon Taxes			Sales Taxes		Other Taxes May Apply
	Table Wine	Fortified Wine	Beer	Wine	Beer	
Alabama	\$1.96	\$9.16	\$1.05	8.97%	8.97%	
Alaska	\$2.50	\$2.50	\$1.07	1.78%	1.78%	
Arizona	\$0.84	\$4.00	\$0.16	8.25%	8.25%	
Arkansas	\$0.75	\$0.75	\$0.23	12.30%	12.30%	*
California	\$0.20	\$0.20	\$0.20	8.48%	8.48%	*
Colorado	\$0.28	\$0.28	\$0.08	7.52%	7.52%	
Connecticut	\$0.72	\$1.80	\$0.24	6.35%	6.35%	
Delaware	\$1.63	\$1.63	\$0.26	-	-	
Florida	\$2.25	\$3.00	\$0.48	6.66%	6.66%	*
Georgia	\$2.34	\$3.37	\$0.85	7.01%	7.01%	
Hawaii	\$1.38	\$1.38	\$0.93	4.35%	4.35%	*
Idaho	\$0.45	\$0.45	\$0.15	6.03%	6.03%	*
Illinois	\$1.39	\$8.55	\$0.23	8.64%	8.64%	*
Indiana	\$0.47	\$2.68	\$0.12	7.00%	7.00%	
Iowa	\$1.75	\$1.75	\$0.19	6.79%	6.79%	
Kansas	\$0.30	\$0.75	\$0.18	8.00%	8.00%	*
Kentucky	\$0.50	\$0.50	\$0.08	16.50%	16.50%	
Louisiana	\$0.76	\$1.32	\$0.88	9.00%	9.00%	*
Maine	\$0.60	**	\$0.35	5.50%	5.50%	*
Maryland	\$0.40	\$0.40	\$0.09	9.00%	9.00%	
Massachusetts	\$0.55	\$0.70	\$0.11	-	-	*
Michigan	\$0.51	\$0.76	\$0.20	6.00%	6.00%	
Minnesota	\$0.30	\$0.95	\$0.15	90.00%	90.00%	*
Mississippi	\$0.35	\$0.35	\$0.43	7.07%	7.07%	*
Missouri	\$0.42	\$0.42	\$0.06	7.87%	7.87%	
Montana	\$1.02	**	\$0.14	-	-	*
Nebraska	\$0.95	\$1.35	\$0.31	6.87%	6.87%	
Nevada	\$0.70	\$1.30	\$0.16	7.98%	7.98%	*
New Hampshire	\$0.30	\$0.30	\$0.30	-	-	
New Jersey	\$0.88	\$0.88	\$0.12	6.97%	6.97%	
New Mexico	\$1.70	\$1.70	\$0.41	7.51%	7.51%	
New York	\$0.30	\$0.30	\$0.14	8.49%	8.49%	*
North Carolina	\$1.00	\$1.11	\$0.62	6.90%	6.90%	
North Dakota	\$0.50	**	\$0.16	7.00%	7.00%	*
Ohio	\$0.32	\$1.00	\$0.18	7.14%	7.14%	*
Oklahoma	\$0.72	\$0.72	\$0.40	12.32%	22.32%	*
Oregon	\$0.67	\$0.77	\$0.08	-	-	
Pennsylvania	**	**	\$0.08	6.34%	6.34%	
Rhode Island	\$1.40	\$1.40	\$0.11	7.00%	7.00%	*
South Carolina	\$1.08	\$1.08	\$0.77	7.22%	7.22%	
South Dakota	\$0.93	\$1.45	\$0.27	7.84%	5.84%	
Tennessee	\$1.21	\$1.21	\$1.29	9.46%	9.46%	*
Texas	\$0.20	\$0.41	\$0.19	8.17%	8.17%	*
Utah	**	**	\$0.41	6.69%	6.69%	
Vermont	\$0.55	**	\$0.27	6.17%	6.17%	*
Virginia	\$1.51	**	\$0.26	5.63%	5.63%	
Washington	\$0.87	\$1.72	\$0.26	8.89%	8.89%	
West Virginia	\$1.00	\$1.00	\$0.18	11.20%	6.20%	
Wisconsin	\$0.25	\$0.45	\$0.06	5.41%	5.41%	
Wyoming	**	**	\$0.02	5.42%	5.42%	
Dist. of Columbia	\$0.30	\$0.40	\$0.09	-	-	

* Additional taxes may apply to some sales.
** Sold through state store, state revenue includes taxes and markup



TAX EXPENDITURES



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The purpose of this tax expenditure report is to provide the public and the Legislature information on special provisions and the cost of these special provisions in terms of reduced tax revenue.

What are Tax Expenditures and Why Measure Them?

When a state agency has a program to accomplish a goal, such as upgrading the pavement on state highways, the program has a direct cost to taxpayers – the taxes they must pay to finance the program. The program's budget spells out how much the program will cost and how the money will be spent.

When the state tax code contains provisions that give incentives for taxpayers to behave in certain ways, such as saving more or donating to charities, this also has a cost to taxpayers. Without the special provisions, either general taxes could be lower or more revenue could be available to provide public services. This cost to the state budget, and ultimately to other taxpayers, is called a *tax expenditure*.

When the Legislature creates tax expenditures, conventional accounting gives a distorted picture of the state budget. To see this, suppose that the Legislature is considering two programs to provide \$10 million in assistance to private landowners who remove beetle-killed trees. One program would provide grants to landowners based on their costs and the benefits to public safety. The other would make exactly the same payments to exactly the same people for cutting down and removing exactly the same trees, but, at the end of the program, the checks would be written by the Department of Revenue instead of the Department of Natural Resources and Conservation, and the money would be called a tax credit instead of a grant.

The two programs would have the same effect on the bottom line of the state budget. They would both reduce the ending fund balance by \$10 million. In the first case, conventional accounting correctly shows how this has happened. The state spent an additional \$10 million with no change in revenue. In the second case, conventional accounting is misleading. The \$10 million spent disposing of beetle-killed trees is shown as a reduction of revenue, rather than as the expenditure it really is.

This distorted accounting allows legislators to propose new spending programs while portraying them as tax cuts. Accounting for tax expenditures gives legislators and the public a better picture of both the size and scope of state government and the tradeoffs between state programs.

How are Tax Expenditures Measured?

There are two components to measuring tax expenditures: identifying special provisions of the tax code and estimating the revenue lost because of each special provision.

Since the introduction of the tax expenditure concept by the U.S. Treasury Department in 1967, there has been considerable controversy about what should be considered to be a tax expenditure and about what baseline should be used in estimating a special provision's revenue impact. In part, the controversy has been about technical points from economic theory, and in part, it has been an ideological argument between proponents of different visions of an ideal tax system. This controversy has tended to obscure the goal of tax expenditure reporting, which is to serve as a starting point for evaluating whether special features of the tax law should be continued, modified, or replaced.

For each tax considered, this report first identifies the general structure of the tax – the general rules defining the tax base and the normal rate structure. It then identifies exceptions from these general rules. The exceptions may take the form of special, limited exemptions from the tax base, special rates with limited applicability, or tax credits. For each special provision, it explores how the special provision affects qualifying taxpayers, the state budget, and other taxpayers. This report presents the amount of each tax expenditure based on information from actual tax returns, such as the amount of credits claimed or the reduction in tax liability due to reported exclusions or deductions. It does not attempt to estimate the changes in behavior a tax incentive has induced or the additional revenue that would result from repealing it.

How Should This Information be Used?

Ideally, the Legislature would give tax expenditures the same kind of scrutiny that it gives to direct program expenditures. It would consider the likely costs and results of new proposals, and it would periodically evaluate the actual costs and impacts of existing tax expenditures. This evaluation would examine each tax expenditure's effectiveness and its cost-effectiveness.

Evaluating a tax expenditure's effectiveness would require having a clear statement of its purpose and measuring whether it accomplishes that purpose. In general, a tax expenditure's purpose is to change taxpayers' behavior in some way. An effective tax expenditure would produce a large change in taxpayers' behavior for a small cost in lost revenue. An ineffective tax expenditure would reward people for doing what they would have done anyway.

Thus, measuring a tax expenditure's effectiveness requires knowing its cost, knowing how much of the desired activity taxpayers engaged in, and estimating how much of the activity taxpayers would have done without the incentive.

Evaluating a tax expenditure's cost effectiveness would require comparing it with other methods of accomplishing the same goal. For example, the tax credits to encourage energy conservation investments could be compared to direct grant programs or changes in building codes. The tax credit for extending infrastructure to new manufacturing plants could be compared to a direct grant program or changes in land-use planning.

The table on the next page lists all of the tax expenditures in this report, as well as each expenditure's code reference, year of enactment, and bill and chapter reference.

Tax Exempt Organizations

In addition to the tax expenditures for each tax type listed in this section, the State of Montana also exempts some organizations and property from taxation by the state. In general, organizations that qualify for tax exempt status includes government, charitable and educational organizations, such as public libraries, church properties used for religious worship or nonprofits that provide care to qualified individuals. A complete list of tax exempt organization types can be located in 15-6-201, MCA. To receive, and continue, tax-exempt status, each organization is required to meet the necessary requirements and file an application to the Department of Revenue each tax year by March 1st.

Introduction to Tax Expenditures

Tax Source	Tax Expenditure	Expenditure Type	Law	Session/Year	Legislation
Individual Income Tax	Business Purchase of Recycled Material	Adjustment to Gross Income	15-32-609 to 611	1991	SB 111
Individual Income Tax	Deduction for Self-Employment	Adjustment to Gross Income	Federal Provision		
Individual Income Tax	Disability Retirement Income	Adjustment to Gross Income	15-30-2110(10)	1985	SB 464
Individual Income Tax	Domestic Production Activities	Adjustment to Gross Income	Federal Provision		
Individual Income Tax	Employer-Paid Disability Insurance Limited to Part Owners and Highly Compensated Employees	Adjustment to Gross Income	15-30-2110(2)(h)	2013	HB 545
Individual Income Tax	Employer-Paid Health Insurance Limited to Part Owners and Highly Compensated Employees	Adjustment to Gross Income	15-30-2110(2)(h)	1985	SB 72
Individual Income Tax	Exempt Tribal Income	Adjustment to Gross Income	Federal Provision		
Individual Income Tax	Family Education Savings Account	Adjustment to Gross Income	15-62-101 to 302	1997	HB 536
Individual Income Tax	Farm and Risk Management Account	Adjustment to Gross Income	15-30-3001 to 3005	2001	SB 245
Individual Income Tax	First Time Homebuyer Account	Adjustment to Gross Income	15-63-101 to 205	1997	HB 599
Individual Income Tax	Health Savings Account	Adjustment to Gross Income	Federal Provision		
Individual Income Tax	Individual Retirement Account Deduction	Adjustment to Gross Income	Federal Provision		
Individual Income Tax	Interest On Federal Government Bonds	Adjustment to Gross Income	Federal Provision and 15-30-2110(2)(a)		
Individual Income Tax	Military Salary	Adjustment to Gross Income	15-30-2117(2)	1975	HB 152
Individual Income Tax	Montana Achieving a Better Life Experience Act Account Deposits	Adjustment to Gross Income	Federal Provision		
Individual Income Tax	Montana Medical Savings Account	Adjustment to Gross Income	15-61-101 to 205	1995	HB 560
Individual Income Tax	National Guard Life Insurance	Adjustment to Gross Income	15-30-2117(3)	2005	HB 761
Individual Income Tax	Partial Exclusion of Capital Gains on Pre-1987 Installment Sales	Adjustment to Gross Income	15-30-2110(13)	1987	HB 904
Individual Income Tax	Partial Interest Exclusion for the Elderly	Adjustment to Gross Income	15-30-2110(2)(b)	1981	HB 18
Individual Income Tax	Partial Pension Exemption	Adjustment to Gross Income	15-30-2110(2)(c)	1963	HB 232
Individual Income Tax	Passive Tax Expenditures	Adjustment to Gross Income	15-30-2110(1)	1955	HB 354
Individual Income Tax	Sale of Land to Beginning Farmers	Adjustment to Gross Income	80-12-211	1983	SB 316
Individual Income Tax	Small Business Investment Company Dividends	Adjustment to Gross Income	15-33-106	1981	HB 834
Individual Income Tax	Student Loan Interest Deduction	Adjustment to Gross Income	Federal Provision		
Individual Income Tax	Third Party Repayment of Health Care Professional's Student Loans	Adjustment to Gross Income	15-30-2110(12)	2003	SB408
Individual Income Tax	Tier II Railroad Retirement	Adjustment to Gross Income	Federal Provision		
Individual Income Tax	Tips	Adjustment to Gross Income	15-30-2110(2)(f)	1983	HB 841
Individual Income Tax	Tuition and Fees Deduction	Adjustment to Gross Income	Federal Provision		
Individual Income Tax	Unemployment Compensation	Adjustment to Gross Income	15-30-2101(10)	1979	HB 363
Individual Income Tax	Worker's Compensation	Adjustment to Gross Income	15-30-2110(2)(g)	1985	SB 72
Individual Income Tax	Casualty and Theft Losses	Itemized Deduction	Federal Provision		
Individual Income Tax	Charitable Contributions	Itemized Deduction	Federal Provision		
Individual Income Tax	Child and Dependent Care Expenses	Itemized Deduction	15-30-2131(1)(c)	1977	HB 47
Individual Income Tax	Federal Income Tax	Itemized Deduction	15-30-2131(1)(b)	1933	HB 328
Individual Income Tax	Home Mortgage Interest	Itemized Deduction	Federal Provision		
Individual Income Tax	Light Vehicle Registration Fees	Itemized Deduction	15-30-2131(1)(h)	1999	HB 540
Individual Income Tax	Long Term Care Insurance Premiums	Itemized Deduction	15-30-2131(1)(a)(iv)	1997	SB 151

Introduction to Tax Expenditures

Tax Source	Tax Expenditure	Chapter Number	Law	Session/Year	Legislation
Individual Income Tax	Livestock Fees	Itemized Deduction	15-30-2131(1)(i)	2001	HB 124
Individual Income Tax	Medical and Dental Expenses	Itemized Deduction	Federal Provision		
Individual Income Tax	Medical Insurance Premiums	Itemized Deduction	15-30-2131(1)(a)(iii)	1995	HB 202
Individual Income Tax	Other Deductible Taxes	Itemized Deduction	Federal Provision		
Individual Income Tax	Political Contributions	Itemized Deduction	15-30-2131(1)(d)	1979	HB 407
Individual Income Tax	Property Taxes on Personal Property	Itemized Deduction	Federal Provision		
Individual Income Tax	Property Taxes on Real Estate	Itemized Deduction	Federal Provision		
Individual Income Tax	Sales Tax and Local Income Tax	Itemized Deduction	Federal Provision		
Individual Income Tax	Adoption Credit	Credit	15-30-2364	2007	HB 490
Individual Income Tax	Alternative Energy Production Credit	Credit	15-32-401 to 407	1983	HB 780
Individual Income Tax	Alternative Energy Systems Credit	Credit	15-32-201 to 203	1977	SB 167
Individual Income Tax	Alternative Fuel Credit	Credit	15-30-2320	1993	HB 219
Individual Income Tax	Apprenticeship Credit	Credit	15-30-2357, 39-6-109	2017	HB 308
Individual Income Tax	Biodiesel Blending and Storage Tank Credit	Credit	15-32-703	2005	HB 756
Individual Income Tax	Capital Gains Credit	Credit	15-30-2301	2003	SB 407
Individual Income Tax	College Contribution Credit	Credit	15-30-2326	1991	HB 894
Individual Income Tax	Credit For Other States' Taxes	Credit	15-30-2302	1941	HB 38
Individual Income Tax	Dependent Care Credit	Credit	15-31-131, 15-31-133, 15-30-2373	1989	SB 282
Individual Income Tax	Elderly Care Credit	Credit	15-30-2366	1989	HB 166
Individual Income Tax	Elderly Homeowner/Renter Credit	Credit	15-30-2337 to 15-30-2341	1981	SB 337
Individual Income Tax	Emergency Lodging Credit	Credit	15-30-2381	2007	HB 240
Individual Income Tax	Empowerment Zone Credit	Credit	15-30-2356 and 15-31-134	2003	SB 484
Individual Income Tax	Energy Conservation Credit	Credit	15-32-109 and 15-30-2319	1981	HB 237
Individual Income Tax	Geothermal Heating System Credit	Credit	15-32-115	1991	SB 416
Individual Income Tax	Health Insurance for Uninsured Montanans Credit	Credit	15-30-2367	1991	HB 693
Individual Income Tax	Historic Property Preservation Credit	Credit	15-30-2342, 15-31-151	1997	HB 601
Individual Income Tax	Infrastructure Users Fee Credit	Credit	17-6-316	1995	SB 100 and HB 602
Individual Income Tax	Innovative Educational Program Credit	Credit	15-30-3110	2015	SB 410
Individual Income Tax	Mineral Exploration Credit	Credit	15-32-501 to 510	1999	SB 265
Individual Income Tax	Montana Earned Income Tax Credit	Credit	15-30-2318	2017	HB 391
Individual Income Tax	Oilseed Crushing and Biodiesel Production Facility Credit	Credit	15-32-701 to 702	2005	HB 756
Individual Income Tax	Qualified Endowment Credit	Credit	15-30-2327 to 2329	1997	HB 434
Individual Income Tax	Recycling Credit	Credit	15-32-601 to 604	1991	SB 111
Individual Income Tax	Research Credit	Credit	15-31-150	1999	HB 638
Individual Income Tax	State Land Access Credit	Credit	15-30-2380	2013	HB 444
Individual Income Tax	Student Scholarship Organization Credit	Credit	15-30-3111	2015	SB 410

Introduction to Tax Expenditures

Tax Source	Tax Expenditure	Expenditure Type	Law	Session/Year	Legislation
Corporate Income Tax	Water's Edge Election	Special Election	15-31-322 to 15-31-324	1987	HB 703
Corporate Income Tax	Capital Gains Exclusion for Mobile Home Park	Deduction	15-31-163	2009	HB 636
Corporate Income Tax	Deduction for Donation of Exploration Information	Deduction	15-32-510	1999	SB 625
Corporate Income Tax	Deduction for Purchasing Montana-Produced Organic Fertilizer Produced as a Byproduct	Deduction	15-32-303	1981	SB 322
Corporate Income Tax	Energy-Conservation Investment Deduction	Deduction	15-32-103	1975	HB 663
Corporate Income Tax	Recycling Material Qualifying for Deduction	Deduction	15-32-609 and 610	1991	SB 111
Corporate Income Tax	Alternative Energy Production Credit	Credit	15-32-401 to 407	1983	HB 755
Corporate Income Tax	Alternative Fuel Motor Vehicle Conversion Credit	Credit	15-30-2320	1993	HB 219
Corporate Income Tax	Apprenticeship Credit	Credit	15-30-2357 and 39-6-109	2017	HB 308
Corporate Income Tax	Biodiesel Blending and Storage Tank Credit	Credit	15-32-703	2005	HB 756
Corporate Income Tax	Charitable Endowment Credit	Credit	15-31-161 and 162	1997	HB 434
Corporate Income Tax	College Contributions Credit	Credit	15-30-2326	1991	HB 894
Corporate Income Tax	Contractor's Gross Receipts Tax Credit	Credit	15-50-207	1967	HB 530
Corporate Income Tax	Contributions to Public and Private Schools Credit	Credit	15-31-158 to 15-30-159	2015	SB 410
Corporate Income Tax	Dependent Care Assistance Credit	Credit	15-31-131 and 133	1989	SB 282
Corporate Income Tax	Empowerment Zone New Employees Tax Credit	Credit	15-31-134	2003	SB 484
Corporate Income Tax	Geothermal Heating Credit	Credit	15-32-115	2005	SB 340
Corporate Income Tax	Health Insurance for Uninsured Montanans Credit	Credit	15-31-132	1989	HB 166
Corporate Income Tax	Historic Property Preservation Credit	Credit	15-31-151	1997	HB 601
Corporate Income Tax	Infrastructure Users Fee Credit	Credit	17-6-316	1995	SB 100 & HB 602
Corporate Income Tax	Mineral Exploration Incentive Credit	Credit	15-32-501 to 509	1999	SB 625
Corporate Income Tax	New and Expanded Industry Credit	Credit	15-31-124 to 127	1975	HB 593
Corporate Income Tax	Oilseed Crushing and Biodiesel Production Facility Credit	Credit	15-32-701 and 702	2005	HB 756
Corporate Income Tax	Qualified Research Credit	Credit	15-31-150	1999	HB 638
Corporate Income Tax	Recycling Credit	Credit	15-32-601 to 611	1991	SB 111
Corporate Income Tax	Short Tem Temporary Lodging Credit	Credit	15-31-171	2007	HB 240
Corporate Income Tax	Unlocking Public Lands Credit	Credit	15-30-2380	2013	HB 444
Corporate Income Tax	Corporate Passive Deduction Expenditures	Passive Expenditure			
Tax Source	Tax Expenditure	Expenditure Type	Law	Session/Year	Legislation
Property Tax	Disabled American Veterans Program	Residential Property	15-6-211	1979	HB 213
Property Tax	Electrical Generation and Transmission Facility Exemption	Economic Development	15-24-3001	2007	HB 3
Property Tax	Energy Production or Development Tax Abatement	Economic Development	15-24-3111	2007	HB 3
Property Tax	Generally Exempt Property	Tax Exempt	15-6-2		
Property Tax	Intangible Personal Property Exemption	Centrally Assessed	15-6-218	1999	SB 111
Property Tax	Land Value Property Tax Assistance Program	Residential Property	15-6-240	2017	SB 94
Property Tax	Property Tax Assistance Program	Residential Property	15-6-134	1979	HB 398
Property Tax	Tax Increment Finance Districts	Economic Development	7-15-4282	1974	HB 193

Introduction to Tax Expenditures

Tax Source	Tax Expenditure	Expenditure Type	Law	Session/Year	Legislation
Oil and Gas Tax	New Production Tax Holiday	Reduced Rate	15-36-304	1977	HB 553
Oil and Gas Tax	Reduced Rate for Oil and Gas Wells Completed After 1998	Reduced Rate	15-36-304	1977	HB 553
Oil and Gas Tax	Reduced Rates for Horizontally Recompleted Oil Wells	Reduced Rate	15-36-304	1993	SB 18
Oil and Gas Tax	Reduced Rates for Incremental Oil Production from Enhanced Recovery Projects	Reduced Rate	15-36-304	1985	HB 636
Oil and Gas Tax	Reduced Rates for Stripper Exemption and Stripper Oil Wells	Reduced Rate	15-36-304	1999	HB 661
Oil and Gas Tax	Reduced Rates for Pre-1999 "Stripper" Gas Wells	Reduced Rate	15-36-304	1999	SB 530

The following tables show the cost of tax expenditures by size. The tables showing income, corporate income, and property tax expenditures show only the cost to the general fund for these provisions. The fourth table showing natural resource expenditures show the total cost of the tax expenditure to state and any local governments. Passive tax expenditures are not included in these tables.

Introduction to Tax Expenditures

Individual Income Tax Expenditures - 2017	Number	\$
Federal Income Tax Deduction	242,669	\$74,238,304
Special Treatment for Capital Gains	72,881	\$48,144,173
Credit for Other States' Taxes	14,070	\$33,984,000
Medical Insurance Premium Deduction	103,991	\$22,600,177
Medical and Dental Expenses Deduction	60,310	\$11,795,070
Exempt Military Salary	4,759	\$9,059,626
Elderly Homeowner/Renter Credit	13,567	\$6,955,393
Unemployment Compensation Deduction	21,741	\$5,072,028
Partial Pension Exemption	44,862	\$3,965,750
Exempt Tips	20,718	\$3,861,857
Energy Conservation Credit	7,266	\$3,484,878
Qualified Endowment Credit	728	\$2,981,018
Long Term Care Insurance Premium Deduction	10,451	\$1,627,086
Partial Interest Exclusion for Elderly Taxpayers	69,725	\$1,569,092
Infrastructure Users Fee Credit	21	\$1,457,532
Montana Medical Care Savings Account Deduction	6,101	\$1,157,835
Family Education Savings Account Deduction	3,807	\$832,099
College Contribution Credit	3,089	\$350,872
Alternative Energy Systems Credit	742	\$315,904
Recycling Credit	106	\$283,047
Adoption Credit	175	\$169,555
Geothermal Heating System Credit	91	\$135,223
Third-Party Repayment of Health Care Professional's Student Loans Deduction	455	\$91,905
Small Business Investment Company Dividend Deduction	*	\$79,110
Political Contribution Deduction	6,832	\$49,728
Health Insurance for Uninsured Montanans Credit	52	\$47,564
First Time Homebuyer Account Deduction	217	\$43,658
Health Benefits Limited to Highly-Compensated Employees Deduction	155	\$38,671
Alternative Energy Production Credit	*	\$29,765
Historic Property Preservation Credit	13	\$29,281
Worker's Compensation Deduction	155	\$28,841
Student Scholarship Organization Credit	123	\$26,270
Elderly Care Credit	57	\$24,893
Business Purchases of Recycled Material Deduction	90	\$13,425
Temporary Emergency Lodging Credit	20	\$10,051
Innovative Education Credit	39	\$8,572
Dependent Care Assistance Credit	*	\$7,215
Child and Dependent Care Expenses Deduction	496	\$5,321
ABLE Account Deduction	35	\$4,244
Partial Exclusion of Capital Gains on Pre-1987 Installment Sales	12	\$3,291
Alternative Fuel Credit	12	\$3,129
Research Credit	*	\$3,068
Exempt Disability Retirement Income Deduction	37	\$2,408
Mineral Exploration Credit	*	\$2,020
Unlocking State Lands Credit	*	\$1,973
National Guard Life Insurance Premiums Deduction	28	\$1,325
Sales of Land to Beginning Farmers Deduction	*	\$195
Empowerment Zone Credit	0	\$0
Biodiesel Credits	0	\$0

* Not disclosed due to confidentiality concerns

Introduction to Tax Expenditures

Corporate Income Tax Expenditures - 2016	Number	\$
Water's Edge Election	487	\$8-\$13 million
Infrastructure Users Fee Credit	*	\$706,524
Contractor's Gross Receipts	88	\$319,316
Historic Property Preservation Credit	*	\$39,653
Charitable Endowment Credit	11	\$25,130
Recycling Credit	*	\$7,605
Recycled Material Qualifying for Deduction	*	\$7,605
College Contribution Credit	25	\$4,898
New/Expanded Industry Credit	*	\$872
Health Insurance for Uninsured Montanans Credit	*	\$350
Qualified Research Credit	*	\$223
Mineral Exploration Incentive Credit	*	\$25
Short-term Temporary Lodging Credit	0	\$0
Oilseed Crushing & Biodiesel Production Credit	0	\$0
Geothermal Heating System Credit	0	\$0
Empowerment Zone New Employees Tax Credit	0	\$0
Dependent Care Assistance Credit	0	\$0
Biodiesel Blending and Storage Tank Credit	0	\$0
Alternative Fuel Motor Vehicle Conversion Credit	0	\$0
Alternative Energy Production Credit	0	\$0
Capital Gain Exclusion for Mobile Home Park	--	--
Deduction for Donation of Exploration Information	--	--
Deduction for Purchasing Montana-Produced Organic Fertilizer and Inorganic Fertilizer Produced as a Byproduct	--	--
Energy Conserving Investments Deduction	--	--

* Not disclosed due to confidentiality concerns

Property Tax Expenditures - 2018	Number	\$
Generally Exempt Property	N/A	\$20,803,542
Intangible Personal Property Exemption	171	\$15,595,004
Tax Increment Financing Districts	N/A	\$5,258,806
Property Tax Assistance Program	23,018	\$2,589,060
Disabled American Veterans Program	2,567	\$647,417
Energy Production or Development Tax Abatement	N/A	\$357,107
Land Value Property Tax Assistance Program	104	\$59,909
Electrical Generation and Transmission Facility Exemption	0	\$0

* Not disclosed due to confidentiality concerns

Natural Resource Tax Expenditures - 2018	Number	\$
Oil New Production Holiday (Oil and Gas Production Tax)	28	\$2,537,259
Oil Stripper Well Production (Oil and Gas Production Tax)	1295	\$945,954
Natural Gas Pre-1999 and Less than 60 MCF/day (Oil and Gas Production Tax)	4507	\$362,249
Natural Gas New Production Tax Holiday (Oil and Gas Production Tax)	21	\$131,122
Oil Horizontally Recompleted Wells (Oil and Gas Production Tax)	0	\$0
Reduced Gross Proceeds Tax Rate for New Underground Coal Mines (Coal Severance Tax)	0	\$0

Personal Income Tax Expenditures

Tax Expenditures: Individual Income Tax

The individual income tax is a tax on income a person or couple receives during a year. The general structure of the income tax has three components:

- The taxpayer's adjusted gross income, which generally includes cash receipts and the value of non-monetary compensation and is net of the costs of earning income;
- An exemption for each taxpayer and each dependent and a standard deduction, which are subtracted from adjusted gross income to give taxable income; and
- The tax rates, which in Montana take the form of a graduated rate schedule with the first increments of income being taxed at lower rates. The personal exemption and standard deduction can be viewed as defining an initial rate bracket with a zero-tax rate.

Tax expenditures for the income tax take four forms:

- Tax credits for taxpayers who meet certain conditions or make certain types of expenditures;
- Special treatment of specific types of income, either through special provisions for measuring income or through excluding some types of income from the definition of adjusted gross income;
- Itemized deductions from adjusted gross income for taxpayers who meet certain conditions or make certain types of expenditures; and
- Lower tax rates for certain types of income.

Tax Expenditures in the Definition of Adjusted Gross Income

In most cases, Montana law adopts the federal definition of adjusted gross income as the starting point for measuring income subject to the state income tax. Tax expenditures in the definition of adjusted gross income come from two sources: tax expenditures that arise in the federal definition of adjusted gross income, and tax expenditures that arise from special provisions of Montana law. State tax expenditures that arise from the state's tie to federal law are called passive tax expenditures. The state Legislature did not take any action to create them and would have to act to prevent them.

Some passive tax expenditures are the result of federal law exempting certain types of income from tax. Others arise from special rules for measuring income. These include special depreciation provisions, rules for the timing of recognition of income, and rules for determining when expenditures that employers make on behalf of their employees count as income to the employee. A third type of passive expenditure results from extra expense deductions federal law allows as incentives to make certain types of investment.

Federal credits do not create passive state tax expenditures, because they do not affect the taxpayer's adjusted gross income.

Montana tax returns do not include information that would allow reliable state-level estimates of individual passive tax expenditures. Total passive tax expenditures can be roughly estimated from the estimates of federal tax expenditures published by the congressional Joint Committee on Taxation (JCT).¹ The JCT's estimates of federal tax expenditures that create Montana passive tax expenditures total \$685 billion. Multiplying this by the ratio of adjusted gross income reported on federal returns with a Montana address to adjusted gross income reported on all federal returns (0.27 percent) and the ratio of the top Montana rate to the top federal rate (17.4 percent) gives the following rough estimate of these passive tax expenditures:

Montana Passive Expenditures from Special Provisions in Federal Definition of Total Income (\$ million)
\$319

Other passive tax expenditures arise from specific adjustments to gross income. These items are listed on both federal and state tax returns. On the 2017 Montana Form 2, they are on lines 24 through 36. These items are sometimes called federal adjustments to income or above-the-line deductions.

¹ "Estimates of Federal Tax Expenditures for Fiscal Years 2018-2022," by the staff of the Joint Committee on Taxation, October, 2018, Document JCX-81-18.

Definition of Adjusted Gross Income - Passive Expenditures

Five above-the-line deductions should not be considered tax expenditures. Four allow taxpayers to deduct unreimbursed costs of doing their jobs or otherwise earning income. They are the deduction for educator expenses; the deduction for business expenses of reservists, performing artists, and fee basis local government officials; the deduction for expenses of moving to take a new job; and the deduction for penalties for early withdrawal of savings.

The fifth is the deduction for alimony paid, which ensures that income allocated between former spouses is taxed to the person who ultimately receives it. The other seven above-the-line deductions are tax expenditures.

Deductions for the Self-Employed: Federal Provision Legislation: NA

Three above-the-line deductions give self-employed persons the same treatment as employees for fringe benefits and retirement plans. They are the deduction for one-half of self-employment tax, the deduction for contributions to qualified self-employed retirement plans, and the deduction for self-employed person's health insurance premiums. These are equivalent to an employer's payments for payroll taxes, health insurance benefits, and pension contributions that are not included in an employee's adjusted gross income.

The exclusions for employees provide an incentive for employers to offer and employees to accept pension and health benefits because they make it cheaper for employers to provide additional after-tax compensation as fringe benefits rather than as wages. Providing the same exclusions for self-employed persons removes an incentive to be an employee rather than self-employed.

The costs of the exclusions for employees are included in the figure for passive tax expenditures. The following tables show these deductions for tax years 2009 through 2017. For 2017, extending these exclusions to the self-employed reduced income tax revenue to the state general fund by \$18,183,803, or \$27.73 per full-year resident taxpayer.

One-Half of Self Employment Tax								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	57,031	\$70,605,043	6,910	\$26,039,269	1,752	\$1,593,344	65,693	\$98,237,656
2010	56,835	\$69,819,591	7,555	\$34,223,881	1,983	\$2,112,075	66,373	\$106,155,547
2011	58,708	\$76,908,913	8,341	\$36,132,655	2,029	\$2,057,736	69,078	\$115,099,304
2012	57,264	\$77,679,329	8,375	\$32,192,253	2,115	\$2,006,523	67,754	\$111,878,105
2013	59,162	\$84,415,172	9,383	\$38,275,634	2,307	\$2,297,896	70,852	\$124,988,702
2014	60,013	\$86,986,043	9,765	\$43,015,696	2,382	\$2,399,186	72,160	\$132,400,925
2015	60,556	\$89,922,276	9,844	\$41,834,447	2,565	\$2,528,989	72,965	\$134,285,712
2016	61,088	\$88,099,153	9,774	\$43,246,206	2,596	\$2,625,927	73,458	\$133,971,286
2017	61,605	\$89,951,840	10,037	\$40,555,635	2,627	\$2,823,065	74,269	\$133,330,540

Contributions to Qualified Self-Employed Retirement Plans								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	2,707	\$42,822,026	1,030	\$26,706,434	50	\$546,977	3,787	\$70,075,437
2010	2,611	\$43,089,605	1,143	\$33,264,923	69	\$1,217,513	3,823	\$77,572,041
2011	2,588	\$42,298,279	1,168	\$36,460,986	62	\$1,288,153	3,818	\$80,047,418
2012	2,443	\$41,584,610	1,088	\$33,441,775	49	\$997,520	3,580	\$76,023,905
2013	2,632	\$47,762,885	1,259	\$38,226,913	63	\$1,266,334	3,954	\$87,256,132
2014	2,637	\$48,366,605	1,350	\$42,009,219	73	\$1,371,546	4,060	\$91,747,370
2015	2,641	\$49,414,662	1,364	\$44,931,667	69	\$1,336,748	4,074	\$95,683,077
2016	2,658	\$50,148,146	1,408	\$46,243,338	77	\$1,275,171	4,143	\$97,666,655
2017	2,679	\$51,530,999	1,499	\$51,744,670	95	\$2,157,835	4,273	\$105,433,504

Definition of Adjusted Gross Income - Passive Expenditures

Self-Employed Health Insurance Premiums Deduction								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	19,190	\$98,936,900	3,399	\$27,785,729	346	\$1,357,558	22,935	\$128,080,187
2010	21,191	\$110,816,477	4,114	\$35,170,815	412	\$1,738,433	25,717	\$147,725,725
2011	21,235	\$116,579,020	4,359	\$39,243,006	409	\$1,547,156	26,003	\$157,369,182
2012	20,848	\$116,803,202	4,265	\$38,252,152	399	\$1,581,816	25,512	\$156,637,170
2013	22,355	\$132,130,435	4,984	\$46,016,372	434	\$1,800,061	27,773	\$179,946,868
2014	23,572	\$130,249,955	5,265	\$50,754,610	488	\$2,064,756	29,325	\$183,069,321
2015	24,554	\$138,208,738	5,395	\$54,472,657	522	\$2,138,891	30,471	\$194,820,286
2016	24,485	\$145,127,725	5,396	\$57,881,920	463	\$2,204,967	30,344	\$205,214,612
2017	23,377	\$152,651,623	5,430	\$60,668,262	476	\$2,598,515	29,283	\$215,918,400

Domestic Production Activities Deduction: Federal Provision Legislation: NA

Before 2004, certain income from exports to other countries was exempt from taxation. The World Trade Organization found that this export subsidy violated international trade agreements that the United States had signed. This exposed the United States to potential sanctions from its trade partners. Congress responded by repealing the export subsidy and replacing it with a general subsidy for manufacturing.

In addition to the normal deduction for business expenses, taxpayers are allowed an above-the-line deduction of 9 percent of net income from producing new goods and engineering and architectural services in the United States. The deduction cannot be more than the smaller of the taxpayer's adjusted gross income (taxable income for a corporation) or half of the wages the taxpayer pays to employees. An individual can claim the deduction based on income from production activities carried out by a sole-proprietor business or the taxpayer's share of income from production activities carried out by a pass-through entity.

This partial exemption of income from manufacturing and engineering and architectural services is equivalent to taxing this income at a lower rate than income from other business activities. This provides businesses with an incentive to produce goods and engineering and architectural services rather than other types of services and to engage in these production activities in the United States rather than in other countries.

The following table shows domestic production activities deductions for Tax Years 2009 through 2017. For 2017, the domestic production activities deduction reduced individual income tax revenue to the general fund by \$4,199,554, or \$6.41 per full-year resident taxpayer. Most of the value of this deduction is claimed by non-residents, but most non-residents filers have a relatively small fraction of their income from Montana, so most of the tax expenditure goes to residents.

Domestic Production Activities Deduction								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	4,160	\$22,914,712	1,675	\$133,588,571	39	\$239,355	5,874	\$156,742,638
2010	5,574	\$43,123,307	2,109	\$324,358,015	74	\$618,466	7,757	\$368,099,788
2011	5,638	\$43,533,192	2,210	\$385,089,358	73	\$791,762	7,921	\$429,414,312
2012	5,534	\$47,736,036	2,151	\$406,922,598	60	\$211,682	7,745	\$454,870,316
2013	6,088	\$50,133,423	2,541	\$390,432,012	82	\$704,680	8,711	\$441,270,115
2014	5,476	\$47,706,540	2,748	\$205,925,971	67	\$1,106,548	8,291	\$254,739,059
2015	5,608	\$55,835,207	2,651	\$219,485,481	73	\$539,829	8,332	\$275,860,517
2016	6,746	\$57,962,441	2,671	\$354,263,884	64	\$908,477	9,481	\$413,134,802
2017	6,406	\$57,849,388	2,799	\$194,354,490	77	\$1,011,189	9,282	\$253,215,067

Definition of Adjusted Gross Income - Passive Expenditures

Health Savings Account Deduction: Federal Provision Legislation: NA

A Health Savings Account (HSA) is a tax-advantaged account for certain medical expenses of taxpayers whose only health insurance is a high-deductible health insurance plan. Funds in an HSA may be used only to pay medical costs that are not reimbursed by insurance. Both deposits to and distributions from an HSA are exempt from income tax.

HSAs provide a partial subsidy to taxpayers who buy their own health insurance and choose a high-deductible plan. This provides an incentive for individuals to purchase high-deductible health insurance themselves rather than choose some other option for health insurance or do without.

The following table shows HSA deductions for tax years 2009 through 2017. For 2017, the HSA deduction reduced income tax revenue to the state general fund by \$2,804,129, or \$4.28 per full-year resident taxpayer.

Health Savings Account Deduction								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	6,040	\$19,175,503	775	\$3,300,085	155	\$343,945	6,970	\$22,819,533
2010	6,903	\$21,882,122	965	\$4,328,394	237	\$529,198	8,105	\$26,739,714
2011	7,673	\$24,675,845	1,066	\$4,630,468	264	\$598,301	9,003	\$29,904,614
2012	7,785	\$25,616,255	1,063	\$4,751,936	221	\$552,963	9,069	\$30,921,154
2013	8,119	\$28,425,705	1,212	\$5,547,865	235	\$565,381	9,566	\$34,538,951
2014	8,968	\$30,938,095	1,414	\$6,267,767	305	\$750,963	10,687	\$37,956,825
2015	9,743	\$34,820,388	1,440	\$6,646,471	323	\$849,707	11,506	\$42,316,566
2016	11,828	\$41,310,075	1,612	\$7,369,209	426	\$935,438	13,866	\$49,614,722
2017	12,203	\$43,149,496	1,692	\$7,865,067	436	\$923,775	14,331	\$51,938,338

Individual Retirement Account Deduction: Federal Provision Legislation: NA

An Individual Retirement Account (IRA) is a tax-advantaged account for retirement savings. Taxpayers are allowed an above-the-line deduction for contributions to a traditional IRA. For most taxpayers, the deduction is limited to \$5,500. The limit is \$1,000 higher for taxpayers who are 50 or older. Higher income taxpayers who participate in one of several types of pension plans have a lower limit that depends on their income.

Earnings retained in an IRA are not taxed. Funds deposited in an IRA and accumulated earnings are both taxed when they are withdrawn. This deferral of taxes gives taxpayers an incentive to increase retirement savings.

The following table shows IRA deductions for tax years 2009 through 2017. For 2017, the IRA deduction reduced income tax revenue to the state general fund by \$4,263,064, or \$6.50 per full-year resident taxpayer.

Individual Retirement Account Deduction								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	12,480	\$52,303,964	1,002	\$5,874,759	274	\$1,021,602	13,756	\$59,200,325
2010	12,484	\$53,329,887	1,091	\$6,499,869	269	\$928,945	13,844	\$60,758,701
2011	12,466	\$54,281,327	1,145	\$6,889,532	353	\$1,224,768	13,964	\$62,395,627
2012	12,406	\$56,077,309	1,219	\$7,332,085	348	\$1,060,895	13,973	\$64,470,289
2013	12,909	\$62,060,097	1,403	\$9,118,826	392	\$1,451,143	14,704	\$72,630,066
2014	13,284	\$65,989,731	1,428	\$9,557,425	416	\$1,500,042	15,128	\$77,047,198
2015	13,176	\$65,361,123	1,425	\$9,379,560	417	\$1,544,536	15,018	\$76,285,219
2016	13,240	\$66,073,642	1,382	\$9,201,406	452	\$1,849,560	15,074	\$77,124,608
2017	13,194	\$67,053,676	1,395	\$9,424,326	442	\$1,645,468	15,031	\$78,123,470

Definition of Adjusted Gross Income - Passive Expenditures

Student Loan Interest Deduction: Federal Provision Legislation: NA

Taxpayers may deduct up to \$2,500 of interest they paid on student loans for either their own or their dependents' post-secondary education. The deduction phases out for incomes between \$65,000 and \$80,000 (\$130,000 and \$160,000 for a joint return) and may not be claimed by a taxpayer who is claimed as someone else's dependent. This deduction provides a subsidy to taxpayers who borrow to pay for either their own or their dependents' education. This provides an incentive for taxpayers to invest more in their own or their dependents' educations. It also provides an incentive to increase the proportion of education expenses financed by borrowing. The following table shows student loan interest deductions for tax years 2009 through 2017. For 2017, the student loan interest deduction reduced income tax revenue to the state general fund by \$3,021,678, or \$4.61 per full-year resident taxpayer.

Student Loan Interest Deduction								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	41,749	\$32,806,866	2,361	\$1,988,225	3,074	\$2,621,006	47,184	\$37,416,097
2010	42,392	\$34,202,184	2,470	\$2,081,298	3,385	\$3,138,523	48,247	\$39,422,005
2011	42,279	\$36,245,983	2,641	\$2,480,349	3,513	\$3,433,628	48,433	\$42,159,960
2012	43,380	\$38,303,590	3,033	\$2,913,781	3,880	\$3,864,992	50,293	\$45,082,363
2013	45,115	\$41,374,226	3,194	\$3,188,041	4,063	\$4,132,916	52,372	\$48,695,183
2014	43,530	\$43,632,382	3,318	\$3,501,763	4,244	\$4,555,024	51,092	\$51,689,169
2015	44,987	\$46,402,195	3,372	\$3,596,607	4,455	\$4,898,571	52,814	\$54,897,373
2016	46,722	\$46,125,127	3,375	\$3,584,420	4,525	\$4,824,229	54,622	\$54,533,776
2017	47,360	\$46,843,507	3,364	\$3,498,850	4,542	\$4,905,421	55,266	\$55,247,778

Tuition and Fees Deduction: Federal Provision Legislation: NA

Taxpayers may deduct up to \$4,000 of tuition and fees they paid for their own or their dependents' post-secondary education. Taxpayers with income of \$65,000 or less (\$130,000 for a joint return) may take the full deduction. Taxpayers with incomes between \$65,000 and \$80,000 (\$160,000 for a joint return) are limited to a \$2,000 deduction, and taxpayers with higher incomes may not take the deduction.

Federal law also allows a tax credit for some higher education expenses, and a taxpayer may not take both the deduction and the credit. This deduction provides a subsidy for taxpayers who are pursuing their own post-secondary education or paying for their dependents' post-secondary education. This provides an incentive for taxpayers to invest in their own or their dependents' educations.

The deduction was set to expire in 2016, but was extended to 2017 in 2018. The following table shows tuition and fees deductions for tax years 2009 through 2017. For 2017, the tuition and fees deduction reduced income tax revenue to the state general fund by \$309,082, or \$0.47 per full-year resident taxpayer.

Tuition and Fees Deduction								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	6,605	\$15,216,928	704	\$1,607,260	549	\$1,481,854	7,858	\$18,306,042
2010	5,387	\$11,733,181	601	\$1,355,631	453	\$1,108,694	6,441	\$14,197,506
2011	5,640	\$12,398,266	618	\$1,457,285	542	\$1,372,674	6,800	\$15,228,225
2012	5,914	\$13,060,037	637	\$1,392,408	553	\$1,458,678	7,104	\$15,911,123
2013	5,496	\$12,198,697	623	\$1,359,370	531	\$1,388,396	6,650	\$14,946,463
2014	5,133	\$11,191,316	636	\$1,485,165	566	\$1,500,036	6,335	\$14,176,517
2015	5,230	\$11,481,274	617	\$1,431,365	560	\$1,436,247	6,407	\$14,348,886
2016	5,092	\$11,292,573	593	\$1,462,569	544	\$1,437,767	6,229	\$14,192,909
2017	3,461	\$7,716,922	446	\$1,071,768	302	\$815,820	4,209	\$9,604,510

Definition of Adjusted Gross Income

Montana Adjustments to Income

Montana has 50 adjustments to federal adjusted gross income that taxpayers are either allowed or required to make in calculating Montana adjusted gross income. Some of these Montana adjustments allocate income between spouses filing separate Montana returns when they file a joint federal return. Other state adjustments exist because federal law prohibits states from taxing certain types of income that the federal government taxes. A few exist because the state taxes some types of income that the federal government does not tax. Most exist because the legislature has chosen to partly or completely exempt certain types of income from taxation.

ABLE Accounts: 15-30-2110(12), MCA
Legislation: SB 399, 2015 Session

In 2014, Congress amended Section 529 of the Internal Revenue Code to create the Achieving a Better Life Experience (ABLE) account, which is a tax-advantaged savings account to be used for the benefit of a person with disabilities. Earnings on an ABLE account are exempt from federal tax as long as funds withdrawn from the account are used for eligible expenses related to the beneficiary's disability. More than one person can contribute to a single account, but total contributions in a year may not exceed \$14,000 (adjusted annually for inflation). As long as the balance in the account is \$100,000 or less, having an ABLE account will not affect the beneficiary's eligibility for Social Security or Medicaid.

Beginning in 2015, Montana exempts up to \$3,000 a taxpayer contributes to an ABLE account from income tax. More than one taxpayer can contribute to the same account if total deposits do not exceed the annual limit, and each taxpayer can exempt the amount of their deposit.

ABLE Account Deposits									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2015	0	\$0	0	\$0	0	\$0	0	\$0	\$0
2016	0	\$0	0	\$0	0	\$0	0	\$0	\$0
2017	35	\$78,670	0	\$0	*	\$3,125	*		\$81,795

* Not disclosed due to confidentiality concerns

Business Purchases of Recycled Material: 15-32-609, MCA through 15-32-611, MCA
Legislation: SB 111, 1991 Session

Montana allows businesses to take an extra deduction of 10 percent of the cost of purchases of recycled materials. In effect, this allows a business expense deduction of 110 percent of the cost of recycled materials. This reduces the cost of recycled material relative to other raw materials, giving businesses an incentive to use recycled material.

The deduction is available to corporations and to the owners of sole-proprietor businesses and pass-through entities. The following table shows individual income tax deductions for purchases of recycled material since 2009. For 2017, this exclusion reduced income tax revenue to the general fund by \$13,425, or \$0.02

Business Expense for Recycled Materials									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	102	\$136,675	0	\$0	*	\$113	*		\$136,788
2010	112	\$204,911	*	\$105	*	\$250	*		\$205,266
2011	98	\$266,011	*	\$65,406	*	\$660	*		\$332,077
2012	104	\$242,946	*	\$46,045	*	\$302	*		\$289,293
2013	91	\$366,958	*	\$239	*	\$663	*		\$367,860
2014	100	\$296,108	*	\$211	*	\$365	*		\$296,684
2015	101	\$240,929	*	\$100	*	\$3,025	*		\$244,054
2016	105	\$327,567	*	\$291	*	\$5,809	*		\$333,667
2017	90	\$279,218	*	\$47	*	\$200	*		\$279,465

* Not disclosed due to confidentiality concerns

Definition of Adjusted Gross Income

per full-year resident taxpayer.

Disability Retirement Income: 15-30-2110(10), MCA
Legislation: SB 464, 1985 Session

Taxpayers who are under the age of 65 and permanently disabled may exclude up to \$5,200 of disability retirement income. The amount taxpayers may exclude is reduced by any amount by which their pre-exclusion adjusted gross income exceeds \$15,000. The purpose of this exclusion appears to be to increase the after-tax income of permanently disabled taxpayers with low incomes. The following table shows disability income excluded since 2009. For 2017, this exclusion reduced income tax revenue to the general fund by \$2,408, or less than \$0.01 per full-year resident taxpayer.

Exempt Disability Retirement Income									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	152	\$656,765	*	\$6,923	*	\$22,712	*	*	\$686,400
2010	179	\$786,572	*	\$5,200	*	\$34,744	*	*	\$826,516
2011	81	\$364,329	*	\$7,816	0	\$0	*	*	\$372,145
2012	60	\$276,606	*	\$36	*	\$9,916	*	*	\$286,558
2013	50	\$226,388	0	\$0	0	\$0	50	*	\$226,388
2014	27	\$126,247	0	\$0	0	\$0	27	*	\$126,247
2015	31	\$137,022	0	\$0	*	\$5,200	*	*	\$142,222
2016	36	\$171,297	*	\$5,200	*	\$5,063	*	*	\$181,560
2017	37	\$170,951	0	\$0	*	\$5,200	*	*	\$176,151

* Not disclosed due to confidentiality concerns

Exempt Tribal Income: Federal Provision
Legislation: NA

Indian tribes are sovereign governments and state taxation of tribes and their members is governed by federal law and treaties. The right to tax the income that a member who lives on the tribe's reservation earns on the reservation is reserved to the tribal government. The state may tax income non-members earn on a reservation and income a tribal member earns off the reservation. This is similar to the general rule for taxation across national borders – a country may tax income its citizens earn anywhere, and may tax income non-citizens earn in the country, but may not tax income citizens of another country earn in another country. Therefore, it is not clear whether the exemption for tribal income should be considered a tax expenditure.

The following table shows exempt tribal income reported on Montana returns since 2009. If the state could tax this income it would have increased income tax revenue to the general fund by \$7,543,449, or \$11.51 per full year resident taxpayer for 2017.

Exempt Tribal Income									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	7,700	\$201,760,096	11	\$200,709	54	\$877,670	7,765	\$202,838,475	
2010	7,202	\$200,800,212	20	\$13,958,716	53	\$1,376,590	7,275	\$216,135,518	
2011	7,132	\$290,700,359	19	\$388,120	51	\$1,315,689	7,202	\$292,404,168	
2012	6,959	\$221,787,087	16	\$473,244	50	\$1,169,701	7,025	\$223,430,032	
2013	5,620	\$170,919,136	22	\$539,535	44	\$978,101	5,686	\$172,436,772	
2014	5,899	\$184,937,230	18	\$456,199	40	\$884,217	5,957	\$186,277,646	
2015	6,172	\$204,787,286	17	\$349,962	41	\$1,281,013	6,230	\$206,418,261	
2016	6,255	\$216,137,415	21	\$544,256	32	\$1,266,686	6,308	\$217,948,357	
2017	6,152	\$254,049,703	24	\$558,530	64	\$1,259,708	6,240	\$255,867,941	

Definition of Adjusted Gross Income

Family Education Savings Accounts: 15-62-101, MCA through 15-62-302, MCA
Legislation: HB 536, 1997 Session

Section 529 of the Internal Revenue Code allows states to set up higher education savings programs. These programs allow taxpayers to set up an account for a designated beneficiary, usually a child or grandchild. States may give special tax treatment to deposits to a qualifying account, and withdrawals to pay the beneficiary's higher education expenses are not included in federal adjusted gross income, which means that account earnings are tax-free. Montana's Section 529 plan was created by the 1997 Legislature. Montana taxpayers may exclude up to \$3,000 of contributions to one or more Family Education Savings Accounts from adjusted gross income each year. Any withdrawals that are not used for higher education expenses are taxed at the highest income tax rate. The 2013 Legislature (SB 117) expanded the deduction to include deposits to other states' college savings plans.

This program encourages families to save for their children's college education by lowering the cost of saving any given amount.

The tax expenditure from the federal exclusion of account earnings is included in the estimate of passive tax expenditures. The state exclusion of deposits to an education savings account creates an additional tax expenditure. The following table shows deposits to Montana Family Educations Savings Accounts since 2009. For 2017, this exclusion reduced income tax revenue to the general fund by \$832,099, or \$1.27 per full-year resident taxpayer.

Family Education Savings Account Deposits								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	2,048	\$6,592,192	46	\$152,411	10	\$26,099	2,104	\$6,770,702
2010	2,055	\$6,547,256	15	\$40,337	20	\$53,396	2,090	\$6,640,989
2011	2,072	\$6,528,702	10	\$33,150	21	\$50,745	2,103	\$6,612,597
2012	2,105	\$6,838,715	12	\$37,817	30	\$79,590	2,147	\$6,956,122
2013	2,955	\$9,385,280	81	\$319,193	60	\$145,956	3,096	\$9,850,429
2014	3,175	\$10,075,735	102	\$371,011	42	\$120,793	3,319	\$10,567,539
2015	3,311	\$10,525,352	110	\$405,000	63	\$181,822	3,484	\$11,112,174
2016	3,473	\$11,083,019	112	\$424,186	56	\$188,042	3,641	\$11,695,247
2017	3,807	\$12,361,878	142	\$539,923	68	\$194,936	4,017	\$13,096,737

Farm and Ranch Risk Management Accounts: 15-30-3001, MCA through 15-30-3005, MCA
Legislation: SB 245, 2001 Session

The 2001 Legislature created Farm and Ranch Risk Management Accounts as a tool for family farms to deal with uneven and uncertain income. An individual or family farm corporation may set up an account and may deposit up to 20 percent of their net income from agriculture each year, with a limit of \$20,000.

Deposits to a risk management account are excluded from adjusted gross income. Funds deposited in an account must be withdrawn within five years. Income and withdrawals from the account are taxable.

Federal law allows farmers to average income over three years for income tax purposes. The additional tax smoothing allowed by Montana Farm and Ranch Risk Management Accounts has seen very little use. There have been fewer than 10 deposits to accounts each year since 2004, and all of those have been made by non-residents. No deposits were made for 2012 through 2015. For 2017, this exclusion reduced general fund revenue by less than \$100. The tables on the next page show exempt deposits and taxable withdrawals since 2009.

Definition of Adjusted Gross Income

Farm and Ranch Risk Management Account Deposits									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	0	\$0	*	\$3,730	0	\$0	*	\$3,730	
2010	0	\$0	*	\$3,496	0	\$0	*	\$3,496	
2011	0	\$0	*	\$1,807	0	\$0	*	\$1,807	
2012	0	\$0	0	\$0	0	\$0	0	\$0	
2013	0	\$0	0	\$0	0	\$0	0	\$0	
2014	0	\$0	0	\$0	0	\$0	0	\$0	
2015	0	\$0	0	\$0	0	\$0	0	\$0	
2016	*	\$1,941	0	\$0	0	\$0	*	\$1,941	
2017	*	\$1,056	0	\$0	0	\$0	*	\$1,056	

* Not disclosed due to confidentiality concerns

Farm and Ranch Risk Management Account Taxable Distributions									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	*	\$697	*	\$3,288	0	\$0	*	\$3,985	
2010	*	\$191	*	\$1,880	0	\$0	*	\$2,071	
2011	*	\$10,576	*	\$8,823	0	\$0	*	\$19,399	
2012	*	\$5,043	*	\$2,651	0	\$0	*	\$7,694	
2013	*	\$1,003	*	\$13,106	0	\$0	*	\$14,109	
2014	*	\$2,200	*	\$826	0	\$0	*	\$3,026	
2015	*	\$993	*	\$132	0	\$0	*	\$1,125	
2016	*	\$3,500	*	\$1,457	0	\$0	*	\$4,957	
2017	0	\$0	*	\$14,480	0	\$0	*	\$14,480	

* Not disclosed due to confidentiality concerns

First-Time Homebuyer Accounts: 15-63-101, MCA through 15-63-205, MCA
Legislation: HB 599, 1997 Session

Montana law allows residents who have never owned a home to establish a First-Time Homebuyer's Account. Deposits of up to \$3,000 per year (\$6,000 for a married couple filing a joint return) and account earnings are exempt from taxation. Funds in the account must be used for the down payment and closing costs on a single-family house within 10 years after the account is established. If funds are withdrawn for another use or are not used within 10 years, they must be reported as taxable income.

This program encourages home ownership by reducing the cost of saving for a down payment.

The following tables show exempt deposits and earnings and taxable withdrawals. For 2017, this exclusion reduced income tax revenue to the general fund by \$43,658, or \$0.07 per full-year resident taxpayer.

First Time Homebuyer Account Deposits									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	203	\$710,124	*	\$2,350	12	\$57,714	*	\$770,188	
2010	126	\$358,024	0	\$0	*	\$18,550	*	\$376,574	
2011	131	\$395,135	0	\$0	*	\$3,751	*	\$398,886	
2012	158	\$501,379	0	\$0	*	\$12,160	*	\$513,539	
2013	141	\$501,702	*	\$2,487	*	\$6,150	*	\$510,339	
2014	161	\$543,587	0	\$0	*	\$22,890	*	\$566,477	
2015	214	\$678,938	*	\$1,820	10	\$33,480	*	\$714,238	
2016	215	\$706,088	*	\$6,000	*	\$18,000	*	\$730,088	
2017	217	\$691,899	*	\$8,800	*	\$6,003	*	\$706,702	

* Not disclosed due to confidentiality concerns

Definition of Adjusted Gross Income

First Time Homebuyers Account Nonqualified Withdrawals									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	13	\$29,691	0	\$0	0	\$0	13	\$29,691	
2010	*	\$13,722	0	\$0	0	\$0	*	\$13,722	
2011	*	\$12,589	0	\$0	0	\$0	*	\$12,589	
2012	*	\$8,053	0	\$0	*	\$12,000	*	\$20,053	
2013	*	\$50,177	*	\$2,322	0	\$0	*	\$52,499	
2014	*	\$4,177	0	\$0	0	\$0	*	\$4,177	
2015	11	\$29,261	0	\$0	0	\$0	11	\$29,261	
2016	13	\$27,839	0	\$0	0	\$0	13	\$27,839	
2017	*	\$11,317	*	\$250	0	\$0	*	\$11,567	

* Not disclosed due to confidentiality concerns

Health Benefits Limited to Highly-Compensated Employees: 15-30-2110(2)(h), MCA Legislation: SB 72, 1985 Session

Federal law treats employer-paid premiums for group health insurance and reimbursement of medical costs by an employer's self-insurance program as a nontaxable fringe benefit if the same benefits are available to all employees. This creates a passive tax expenditure, and the cost to the state is included in the estimate of passive tax expenditures.

When an employer's health plan provides more benefits to a select group of highly compensated employees, such as company executives, major stock-holders, or the highest-paid employees, federal law requires these employees to count the difference between their benefits and the benefits available to all employees as taxable compensation. Montana law allows these select employees to count their extra health insurance benefits as non-taxable fringe benefits.

The purpose of the federal exclusion is to encourage employers to provide group health insurance by providing preferential treatment for group health plans that cover all employees. The additional state exclusion undermines this purpose by providing the same state tax treatment to plans that cover only select employees.

The following table shows federally taxable health insurance premiums excluded from Montana adjusted gross income since 2009. For 2017, this exclusion reduced income tax revenue to the general fund by \$38,671, or \$0.06 per full-year resident taxpayer.

Employer-Provided Health Insurance Not Available to All Employees									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	142	\$644,902	*	\$98,275	*	\$10,589	*	\$753,766	
2010	172	\$677,282	*	\$55,831	*	\$628	*	\$733,741	
2011	197	\$843,169	*	\$31,098	*	\$962	*	\$875,229	
2012	178	\$597,413	*	\$31,151	*	\$15,076	*	\$643,640	
2013	160	\$791,972	*	\$14,924	*	\$7,318	*	\$814,214	
2014	155	\$710,685	*	\$4,725	*	\$3,810	*	\$719,220	
2015	103	\$439,835	10	\$49,135	*	\$5,000	*	\$493,970	
2016	130	\$563,180	*	\$15,031	*	\$16,620	*	\$594,831	
2017	155	\$646,073	*	\$7,880	*	\$29,886	*	\$683,839	

* Not disclosed due to confidentiality concerns

Definition of Adjusted Gross Income

Interest on Federal Government Bonds: Federal Provision and 15-30-2110(2)(a), MCA Legislation: NA

Federal law and court decisions prohibit states from taxing interest on federal government bonds. Montana law exempts interest on federal bonds from taxation. The following table shows exempt federal interest since 2009. If the state could tax this income it would have increased income tax revenue to the general fund by \$1,605,848, or \$2.45 per full-year resident taxpayer for 2017.

Interest on Federal Government Bonds								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	20,220	\$37,421,242	3,304	\$82,926,289	433	\$795,403	23,957	\$121,142,934
2010	18,966	\$31,017,274	3,382	\$116,283,113	479	\$556,615	22,827	\$147,857,002
2011	17,310	\$25,764,777	3,192	\$150,492,487	428	\$484,575	20,930	\$176,741,839
2012	16,211	\$22,275,353	2,844	\$58,400,464	451	\$850,448	19,506	\$81,526,265
2013	15,909	\$19,330,263	2,572	\$106,019,200	416	\$526,474	18,897	\$125,875,937
2014	15,155	\$20,115,632	2,899	\$50,869,732	449	\$525,881	18,503	\$71,511,245
2015	14,678	\$20,245,070	2,872	\$52,382,952	420	\$560,967	17,970	\$73,188,989
2016	15,995	\$23,737,395	3,084	\$75,315,859	414	\$593,914	19,493	\$99,647,168
2017	17,472	\$25,990,828	3,436	\$285,464,468	443	\$873,541	21,351	\$312,328,837

Military Salary: 15-30-2117(2), MCA Legislation: HB 152, 1979 Session; SB 378, 2015 Session

Montana exempts the military salary of residents who are on active duty in the armed forces. This includes members of the Montana National Guard who are serving in a homeland defense activity or contingency operation. The following table shows the amount of income subject to this exemption since 2009.

Active Duty Military Salary								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	4,259	\$142,046,880	113	\$4,746,639	145	\$3,994,003	4,517	\$150,787,522
2010	4,706	\$153,852,927	95	\$3,641,023	160	\$4,601,945	4,961	\$162,095,895
2011	4,368	\$148,526,725	94	\$3,910,963	136	\$4,049,039	4,598	\$156,486,727
2012	4,520	\$158,404,853	93	\$4,059,101	150	\$4,931,370	4,763	\$167,395,324
2013	4,521	\$164,472,809	129	\$5,438,421	143	\$4,799,545	4,793	\$174,710,775
2014	4,511	\$169,324,587	100	\$4,198,055	148	\$5,234,548	4,759	\$178,757,190
2015	4,537	\$170,649,803	85	\$3,798,088	156	\$5,378,956	4,778	\$179,826,847
2016	4,541	\$174,056,632	74	\$2,861,817	156	\$5,030,357	4,771	\$181,948,806
2017	4,650	\$180,870,093	91	\$4,077,258	194	\$6,160,503	4,935	\$191,107,854

Nonresident Military Salary								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	97	\$3,560,669	559	\$20,974,101	161	\$4,821,656	817	\$29,356,426
2010	115	\$4,739,141	576	\$23,357,142	168	\$4,940,973	859	\$33,037,256
2011	119	\$4,212,397	520	\$22,133,967	174	\$5,386,754	813	\$31,733,118
2012	107	\$3,862,257	626	\$25,020,849	207	\$5,980,079	940	\$34,863,185
2013	125	\$4,235,016	743	\$29,074,744	189	\$6,223,632	1,057	\$39,533,392
2014	152	\$5,918,182	751	\$32,081,547	215	\$6,793,661	1,118	\$44,793,390
2015	139	\$5,379,138	869	\$36,085,884	236	\$7,828,165	1,244	\$49,293,187
2016	141	\$5,389,119	906	\$38,010,951	247	\$7,111,952	1,294	\$50,512,022
2017	109	\$4,919,395	921	\$41,727,524	275	\$8,375,849	1,305	\$55,022,768

Federal law allows military personnel and their spouses to maintain residency in their home state and requires states to treat military salaries and some income of military spouses as if it were earned in the home state. This requires Montana to exempt military salaries and some other income that service members and

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their spouses earn in Montana. The Nonresident Military Salary table on the previous page shows income not counted as Montana income because of this requirement.

Together, the state exclusion of residents' military salaries and the federal requirement to exclude non-residents' military salaries reduced 2017 income tax revenue to the general fund by \$9,059,626, or \$13.82 per full-year resident taxpayer.

Montana Medical Care Savings Accounts: 15-61-101, MCA to 15-61-205, MCA
Legislation: HB 560, 1995 Session

Federal law has created two mechanisms, the Archer Medical Savings Account and the Health Savings Account, for taxpayers or their employers to set aside pretax funds to pay medical expenses. Deposits to these accounts and distributions from these accounts to pay medical expenses are excluded from federal adjusted gross income. This means that they also are excluded from Montana adjusted gross income. The tax expenditure from this federal exclusion is in the section on federal adjustments to income.

Medical Savings Account Deposits								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	5,879	\$17,483,938	40	\$78,731	71	\$93,430	5,990	\$17,656,099
2010	6,131	\$18,732,448	34	\$95,825	75	\$125,462	6,240	\$18,953,735
2011	6,236	\$19,395,678	32	\$88,049	85	\$131,835	6,353	\$19,615,562
2012	5,903	\$18,791,602	0	\$0	76	\$135,057	5,979	\$18,926,659
2013	6,181	\$19,801,670	*	\$3,000	77	\$118,532	*	\$19,923,202
2014	6,084	\$19,436,867	*	\$3,000	96	\$126,808	*	\$19,566,675
2015	6,233	\$19,574,075	0	\$0	98	\$138,910	6,331	\$19,712,985
2016	6,036	\$19,419,283	0	\$0	99	\$158,784	6,135	\$19,578,067
2017	6,101	\$19,759,187	0	\$0	100	\$144,077	6,201	\$19,903,264

* Not disclosed due to confidentiality concerns

In 1997, the Montana Legislature created a similar state program. The main difference is that the federal programs are limited to taxpayers whose only health insurance is a high-deductible policy while the state program does not have this limitation. The purpose of these accounts appears to be to encourage taxpayers to set aside funds ahead of time to cover medical costs that will not be covered by insurance.

Taxpayers may exclude up to \$3,000 of their contributions to an account during a year and any withdrawals from an account that are used to pay medical expenses. This means that earnings retained in the account also are not taxed. Funds may be withdrawn for other purposes, but then the amount withdrawn is treated as income. The following tables show exempt medical savings account deposits and earnings and taxable withdrawals.

Medical Savings Account Nonqualified Withdrawals									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	100	\$129,357	0	\$0	*	\$803	*	*	\$130,160
2010	77	\$101,799	*	\$530	0	\$0	*	*	\$102,329
2011	87	\$121,307	0	\$0	*	\$10,238	*	*	\$131,545
2012	94	\$144,311	0	\$0	*	\$1,185	*	*	\$145,496
2013	72	\$129,693	0	\$0	*	\$31,096	*	*	\$160,789
2014	78	\$99,814	*	\$23,279	*	\$6,091	*	*	\$129,184
2015	71	\$135,323	0	\$0	*	\$40,937	*	*	\$176,260
2016	50	\$93,482	*	\$8,622	0	\$0	*	*	\$102,104
2017	63	\$122,519	*	\$1,000	*	\$9,303	*	*	\$132,822

* Not disclosed due to confidentiality concerns

For 2017, this exclusion reduced income tax revenue to the general fund by \$1,157,835, or \$1.77 per full-year resident taxpayer.

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National Guard Life Insurance Premiums: 15-30-2117(3) Legislation: HB 761, 2005 Session

The state will reimburse members of the National Guard or Reserve who are on active duty for premiums they pay for military group life insurance. This reimbursement is treated as income for federal income tax, but the state exempts it from taxation. This exemption increases the after-tax income of guard and reserve members, increasing the financial incentive to join or remain in the guard or reserves. It also provides an incentive for guard and reserve members to purchase military group life insurance. The following table shows exempt Guard and Reserve life insurance premium reimbursements since 2009. For 2017, this exclusion reduced income tax revenue to the general fund by \$1,325, or \$0.01 per full-year resident taxpayer.

National Guard Life Insurance Premium Reimbursement								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	40	\$441,796	*	\$956	0	\$0	*	\$442,752
2010	52	\$69,491	*	\$1,600	*	\$433	*	\$71,524
2011	45	\$14,795	*	\$468	*	\$210	*	\$15,473
2012	41	\$17,001	*	\$324	*	\$549	*	\$17,874
2013	46	\$28,091	*	\$27	*	\$569	*	\$28,687
2014	32	\$48,885	*	\$402	*	\$1,322	*	\$50,609
2015	20	\$10,766	0	\$0	0	\$0	20	\$10,766
2016	25	\$15,633	0	\$0	*	\$170	*	\$15,803
2017	28	\$28,304	0	\$0	*	\$778	*	\$29,082

* Not disclosed due to confidentiality concerns

Partial Exclusion of Capital Gains on Pre-1987 Installment Sales: 15-30-2110(13), MCA Legislation: HB 904, 1987 Session

Before 1987, federal law allowed taxpayers to exclude 40 percent of capital gains from adjusted gross income, but capital gains were taxed at the same rate as ordinary income. The Tax Reform Act of 1986 did away with the partial exclusion, but Congress replaced it with preferential tax rates for capital gains. Montana law continues to allow the 40 percent exclusion for capital gains on installment sales made before the end of 1986. These gains also are eligible for the capital gains credit and therefore receive a double preference. The following table shows gains excluded under this provision since 2005.

The original partial exclusion of capital gains income gave an incentive to invest in assets that appreciate over time rather than in assets that pay a stream of ordinary income. Today, this provision just applies pre-1987 tax law to payments from transactions that occurred before 1987. This probably has little effect on taxpayer behavior.

For 2017, this exclusion reduced income tax revenue to the general fund by \$3,291, or \$0.01 per full-year resident taxpayer.

40% Exclusion of Pre-1985 Capital Gains								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	239	\$1,124,567	12	\$494,528	*	\$52,108	*	\$1,671,203
2010	292	\$1,155,423	14	\$2,594,406	*	\$38	*	\$3,749,867
2011	45	\$123,493	15	\$14,022,194	0	\$0	60	\$14,145,687
2012	50	\$884,971	10	\$137,043	0	\$0	60	\$1,022,014
2013	40	\$148,686	10	\$55,695	*	\$23,161	*	\$227,542
2014	33	\$155,285	11	\$247,585	0	\$0	44	\$402,870
2015	29	\$134,842	*	\$24,087	0	\$0	*	\$158,929
2016	31	\$166,133	*	\$8,292	*	\$4,129	*	\$178,554
2017	12	\$75,280	*	\$8,431	0	\$0	*	\$83,711

* Not disclosed due to confidentiality concerns

Definition of Adjusted Gross Income

Partial Interest Exclusion for Elderly Taxpayers: 15-30-2110(2)(b), MCA Legislation: HB 18, 1981 Session

Taxpayers who are age 65 or older may exclude up to \$800 of interest income. The following table shows interest income excluded since 2009. This exemption provides a limited incentive for retirees to hold interest-paying assets, such as corporate bonds, rather than assets that pay other types of income. It also provides a limited incentive for retirees to locate in Montana rather than in a state without a similar exemption. However, the primary effect is to reduce tax paid by older taxpayers. For 2017, this exclusion reduced income tax revenue to the general fund by \$1,569,092, or \$2.39 per full-year resident taxpayer.

Elderly Interest Exclusion								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	62,991	\$43,632,908	6,861	\$6,716,280	805	\$556,418	70,657	\$50,905,606
2010	62,493	\$40,226,852	7,614	\$7,066,082	911	\$549,183	71,018	\$47,842,117
2011	62,402	\$36,798,111	8,201	\$7,096,890	919	\$530,202	71,522	\$44,425,203
2012	62,095	\$33,021,476	8,381	\$6,848,965	967	\$508,511	71,443	\$40,378,952
2013	62,720	\$31,301,899	9,135	\$7,311,644	1,111	\$492,669	72,966	\$39,106,212
2014	62,418	\$29,772,557	9,729	\$7,660,793	1,119	\$513,706	73,266	\$37,947,056
2015	64,139	\$30,087,414	10,135	\$7,973,410	1,172	\$550,550	75,446	\$38,611,374
2016	65,312	\$30,687,228	10,475	\$8,296,402	1,277	\$575,776	77,064	\$39,559,406
2017	69,725	\$33,284,834	11,098	\$8,805,973	1,458	\$664,040	82,281	\$42,754,847

Partial Pension Exemption: 15-30-2110(2)(c), MCA Legislation: HB 232, 1963 Session / SB 226, 1991 Session

Taxpayers with federal adjusted gross income below a threshold have part of their pension income exempted from taxation. For taxpayers with higher incomes, the exemption amount is reduced by \$2 for each \$1 that federal adjusted gross income exceeds the threshold. Both the threshold and the amount exempted are adjusted for inflation each year. For 2017, the amount exempted was \$3,980 and the threshold was \$33,190. Taxpayers with federal adjusted gross income between \$33,190 and \$35,180 were eligible for an exemption of less than \$3,980, and taxpayers with incomes over \$35,180 were not eligible for the exemption.

This exemption provides a limited incentive to participate in a retirement system and to retain funds in a retirement plan rather than withdrawing them. It also provides a limited incentive for retirees to locate in Montana rather than in a state without a similar exemption. However, this does not appear to have been the legislative purpose. Montana was one of 23 states that originally exempted state employee pensions from the state income tax. This allowed the state to make smaller pension contributions and resulted in some administrative savings. In addition, Montana exempted the first \$3,600 of income from federal government pensions. In 1989, a group of federal government and military retirees sued states, including Montana, which exempted state pensions, arguing that states must give them the same exemption. The states lost.² The U.S. Supreme Court ruled that states may tax different types of income differently, but may not tax the same type of income differently depending on who paid it. The states that had exempted state employee pensions changed their laws in a variety of ways. The Montana Legislature eliminated the exemption for state employee pensions but extended the \$3,600 partial exemption to all pension income.

The table on the next page shows pension income excluded from taxation since 2009. For 2017, this exclusion reduced income tax revenue to the general fund by \$3,965,750, or \$5.46 per full-year resident taxpayer.

² The U.S. Supreme Court ruled against Michigan in *Davis v. Michigan Dep't of Treasury*, 489 U.S. 803, 109 S.Ct. 1500, 103 L.Ed.2d 891 (1989). Montana settled the similar case *Sheehy v. State Dep't of Revenue*, 250 Mont. 437, 820 P.2d 1257 (1991) and issued \$15.7 million in refunds for the years 1983 through 1989.

Definition of Adjusted Gross Income

Partial Pension Exemption								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	39,671	\$132,876,584	1,030	\$3,174,075	491	\$1,539,858	41,192	\$137,590,517
2010	41,904	\$142,365,778	1,158	\$3,732,588	605	\$1,974,030	43,667	\$148,072,396
2011	43,012	\$150,693,545	1,499	\$5,074,630	691	\$2,174,844	45,202	\$157,943,019
2012	43,208	\$154,378,099	1,523	\$5,023,099	726	\$2,393,257	45,457	\$161,794,455
2013	43,546	\$158,597,172	1,634	\$5,502,608	775	\$2,596,220	45,955	\$166,696,000
2014	44,032	\$163,276,389	1,666	\$5,873,948	762	\$2,506,314	46,460	\$171,656,651
2015	44,197	\$164,186,433	1,852	\$6,551,278	855	\$2,833,101	46,904	\$173,570,812
2016	45,229	\$173,070,990	1,985	\$7,357,688	978	\$3,361,132	48,192	\$183,789,810
2017	44,862	\$173,734,004	1,914	\$7,179,943	945	\$3,314,448	47,721	\$184,228,395

Sales of Land to Beginning Farmers: 80-12-211, MCA Legislation: SB 316, 1983 Session

Montana allows taxpayers to exclude up to \$50,000 of income from the sale of at least 80 acres to a beginning farmer. To be eligible, a taxpayer's land sale must be approved by the Montana Department of Agriculture. The deduction provides an incentive for retiring farmers to sell land to someone who will keep it in agriculture rather than convert it to another use.

The following table shows income excluded since 2009. Fewer than ten taxpayers have used the exclusion every year. For 2017, this exclusion reduced income tax revenue to the general fund by less than \$200, or less than \$0.01 per full-year resident taxpayer.

Sales of Land to Beginning Farmers									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	*	\$7,785	0	\$0	*	\$29,000	*	\$36,785	
2010	*	\$5,956	*	\$546,272	0	\$0	*	\$552,228	
2011	*	\$55,961	*	\$11	0	\$0	*	\$55,972	
2012	*	\$6,796	0	\$0	0	\$0	*	\$6,796	
2013	*	\$56,687	0	\$0	0	\$0	*	\$56,687	
2014	*	\$7,094	0	\$0	0	\$0	*	\$7,094	
2015	*	\$7,918	0	\$0	0	\$0	*	\$7,918	
2016	*	\$27,569	0	\$0	0	\$0	*	\$27,569	
2017	*	\$4,377	0	\$0	0	\$0	*	\$4,377	

* Not disclosed due to confidentiality concerns

Small Business Investment Company Dividends: 15-33-106, MCA Legislation: HB 834, 1981 Session

The federal Small Business Investment Act of 1958 created a category of venture capital firms called small business investment companies. Montana law allows taxpayers to exempt capital gains or dividends from a Montana small business investment company. This provides an incentive to invest in these companies rather than in other businesses.

The table on the next page shows income exempted under this provision since 2009.

Definition of Adjusted Gross Income

Capital Gains from Small Business Investment Companies									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	42	\$73,145	*	\$74	0	\$0	*	*	\$73,219
2010	54	\$148,811	*	\$44,362	*	\$8	*	*	\$193,181
2011	33	\$95,032	*	\$15,277	*	\$48,675	*	*	\$158,984
2012	15	\$47,868	*	\$24,814	0	\$0	*	*	\$72,682
2013	17	\$173,389	*	\$209,411	*	\$274	*	*	\$383,074
2014	20	\$134,599	*	\$35,179	0	\$0	*	*	\$169,778
2015	13	\$48,730	*	\$57,758	*	\$69,535	*	*	\$176,023
2016	13	\$24,738	*	\$29,921	0	\$0	*	*	\$54,659
2017	*	\$1,449,364	*	\$245,044	0	\$0	*	*	\$1,694,408

* Not disclosed due to confidentiality concerns

Third-Party Repayment of Health Care Professional's Student Loans: 15-30-2110(12), MCA Legislation: SB 408, 2003 Session

There are several private, federal, and state programs intended to encourage health care professionals to locate in under-served areas by making student loan payments for those who do. Federal law excludes repayments made by certain federal and state programs from taxable income. Montana excludes qualifying repayments from all programs, including programs private health-care facilities have for their employees. The state cost of the federal exclusion is part of the estimate of passive tax expenditures. The following table shows the cost of the additional state exclusion since 2009.

Health Care Professional Student Loan Repayment Included in Federal AGI									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	133	\$370,976	*	\$7,700	10	\$23,374	*	*	\$402,050
2010	173	\$476,765	*	\$8,144	12	\$30,069	*	*	\$514,978
2011	253	\$666,300	*	\$2,952	23	\$72,978	*	*	\$742,230
2012	281	\$789,081	*	\$8,465	25	\$53,831	*	*	\$851,377
2013	300	\$880,391	*	\$5,317	31	\$79,000	*	*	\$964,708
2014	341	\$913,226	*	\$14,191	34	\$95,392	*	*	\$1,022,809
2015	426	\$1,234,654	10	\$28,757	32	\$79,458	468	*	\$1,342,869
2016	425	\$1,278,928	13	\$34,086	49	\$148,114	487	*	\$1,461,128
2017	455	\$1,315,847	12	\$41,405	49	\$136,636	516	*	\$1,493,888

* Not disclosed due to confidentiality concerns

For 2017, this exclusion reduced income tax revenue to the general fund by \$91,905, or \$0.14 per full-year resident taxpayer.

Tier II Railroad Retirement: Federal Provision Legislation: NA

Railroad retirement benefits are divided into Tier I and Tier II. Tier I is equivalent to Social Security, and Tier I benefits are taxed the same as Social Security benefits. Tier II benefits are taxed at the federal level, but federal law exempts them from state taxation. The table on the next page shows Tier II railroad retirement benefits exempted from Montana taxation.

This exemption increases the after-tax income of railroad retirees.

For 2017, income tax revenue to the general fund would have been \$1,632,620 higher if Montana could tax Tier II railroad retirement. This is \$2.49 per full-year resident taxpayer.

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Tier II Railroad Retirement								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	2,832	\$36,473,121	54	\$724,290	33	\$459,572	2,919	\$37,656,983
2010	2,809	\$37,812,494	52	\$682,521	23	\$209,683	2,884	\$38,704,698
2011	2,793	\$38,836,218	60	\$789,738	24	\$338,161	2,877	\$39,964,117
2012	2,808	\$40,918,763	70	\$980,315	38	\$619,985	2,916	\$42,519,063
2013	2,863	\$43,719,325	81	\$1,064,303	28	\$413,587	2,972	\$45,197,215
2014	2,823	\$45,197,719	81	\$1,092,309	25	\$297,154	2,929	\$46,587,182
2015	2,820	\$46,343,176	80	\$1,383,942	18	\$235,919	2,918	\$47,963,037
2016	2,846	\$48,318,083	81	\$1,341,418	28	\$489,381	2,955	\$50,148,882
2017	2,878	\$50,097,081	85	\$1,481,810	29	\$430,941	2,992	\$52,009,832

Tips: 15-30-2110(2)(f), MCA

Legislation: HB 841, 1983 Session

Tips earned while working for a licensed food service, beverage, or lodging establishment are not taxable in Montana. The reasoning behind this exclusion is that tips should be considered voluntary gifts from a restaurant's patrons to its employees and gifts generally are not included in taxable income. Federal law considers tips to be taxable compensation for providing services. The following table shows tips excluded from income since 2009. For 2017, this exclusion reduced income tax revenue to the general fund by \$3,861,857, or \$5.89 per full-year resident taxpayer.

Exempt Tips								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	13,207	\$38,921,676	662	\$1,527,434	1,096	\$2,714,781	14,965	\$43,163,891
2010	13,577	\$43,592,519	678	\$2,124,352	1,087	\$3,065,874	15,342	\$48,782,745
2011	13,748	\$46,381,919	653	\$1,858,335	1,111	\$3,311,215	15,512	\$51,551,469
2012	15,251	\$52,275,624	728	\$2,117,166	1,283	\$3,840,659	17,262	\$58,233,449
2013	16,516	\$56,390,533	960	\$2,592,060	1,621	\$4,757,200	19,097	\$63,739,793
2014	16,836	\$59,993,312	1,148	\$3,576,755	1,705	\$5,124,973	19,689	\$68,695,040
2015	18,795	\$67,147,671	1,402	\$4,252,879	2,174	\$6,809,415	22,371	\$78,209,965
2016	19,216	\$71,768,259	1,471	\$4,468,898	2,291	\$7,468,411	22,978	\$83,705,568
2017	20,718	\$80,661,372	1,691	\$5,765,450	2,634	\$8,284,592	25,043	\$94,711,414

Unemployment Compensation: 15-30-2101, MCA

Legislation: HB 363 1979 Session

Federal law taxes unemployment compensation, but Montana exempts it from taxation. The following table shows additional state exemptions for unemployment compensation since 2009. For 2017, this exclusion reduced income tax revenue to the general fund by \$5,072,028, or \$7.74 per full-year resident taxpayer.

Unemployment Compensation								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	31,984	\$169,813,215	2,942	\$18,729,135	1,907	\$11,978,353	36,833	\$200,520,703
2010	47,123	\$268,585,687	4,653	\$34,225,311	2,750	\$18,303,436	54,526	\$321,114,434
2011	41,856	\$192,982,355	4,523	\$28,417,877	2,523	\$14,055,209	48,902	\$235,455,441
2012	35,808	\$158,526,968	5,298	\$31,476,030	2,316	\$12,245,987	43,422	\$202,248,985
2013	32,374	\$129,933,369	4,756	\$26,765,431	2,171	\$10,499,700	39,301	\$167,198,500
2014	26,517	\$93,510,592	3,804	\$18,077,778	1,891	\$7,453,018	32,212	\$119,041,388
2015	24,456	\$89,447,741	3,933	\$20,533,636	1,752	\$7,791,931	30,141	\$117,773,308
2016	23,437	\$94,926,088	3,453	\$18,390,875	1,687	\$8,100,053	28,577	\$121,417,016
2017	21,741	\$87,578,113	3,404	\$19,041,750	1,480	\$6,909,586	26,625	\$113,529,449

Definition of Adjusted Gross Income

Worker's Compensation: 15-30-2110(2)(g), MCA
Legislation: SB 72, 1985 Session

Federal law exempts worker's compensation payments except payments that are reimbursement for medical expenses deducted in an earlier year. Montana exempts all worker's compensation payments. The state revenue loss from the federal exemption is included in the estimate of passive tax expenditures. The following table shows additional state exemptions for worker's compensation payments since 2009. For 2017, this exclusion reduced income tax revenue to the general fund by \$28,841, or \$0.04 per full-year resident taxpayer.

	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	201	\$1,006,241	*	\$21,577	14	\$59,733	*	\$1,087,551
2010	323	\$1,990,149	20	\$102,955	17	\$122,757	360	\$2,215,861
2011	149	\$786,281	*	\$22,823	*	\$22,849	*	\$831,953
2012	135	\$918,240	*	\$42,137	*	\$70,004	*	\$1,030,381
2013	137	\$1,009,272	*	\$29,361	*	\$9,979	*	\$1,048,612
2014	121	\$852,638	*	\$26,794	*	\$93,459	*	\$972,891
2015	136	\$998,080	16	\$82,565	*	\$4,750	*	\$1,085,395
2016	124	\$699,707	*	\$29,817	15	\$112,900	*	\$842,424
2017	155	\$774,048	*	\$105,741	11	\$70,428	*	\$950,217

* Not disclosed due to confidentiality concerns

Itemized Deduction Expenditures

Itemized Deduction Tax Expenditures

In general, itemized deductions provide a partial subsidy or reimbursement for deductible expenses. The amount of the subsidy depends on the taxpayer's marginal tax rate and on the amount by which itemized deductions exceed the standard deduction. For a taxpayer whose deductible expenses are less than their standard deduction, the fact that an expense is deductible provides no extra benefit to the taxpayer and no cost to the state general fund. For a taxpayer whose deductible expenses are more than their standard deduction, an extra \$100 of itemized deductions reduces tax liability by \$100 multiplied by the marginal tax rate.

For example, a taxpayer with taxable income of \$6,000 is in the 3 percent state tax bracket and the 10 percent federal tax bracket. An additional \$100 deduction would reduce this person's state tax liability by \$3 and federal tax liability by \$10, for a total of \$13 if the taxpayer itemizes their deductions. The \$100 expenditure that was the basis of the deduction cost the taxpayer \$87 and cost the state and federal governments, and ultimately other taxpayers, \$13.

A taxpayer with taxable income of \$500,000 is in the 6.9 percent state tax bracket and the 39.6 percent federal tax bracket. An additional \$100 deduction would reduce this person's state tax liability by \$6.90 and federal tax liability by \$39.60, for a total of \$46.50 if the taxpayer itemizes. The \$100 expenditure that was the basis of the deduction cost this taxpayer \$53.50 and cost the state and federal governments, and ultimately other taxpayers, \$46.50.

Montana generally allows itemized deductions allowed by federal law (15-30-2131(1)(a), MCA). There are a few exceptions where Montana law specifically disallows a federal deduction. Montana law allows several itemized deductions that are not allowed by federal law.

Not all itemized deductions are tax expenditures. Four itemized deductions allow taxpayers to deduct costs of earning income. They are the deduction for investment interest, the deduction for unreimbursed business expenses, the deduction for gambling losses, and the deduction for other miscellaneous expenses.

The deduction for investment interest allows taxpayers to deduct interest on funds borrowed to pay for income-producing property that has not been deducted elsewhere as a business expense.

The deduction for unreimbursed business expenses allows taxpayers to deduct expenses that are common and useful in the taxpayer's occupation and exceed 2 percent of the taxpayer's adjusted gross income. If the taxpayer is an employee, they must not have been reimbursed by their employer. If the taxpayer is self-employed, these costs must not have been deducted as a business expense.

Taxpayers who report income from gambling can deduct gambling losses up to the amount of reported winnings. This makes the income tax apply to net winnings from gambling.

The deduction for other miscellaneous expenses allows taxpayers to deduct certain business and investment costs and losses and certain employment-related costs of a disabled taxpayer. These expenses are not required to be more than 2 percent of adjusted gross income.

Casualty and Theft Losses: Federal Provision

Legislation: N/A

Federal and Montana law allows taxpayers an itemized deduction for the uncompensated theft, damage, or destruction of non-business property that exceeds 10 percent of the taxpayer's adjusted gross income. Casualty and theft losses of business property are deducted as a business expense in calculating adjusted gross income.

This deduction essentially treats the value of a taxpayer's significant property loss as an offset to income. This reduces the incentive to insure or protect property against theft, damage, or other losses.

Itemized Deduction Expenditures

The following table shows itemized deductions for casualty and theft losses for tax years 2009 through 2017. The itemized deduction for casualty and theft losses reduced income tax revenue to the state general fund for 2017 by \$191,595, or \$0.29 per full-year resident taxpayer.

Casualty and Theft Losses								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	324	\$6,906,415	24	\$13,399,154	15	\$134,078	363	\$20,439,647
2010	470	\$4,921,842	29	\$1,435,060	18	\$236,837	517	\$6,593,739
2011	603	\$9,738,044	47	\$1,819,443	31	\$251,412	681	\$11,808,899
2012	337	\$7,131,478	27	\$648,528	15	\$92,764	379	\$7,872,770
2013	510	\$5,869,942	52	\$847,644	20	\$120,451	582	\$6,838,037
2014	475	\$5,096,735	52	\$1,670,297	22	\$471,616	549	\$7,238,648
2015	334	\$5,334,806	30	\$1,148,861	22	\$97,586	386	\$6,581,253
2016	309	\$6,744,568	40	\$1,965,451	27	\$263,256	376	\$8,973,275
2017	267	\$5,112,316	53	\$6,092,544	23	\$297,291	343	\$11,502,151

Charitable Contributions: Federal Provision Legislation: NA

Federal and Montana law allows an itemized deduction for charitable contributions. In any year, this deduction is limited to 50 percent of the taxpayer's adjusted gross income. In addition, gifts to certain types of charities and certain types of gifts are subject to lower limits. A taxpayer whose contributions exceed the limit may carry the excess contributions forward and deduct them in a later tax year. The deduction provides an incentive for taxpayers to contribute to tax-exempt charities by making the taxpayer's cost of the donation less than the amount the charity receives.

The following tables show itemized deductions for contributions for tax years 2009 through 2017. Itemized deductions for charitable contributions reduced 2017 income tax revenue to the state general fund by \$39,936,806, or \$60.91 per full-year resident taxpayer.

Contributions								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	150,506	\$424,565,892	13,647	\$1,224,439,469	3,139	\$7,793,220	167,292	\$1,656,798,581
2010	149,905	\$443,302,712	15,018	\$777,622,164	3,524	\$9,514,707	168,447	\$1,230,439,583
2011	149,573	\$454,876,219	15,723	\$1,483,130,383	3,722	\$10,006,032	169,018	\$1,948,012,634
2012	147,981	\$458,318,428	16,737	\$1,356,904,314	4,012	\$11,644,667	168,730	\$1,826,867,409
2013	150,343	\$487,023,319	18,043	\$1,375,346,442	4,154	\$11,881,345	172,540	\$1,874,251,106
2014	149,283	\$435,494,624	18,516	\$515,994,391	4,163	\$11,867,165	171,962	\$963,356,180
2015	150,403	\$450,272,008	18,378	\$551,805,559	4,299	\$13,726,971	173,080	\$1,015,804,538
2016	150,927	\$502,946,119	18,540	\$1,857,487,225	4,278	\$14,917,531	173,745	\$2,375,350,875
2017	151,085	\$490,356,062	19,129	\$741,475,164	4,341	\$13,967,357	174,555	\$1,245,798,583

Noncash Contributions								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	62,071	\$59,713,638	6,696	\$229,611,641	2,035	\$2,640,083	70,802	\$291,965,362
2010	63,149	\$59,815,976	7,508	\$418,247,266	2,375	\$2,793,160	73,032	\$480,856,402
2011	64,355	\$64,804,361	7,972	\$750,863,209	2,510	\$3,257,614	74,837	\$818,925,184
2012	65,204	\$68,366,539	8,708	\$177,502,381	2,780	\$5,131,176	76,692	\$251,000,096
2013	68,473	\$75,235,417	9,489	\$915,527,476	3,059	\$3,900,138	81,021	\$994,663,031
2014	68,964	\$79,790,146	9,759	\$371,406,540	3,092	\$5,645,390	81,815	\$456,842,076
2015	71,039	\$90,062,103	9,695	\$379,146,416	3,086	\$5,979,338	83,820	\$475,187,857
2016	72,718	\$148,637,209	10,024	\$927,313,382	3,379	\$8,283,427	86,121	\$1,084,234,018
2017	72,383	\$118,484,126	10,149	\$1,045,453,011	3,329	\$5,369,819	85,861	\$1,169,306,956

Itemized Deduction Expenditures

Carryover of Contributions from Previous Years								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	2,560	\$26,683,941	369	\$44,220,591	50	\$760,505	2,979	\$71,665,037
2010	3,628	\$34,781,509	561	\$703,268,770	60	\$924,995	4,249	\$738,975,274
2011	3,465	\$36,451,707	554	\$101,251,825	82	\$799,702	4,101	\$138,503,234
2012	3,269	\$40,198,253	421	\$67,939,866	97	\$1,597,883	3,787	\$109,736,002
2013	3,314	\$36,604,717	535	\$444,543,991	94	\$321,170	3,943	\$481,469,878
2014	2,997	\$34,834,107	529	\$130,092,647	86	\$431,717	3,612	\$165,358,471
2015	2,778	\$35,565,096	481	\$122,379,344	75	\$362,590	3,334	\$158,307,030
2016	3,102	\$33,937,186	504	\$414,328,549	60	\$504,653	3,666	\$448,770,388
2017	3,477	\$42,384,106	577	\$205,476,095	76	\$1,096,563	4,130	\$248,956,764

Child and Dependent Care Expenses: 15-30-2131(1)(c), MCA Legislation: HB 47, 1977 session

Montana allows an itemized deduction for up to \$4,800 of the expenses of maintaining a household for or providing care for certain dependents while the taxpayer is at work or looking for a job. The dependent may be a child under 15 or any person who is unable to care for him or herself while the taxpayer is at work. To qualify for the deduction, the taxpayer and spouse, if married, must have combined Montana adjusted gross income of less than \$22,800. The income limit is \$25,200 if the taxpayer is caring for two eligible dependents and \$27,600 for three or more dependents.

Federal law allows taxpayers to claim a credit rather than an itemized deduction for dependent care expenses. The conditions for claiming the federal credit are similar to the conditions for claiming the state deduction.

This deduction reduces the cost of working for taxpayers who have a child or other dependent to care for. It provides an incentive to engage in paid work and pay to have the dependent cared for rather than to provide the care personally.

The following table shows itemized deductions for child and dependent care expenses for tax years 2009 through 2017. The itemized deduction for child and dependent care expenses reduced income tax revenue to the state general fund for 2017 by \$5,321, or \$0.01 per full-year resident taxpayer.

Child and Dependent Care Expenses								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	837	\$1,600,514	62	\$121,396	31	\$65,490	930	\$1,787,400
2010	784	\$1,468,425	73	\$157,712	32	\$58,378	889	\$1,684,515
2011	805	\$1,607,286	64	\$132,737	39	\$72,575	908	\$1,812,598
2012	734	\$1,452,494	62	\$140,216	37	\$76,770	833	\$1,669,480
2013	703	\$1,447,271	70	\$145,804	49	\$109,360	822	\$1,702,435
2014	558	\$1,189,970	42	\$111,620	33	\$77,121	633	\$1,378,711
2015	484	\$1,050,416	27	\$46,766	33	\$73,996	544	\$1,171,178
2016	548	\$1,206,246	28	\$66,605	29	\$62,376	605	\$1,335,227
2017	496	\$1,093,360	41	\$95,077	34	\$82,612	571	\$1,271,049

Itemized Deduction Expenditures

Federal Income Tax: 15-30-2131(1)(b), MCA
Legislation: HB 328, 1933 Session

Montana allows an itemized deduction for federal income tax paid during the year with a limit of \$5,000 for a single taxpayer or married taxpayer filing separately and \$10,000 for a married couple filing a joint return. Before 2005, there was no upper limit on this deduction. The cap was introduced by SB 407 (2003 Session). The sponsors of this legislation had several goals, which included reducing income tax revenue, lowering the top marginal rate, reducing the number of rate brackets, making the brackets narrower, eliminating the itemized deduction for federal taxes, and having no income group pay more than under prior law. It proved impossible to fully meet all these goals, and the capped deduction was retained to keep the narrower rate brackets from increasing taxes on middle-income taxpayers. The 2003 Legislature chose not to index the cap for inflation, so that, in real terms, the cap will decrease over time.

Formally, this deduction partially or completely avoids having the state levy income tax on income paid to the federal government as income tax. Practically, it has the same effect on taxpayers as having lower tax rates for taxpayers who itemize deductions and whose income puts them below the cap on this deduction. This is because each extra dollar of income increases adjusted gross income by 1 dollar but also increases itemized deductions by the federal marginal tax rate times 1 dollar. Thus, an extra dollar of adjusted gross income translates into less than an extra dollar of taxable income.

For example, a single taxpayer with taxable income of \$25,000 would be in the 6.9 percent state tax bracket and the 15 percent federal tax bracket. An additional \$100 of income would result in an additional \$15 of federal income tax, giving an \$85 increase in taxable income. Applying the 6.9 percent rate to \$85 gives additional tax of \$5.87, for an effective marginal tax rate of about 5.9 percent rather than 6.9 percent.³ For a taxpayer whose federal taxes are above the cap on the deduction, the effective marginal tax rate is 6.9 percent.

The following table shows itemized deductions for federal income tax for tax years 2009 through 2017. For Tax Year 2017, the deduction for federal income tax reduced income tax revenue to the general fund by \$94,238,304, or \$113.23 per full-year resident taxpayer.

Federal Income Tax								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	211,372	\$1,007,165,809	22,680	\$155,986,207	6,438	\$34,110,135	240,490	\$1,197,262,151
2010	210,199	\$1,015,360,042	24,995	\$172,019,855	7,128	\$39,395,858	242,322	\$1,226,775,755
2011	218,905	\$1,132,026,533	27,349	\$191,751,665	8,098	\$45,809,499	254,352	\$1,369,587,697
2012	219,334	\$1,154,479,513	30,146	\$211,978,444	8,933	\$51,384,146	258,413	\$1,417,842,103
2013	224,818	\$1,206,775,407	32,250	\$229,764,838	9,500	\$54,613,668	266,568	\$1,491,153,913
2014	227,218	\$1,241,851,066	33,560	\$241,375,438	10,033	\$59,254,829	270,811	\$1,542,481,333
2015	232,979	\$1,297,118,744	33,646	\$245,467,280	10,148	\$61,093,726	276,773	\$1,603,679,750
2016	236,969	\$1,325,330,899	33,132	\$241,315,861	10,241	\$60,477,836	280,342	\$1,627,124,596
2017	242,669	\$1,367,118,010	34,595	\$250,911,791	10,643	\$63,443,115	287,907	\$1,681,472,916

³ If a taxpayer claims the state deduction for federal taxes but not the federal deduction for state taxes, the effective marginal state tax rate is $state\ rate * (1 - federal\ rate)$. If a taxpayer claims both the state deduction for federal taxes and the federal deduction for state taxes, the effective marginal state tax rate is $state\ rate * (1 - federal\ rate) / (1 - state\ rate * federal\ rate)$.

Itemized Deduction Expenditures

Home Mortgage Interest: Federal Provision Legislation: NA

Federal and state law allow an itemized deduction for home mortgage interest. Through 2012 this deduction was reported on three separate lines. The first was for reporting interest, including pre-paid interest called points, reported on a federal Form 1098. The second line was for reporting interest not reported on a federal Form 1098, and the third was for reporting points not reported on a federal Form 1098. Beginning in 2013, the three were combined in one line.

The deduction for home mortgage interest provides an incentive for home ownership and a disincentive for taxpayers to pay off their mortgages. The following table show itemized deductions for home mortgage interest. This deduction reduced income tax revenue to the state general fund for 2017 by \$56,166,519, or \$85.67 per full-year resident taxpayer.

Home Mortgage Interest								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	142,400	\$1,114,955,415	11,881	\$161,922,672	3,747	\$33,133,268	158,028	\$1,310,011,355
2010	141,209	\$1,075,407,210	12,901	\$165,341,641	3,909	\$34,453,627	158,019	\$1,275,202,478
2011	140,370	\$1,008,850,204	13,498	\$160,126,078	4,091	\$32,720,242	157,959	\$1,201,696,524
2012	137,113	\$935,062,102	14,483	\$147,226,941	4,334	\$31,192,941	155,930	\$1,113,481,984
2013	141,696	\$907,271,882	15,609	\$151,307,187	4,583	\$32,308,778	161,888	\$1,090,887,847
2014	140,721	\$881,047,516	15,788	\$150,949,816	4,766	\$32,665,529	161,275	\$1,064,662,861
2015	142,562	\$900,243,023	15,218	\$146,760,981	4,664	\$32,888,662	162,444	\$1,079,892,666
2016	144,780	\$909,386,335	15,504	\$150,336,425	4,888	\$34,706,195	165,172	\$1,094,428,955
2017	146,491	\$932,109,767	15,809	\$154,934,319	5,108	\$37,201,137	167,408	\$1,124,245,223

Home Mortgage Insurance Premiums: Federal Provision Legislation: NA

Federal and state law allow an itemized deduction for mortgage insurance premiums for mortgage insurance issued after 2006. Federal law considers mortgage insurance premiums to be part of mortgage interest, and Montana law follows federal law on this point.

The following table shows itemized deductions for mortgage insurance. For 2017, this deduction reduced general fund revenue by \$929,606, or \$1.42 per full-year resident taxpayer. The decrease in deduction amounts in 2017 is due to a last minute extension of this deduction in 2018, which limited the number of taxpayers who could claim the deduction.

Qualified Mortgage Insurance Premiums								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	15,693	\$21,264,234	757	\$1,143,096	648	\$1,172,580	17,098	\$23,579,910
2010	17,979	\$23,239,755	923	\$1,435,739	727	\$1,326,476	19,629	\$26,001,970
2011	18,823	\$20,843,664	1,117	\$2,435,089	771	\$1,062,445	20,711	\$24,341,198
2012	17,378	\$20,286,561	1,150	\$1,386,050	693	\$912,752	19,221	\$22,585,363
2013	21,297	\$29,921,640	1,453	\$1,906,673	948	\$1,488,023	23,698	\$33,316,336
2014	20,398	\$26,123,598	1,306	\$1,831,456	906	\$1,325,422	22,610	\$29,280,476
2015	20,738	\$27,804,697	1,177	\$1,782,136	843	\$1,322,613	22,758	\$30,909,446
2016	22,473	\$29,761,138	1,293	\$1,919,193	982	\$1,642,638	24,748	\$33,322,969
2017	11,494	\$15,411,102	720	\$1,105,219	544	\$872,293	12,758	\$17,388,614

Itemized Deduction Expenditures

Long Term Care Insurance Premiums: 15-30-2131(1)(a)(iv), MCA Legislation: SB 151, 1997 Session

In addition to the federal deduction for medical expenses, Montana allows an itemized deduction for all unreimbursed long-term care insurance premiums. As with medical insurance premiums, long-term care premiums cannot be claimed as an itemized deduction if they were claimed as an above-the-line deduction in calculating adjusted gross income. In addition, a taxpayer may not claim a deduction for premiums that were part of the expenses qualifying for the elderly care credit.

This deduction provides a partial subsidy to taxpayers who buy long-term care insurance. The following table shows itemized deductions for medical insurance premiums for tax years 2009 through 2017. For Tax Year 2017, this deduction reduced income tax revenue to the general fund by \$1,627,086 or \$2.48 per full-year resident taxpayer.

Long Term Care Insurance Premiums								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	11,187	\$26,195,277	1,087	\$3,106,805	170	\$379,420	12,444	\$29,681,502
2010	11,291	\$27,300,594	1,212	\$3,555,909	183	\$390,151	12,686	\$31,246,654
2011	11,210	\$33,985,594	1,284	\$3,706,599	180	\$435,634	12,674	\$38,127,827
2012	10,966	\$27,571,088	1,327	\$3,902,607	211	\$469,625	12,504	\$31,943,320
2013	11,086	\$29,433,415	1,393	\$4,282,706	198	\$459,421	12,677	\$34,175,542
2014	10,995	\$30,079,682	1,427	\$4,713,851	210	\$533,442	12,632	\$35,326,975
2015	10,756	\$30,500,607	1,419	\$4,705,289	214	\$529,032	12,389	\$35,734,928
2016	10,793	\$30,987,121	1,418	\$4,804,136	235	\$776,408	12,446	\$36,567,665
2017	10,451	\$30,898,836	1,422	\$5,136,137	217	\$567,120	12,090	\$36,602,093

Medical and Dental Expenses: Federal Provision Legislation: NA

Both federal and state law allow an itemized deduction for a portion of the taxpayer's unreimbursed medical and dental expenses. Expenses that are paid directly by another party or which are reimbursed by insurance are not deductible. Premiums for health insurance and long-term care insurance are considered deductible medical expenses.

Through 2012, the deduction was for expenses that were more than 7.5 percent of adjusted gross income. Beginning in 2013, taxpayers younger than 65 could only deduct expenses that are more than 10 percent of adjusted gross income. Federal tax law changes lowered the expenses threshold to 7.5 percent for all taxpayers until Tax Year 2019. Beginning in Tax Year 2019, the 10 percent threshold will apply to all taxpayers. This deduction provides a partial reimbursement or subsidy for taxpayers who have high unreimbursed medical expenses in a year.

Medical Expenses								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	71,592	\$307,848,323	3,138	\$22,715,090	1,038	\$4,801,228	75,768	\$335,364,641
2010	70,087	\$304,436,666	3,366	\$25,336,873	1,073	\$4,940,915	74,526	\$334,714,454
2011	68,589	\$301,438,269	3,313	\$27,542,862	1,179	\$6,185,864	73,081	\$335,166,995
2012	65,601	\$296,883,350	3,385	\$27,559,664	1,247	\$6,483,899	70,233	\$330,926,913
2013	57,445	\$289,795,563	3,171	\$29,070,157	1,126	\$5,858,508	61,742	\$324,724,228
2014	56,074	\$278,443,929	3,198	\$29,850,377	1,073	\$6,623,096	60,345	\$314,917,402
2015	56,183	\$284,136,157	3,007	\$29,160,349	1,024	\$6,375,164	60,214	\$319,671,670
2016	56,383	\$293,717,332	3,158	\$30,398,401	1,023	\$6,703,465	60,564	\$330,819,198
2017	60,310	\$307,625,176	3,308	\$31,767,112	1,197	\$6,487,843	64,815	\$345,880,131

The table above shows itemized deductions for medical and dental expenses for tax years 2009 through 2017. For Tax Year 2017, this deduction reduced income tax revenue to the general fund by \$11,795,070, or \$17.99 per full-year resident taxpayer.

Itemized Deduction Expenditures

Medical Insurance Premiums: 15-30-2131(1)(a)(iii), MCA Legislation: HB 202, 1995 Session

In addition to the federal deduction for medical expenses, Montana allows an itemized deduction for all unreimbursed health insurance premiums. Insurance premiums cannot be claimed as an itemized deduction if they were claimed as an above-the-line deduction in calculating adjusted gross income. This would be the case for a self-employed taxpayer who deducted premiums as a business expense, an employee who had premiums excluded as a fringe benefit, or if the taxpayer paid the premiums with pre-tax funds from a medical savings account.

This deduction provides a partial subsidy to taxpayers who buy their own health insurance. The following table shows itemized deductions for medical insurance premiums for tax years 2009 through 2017. For Tax Year 2017, this deduction reduced income tax revenue to the general fund by \$22,600,177, or \$34.47 per full-year resident taxpayer.

Medical Insurance Premiums Not Deducted Elsewhere								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	92,000	\$345,055,072	6,466	\$28,675,237	1,652	\$5,222,640	100,118	\$378,952,949
2010	91,411	\$353,880,862	7,022	\$32,329,763	1,761	\$5,727,102	100,194	\$391,937,727
2011	91,861	\$364,569,523	7,507	\$34,416,031	1,952	\$6,261,215	101,320	\$405,246,769
2012	91,649	\$368,422,012	7,962	\$36,238,149	2,008	\$6,836,636	101,619	\$411,496,797
2013	92,845	\$388,204,675	8,475	\$40,764,387	2,213	\$7,808,160	103,533	\$436,777,222
2014	94,095	\$390,392,386	9,007	\$44,109,594	2,125	\$7,480,016	105,227	\$441,981,996
2015	98,528	\$481,950,204	9,085	\$46,594,292	2,275	\$8,162,208	109,888	\$536,706,704
2016	103,805	\$445,884,104	9,571	\$51,676,439	2,728	\$9,434,403	116,104	\$506,994,946
2017	103,991	\$473,418,359	9,734	\$54,746,509	2,775	\$10,288,605	116,500	\$538,453,473

Political Contributions: 15-30-2131(1)(d), MCA Legislation: HB 407, 1979 Session

Montana allows taxpayers an itemized deduction for up to \$100 of contributions to candidates for political office or to political parties. Federal law does not allow a comparable deduction. This deduction provides a subsidy for taxpayers making political contributions totaling up to \$100.

The following table shows itemized deductions for political contributions for tax years 2009 through 2017. The itemized deduction for political contributions reduced income tax revenue to the general fund for 2017 by \$49,728, or \$0.08 per full-year resident taxpayer.

Political Contributions								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	5,490	\$643,598	190	\$24,431	57	\$6,359	5,737	\$674,388
2010	6,959	\$822,083	230	\$29,357	86	\$9,673	7,275	\$861,113
2011	6,047	\$729,898	210	\$27,487	84	\$9,069	6,341	\$766,454
2012	8,774	\$1,082,429	296	\$39,241	121	\$14,181	9,191	\$1,135,851
2013	5,343	\$643,188	185	\$24,439	82	\$9,661	5,610	\$677,288
2014	6,683	\$840,852	208	\$27,772	97	\$10,767	6,988	\$879,391
2015	5,621	\$684,847	209	\$25,325	105	\$11,111	5,935	\$721,283
2016	8,490	\$1,055,050	281	\$36,989	154	\$17,115	8,925	\$1,109,154
2017	6,832	\$838,756	240	\$32,440	133	\$15,210	7,205	\$886,406

Itemized Deduction Expenditures

Property Taxes on Personal Property: Federal Provision and 15-30-2131(1)(h), MCA Legislation: HB 540, 1999 Session (light vehicle fees)

Both federal and Montana law allows taxpayers to take an itemized deduction for property taxes on personal property paid during the year. For individual taxpayers, this consists primarily of motor vehicle license fees. One difference between the federal and state deductions is that federal law allows a deduction only for taxes that are based on the value of the property while Montana law allows a deduction for light vehicle registration fees, which are based on age rather than value.

This deduction avoids having the state levy income tax on income that was paid to the state or local governments as property tax. To the extent that taxpayers with higher incomes own more taxable personal property, the effect on taxpayers is similar to having a lower rate for personal property owners. It also provides an incentive for the ownership of taxable rather than untaxed personal property.

The following table shows itemized deductions for personal property taxes for tax years 2009 through 2017. For Tax Year 2017, the deduction for personal property taxes reduced income tax revenue to the general fund by \$3,723,240, or \$5.68 per full-year resident taxpayer.

Personal Property Taxes								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	147,121	\$53,773,266	7,585	\$5,206,252	2,799	\$1,383,547	157,505	\$60,363,065
2010	144,929	\$52,671,671	8,059	\$4,918,690	3,132	\$1,303,742	156,120	\$58,894,103
2011	148,894	\$52,698,081	8,638	\$5,110,112	3,473	\$1,484,196	161,005	\$59,292,389
2012	148,566	\$52,294,545	9,434	\$5,321,672	3,706	\$1,472,320	161,706	\$59,088,537
2013	152,201	\$54,011,758	10,082	\$5,899,666	4,135	\$1,724,377	166,418	\$61,635,801
2014	150,373	\$55,086,743	10,207	\$6,074,643	4,092	\$1,801,915	164,672	\$62,963,301
2015	150,616	\$56,198,651	9,878	\$6,163,518	3,755	\$1,730,465	164,249	\$64,092,634
2016	155,725	\$58,464,448	10,103	\$6,444,118	4,317	\$1,907,618	170,145	\$66,816,184
2017	157,971	\$61,716,979	10,323	\$8,149,043	4,684	\$2,431,660	172,978	\$72,297,682

Property Taxes on Real Estate: Federal Provision Legislation: NA

Both federal and Montana law allow taxpayers to take an itemized deduction for property taxes on real estate paid during the year. This deduction avoids having the state levy income tax on income that was paid to the state or local governments as property tax. Since taxpayers with higher incomes tend to own more real estate and pay more property taxes, the effect is similar to having lower rates for property owners. This deduction also provides an incentive for ownership of real estate relative to making other purchases and to own rather than rent.

The table on the next page shows itemized deductions for real estate taxes for tax years 2009 through 2017. For Tax Year 2017, the deduction for real estate taxes reduced income tax revenue to the state general fund by \$31,788,835, or \$48.48 per full-year resident taxpayer.

Itemized Deduction Expenditures

Real Estate Taxes								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	190,987	\$390,523,795	16,210	\$117,316,538	4,054	\$9,895,034	211,251	\$517,735,367
2010	190,240	\$400,710,387	17,430	\$132,985,027	4,242	\$10,966,735	211,912	\$544,662,149
2011	190,503	\$411,428,092	18,284	\$140,956,982	4,432	\$11,106,045	213,219	\$563,491,119
2012	187,722	\$407,127,118	19,198	\$115,915,969	4,713	\$11,434,342	211,633	\$534,477,429
2013	191,258	\$427,371,486	20,552	\$147,935,026	4,912	\$12,574,315	216,722	\$587,880,827
2014	190,500	\$438,431,688	20,935	\$145,442,935	5,036	\$13,080,649	216,471	\$596,955,272
2015	193,588	\$461,824,346	20,505	\$156,708,157	4,929	\$14,489,690	219,022	\$633,022,193
2016	196,679	\$491,661,308	20,971	\$171,690,180	5,289	\$15,682,421	222,939	\$679,033,909
2017	200,158	\$542,165,526	21,568	\$190,265,641	5,444	\$16,926,369	227,170	\$749,357,536

Other Deductible Taxes: Federal Provision Legislation: NA

Federal and state law allows itemized deductions for several other types of taxes, including the generation skipping transfer tax and income taxes paid to other countries. This deduction avoids having the state levy income tax on income paid as tax to the United States or another country. As with other deductions for taxes, the effect on taxpayers is similar to having lower rates as long as taxpayers with higher incomes tend to pay more of the deductible taxes.

The following table shows itemized deductions for other taxes from 2009 through 2017. For Tax Year 2017, the deduction for other taxes reduced income tax revenue to the state general fund by \$374,326, or \$0.57 per full-year resident taxpayer.

Other Deductible Taxes								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	23,966	\$8,631,187	1,441	\$3,231,465	312	\$143,438	25,719	\$12,006,090
2010	25,284	\$10,298,211	3,789	\$7,385,215	560	\$493,640	29,633	\$18,177,066
2011	23,351	\$9,209,030	1,456	\$2,553,390	355	\$190,590	25,162	\$11,953,010
2012	22,435	\$8,398,699	1,450	\$2,280,780	358	\$206,848	24,243	\$10,886,327
2013	21,508	\$8,636,316	1,612	\$2,798,319	355	\$216,346	23,475	\$11,650,981
2014	20,734	\$7,865,574	1,526	\$2,901,792	358	\$216,468	22,618	\$10,983,834
2015	20,251	\$7,480,154	1,489	\$3,177,156	290	\$301,071	22,030	\$10,958,381
2016	16,400	\$6,342,633	1,533	\$3,092,082	280	\$156,522	18,213	\$9,591,237
2017	15,178	\$6,262,752	1,560	\$3,621,889	302	\$246,158	17,040	\$10,130,799

Sales Tax or Local Income Tax: Federal Provision Legislation: NA

Federal law allows taxpayers to choose an itemized deduction for either general sales taxes or state and local income taxes paid during the year. Montana does not allow an itemized deduction for state income tax and does not have a general sales tax or local income taxes. Thus, this deduction is relevant only to taxpayers who pay sales tax or local income taxes in another state.

The effect of this deduction on taxpayers is like the effect of the deduction for federal taxes. Formally, it avoids having the state levy income tax on income paid as tax to another state or political subdivision of another state. Practically, it is essentially equivalent to a lower tax rate for taxpayers who pay sales tax or local income tax in another state and itemize deductions.

For example, suppose a taxpayer who lives in another state but has Montana income spends 90 percent of any extra income on purchases that are subject to their home state's 8 percent sales tax. For every \$100 of extra income, this person will have \$7.40 of extra sales tax deductions so that an extra \$100 of gross income is only \$92.80 of taxable income. If they are in the 6.9 percent top rate bracket, their effective

Itemized Deduction Expenditures

marginal rate is 6.4 percent (6.9 percent x 92.8 percent).

The tables below show itemized deductions for sales tax or local income tax. The deduction for sales tax was first available for 2009. For Tax Year 2017, the deductions for sales tax or local income tax reduced income tax revenue to the general fund by \$143,268, or \$0.22 per full-year resident taxpayer. More than half of this tax expenditure goes to non-residents.

Sales Taxes									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	554	\$626,619	4,325	\$38,487,222	657	\$828,472	5,536	\$39,942,313	
2010	†	†	†	†	†	†	†	†	†
2011	406	\$512,725	5,239	\$16,742,670	777	\$1,025,031	6,422	\$18,280,426	
2012	381	\$346,741	5,208	\$12,695,689	691	\$860,975	6,280	\$13,903,405	
2013	353	\$404,334	5,257	\$19,095,941	719	\$948,301	6,329	\$20,448,576	
2014	358	\$458,055	5,259	\$11,803,026	693	\$1,009,380	6,310	\$13,270,461	
2015	468	\$530,408	4,711	\$10,910,770	596	\$979,978	5,775	\$12,421,156	
2016	435	\$441,878	5,241	\$12,227,289	659	\$991,229	6,335	\$13,660,396	
2017	494	\$669,560	5,739	\$13,652,736	873	\$1,278,790	7,106	\$15,601,086	

† This item did not have a separate line on 2010 returns.

Local Income Taxes									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	220	\$203,766	909	\$18,609,474	317	\$448,032	1,446	\$19,261,272	
2010	285	\$130,753	1,160	\$15,246,242	373	\$293,152	1,818	\$15,670,147	
2011	294	\$131,540	1,249	\$10,735,398	400	\$215,856	1,943	\$11,082,794	
2012	229	\$102,533	1,527	\$4,994,937	437	\$345,344	2,193	\$5,442,814	
2013	190	\$136,620	1,545	\$5,573,860	513	\$346,018	2,248	\$6,056,498	
2014	178	\$122,793	1,430	\$6,681,561	439	\$414,937	2,047	\$7,219,291	
2015	393	\$447,040	1,518	\$23,818,385	452	\$418,285	2,363	\$24,683,710	
2016	404	\$125,825	1,532	\$4,640,589	483	\$271,106	2,419	\$5,037,520	
2017	484	\$213,412	1,534	\$5,502,230	453	\$308,135	2,471	\$6,023,777	

Tax Credits

Tax credits offset tax liability for taxpayers who make specified expenditures or take specified actions. Tax credits are not part of the basic structure of the income tax and are therefore tax expenditures.

Credits generally give taxpayers an incentive to make certain expenditures by providing a partial subsidy for those expenditures, which lowers the taxpayer's cost. The amount of subsidy a taxpayer receives depends on whether the taxpayer can also claim a federal deduction or credit, whether the taxpayer could claim a state deduction for the same expenditure, and whether the taxpayer must choose between a state deduction and the state credit or can claim both. For each credit, this section shows taxpayer subsidies, taking the interactions of state and federal taxes into account, for taxpayers whose federal taxes are above and below the cap on the state deduction for federal taxes.

Sometimes, a taxpayer will have a credit or combination of credits that is greater than their tax liability. If a credit is refundable, the taxpayer receives a direct subsidy equal to the difference between the credit and tax liability, and the cost to the general fund is the full amount of the credit. If a credit is non-refundable but has a carry-over provision, any excess of the credit over tax liability must be carried forward and applied against tax liability in a later year. The current cost to the general fund is limited to the tax liability of taxpayers claiming the credit, but some credits claimed one year may be carried forward and reduce general fund revenue in future years. Also, part of the credits claimed in the current year may have been carried forward from earlier years. If a credit is non-refundable and cannot be carried over, the cost to the general fund is limited by the current tax liability of taxpayers claiming the credit.

Adoption Credit: 15-30-2364, MCA
Legislation: HB 490, 2007 Session

The IRS code allows an income tax credit for costs of adopting a child. A taxpayer who meets the requirements for the federal credit may also claim a credit of \$1,000 against Montana income tax. If the credit is more than the taxpayer's liability, the excess is not refunded, but excess credits may be carried forward for up to five years.

The credit has not been amended since it was enacted.

For 2017, the maximum federal adoption credit is \$13,570. A taxpayer who takes both the state and federal credits will be reimbursed for up to \$14,570 of the costs of adopting a child. If the actual costs are less than the federal credit, the state credit will provide a double reimbursement for \$1,000 of costs.

There is no itemized deduction for adoptions expenses. However, a taxpayer who claims the state and federal credits and itemizes deductions will have a smaller federal deduction for state taxes and may have a smaller state deduction for federal taxes. The following table shows the net effect of claiming the state credit and the maximum federal credit for a taxpayer in the top state and federal rate brackets who itemizes.

Adoption Expenditures		
Taxpayer Claims State Credit and Maximum Federal Credit		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	\$12,574.00	\$12,927.22
State Tax Subsidy	\$1,000.00	\$108.02
Net Taxpayer Subsidy	\$11,574.00	\$12,819.20

However, for many taxpayers, the federal credit will be more than federal tax liability and the state credit may be more than state tax liability. In these cases, the interaction of federal and state deductions will only occur in the last year the credit is carried forward and is likely to be smaller than shown in the table.

Tax Credits

This credit was first available in 2007. The following table shows credits claimed for 2009 through 2017.

Adoption Credit								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	150	\$165,300	11	\$10,036	*	\$10,720	*	\$186,056
2010	249	\$322,517	17	\$17,608	14	\$18,522	280	\$358,647
2011	230	\$274,849	18	\$16,982	*	\$6,000	*	\$297,831
2012	178	\$189,721	20	\$22,245	*	\$6,418	*	\$218,384
2013	186	\$210,765	22	\$23,320	10	\$9,998	218	\$244,083
2014	180	\$257,945	23	\$24,030	14	\$15,000	217	\$296,975
2015	183	\$219,789	23	\$27,367	10	\$10,594	216	\$257,750
2016	185	\$222,618	14	\$12,591	10	\$12,582	209	\$247,791
2017	175	\$205,210	17	\$16,291	*	\$5,582	*	\$227,083

* Not disclosed due to confidentiality concerns

In 2017, taxpayers used credits of \$169,555 and carried forward credits of approximately \$57,500 to be used in future years. There were \$27,590 in credits claimed in 2017 that were carried forward from 2016. Without the credit, \$169,555 would have been available to spend on other state programs or to reduce taxes. The cost was \$0.26 per full-year resident taxpayer.

Alternative Energy Production Credit: 15-32-401, MCA through 15-32-407, MCA
Legislation: HB 780, 1983 Session

A taxpayer is allowed a credit against individual income tax or corporation income tax for 35 percent of the costs, less any federal or state grants, of depreciable property for a commercial or net metering alternative energy system. However, the credit may only be taken against taxes on net income from energy generated by the facility, from manufacturing alternative energy generating equipment, or from a new or expanded industry powered by the facility.

If the credit is more than the taxpayer's liability, the excess credit may not be refunded. Excess credits may be carried forward for seven years. If the credit is for a commercial system of at least 5MW built on a reservation, the credit may be carried forward for 15 years.

The credit was enacted as a credit for commercial wind energy systems. The 2001 Legislature expanded the credit to alternative energy systems and net-metering systems as well as commercial systems (SB 506). The 2001 Legislature also expanded the carry-forward provision to 15 years for facilities built on a reservation and meeting certain other requirements. Other amendments in 1997, 2001, 2003, and 2005 were for clean-up or related to expired federal laws.

This credit reduces the cost of an alternative energy system by 35 percent. The taxpayer's cost for each \$1,000 of investment is thus \$650. In addition, some wind energy systems placed in service between 2008 and 2016 are eligible for a 30 percent federal credit. If a taxpayer claims both the state and federal credits, the taxpayer's cost for each \$1,000 of investment is \$350. The taxpayer is allowed to deduct depreciation on property for which the credit was granted with no reduction in basis. However, the taxpayer may not claim any other state energy or investment income tax credit or the property tax exemption for alternative energy systems.

An individual taxpayer may claim the credit for investments made by a sole-proprietor business or may claim a share of the credit claimed by a pass-through entity. If the taxpayer itemizes deductions, claiming the state credit will reduce the federal deduction for state taxes, and claiming the federal credit may reduce the state deduction for federal taxes. The table on the next page shows the state and federal tax subsidies for a \$1,000 investment, if the taxpayer is in the top state and federal rate brackets and itemizes deductions.

The table on the next page shows credit use for tax year 2009 through 2017.

\$1,000 Expenditure for Commercial Alternative Energy System		
Taxpayer Claims State and Federal Credits		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	\$161.40	\$165.93
State Tax Subsidy	\$350.00	\$338.55
Net Taxpayer Subsidy	\$511.40	\$504.48

Alternative Energy Production Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	14	\$33,086	0	\$0	0	\$0	14	\$33,086	
2010	*	\$11,360	0	\$0	0	\$0	*	\$11,360	
2011	*	\$7,290	0	\$0	0	\$0	*	\$7,290	
2012	*	\$11,684	0	\$0	0	\$0	*	\$11,684	
2013	*	\$56	0	\$0	0	\$0	*	\$56	
2014	*	\$1,310	0	\$0	0	\$0	*	\$1,310	
2015	*	\$13,730	0	\$0	0	\$0	*	\$13,730	
2016	*	\$1,843	0	\$0	0	\$0	*	\$1,843	
2017	*	\$33,936	*	\$7,126	0	\$0	*	\$41,062	

* Not disclosed due to confidentiality concerns

This credit is equivalent to a transfer from the state general fund to pay part of the cost of qualifying private property. In 2017, the credit against individual income tax cost the state general fund \$29,765. Credits of more than \$11,000 could be carried forward to future years, but none of the credits claimed in 2016 were carried forward from 2017. The cost per full-year resident taxpayer is \$0.05.

Alternative Energy Systems Credit: 15-32-201, MCA through 15-32-203, MCA
Legislation: SB 167, 1977 Session

Resident individual taxpayers may take a credit for up to \$500 of the cost of installing an alternative energy heating system or a low-emission wood or biomass system in their principal residence. If the credit exceeds the taxpayer's liability, the excess may not be refunded, but may be carried forward for up to four years.

The credit was enacted as a credit of 10 percent of the first \$1,000 and 5 percent of the next \$3,000 spent on an alternative energy system, with a reduction if the taxpayer received a grant or a federal credit. It was available through 1982. The 1983 Legislature extended the credit through 1986 (HB 264). The 1985 Legislature (SB 309) expanded the credit to low-emissions wood and biomass systems and extended the credit through 1993. The 1991 Legislature (HB 338) doubled the credit to 20 percent of the first \$1,000 and 10 percent of the next \$3,000, extended it through 1996 for low-emissions wood and biomass systems only, and revised the definition of low-emissions wood and biomass systems. Amendments in 1993, 1995, and 1997 were to correct references and update style (1993 SB 1, 1995 SB 234, 1997 SB 36).

The credit lapsed after 1996. The 2001 Legislature reinstated it for investments beginning in 2002, made it permanent, and set the credit at system cost up to \$500 (SB 506). The 2003 Legislature adopted federal standards for low-emissions wood and biomass systems. The 2009 Legislature (HB 262) limited the credit to heating systems and changed the definition of eligible wood-burning systems to include outdoor hydronic heaters that meet certain EPA qualifications and masonry heaters that comply with certain building standards.

This credit reduces the taxpayer's cost of a residential alternative energy heating system or low-emissions wood or biomass system by \$500. For any system costing \$500 or less, the credit makes it free to the taxpayer, though there are not likely to be many eligible systems costing less than \$500. Taxpayers are not allowed to deduct depreciation on their homes, so taxpayers may not claim the credit for expenditures that they also deduct. However, through 2016, a taxpayer may also claim a federal credit for 30 percent of the cost of residential solar electric and water heating equipment, fuel cells, and small wind systems.

Tax Credits

For a taxpayer who itemizes deductions, claiming the state credit will reduce the federal deduction for state taxes, and claiming the federal credit may reduce the state deduction for federal taxes. The table to the right shows state and federal tax subsidies for \$1,000 spent on a qualifying alternative energy system, if the taxpayer is in the top state and federal rate brackets and itemizes deductions.

\$1,000 Alternative Energy System Expenditure		
Taxpayer Claims Credit, Expenses Not Deductible		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	\$102.00	\$104.87
State Tax Subsidy	\$500.00	\$492.76
Net Taxpayer Subsidy	\$602.00	\$597.63

The following table shows credit use for tax year 2009 through 2017.

Alternative Energy System Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	1,705	\$1,302,796	0	\$0	22	\$19,500	1,727	\$1,322,296	
2010	1,810	\$1,377,478	0	\$0	36	\$27,256	1,846	\$1,404,734	
2011	1,135	\$823,533	0	\$0	15	\$10,270	1,150	\$833,803	
2012	858	\$642,288	0	\$0	15	\$11,800	873	\$654,088	
2013	830	\$632,607	0	\$0	17	\$14,694	847	\$647,301	
2014	800	\$617,949	0	\$0	22	\$19,904	822	\$637,853	
2015	735	\$581,523	0	\$0	23	\$21,046	758	\$602,569	
2016	827	\$668,542	0	\$0	26	\$22,765	853	\$691,307	
2017	742	\$577,371	0	\$0	29	\$23,967	771	\$601,338	

This credit is equivalent to a grant from the state general fund to pay part of the cost of private alternative energy systems. In 2017, the credit cost the state general fund \$315,904 and \$50,902 in credits were carried forward to future years. Fifty-five percent of credits for were wood and biomass systems, and 45 percent were for other types of system. There were \$18,400 in credits carried forward from 2016 and claimed in 2017. Without the credit, \$315,904 would have been available to spend on other state programs or to reduce taxes. The cost was \$0.48 per full-year resident taxpayer.

Alternative Fuel Conversion Credit: 15-30-2320, MCA
Legislation: HB 219, 1993 Session

Taxpayers are allowed a credit against individual income tax or corporate license tax of 50 percent of the cost of converting a motor vehicle to operate on natural gas, LPG, LNG, hydrogen, electricity, or a fuel that is at least 85 percent alcohol or ether. The credit is limited to \$500 for converting a vehicle with GVW of 10,000 or less and to \$1,000 for converting of a vehicle with GVW over 10,000. If a taxpayer's credit is more than his or her tax liability, the excess credit is not refunded and cannot be carried forward or backward to another tax year.

This credit has not been amended since it was first enacted. There is no federal incentive for vehicle conversions, but a federal credit for the purchase of a new alternative fuel vehicle was extended by the Bipartisan Budget Act of 2018.

The alternative fuel credit pays part or all of a taxpayer's cost of converting a vehicle to run on an alternative fuel. For a taxpayer who takes the standard deduction on their federal taxes, the credit pays the full cost up to the limit. However, if the taxpayer itemizes, the credit will increase their federal taxes. This is because claiming the state credit will reduce the federal itemized deduction for state taxes. The table to the right shows the change in federal and state taxes for a \$100 expenditure by a taxpayer in the top federal and state rate brackets who itemizes on both federal and state returns.

Tax Credits

If the conversion is of a business vehicle, the taxpayer would be able to expense or amortize the cost as a business expense in addition to claiming the credit. For a personal vehicle, these costs are not deductible.

\$100 Alternative Fuel Vehicle Conversion Expenditure		
Taxpayer Claims Credit, Expenses Not Deductible		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$19.80)	(\$20.36)
State Tax Subsidy	\$50.00	\$51.40
Net Taxpayer Subsidy	\$69.80	\$68.95

The following table shows credits for tax years 2009 through 2017.

Alternative Fuel Credit								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	46	\$38,175	*	\$2,210	*	\$100	*	\$40,485
2010	36	\$25,281	0	\$0	0	\$0	36	\$25,281
2011	15	\$26,822	0	\$0	*	\$500	*	\$27,322
2012	22	\$14,778	0	\$0	*	\$500	*	\$15,278
2013	16	\$8,183	*	\$1,200	0	\$0	*	\$9,383
2014	16	\$9,905	*	\$3,880	*	\$909	*	\$14,694
2015	12	\$8,189	*	\$3,712	*	\$6,000	*	\$17,901
2016	16	\$8,632	*	\$775	*	\$925	*	\$10,332
2017	12	\$6,194	0	\$0	*	\$1,600	*	\$7,794

* Not disclosed due to confidentiality concerns

This credit is essentially a transfer from the state general fund to help a taxpayer purchase private property. In 2017, the individual income tax credit for alternative fuel vehicle conversion cost the state general fund \$3,129. Taxpayers were unable to use more than \$4,500 of available credits because the credit is non-refundable and cannot be carried forward. Without the credit, either \$3,129 would have been available to spend on other programs or taxes could have been reduced by this amount. The average cost of this credit is less than \$0.01 per full-year resident taxpayer.

Apprenticeship Credit: 15-30-2357, MCA and 39-6-109, MCA
Legislation: HB 308, 2017 Session

Taxpayers are allowed a credit for employing an apprentice or veteran apprentice as a new employee in a state-registered apprenticeship training program. The credit is worth \$750 per approved apprentice or \$1,500 per approved veteran apprentice and may only be claimed for 5 years per apprentice. The credit is non-refundable and cannot exceed the individual's tax liability.

No credits have been claimed at this point, as the credit applies to tax years after December 31, 2017.

Biodiesel Blending and Storage Tank Credit: 15-32-703, MCA
Legislation: HB 776, 2005 Session

Taxpayers who are biodiesel blenders are allowed a credit against individual income tax or corporation tax for 15 percent of the cost of investments in biodiesel blending or storage facilities in a year when the taxpayer is blending or in the two years before blending began. The total credits that may be claimed over time are \$52,500 for a distributor (wholesaler) and \$7,500 for a retailer.

If a taxpayer is eligible for a credit that exceeds their tax liability, the excess credit is not refunded but may be carried forward for up to seven years as long as the facility continues to blend biodiesel. If the facility ceases production for 12 months within five years after the credit is first claimed, the entire credit must be recaptured.

Tax Credits

The credit was enacted as a non-refundable credit with no carry-forward. The 2007 Legislature (HB 166) allowed the credit to be carried forward, and specified that the credit is for costs incurred while the facility is operating or in the two years before.

An individual may claim the credit for investments made by a sole-proprietor business or may claim a share of the credit for investments made by a pass-through entity.

\$100 Biodiesel Blending or Storage Equipment Expenditure		
Taxpayer Claims Credit, No Change to Depreciation Deduction		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$5.94)	(\$6.11)
State Tax Subsidy	\$15.00	\$15.42
Net Taxpayer Subsidy	\$9.06	\$9.31

The credit provides a subsidy to biodiesel blending and storage facilities by reducing the taxpayer's cost of investments in biodiesel blending and storage facilities by 15 percent for investments of up to \$50,000 by a retailer and up to \$350,000 by a wholesaler. Taxpayers are allowed to deduct depreciation on facilities for which the credit was taken with no reduction in basis. A taxpayer who claims the credit and itemizes deductions will have a smaller federal deduction for state taxes, which will increase their federal tax liability, and may have a larger state deduction for federal taxes. The table above shows the total state tax subsidy and the federal tax cost to a taxpayer in the top federal and state rate brackets for \$100 invested in biodiesel blending or storage facilities.

Fewer than 10 individuals have claimed the credit each year. The following table shows the total value of credits taken by individuals in 2009 through 2017.

Biodiesel Blending/Storage Tank Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	*	\$2,630	0	\$0	0	\$0	*	\$2,630	
2010	*	\$907	0	\$0	0	\$0	*	\$907	
2011	*	\$46,755	0	\$0	0	\$0	*	\$46,755	
2012	0	\$0	0	\$0	0	\$0	0	\$0	
2013	*	\$2,250	0	\$0	0	\$0	*	\$2,250	
2014	0	\$0	0	\$0	0	\$0	0	\$0	
2015	0	\$0	0	\$0	0	\$0	0	\$0	
2016	0	\$0	0	\$0	0	\$0	0	\$0	
2017	0	\$0	0	\$0	0	\$0	0	\$0	

* Not disclosed due to confidentiality concerns

This credit is essentially the same as a grant from the state general fund to pay 15 percent of the cost of private property used to blend biodiesel. No credits were used or carried forward to future years in 2014 through 2017.

Capital Gains Credit: 15-30-2301, MCA
Legislation: HB 407, 2003 Session

A taxpayer has a gain or loss when the price of an asset the taxpayer owns changes and the change is not equal to depreciation on the asset. Gains and losses are realized when the taxpayer sells the asset. A taxpayer has unrealized gains or losses when the market value of an asset is more or less than the taxpayer's basis, which usually is the purchase price less depreciation.

In most cases, gains or losses on asset sales are considered capital gains or losses and are given special tax treatment by both federal and Montana law. In some cases where an asset's book value is less than its market value because of excess depreciation, part or all of the gain from its sale is taxed as ordinary income.

Tax Credits

Both federal law and Montana law require taxpayers to recognize gains and losses when assets are sold, rather than when the price change occurs. Gains and losses in the same year are netted against each other. If the result is a net gain, it is taxed that year. A net loss of up to \$3,000 (\$1,500 for a married taxpayer filing a separate return) may be used to offset other income in the same year, and any loss over this limit must be carried forward to the next year.

Federal law taxes income from capital gains and corporate dividends at lower rates than ordinary income. Montana does not have separate rates for different types of income, but does allow a credit equal to 2 percent of capital gains income. If the capital gains credit exceeds the taxpayer's tax liability, the excess credit is not refunded and may not be carried forward or backward to other tax years. This credit is equivalent to taxing capital gains at a lower rate than other income. With the credit, a taxpayer in the top income bracket is taxed at 6.9 percent on an additional dollar of ordinary income but at 4.9 percent on an additional dollar of capital gains income.

The income tax would not affect taxpayers' choices between assets that yield a stream of income and assets that provide a return through appreciation if capital gains were taxed (and capital losses were deducted) when they accrue rather than when they are realized, if capital gains were taxed at the same rate as ordinary income, and if gains and losses were calculated after adjusting the taxpayer's basis for inflation. In most cases, the preferential treatment of capital gains income creates incentives for taxpayers to invest in assets that produce capital gains rather than producing a stream of income, for taxpayers to make riskier investments, and for taxpayers to hold assets that have appreciated and sell assets that have lost value. However, these incentives may be reversed if taxpayers expect asset price increases to be offset by inflation.

The following table shows capital gains credits for tax years 2009 through 2017. For 2017, the capital gains credit reduced income tax revenue to the general fund by \$48,144,173, or \$76.24 per full-year resident taxpayer. The reduction in revenue is less than the total amount of credits claimed because some taxpayers reach zero tax liability without using all of their credit.

Capital Gains Credit								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	24,961	\$17,974,296	5,346	\$85,787,352	766	\$505,481	31,073	\$104,267,129
2010	31,812	\$19,642,186	7,340	\$296,606,874	1,043	\$1,073,029	40,195	\$317,322,089
2011	37,812	\$19,621,982	8,790	\$261,522,466	1,266	\$1,437,924	47,868	\$282,582,372
2012	50,139	\$31,235,460	10,891	\$267,092,173	1,615	\$1,285,846	62,645	\$299,613,479
2013	62,628	\$27,523,134	13,534	\$262,312,945	2,165	\$1,214,702	78,327	\$291,050,781
2014	68,897	\$38,921,806	15,472	\$333,043,375	2,476	\$1,404,501	86,845	\$373,369,682
2015	67,457	\$33,445,616	15,263	\$272,007,058	2,449	\$2,004,163	85,169	\$307,456,837
2016	62,818	\$33,576,490	14,410	\$357,188,908	2,297	\$3,481,699	79,525	\$394,247,097
2017	72,881	\$44,758,820	16,863	\$396,299,151	2,787	\$2,072,261	92,531	\$443,130,232

College Contribution Credit: 15-30-2301, MCA
Legislation: HB 894, 1991 Session

Individual and corporate taxpayers are allowed a credit of 10 percent of the amount of charitable contributions to the general endowment funds of Montana public or private higher education institutions.

The credit is limited to a maximum of \$500. A taxpayer with a credit that is larger than his or her tax liability will not be refunded the excess, and excess credits may not be carried forward or backward to another tax year. The credit originally was to sunset in 1996, but was made permanent by HB 199 of the 1995 Legislative Session. A taxpayer who makes a contribution to a college endowment fund may take both state and federal itemized deductions for the charitable contribution and this credit.

Tax Credits

This credit is essentially a transfer from the state general fund to Montana college endowment funds. The table below shows the portions of a \$100 contribution to an eligible college endowment fund that are ultimately paid by the donor, federal taxpayers, and state taxpayers, when the donor claims state and federal itemized deductions for the donation, when the donor claims the credit in addition to the federal deduction, and the difference due to the credit. The table assumes that the donor is in the top federal and state tax brackets.

\$100 Contribution to College Endowment Fund			
Taxpayer Claims Credit and Federal and State Deductions			
		Deduction for Federal Taxes	
		Capped	Not Capped
Federal Tax Subsidy		\$32.91	\$33.83
State Tax Subsidy		\$16.90	\$14.57
Net Taxpayer Subsidy		\$49.81	\$48.40
Taxpayer Claims Federal and State Itemized Deductions			
		Deduction for Federal Taxes	
		Capped	Not Capped
Federal Tax Subsidy		\$36.87	\$37.90
State Tax Subsidy		\$6.90	\$4.28
Net Taxpayer Subsidy		\$43.77	\$42.19
Difference Due to Credit			
		Deduction for Federal Taxes	
		Capped	Not Capped
Federal Tax Subsidy		(\$3.96)	(\$4.07)
State Tax Subsidy		\$10.00	\$10.28
Net Taxpayer Subsidy		\$6.04	\$6.21

The itemized deductions reduce the donor's cost to about 55 percent of the donation, and the credit further reduces it to about 50 percent of the donation. The additional subsidy is less than the credit because claiming the credit reduces the itemized deductions that can be claimed for state taxes.

The following table shows college contribution credits claimed by individual taxpayers for tax years 2009 through 2017.

College Contribution Credit								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	2,488	\$237,180	59	\$6,435	17	\$2,250	2,564	\$245,865
2010	2,549	\$253,119	54	\$5,634	27	\$3,940	2,630	\$262,693
2011	2,506	\$238,141	54	\$5,232	20	\$3,294	2,580	\$246,667
2012	2,607	\$246,495	56	\$8,421	20	\$2,038	2,683	\$256,954
2013	2,662	\$269,473	51	\$6,142	24	\$1,872	2,737	\$277,487
2014	2,833	\$285,949	69	\$9,164	22	\$3,817	2,924	\$298,930
2015	2,942	\$306,734	60	\$10,230	26	\$5,649	3,028	\$322,613
2016	3,101	\$322,604	77	\$10,754	34	\$6,396	3,212	\$339,754
2017	3,089	\$369,846	71	\$13,103	18	\$1,970	3,178	\$384,919

In 2017, this credit cost the state general fund \$350,872. Taxpayers were unable to use \$34,047 of credits because the credit is non-refundable and cannot be carried forward. Without this credit, \$350,872 would have been available to spend on other state programs or taxes could have been reduced by this amount. The college endowment credit against individual income tax cost an average of \$0.54 per full-year resident taxpayer.

Tax Credits

Credit for Other States' Taxes: 15-30-2302, MCA **Legislation:** HB 38, 1941 Session

Taxpayers who earn income in more than one state generally will owe tax in each of the states where they earn income that has an income tax. A Montana resident computes Montana income tax on their entire income and then is allowed a credit for income tax paid to other states. A non-resident or part-year resident computes Montana income tax on their entire income and then multiplies that by the percentage of income earned in Montana to give Montana tax liability. A part-year resident is then allowed a credit for income tax paid to another state on income also taxed in Montana.

If the credit is more than the taxpayer's liability, the excess credit is not refunded and may not be carried forward or backward to another tax year.

This credit prevents two states from taxing the same income. Not having a credit for income tax paid to other states would create a disincentive for individuals to work or have business interest in more than one state. The following table shows the credits claimed for 2009 through 2017.

Other State's Tax Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	9,139	\$16,975,208	0	\$0	350	\$220,394	9,489	\$17,195,602	
2010	10,572	\$20,608,363	0	\$0	254	\$138,299	10,826	\$20,746,662	
2011	10,658	\$19,090,209	0	\$0	275	\$294,694	10,933	\$19,384,903	
2012	10,497	\$23,668,111	0	\$0	223	\$192,211	10,720	\$23,860,322	
2013	12,202	\$27,082,006	0	\$0	268	\$217,481	12,470	\$27,299,487	
2014	12,772	\$31,205,001	0	\$0	684	\$757,794	13,456	\$31,962,795	
2015	13,301	\$31,375,448	0	\$0	925	\$855,861	14,226	\$32,231,309	
2016	13,351	\$31,363,032	0	\$0	460	\$575,796	13,811	\$31,938,828	
2017	14,070	\$33,636,066	0	\$0	540	\$502,006	14,610	\$34,138,072	

For 2017, the credit for other states' taxes cost the state general fund \$33,984,000, and \$154,072 in credits were unused because taxpayers had more credits than tax liability. The cost to the general fund was \$51.83 per full year resident taxpayer.

Dependent Care Assistance Credit: 15-31-131 and 15-30-2373, MCA; 15-31-133 and 15-30-2365, MCA; **Legislation:** SB 282, 1989 Session

Taxpayers may claim three related credits against individual income tax or corporation tax for providing daycare benefits to employees:

- There is a credit for a portion of the cost of providing day care services to employees' dependents. This credit is 25 percent of the cost of day care or day care assistance with a limit of \$1,575 per employee receiving the assistance. The assistance must meet requirements in federal law for being considered a non-taxable fringe benefit rather than part of the employees' compensation.
- There is a credit for 25 percent of the cost of providing day care information and referral services to employees.
- There is a credit for a portion of the cost of setting up a day care facility to be used by the taxpayer's employees' dependents. This credit was only for facilities placed in service by the end of 2005, with the credit being claimed over a ten-year period. The last year when this credit could be claimed was 2014.

Individuals may claim the credits directly as the owner of a sole-proprietor business or may claim their share of credits claimed by a pass-through entity. If the credit is more than the taxpayer's liability, the excess credit is not refunded. The credits for day care assistance may be carried forward up to five years. The credit for day care facility costs may be carried forward within the ten-year period for claiming the credit. There is no recapture provision.

Tax Credits

The 1989 Legislature created the credit for 15 percent of expenditures for providing day care services with a limit of \$1,250 per employee receiving benefits. The 1991 Legislature (HB 543) increased the credit to 20 percent of costs and allowed a partial credit when part of the cost counts as compensation. Amendments made by the 1993 Legislature as part of a major revision of the income tax (HB 671) were voided in 1994 by a referendum, and amendments in 1997 (SB 36) were just cleanup. The 2001 Legislature (HB 623) increased the day care assistance credit to 25 percent of costs with a limit of \$1,575 per employee and added the credits for day care referral and for day care facilities.

In general, employers can deduct the cost of employee fringe benefits as a business expense. Because of this, a taxpayer who does not claim the credit can deduct the costs as a business expense for both federal and state taxes. However, a taxpayer who claims the credit cannot deduct the cost for state taxes. With fewer deductions, the taxpayer's state taxes will be higher. Thus, the reduction in state taxes is less than the credit.

If the taxpayer itemizes deductions, the reduction in state taxes will result in a smaller federal deduction for state taxes. The resulting increase in federal taxes may result in a larger state deduction. The following table shows the net effects of claiming the credit on a taxpayer in the top federal and state rate brackets.

\$100 Expenditure on Daycare for Employees' Dependents		
Difference When Taxpayer Claims Federal Expense Deduction and State Credit Instead of Deduction		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$7.17)	(\$7.37)
State Tax Subsidy	\$18.10	\$18.61
Net Taxpayer Subsidy	\$10.93	\$11.24

The following table shows the total value of credits claimed against individual income tax from tax year 2009 through 2017.

Dependent Care Assistance Credit										
	Residents		Nonresidents		Part-Year Residents		Total			
	N	\$	N	\$	N	\$	N	\$		
2009	*	\$7,769	0	\$0	0	\$0	*	\$7,769		
2010	*	\$14,595	0	\$0	*	\$108	*	\$14,703		
2011	10	\$26,039	0	\$0	*	\$239	*	\$26,278		
2012	10	\$95,590	*	\$122	*	\$253	*	\$95,965		
2013	12	\$13,525	0	\$0	*	\$2,600	*	\$16,125		
2014	*	\$13,528	0	\$0	0	\$0	*	\$13,528		
2015	14	\$31,586	*	\$2,200	*	\$851	*	\$34,637		
2016	*	\$22,415	*	\$1	*	\$1,970	*	\$24,386		
2017	*	\$149,378	0	\$0	0	\$0	*	\$149,378		

* Not disclosed due to confidentiality concerns

This credit is equivalent to a transfer from the state general fund to taxpayers to cover part of the costs of providing day care to employees' dependents. In 2017, credits against individual income tax cost the state general fund \$7,215. None of the credits claimed in 2017 were carried forward from 2016. Without the credit, \$7,215 would have been available to spend on other state programs or to reduce taxes. The cost was \$0.01 per full-year resident taxpayer.

Elderly Care Credit: 15-30-2366, MCA
Legislation: HB 166, 1989 Session

This credit covers part of the costs of caring for a low-income family member who is either elderly or disabled. The credit depends on the taxpayer's income, as shown in the following table.

<u>Adjusted Gross Income</u>	<u>Credit</u>
\$25,000 or less	30% of qualifying expenses
\$25,001 to \$27,000	29% of qualifying expenses
\$27,001 to \$29,000	28% of qualifying expenses
\$29,001 to \$31,000	27% of qualifying expenses
\$31,001 to \$33,000	26% of qualifying expenses
\$33,001 to \$35,000	25% of qualifying expenses
\$35,001 to \$37,000	24% of qualifying expenses
\$37,001 to \$39,000	23% of qualifying expenses
\$39,001 to \$41,000	22% of qualifying expenses
\$41,001 to \$43,000	21% of qualifying expenses
\$43,001 to \$55,000	20% of qualifying expenses

The family member being cared for must have income of \$15,000 or less if single or \$30,000 or less if married. The maximum credit is \$5,000 per family member and \$10,000 total. If a taxpayer's credit exceeds their tax liability, the excess is not refunded and may not be carried forward or backward to another tax year.

The credit was enacted by the 1989 Legislature (HB 166). The 1991 Legislature reduced the age for eligible family members from 70 to 65 and made other changes to the definitions of eligible family member and eligible costs (HB 750). Amendments by the 1995 Legislature (SB 345) merely updated references that changed with the creation of the Department of Public Health and Human Services.

This credit provides a partial subsidy for taxpayers with low or moderate income who are caring for a low-income elderly or disabled relative. Some costs that qualify for this credit could be claimed as itemized deductions, but taxpayers are not allowed to claim both the credit and an itemized deduction for the same costs. For costs that could not be claimed as an itemized deduction, the subsidy is the credit percentage found in the table above. For costs that could be claimed as an itemized deduction, the subsidy from the credit is the difference between the credit percentage and the taxpayer's marginal tax rate.

For example, a taxpayer with adjusted gross income of \$25,000, two exemptions, and taking the standard deduction would be in the top (6.9 percent) rate bracket and would have a 30 percent credit. For \$1,000 of qualifying expenses, this taxpayer could claim a credit of \$300, and the taxpayer's cost would be \$700. If those expenses could be claimed as an itemized deduction, the deduction would reduce the taxpayer's liability by \$69 (6.9 percent x \$1,000). The taxpayer's cost would be \$931 (\$1,000 - \$69). If the taxpayer takes the credit instead of the itemized deduction, the additional subsidy is \$231 (\$300 - \$69).

For a taxpayer who itemized deductions, the credit would reduce the federal deduction for state taxes and possibly increase the state deduction for federal taxes. This would increase federal taxes and give a much smaller further reduction in state taxes. For an itemizer in the 10 percent federal rate bracket and the 6.9 percent state rate bracket, claiming a \$300 credit would increase federal income taxes by \$30.21 and reduce state taxes by a total of \$302.08.

The table on the following page shows use of the elderly care credit for tax years 2009 through 2017.

This credit is a transfer from the state general fund to individual taxpayers who are caring for a low-income elderly or disabled relative. It pays for part of costs that are not covered by insurance or government programs. In 2017, this credit cost the state general fund \$24,893. Taxpayers were unable to use credits of nearly \$72,000 because the credit is non-refundable and cannot be carried forward. Without the credit, \$24,893 would have been available to spend on other programs or to reduce taxes. The cost of this credit was \$0.04 per full-year resident taxpayer.

Elderly Care Credit								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	41	\$45,059	0	\$0	0	\$0	41	\$45,059
2010	51	\$75,912	0	\$0	0	\$0	51	\$75,912
2011	49	\$77,468	0	\$0	0	\$0	49	\$77,468
2012	47	\$52,714	0	\$0	0	\$0	47	\$52,714
2013	43	\$74,466	*	\$4,000	*	\$95	*	\$78,561
2014	41	\$59,626	0	\$0	*	\$4,500	*	\$64,126
2015	39	\$55,637	0	\$0	*	\$90	*	\$55,727
2016	53	\$82,771	*	\$477	*	\$7,373	*	\$90,621
2017	57	\$91,545	*	\$1	*	\$4,986	*	\$96,532

* Not disclosed due to confidentiality concerns

Elderly Homeowner/Renter Credit: 15-30-2337 to 15-30-2341, MCA
Legislation: SB 337, 1981 Session

Taxpayers who are age 62 or older and have a household income of less than \$45,000 may be eligible for the elderly homeowner/renter credit. The credit refunds part or all of the property tax a homeowner pays directly or a renter pays indirectly that is more than a certain percentage of household income. For a household with income between \$12,000 and \$45,000, this percentage is 5 percent. For households with lower incomes, the credit refunds part or all of property taxes that are more than a smaller percent of income. For taxpayers with income between \$2,000 and \$2,999, the credit refunds part or all of property taxes that are more than 0.6 percent of income. The credit is limited to a maximum of \$1,000 per household. The credit phases out for households with income between \$35,000 and \$45,000.

Taxpayers who receive the elderly homeowner/renter credit pay their property taxes and then have part refunded. Local governments, school districts, the university system, and the state general fund all receive full payments of property taxes on these taxpayers' residences. Then, taxpayers are refunded part of the tax they paid via this credit, which reduces revenue going to the state general fund.

This credit is essentially a property tax refund administered through the income tax system. The credit could be considered a tax expenditure either for the income tax or the property tax.

This credit provides a subsidy for older taxpayers who own their home and whose income is no longer proportional to the value of their home, so that they can stay in their homes. For older taxpayers who rent, it subsidizes the rent they pay.

Taxpayers who claim the credit are able to take an itemized deduction for property taxes on their homes. For a taxpayer who takes the state and federal standard deductions, the credit reduces state income tax by \$1 for each \$1 by which the taxpayer's property tax exceeds the credit percentage for their income. If the taxpayer itemizes deductions, the credit reduces the federal deduction for state taxes, which increases federal income tax. This increases the state deduction for federal taxes, further reducing state taxes. A taxpayer who is eligible for the credit may be in any state rate bracket, but is likely to be in the 10 percent or 15 percent federal brackets. The table on the next page shows federal and state subsidies for a taxpayer in the top state and 15 percent federal rate brackets who claims the credit and itemizes, the federal and state subsidies if the taxpayer itemizes but does not claim the credit, and the difference due to the credit.

For a taxpayer who itemizes, the credit reduces the federal deduction for state taxes by the amount that the federal deduction for property taxes exceeds the credit percentage.

The table on the next page shows the credits claimed with income tax returns for 2009 through 2017. Additional credits were claimed by taxpayers who did not file income tax returns. For 2017, the elderly homeowner/ renter credit cost the state general fund \$6,955,393, or \$10.61 per full-year resident taxpayer.

Tax Credits

Property Tax \$100 more than Credit Percent	
Taxpayer Claims Credit and Federal and State Deductions	
Federal Tax Subsidy	(\$1.05)
State Tax Subsidy	\$106.97
Net Taxpayer Subsidy	\$105.93
Taxpayer Claims Federal and State Itemized Deductions	
Federal Tax Subsidy	\$14.11
State Tax Subsidy	\$5.93
Net Taxpayer Subsidy	\$20.04
Difference Due to Credit	
Federal Tax Subsidy	(\$15.16)
State Tax Subsidy	\$101.05
Net Taxpayer Subsidy	\$85.89

Elderly Homeowner/Renter Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	16,984	\$8,465,090	*	\$1,127	23	\$12,779	*		\$8,478,996
2010	16,986	\$8,467,974	0	\$0	14	\$8,322	17,000		\$8,476,296
2011	16,470	\$8,167,841	*	\$1,033	29	\$14,702	*		\$8,183,576
2012	14,906	\$7,183,795	*	\$2,109	21	\$8,283	*		\$7,194,187
2013	13,756	\$6,608,064	0	\$0	22	\$11,303	13,778		\$6,619,367
2014	12,660	\$6,065,006	*	\$1,026	16	\$5,740	*		\$6,071,772
2015	12,733	\$6,182,410	0	\$0	21	\$10,510	12,754		\$6,192,920
2016	13,120	\$6,510,107	*	\$1,768	24	\$7,632	*		\$6,519,507
2017	13,551	\$6,949,653	0	\$0	16	\$5,740	13,567		\$6,955,393

* Not disclosed due to confidentiality concerns

Emergency Lodging Credit: 15-31-171, MCA and 15-30-2381, MCA Legislation: HB 240, 2007 Session

The Department of Public Health and Human Services has a program to provide temporary emergency lodging to individuals or families referred by non-profit organizations working with domestic violence victims. Lodging establishments may receive a tax credit of \$30 per day for providing up to five days of free lodging to someone who has been referred to them through this program. If the credit is more than the taxpayer's tax liability, the excess can be refunded. Since this credit is not a proportion of expenditure, it is not possible to calculate tax subsidy percentages as is done for other credits.

The credit may be taken against either income tax or corporation tax. This program was created by the 2007 Legislature, and has been in place since 2008. The 2015 legislature expanded the credit to cover lodging provided to families as well as individuals.

The following table shows income tax credits claimed in tax year 2008 through 2017. Until 2017, fewer than 20 taxpayers claimed the credit each year. Without the credit, approximately \$10,000 would have been available in 2017 to spend on other state programs or taxes could have been reduced by this amount.

Emergency Lodging Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	0	\$0	0	\$0	0	\$0	0	\$0	\$0
2010	0	\$0	0	\$0	0	\$0	0	\$0	\$0
2011	*	\$863	*	\$150	0	\$0	*		\$1,013
2012	0	\$0	0	\$0	0	\$0	0	\$0	\$0
2013	0	\$0	0	\$0	0	\$0	0	\$0	\$0
2014	*	\$500	0	\$0	0	\$0	*		\$500
2015	*	\$247	*	\$180	*	\$90	*		\$517
2016	*	\$2,030	*	\$85	*	\$1,300	*		\$3,415
2017	20	\$9,841	*	\$150	*	\$60	*		\$10,051

* Not disclosed due to confidentiality concerns

Tax Credits

Empowerment Zone Credit: 15-30-2356, MCA and 15-31-134, MCA
Legislation: SB 484, 2003 Session

A local government may establish an empowerment zone in an area with chronic high unemployment. Employers in an empowerment zone are eligible for a credit against income or corporation income tax for the first three years' employment for new positions. The credit per new employee is \$500 for the first year, \$1,000 for the second year, and \$1,500 for the third year. To receive the credit, the taxpayer must apply for and receive certification from the Department of Labor and Industry.

If the credit is more than the taxpayer's liability, the excess is not refunded but may be carried back to the three previous tax years or carried forward for seven years.

Requirements for an empowerment zone are found in 7-21-3701 through 3704, MCA, and conditions to become certified to receive the credit are in 7-21-3710, MCA.

There are several federal credits for employment in specified zones or under specified conditions.

This credit is equivalent to providing an employer a payment for creating a new position and filling it with a resident of an empowerment zone for the first three years. The payment does not depend on the wages paid. Employers may deduct wages paid to new employees for which the credit is taken as a business expense. Since the credit is a fixed amount per employee, it is not possible to calculate general state and federal tax changes per dollar of expenditure as is done for most credits.

Fewer than ten individuals have claimed the credit each year. The following table shows the total value of empowerment zone credits against individual income tax for tax year 2009 through 2017.

Empowerment Zone Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	0	\$0	0	\$0	0	\$0	0	\$0	\$0
2010	*	\$600	0	\$0	0	\$0	*	\$600	\$600
2011	*	\$475	0	\$0	0	\$0	*	\$475	\$475
2012	0	\$0	0	\$0	0	\$0	0	\$0	\$0
2013	0	\$0	0	\$0	0	\$0	0	\$0	\$0
2014	*	\$902	0	\$0	0	\$0	*	\$902	\$902
2015	0	\$0	0	\$0	0	\$0	0	\$0	\$0
2016	0	\$500	0	\$0	0	\$0	0	\$500	\$500
2017	0	\$0	0	\$0	0	\$0	0	\$0	\$0

* Not disclosed due to confidentiality concerns

No credits were claimed for 2017.

Energy Conservation Credit: 15-32-109, MCA and 15-30-2319, MCA
Legislation: HB 237, 1981 Session

A resident individual taxpayer may take a credit for 25 percent of the costs of energy-conserving investments in a building. The maximum credit is \$500 per taxpayer. If a taxpayer claims a credit that is more than his or her tax liability for the year, the excess is not refunded to the taxpayer and may not be carried forward or backward to another tax year.

The credit originally was 5 percent of the cost with a maximum of \$150 for a residence and \$300 for other buildings, and any excess credit could be carried forward for seven years. The 2001 Legislature (SB 506) increased the credit to 25 percent of costs with a limit of \$500. The 2003 Legislature eliminated the carry-forward (SB 138). In 2005, the Department of Revenue began interpreting the limit of \$500 per taxpayer as allowing taxpayers who own a building together, such as a married couple, to each claim a credit for 25 percent of the share of the cost with a limit of \$500 each.

Tax Credits

Taxpayers may not take either an itemized deduction or a business expense deduction for investments in their own residence. However, an investment an individual makes in a commercial building he or she owns would result in a depreciable asset, so that the cost could be deducted over time.

For a taxpayer who does not itemize deductions on their federal return, the credit provides a 25 percent subsidy for expenditures up to \$2,000. For a taxpayer who itemizes, the subsidy is smaller, because the credit reduces the federal itemized deduction for state taxes. The table below shows state and federal subsidies to a taxpayer who itemizes on both the state and federal returns for a \$100 home energy conservation expenditure. Note that federal taxes are higher because of the smaller itemized deduction for state taxes.

\$100 Home Energy Conservation Expenditure		
Taxpayer Claims Credit, Expenses Not Deductible		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$9.90)	(\$10.18)
State Tax Subsidy	\$25.00	\$25.70
Net Taxpayer Subsidy	\$15.10	\$15.52

The table below shows energy conservation credits from 2009 through 2017. The energy conservation credit is essentially a transfer from the state general fund to help a taxpayer purchase private property. In 2017, this credit cost the state general fund \$3,484,878. Taxpayers were unable to use \$547,237 of credits because the credit is non-refundable and cannot be carried forward. Without the credit, \$3,484,878 would have been available to spend on other state programs or taxes could have been reduced by this amount. The energy conservation credit cost an average of \$5.32 per full-year resident taxpayer.

Energy Conservation Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	21,260	\$9,998,955	0	\$0	197	\$104,401	21,457	\$10,103,356	
2010	21,156	\$10,233,928	0	\$0	233	\$123,863	21,389	\$10,357,791	
2011	12,481	\$5,588,577	0	\$0	123	\$63,923	12,604	\$5,652,500	
2012	9,464	\$4,510,918	0	\$0	96	\$51,064	9,560	\$4,561,982	
2013	9,063	\$4,536,016	0	\$0	125	\$68,832	9,188	\$4,604,848	
2014	8,499	\$4,360,886	0	\$0	116	\$71,689	8,615	\$4,432,575	
2015	7,919	\$4,176,132	0	\$0	92	\$53,482	8,011	\$4,229,614	
2016	7,784	\$4,138,900	0	\$0	115	\$62,014	7,899	\$4,200,914	
2017	7,266	\$3,970,515	0	\$0	110	\$61,600	7,376	\$4,032,115	

Use of the credit was higher in 2009 and 2010, when a 10 percent federal credit was available for many of the same expenditures that are eligible for this credit. Congress extended the credit, first through 2011 and then through 2012, but in both cases the extension was probably too late to have much of an effect on behavior.

Geothermal Heating System Credit: 15-32-115, MCA
Legislation: SB 416, 1991 Session

Taxpayers are allowed a credit against individual income tax or corporation tax for up to \$1,500 of the costs of installing a geothermal heating system (ground-source heat pump) in the taxpayer's principal residence or in a residence the taxpayer constructs. If the credit exceeds the taxpayer's liability, the excess credit will not be refunded, but may be carried forward for up to seven years.

The credit initially was limited to \$250 with a three-year carry-forward and was only for taxpayers who installed a geothermal system in their own principal dwelling. The 2001 Legislature (SB 506) increased the credit to \$1,500 with a seven-year carry-forward. An amendment made by the 2003 Legislature (HB 233) was purely cleanup. The 2005 Legislature (SB 340) made the credit available for residences constructed

Tax Credits

by the taxpayer so that contractors could take the credit for installing geothermal systems in spec houses.

Through 2016, geothermal heating systems also are eligible for a federal tax credit of 30 percent of the cost. A taxpayer who installs a geothermal heating system and claims both credits would have the first \$1,500 paid by the state and 30 percent of the total paid by the federal government. Homeowners are not allowed to deduct depreciation on their dwellings, and taxpayers may not take this credit and the deduction for energy conserving investments in 15-32-103, MCA. However, a taxpayer who claims the credit for installing a geothermal system in a rental dwelling could also deduct depreciation on the dwelling, including the heating system.

A taxpayer who claims the credit and itemizes deductions will have a smaller federal deduction for state taxes, which will partly offset the federal credit. This may result in a smaller state deduction for federal taxes. The following table shows the state and federal tax subsidies to a taxpayer in the top federal and state tax brackets who makes a \$5,000 investment in a geothermal heating system.

\$5,000 Expenditure for Geothermal Heating System		
Taxpayer Claims \$1,500 State Credit and 30% Federal Credit		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	\$906.00	\$931.45
State Tax Subsidy	\$1,500.00	\$1,435.73
Net Taxpayer Subsidy	\$2,406.00	\$2,367.18

The following table shows credit use in tax year 2009 through 2017.

Geothermal Energy System Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	\$
2009	226	\$525,153	0	\$0	*	\$9,000	*	\$534,153	
2010	231	\$453,992	0	\$0	*	\$78,094	*	\$532,086	
2011	187	\$318,928	0	\$0	*	\$8,347	*	\$327,275	
2012	224	\$344,548	0	\$0	*	\$14,752	*	\$359,300	
2013	185	\$313,920	0	\$0	*	\$6,257	*	\$320,177	
2014	156	\$238,535	0	\$0	*	\$12,000	*	\$250,535	
2015	146	\$284,611	0	\$0	*	\$6,284	*	\$290,895	
2016	146	\$195,186	0	\$0	11	\$16,000	157	\$211,186	
2017	91	\$171,381	0	\$0	*	\$7,500	*	\$178,881	

* Not disclosed due to confidentiality concerns

This credit is equivalent to a transfer from the state general fund to taxpayers to pay part of the cost of residential heating systems. In 2017, this credit cost the state general fund \$135,223, with the remaining credits being able to be claimed in the following tax year. There were \$20,858 in credits carried forward from 2016 and claimed in 2017. Without the credit, \$135,223 would have been available to spend on other state programs or to reduce taxes. The credit cost \$0.21 per full-year resident taxpayer.

Health Insurance for Uninsured Montanans Credit: 15-30-2367, MCA and 15-31-132, MCA
Legislation: HB 693, 1991 Session

An employer with 20 or fewer employees may claim a credit against either income or corporation tax for paying at least 50 percent of the premium for up to 10 employees' health insurance. The credit is the lower of \$25 per month multiplied by the percentage of the premium the employer pays, or 50 percent of the premium. The credit may be claimed for up to 36 months and then cannot be claimed again for 10 years.

There is no explicit dollar limit on the credit, but it may not be claimed for more than 10 employees. An employer claiming \$25 per month for ten employees would claim a credit of \$3,000. If a taxpayer's credit is more than his or her tax liability, the excess credit is not refunded and may not be carried forward or

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backward to another tax year.

The only amendments to the credit since its enactment were style changes made by the 2001 code commissioner's bill (HB 25).

This credit provides a three-year subsidy to small employers who begin offering health insurance for their employees. A taxpayer who claims the credit may also deduct insurance premiums it pays as a business expense for both state and federal taxes. However, a taxpayer who itemizes deductions will have a smaller federal deduction for state taxes, partially offsetting the expense deduction.

The credit an employer receives depends on both the monthly insurance premium per employee and the percentage the employer pays. For insurance with monthly premiums of \$50 or more, the monthly subsidy per employee is \$25 multiplied by the percentage of premiums the employer pays. An employer paying 50 percent of premiums would receive a subsidy of \$12.50 per employee per month. An employer paying 75 percent of premiums would receive a subsidy of \$18.75, and an employer paying 100 percent would receive \$25.

For insurance with monthly premiums of less than \$50, the limit of 50 percent of premium costs may come into play. For example, an employer paying 50 percent of monthly premiums of \$40 would receive a subsidy of \$12.50, and an employer paying 75 percent of premiums would receive \$18.75, the same as with a \$50 premium. However, an employer paying 100 percent of \$40 monthly premiums would receive a subsidy of \$20.

This credit generally is not a percentage of the taxpayer's expenditure. This makes it impossible to show the taxpayer subsidy per \$100 of expenditure as is done for most other credits.

The following table shows credits for tax years 2009 through 2017.

Health Insurance for Uninsured Montanans									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	318	\$294,402	*	\$1,559	*	\$6,139	*	\$302,100	
2010	293	\$276,066	*	\$5,345	*	\$2,921	*	\$284,332	
2011	223	\$192,670	*	\$2,987	*	\$1,133	*	\$196,790	
2012	162	\$171,365	*	\$269	0	\$0	*	\$171,634	
2013	152	\$165,558	*	\$1,148	0	\$0	*	\$166,706	
2014	101	\$121,701	*	\$11,119	0	\$0	*	\$132,820	
2015	67	\$64,671	*	\$7,564	0	\$0	*	\$72,235	
2016	45	\$39,526	*	\$1,273	0	\$0	*	\$40,799	
2017	52	\$51,629	*	\$1,341	0	\$0	*	\$52,970	

* Not disclosed due to confidentiality concerns

The Health Insurance for Uninsured Montanans credit is equivalent to a partial subsidy from the state general fund for group health insurance purchased by small employers. In 2017, the credit cost the state general fund \$47,564 in individual income tax revenue. Taxpayers were unable to use more than \$5,000 of their credits because the credit is non-refundable and cannot be carried forward. Without the credit, \$47,564 would have been available for other programs or tax reductions. The cost of this credit was \$0.07 per full-year resident taxpayer.

Historic Property Preservation Credit: 15-30-2342, MCA and 15-31-151, MCA
Legislation: HB 601, 1997 Session

Taxpayers may take a credit against either individual income tax or corporation income tax for costs of rehabilitating a certified historic building. The credit is 25 percent of the federal credit allowed by 26 U.S.C. 47(a)(2). The federal credit is 20 percent of the cost of rehabilitation. A certified historic building must either be in the National Register of Historic Buildings or be in a designated historic district and have been certified

Tax Credits

by the Department of the Interior as having historic significance to the district. Only commercial buildings that can be depreciated are eligible for the credit. No credits may be claimed for rehabilitating a private residence.

Through 2011, individuals were allowed a credit against income tax for 20 percent of the costs and loss of value from creating a conservation easement and protecting and preserving the property as required by the conservation easement.

There is no maximum for the rehabilitation credit. If the credit is more than the taxpayer's liability, the excess is not refunded but may be carried forward for seven years.

The rehabilitation credit was enacted by the 1997 Legislature (HB 601). The conservation easement credit was enacted by the 2001 Legislature (HB 619) and sunset at the end of 2011.

With the combination of state and federal credits, a taxpayer who rehabilitates a historic property can have 25 percent of the costs paid by the federal and state governments. Claiming the credits does not reduce depreciation the taxpayer may take over the life of the building. If the taxpayer itemizes, the state credit will reduce the taxpayer's federal deduction for state taxes and the federal credit may reduce the taxpayer's state deduction for federal taxes. The following table shows the net federal and state tax subsidies for a taxpayer in the top state and federal rate brackets.

\$1,000 Expenditure for Historic Building Rehabilitation		
Taxpayer Claims State and Federal Credits		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	\$180.20	\$185.26
State Tax Subsidy	\$50.00	\$37.22
Net Taxpayer Subsidy	\$230.20	\$222.48

The following table shows credits taken against individual income tax for tax year 2009 through 2017.

Historic Property Preservation Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	19	\$134,543	*	\$53,684	0	\$0	*	*	\$188,227
2010	20	\$495,691	*	\$44,158	0	\$0	*	*	\$539,849
2011	21	\$105,214	*	\$29,549	0	\$0	*	*	\$134,763
2012	21	\$199,776	*	\$32,291	0	\$0	*	*	\$232,067
2013	32	\$492,477	13	\$63,320	0	\$0	45	*	\$555,797
2014	21	\$443,810	11	\$53,875	0	\$0	32	*	\$497,685
2015	16	\$363,789	46	\$241,925	0	\$0	62	*	\$605,714
2016	19	\$301,456	33	\$416,873	*	\$50,000	*	*	\$768,329
2017	13	\$186,753	30	\$373,205	0	\$0	43	*	\$559,958

* Not disclosed due to confidentiality concerns

This credit effectively is a subsidy from the state general fund for rehabilitation of privately owned real estate. In 2017, credits against the individual income tax cost the state general fund \$29,281, and credits of \$530,677 were carried forward to be used in future years. There were \$332,915 in credits claimed for 2017 that had been carried forward from 2016. Without the credit, \$29,281 would have been available to spend on other programs or to reduce taxes. The cost was \$0.04 per full-year resident taxpayer.

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Infrastructure Users Fee Credit: 17-6-316, MCA Legislation: SB 100 and HB 602, 1995 Session

The Board of Investments may make loans to local governments to finance infrastructure to serve a new or relocated business that will result in 15 or more new full-time jobs. The local government may charge fees to the users for extending the infrastructure. The business may claim a credit against income or corporation tax for the amount of the fee it pays.

If the credit is more than the taxpayer's liability, the excess is not refunded, but may be carried forward for seven years or carried back to the three previous tax years.

The credit has not been amended since it was enacted.

This credit in effect pays the taxpayer for having local infrastructure extended to serve its business. For example, if a business pays \$100 per year to its local government to cover the cost of having sewer service extended to the business, it is able to claim a credit of \$100 and deduct \$100 as a business expense. For a taxpayer in the 6.9 percent tax bracket, the net effect would be the same as being paid \$6.90 per year to have a new sewer hookup. However, if the taxpayer is an individual who itemizes deductions, the taxpayer's federal deduction for state taxes will be smaller, resulting in higher federal taxes. This may result in a smaller state deduction for federal taxes. The table below shows the net change in federal and state taxes and the net subsidy from claiming a \$100 credit for a taxpayer in the top federal and state tax rate brackets.

\$100 Expenditure on Infrastructure Fees		
Difference in Taxes and Taxpayer Cost When Taxpayer Claims Credit and Federal and State Expense Deductions		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$39.60)	(\$40.71)
State Tax Subsidy	\$100.00	\$102.81
Net Taxpayer Subsidy	\$60.40	\$62.10

The following table shows credits against individual income tax for tax year 2009 through 2017.

Infrastructure User Fee Credit										
	Residents		Nonresidents		Part-Year Residents		Total			
	N	\$	N	\$	N	\$	N	\$		
2009	12	\$27,699	0	\$0	0	\$0	12	\$27,699		
2010	13	\$45,258	*	\$3,820	0	\$0	*	\$49,078		
2011	12	\$24,414	*	\$2,487	*	\$4,711	*	\$31,612		
2012	*	\$20,990	*	\$11,023	0	\$0	*	\$32,013		
2013	*	\$21,203	*	\$17,211	0	\$0	*	\$38,414		
2014	10	\$27,269	*	\$9,327	0	\$0	*	\$36,596		
2015	13	\$2,832,145	*	\$10,755	0	\$0	*	\$2,842,900		
2016	14	\$646,145	*	\$11,587	0	\$0	*	\$657,732		
2017	21	\$3,341,669	*	\$11,011	0	\$0	*	\$3,352,680		

* Not disclosed due to confidentiality concerns

In general, local governments recover the cost of infrastructure investments through user fees for the services the infrastructure provides, as with water and sewer services, or through taxes, as with roads. In some cases, local governments charge impact fees to cover the cost of extending infrastructure to new developments. Through this credit, the state general fund pays the cost of extending infrastructure to selected new businesses. This credit provides a subsidy for businesses that locate in a jurisdiction that needs to invest in additional infrastructure to provide services to the business rather than in a jurisdiction that has existing capacity.

Tax Credits

In 2017, infrastructure user fee credits against individual income tax cost the state general fund \$1,457,532, and nearly \$1,900,000 in credits were carried forward to be used in future years. There were nearly \$400,000 in credits claimed for 2017 that had been carried forward from previous years. Without the credit, \$1,457,532 would have been available to spend on other state programs or to reduce taxes. The cost was \$2.22 per full year resident taxpayer.

Innovative Educational Program Credit: 15-30-3110, MCA
Legislation: SB 410, 2015 Session

Taxpayers are allowed a credit against any preapproved donation to the state's educational improvement account. The credit is limited to \$150 per taxpayer, with a limit of \$300 for taxpayers who file a joint return. The credit is proportional to the size of the donation made by the taxpayer up to the credit limit. The credit is non-refundable and can be claimed by individuals, corporations, partnerships, small businesses, estates and trusts.

The credit was first available in Tax Year 2016. The total amount of credits that can be claimed each tax year is capped, with a limit of \$3 million in total credits for Tax Year 2017.

This credit in effect pays the taxpayer for donating to the state's education improvement account. For example, if an individual donates \$100 to the improvement account, they will be able to claim a credit of \$100. However, if the taxpayer is an individual who itemizes their deductions, the taxpayer's federal deduction for state taxes will be smaller, resulting in higher federal taxes. This may result in a smaller state deduction for federal taxes. The table below shows the net change in federal and state taxes and the net subsidy from claiming a \$100 credit for a taxpayer in the top federal and state tax rate brackets who itemizes their deductions.

\$100 Contribution to Innovative Educational Program		
Taxpayer Claims Credit, Expenses Not Deductible		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$9.90)	(\$10.18)
State Tax Subsidy	\$25.00	\$25.70
Net Taxpayer Subsidy	\$15.10	\$15.52

The following table shows the credits claimed on individual income tax returns for tax years 2016 and 2017.

Innovative Educational Program Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	\$
2016	35	\$7,601	0	\$0	*	\$100	*	\$7,701	
2017	39	\$8,420	0	\$0	*	\$540	*	\$8,960	

* Not disclosed due to confidentiality concerns

Mineral Exploration Credit: 15-32-501 to 15-32-510, MCA
Legislation: SB 265, 1999 Session

Taxpayers are allowed a credit against individual or corporation income tax for the full amount of solid mineral or coal exploration expenditures in the state (oil and gas exploration expenditures are not eligible). The credit is available only for expenses incurred up to the time that construction commences on a new mine or the reopening of a previously closed mine. The maximum credit is \$20 million per mine. The credit taken in any year may not be more than 50 percent of the taxpayer's tax liability, but unused credits may be carried forward for 15 years.

An individual may claim the credit directly for exploration expenses incurred by a sole-proprietor business or may claim a share of the credit for exploration expenses incurred by a pass-through entity. The credit was enacted by the 1999 Legislature and has not been amended.

Tax Credits

This credit repays up to \$20 million of exploration costs incurred in opening a new mine. Depending on the type of mineral and the accounting treatment chosen, exploration expenditures may be deducted in the year they occur, may be treated as capital costs and deducted over several years, or may be counted as contributing to the value of the mineral deposit, which is deducted over time through depletion. A taxpayer may deduct exploration costs in the appropriate way whether or not they claim the credit.

An individual who claims the credit and itemizes deductions will have a smaller federal deduction for state taxes and therefore pay more in federal tax. This may result in a larger state deduction for federal taxes. The following table shows the net change in state and federal taxes from claiming the credit for \$100 of exploration expenses for a taxpayer in the top state and federal rate brackets.

\$100 Mineral Exploration Expenditures		
Difference in Taxes and Taxpayer Cost When Taxpayer Claims Credit as Well as Federal and State Expense Deductions		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$39.60)	(\$40.71)
State Tax Subsidy	\$100.00	\$102.81
Net Taxpayer Subsidy	\$60.40	\$62.10

Fewer than 10 individuals claimed the credit in each of tax years 2005 through 2009, 2011 through 2015 and 2016 through 2017. The following table shows the total value of mineral exploration credits against individual income tax for tax year 2009 through 2017.

Mineral Exploration Credit										
	Residents		Nonresidents		Part-Year Residents		Total			
	N	\$	N	\$	N	\$	N	\$		
2009	*	\$7,749	0	\$0	0	\$0	*	\$7,749		
2010	10	\$26,895	*	\$5,332,180	0	\$0	*	\$5,359,075		
2011	0	\$0	0	\$0	0	\$0	0	\$0		
2012	0	\$0	*	\$5,331,680	0	\$0	*	\$5,331,680		
2013	*	\$684	0	\$0	0	\$0	*	\$684		
2014	*	\$533	0	\$0	0	\$0	*	\$533		
2015	0	\$0	0	\$0	0	\$0	0	\$0		
2016	*	\$465	0	\$0	0	\$0	0	\$465		
2017	*	\$2,020	0	\$0	0	\$0	*	\$2,020		

* Not disclosed due to confidentiality concerns

With this credit, the state general fund will pay up to \$20 million of private exploration costs for a new mine. Fewer than 10 taxpayers claimed the credit in 2017.

Montana Earned Income Tax Credit: 15-30-2318, MCA Legislation: HB 391, 2017 Session

Individual taxpayers with income from working or owning a business can claim the federal Earned Income Tax Credit if they meet the necessary requirements and file a federal tax return. The credit is determined by the amount of income the taxpayer reports as well as the number of qualified dependents reported by the taxpayer. With zero qualifying children, a taxpayer could receive a tax credit of up to \$510 in Tax Year 2017 depending on their income. The maximum credit amounts in Tax Year 2017 increase to \$3,400 for taxpayers with one qualified child, \$5,616 for two children and \$6,318 for three or more qualified children. The credit is fully refundable.

Taxpayers in Montana are allowed a credit equal to 3 percent of the federal Earned Income Tax Credit on their state income taxes. The credit was enacted by the 2017 Legislature and is also refundable. No credits have been claimed at this point, as the credit applies to tax years after December 31, 2018.

Tax Credits

Oilseed Crushing and Biodiesel Production Facility Credit: 15-32-701 and 702, MCA Legislation: HB 756, 2005 Session

Taxpayers are allowed a credit against individual income tax or corporation tax for 15 percent of the cost of investment in depreciable property placed in service in Montana by the end of 2014 that is used primarily for crushing oilseeds for producing biodiesel or lubricants or for their production. The total of credits claimed over time for a single facility in all years may not exceed \$500,000.

If the credit a taxpayer claims in any year exceeds their tax liability, the excess credit will not be refunded, but may be carried forward for up to seven years as long as the facility continues to be used to crush oilseeds for biodiesel or lubricants or for their production. If the facility ceases production for 12 months within 5 years after the credit is first claimed, the entire credit must be recaptured.

An individual may claim the credit directly as the owner of a sole-proprietor business or may claim a share of the credit claimed by a pass-through entity. The credit does not reduce depreciation that the taxpayer can claim over the life of the property.

The credit was enacted as a non-refundable credit with no carry-forward and available for investments through 2010. The 2007 Legislature (HB 166) extended the credit through 2014, expanded the credit to include bio-lubricant facilities, allowed the credit to be carried forward, specified that the credit is for costs incurred while the facility is operating or in the two years before, and allowed the credit for facilities that are primarily crushing oilseeds for fuel or lubricants.

This credit reduces the taxpayer's cost of investments of up to \$3.3 million in a facility to produce fuel or lubricants from oilseeds by 15 percent. The taxpayer may deduct depreciation on property for which the credit is claimed with no reduction in basis. An individual taxpayer who claims the credit and itemizes deductions will have a smaller federal deduction for state taxes, which will increase their federal income tax, and may have a larger state deduction for federal income taxes. The following table shows the total state tax subsidy and the federal tax cost for the first \$100 invested in a biodiesel facility by a taxpayer in the top federal and state tax brackets.

\$100 Biodiesel Production Equipment Expenditure		
Taxpayer Claims Credit, No Change to Depreciation Deduction		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$5.94)	(\$6.11)
State Tax Subsidy	\$15.00	\$15.42
Net Taxpayer Subsidy	\$9.06	\$9.31

Ten or fewer individuals have claimed the credit each year. The following table shows the total value of credits claimed by individuals for 2009 through 2015. No credits were claimed for 2009, 2010, 2012, 2014, 2015, 2016 and 2017.

Oilseed Crushing/Biodiesel Facility Credit										
	Residents		Nonresidents		Part-Year Residents				Total	
	N	\$	N	\$	N	\$	N	\$	N	\$
2009	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
2010	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
2011	*	\$8,536	*	\$1	0	\$0	*	\$0	*	\$8,537
2012	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
2013	*	\$1	0	\$0	0	\$0	*	\$0	*	\$1
2014	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
2015	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
2016	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
2017	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0

* Not disclosed due to confidentiality concerns

Qualified Endowment Credit: 15-30-2327, MCA through 15-30-2329, MCA **Legislation** HB 434, 1997 Session

Individual taxpayers are allowed a credit of 40 percent of the present value of a planned gift to a qualified endowment. A qualified endowment is a permanent fund held by or on behalf of a 501(c)(3) charitable organization. A planned gift is one of nine types of arrangements specified in the IRS code. Planned gifts basically fall into three categories. In the first, the donor continues to receive income or benefits from the donated assets, either for a fixed term or for life, and the endowment receives the assets at the end of the term or when the donor dies. Examples include charitable remainder trusts and life estate arrangements. In the second category, the endowment receives income from the assets, generally for a fixed term, and then the assets revert to the donor or the donor's heirs. Charitable lead trusts fall into this category. The third category of planned gifts is paid-up life insurance.

Corporations are allowed a credit of 20 percent of a gift to a qualified endowment. Because the concept of planned gifts only makes sense for individuals, corporations are allowed the credit for an outright gift.

The credit is limited to a maximum of \$10,000. A taxpayer with a credit that is larger than his or her tax liability will not be refunded the excess, and excess credits may not be carried forward or backward to another tax year. A taxpayer may claim the credit for multiple gifts in one year as long as total credits do not exceed \$10,000. A taxpayer who makes eligible contributions in multiple years may take the credit each year. An individual will receive the maximum credit for a gift with a present value of \$25,000. A corporation will receive the maximum credit for a gift of \$50,000.

The credit originally was 50 percent of the present value of the planned gift with a limit of \$10,000. The credit was to sunset at the end of 2001. The 2001 Legislature (HB 377) reduced the credit to 40 percent of the present value of the planned gift for individuals and 20 percent of the value of the gift for corporations. It also clarified the definition of planned gift and extended the sunset date to the end of 2007. The 2001 Legislature (SB 350) also created an affordable housing revolving loan program and made contributions to the account for this program eligible for the credit. This provision sunset at the end of 2004, and the Legislature did not extend it. In August 2002, the Montana Legislature met in a special session to deal with revenue shortfalls.

To reduce the costs of the credit in the short run, the Legislature (SB 15) reduced the credit for the period from August 28, 2002, through June 30, 2003, to 30 percent for individuals and 13.3 percent for corporations, with a cap of \$6,600. The same bill increased the credit for the period from July 1, 2003, to April 30, 2004, to 50 percent for individuals and 26.7 percent for corporations, with a cap of \$13,400. The credit returned to its previous levels May 1, 2004. The 2003 Legislature (SB 143) defined the term "charitable gift annuity" in Montana Code Annotated Title 33, which deals with insurance, and made the credit language refer to that definition. The 2005 Legislature (HB 193) provided for recapture of the tax credit when a gift is returned to the taxpayer. The 2007 Legislature (SB 150) clarified that a building fund or other fund that spends from contributions rather than just from its earnings is not a charitable endowment. SB 150 also extended the sunset date to the end of 2013. The 2013 Legislature (SB 108) extended the sunset date to the end of 2019.

The arrangements that can be used for planned gifts are defined in the IRS code, but there is no specific federal tax treatment of planned gifts other than the general deduction for contributions. A taxpayer may not claim the credit for a gift and take a state itemized deduction for the same gift. If the present value of the contribution exceeds the limit, the deduction may be taken on the excess. The taxpayer may take a federal itemized deduction for the full amount of the gift.

This credit is essentially a transfer from the state general fund to Montana charitable endowment funds. The table on the next page shows the portions of a \$100 contribution to an eligible endowment fund that are ultimately paid by a donor, and by federal and state taxpayers, when the donor claims state and federal itemized deductions for the donation, when the donor claims the state credit and the federal deduction,

Tax Credits

and the difference due to the credit. The table assumes that the donor is in the top federal and state rate brackets.

\$100 Contribution to Charitable Endowment Fund		
Taxpayer Claims Credit and Federal Itemized Deduction		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	\$23.76	\$24.43
State Tax Subsidy	\$40.00	\$38.31
Net Taxpayer Subsidy	\$63.76	\$62.74
Taxpayer Claims Federal and State Itemized Deductions		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	\$36.87	\$37.90
State Tax Subsidy	\$6.90	\$4.28
Net Taxpayer Subsidy	\$43.77	\$42.19
Difference Due to Credit		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$13.11)	(\$13.48)
State Tax Subsidy	\$33.10	\$34.03
Net Taxpayer Subsidy	\$19.99	\$20.55

A taxpayer who takes state and federal itemized deductions for a charitable contribution receives a subsidy from other taxpayers of a little more than 40 percent of the donation, with most of that subsidy coming from federal taxes. A taxpayer who claims the state credit and a federal itemized deduction receives a subsidy of a little more than 60 percent, with about two-thirds of the subsidy coming from state taxes.

The table below shows qualified endowment credits claimed by individuals for tax years 2009 through 2017.

Qualified Endowment Contribution Credit								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	508	\$1,746,260	25	\$62,183	0	\$0	533	\$1,808,443
2010	536	\$1,737,766	14	\$59,121	*	\$30,294	*	\$1,827,181
2011	501	\$1,755,033	10	\$24,621	*	\$5,063	*	\$1,784,717
2012	578	\$2,049,386	10	\$23,368	0	\$0	588	\$2,072,754
2013	587	\$2,073,344	*	\$25,526	*	\$25,509	*	\$2,124,379
2014	613	\$2,471,140	10	\$30,592	*	\$9,279	*	\$2,511,011
2015	616	\$2,461,321	*	\$24,060	*	\$9,545	*	\$2,494,926
2016	641	\$2,708,754	*	\$32,071	*	\$2,046	*	\$2,742,871
2017	728	\$3,157,163	15	\$58,607	*	\$10,020	*	\$3,225,790

* Not disclosed due to confidentiality concerns

In 2017, credits claimed by individual taxpayers cost the state general fund \$2,981,018. Taxpayers were unable to use the remaining credits because the credit is non-refundable and cannot be carried forward. Without the credit, \$2,981,018 would have been available to spend on other programs or taxes could have been reduced by this amount. Qualified endowment credits claimed against individual income tax cost other taxpayers an average of \$4.55 per full-year resident taxpayer.

Recycling Credit: 15-32-601, MCA through 15-32-614, MCA
Legislation: SB 111, 1991 Session.

Taxpayers are allowed a credit against individual income tax or corporate license tax for part of the cost of investments in depreciable property used in collecting or processing reclaimable material or in manufacturing a product from reclaimed material. The credit is 25 percent of the first \$250,000 invested, 15 percent of the next \$250,000 invested, and 5 percent of the next \$500,000 invested. The credit for an investment of \$1 million or more is \$125,000.

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If a taxpayer claims a credit in excess of his or her tax liability, the excess credit is not refunded and may not be carried forward or backward to another tax year. An individual may claim the credit directly for an investment made by a sole-proprietor business or may claim a share of the credit for an investment made by a pass-through entity.

The credit was enacted as a credit equal to 25 percent of investments made between 1990 and 1995. The 1993 Legislature (HB 519) clarified the definitions used to determine eligible investments. The 1995 Legislature (SB 358) extended the sunset date to 2001 and expanded eligible investments to include equipment to reclaim contaminated soils. The 2001 Legislature (SB 92) extended the sunset date to 2005 and removed equipment to reclaim contaminated soils from eligible investments. The 2005 Legislature (SB 213) extended the sunset date to 2011. The 2009 Legislature (HB 21) made the credit permanent.

The basis of property for which the credit is claimed is not affected by the credit. Taxpayers are allowed to deduct depreciation on property on which the credit has been claimed.

The credit provides a subsidy to taxpayers who make investments in recycling plant and equipment by reducing the taxpayer's cost. For investments under \$250,000, the cost is reduced by 25 percent. For more expensive investments, the percentage reduction is a declining function of the cost.

If a taxpayer who claims this credit itemizes deductions on their federal and state tax returns, the credit will reduce the federal deduction for state taxes, increasing the taxpayer's federal income tax. If the taxpayer's federal taxes are less than the cap on the state deduction for federal taxes, this will increase that deduction, reducing state taxes. The following table shows the net state tax subsidy and federal tax cost for the first \$100 of expenditure on recycling equipment by a taxpayer in the top federal and state rate brackets.

\$100 Recycling Equipment Expenditure		
Taxpayer Claims Credit, No Change to Depreciation Deduction		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$9.90)	(\$10.18)
State Tax Subsidy	\$25.00	\$25.70
Net Taxpayer Subsidy	\$15.10	\$15.52

The following table shows use of the recycling credit by individuals for tax years 2009 through 2017. This credit is equivalent to a subsidy from the state general fund for the purchase of private property to be used in recycling. In 2017, the credit against individual income tax cost the state general fund \$283,047. Taxpayers were unable to use the remaining credits because the credit is non-refundable and cannot be carried forward. Without the credit, \$283,047 would have been available to spend on other state programs or to reduce taxes. The cost to other taxpayers was \$0.43 per full-year resident taxpayer.

Recycling Credit									
	Residents		Nonresidents		Part-Year Residents		Total		
	N	\$	N	\$	N	\$	N	\$	
2009	76	\$439,254	*	\$24,077	*	\$50	*	\$463,381	
2010	103	\$492,609	*	\$20,425	*	\$1,594	*	\$514,628	
2011	87	\$538,163	*	\$45,110	*	\$600	*	\$583,873	
2012	85	\$368,940	*	\$9,606	*	\$400	*	\$378,946	
2013	82	\$289,907	*	\$216	*	\$763	*	\$290,886	
2014	97	\$548,118	*	\$14,872	*	\$285	*	\$563,275	
2015	71	\$279,657	*	\$1,762	*	\$500	*	\$281,919	
2016	101	\$329,343	*	\$4,448	*	\$30	*	\$333,821	
2017	106	\$473,540	*	\$27,029	*	\$110	*	\$500,679	

* Not disclosed due to confidentiality concerns

Tax Credits

Research Credit (Expired): 15-31-150, MCA and 15-30-2358, MCA
Legislation: HB 638, 1999 Session

Through 2010, Montana provided a 5 percent credit against individual income tax or corporation income tax for any increase in Montana research expenditures over the taxpayer's baseline. After 2010, no new credits may be claimed, but unused credits may be carried forward for up to 15 years.

The credit was tied to provisions of the federal research credit in Section 41 of the IRS code, which expired at the end of 2011.

The following table shows credits against individual income tax for tax year 2009 through 2017.

	Research Activities Credit							
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2009	15	\$345,813	*	\$2,113	*	\$8	*	\$347,934
2010	16	\$149,977	*	\$7,913	0	\$0	*	\$157,890
2011	*	\$149,633	*	\$6,210	0	\$0	*	\$155,843
2012	*	\$125,170	*	\$5,253	0	\$0	*	\$130,423
2013	*	\$73,983	*	\$5,240	0	\$0	*	\$79,223
2014	*	\$72,474	*	\$5,240	0	\$0	*	\$77,714
2015	*	\$72,462	*	\$5,235	0	\$0	*	\$77,697
2016	*	\$795	*	\$4,907	0	\$0	*	\$5,702
2017	*	\$4,591	*	\$3,979	0	\$0	*	\$8,570

* Not disclosed due to confidentiality concerns

The credit is essentially a transfer from the state general fund to pay 5 percent of a taxpayer's eligible research costs. The number of taxpayers claiming the research credit was less than 10 for tax years 2011 through 2017 and could not be released.

Student Scholarship Organization Credit: 15-30-2380, MCA
Legislation: SB 410, 2015 Session

Taxpayers are allowed a credit against any preapproved charitable donation to a registered Student Scholarship Organization in the state. The credit is limited to \$150 per taxpayer, with a limit of \$300 for taxpayers who file a joint return. The credit is proportional to the size of the donation made by the taxpayer up to the credit limit. The credit is non-refundable and can be claimed by individuals, corporations, partnerships, small businesses, estates and trusts.

The credit was first available in Tax Year 2016. The total amount of credits that can be claimed each tax year is capped, with a limit of \$3 million in total credits for Tax Year 2017.

This credit in effect pays the taxpayer for donating to a student scholarship organization. For example, if an individual donates \$100 to an organization, they will be able to claim a credit of \$100. However, if the taxpayer is an individual who itemizes their deductions, the taxpayer's federal deduction for state taxes will be smaller, resulting in higher federal taxes. This may result in a smaller state deduction for federal taxes. The table on the next page shows the net change in federal and state taxes and the net subsidy from claiming a \$100 credit for a taxpayer in the top federal and state tax rate brackets who itemizes their deductions.

The table on the next page shows the credits claimed on individual income tax returns for tax years 2016 and 2017.

Tax Credits

\$100 Contribution to Student Scholarship Organization		
Taxpayer Claims Credit		
	Deduction for Federal Taxes	
	Capped	Not Capped
Federal Tax Subsidy	(\$39.60)	(\$40.71)
State Tax Subsidy	\$100.00	\$102.81
Net Taxpayer Subsidy	\$60.40	\$62.10

Student Scholarship Organization Credit								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2016	130	\$30,474	*	\$5	*	\$1,350	*	\$31,829
2017	123	\$27,732	0	\$0	*	\$150	*	\$27,882

* Not disclosed due to confidentiality concerns

Unlocking State Lands Credit: 15-30-2380, MCA Legislation: HB 444, 2013 Session

A taxpayer is allowed a credit of \$750 for allowing recreational access across the taxpayer's property to an isolated parcel of state land or federal land managed by the Forest Service or the Bureau of Land Management. Access must be granted by a contract between the landowner and the Department of Fish, Wildlife, and Parks. A taxpayer granting access across multiple parcels is limited to a maximum of \$3,000 in credits. If a property has multiple owners, they are to share a single credit for granting access. If the credit is more than the taxpayer's tax liability, the excess is to be refunded.

This credit was enacted by the 2013 Legislature, and was first available for 2014. SB 309, enacted by the 2015 Legislature, increased the maximum credit per taxpayer from \$2,000 to \$3,000 and expanded coverage to providing access to federal land. The credit sunsets at the end of 2020.

This credit is equivalent to an annual lease payment of \$750 for an easement across private land.

The following table shows credits claimed for 2014 through 2017. For each tax year, the number of taxpayers claiming the credit was less than 10 and could not be released.

Unlocking State Lands Credit								
	Residents		Nonresidents		Part-Year Residents		Total	
	N	\$	N	\$	N	\$	N	\$
2014	*	\$1,086	0	\$0	0	\$0	*	\$1,086
2015	*	\$1,086	*	\$153	0	\$0	*	\$1,239
2016	*	\$1,973	0	\$0	0	\$0	*	\$1,973
2017	*	\$1,973	0	\$0	0	\$0	*	\$1,973

* Not disclosed due to confidentiality concerns

PIT - Tax Expenditures Summary

Tax Expenditures by Income

The tables below show the distribution of income tax expenditures between income groups and between residents and non-residents. The left half of the table shows the number of residents in thirteen income groups and the number of non-residents and part-year residents. The first group contains all taxpayers with incomes less than zero. The next nine categories contain the remaining taxpayers and groups them into income deciles. The final three categories contain the final decile broken down into three equal groups based on their income. It also shows total income, the percent of total income, total tax, and the percent of total tax for each group. The right half of the table shows total tax expenditures and the percent of the total going to each group for four categories of tax expenditures and for the total.

Income Tax Expenditures by Household Income Tax Year 2016 (\$ million)																
Residents	Returns	Taxpayers	Total Household Income*		Tax		Passive Federal		State Adjustments		Itemized		Credits		Total	
			\$ million	% of Total	\$ million	% of Total	Adjustments to Income	% of Total	to Income	% of Total	Deductions	% of Total	% of Total	% of Total		
Income range																
Less than \$0	5,778	8,291	-\$303.6	-1.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$1.8	1.7%	\$1.8	0.4%
\$0 to \$6,732	45,560	49,716	\$156.0	0.5%	\$0.1	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$3.0	3.0%	\$3.0	0.8%
\$6,733 to \$13,279	45,561	51,084	\$455.3	1.6%	\$2.1	0.2%	\$0.0	0.2%	\$0.3	0.6%	\$0.1	0.0%	\$1.9	1.9%	\$2.3	0.6%
\$13,280 to \$20,190	45,561	53,002	\$760.2	2.6%	\$7.2	0.7%	\$0.1	0.2%	\$1.1	2.3%	\$0.6	0.3%	\$1.4	1.4%	\$3.2	0.8%
\$20,191 to \$27,611	45,560	54,560	\$1,085.2	3.7%	\$17.0	1.5%	\$0.2	0.9%	\$2.5	5.5%	\$2.0	0.9%	\$1.0	1.0%	\$5.7	1.4%
\$27,612 to \$36,458	45,561	57,305	\$1,451.6	5.0%	\$31.6	2.9%	\$0.5	2.2%	\$4.0	8.9%	\$5.8	2.6%	\$1.1	1.1%	\$11.5	2.9%
\$36,459 to \$48,398	45,561	61,789	\$1,919.8	6.6%	\$51.6	4.7%	\$0.9	4.0%	\$4.8	10.5%	\$13.7	6.1%	\$1.5	1.5%	\$20.9	5.3%
\$48,399 to \$64,070	45,560	68,275	\$2,546.3	8.8%	\$77.8	7.1%	\$1.5	6.6%	\$6.2	13.6%	\$23.0	10.2%	\$2.3	2.3%	\$33.0	8.4%
\$64,071 to \$85,153	45,561	76,940	\$3,374.2	11.7%	\$113.0	10.3%	\$2.2	9.5%	\$7.6	16.7%	\$35.8	15.8%	\$3.6	3.5%	\$49.1	12.4%
\$85,154 to \$119,199	45,561	83,439	\$4,566.9	15.8%	\$172.5	15.7%	\$3.4	14.7%	\$8.1	17.9%	\$50.8	22.4%	\$6.0	5.9%	\$68.3	17.3%
\$119,200 to \$141,691	15,187	28,648	\$1,963.1	6.8%	\$81.8	7.4%	\$1.7	7.6%	\$2.9	6.3%	\$20.4	9.0%	\$3.3	3.3%	\$28.3	7.2%
\$141,692 to \$196,567	15,187	28,503	\$2,486.5	8.6%	\$112.1	10.2%	\$2.5	11.1%	\$3.0	6.5%	\$23.3	10.3%	\$6.3	6.3%	\$35.2	8.9%
Over \$196,567	15,187	28,314	\$6,751.1	23.3%	\$355.6	32.3%	\$8.7	38.4%	\$2.7	5.9%	\$42.3	18.7%	\$53.3	52.9%	\$107.0	27.1%
Resident Total	461,385	649,866	\$27,212.8	94.0%	\$1,022.5	92.8%	\$21.7	95.4%	\$43.0	94.8%	\$218.0	96.2%	\$86.5	85.8%	\$369.1	93.4%
Nonresidents	77,879	77,879	\$1,035.4	3.6%	\$51.6	4.7%	\$0.8	3.4%	\$1.4	3.2%	\$5.1	2.3%	\$10.2	10.1%	\$17.5	4.4%
Part-Year Residents	34,719	34,719	\$709.0	2.4%	\$27.8	2.5%	\$0.3	1.3%	\$0.9	2.0%	\$3.4	1.5%	\$4.1	4.0%	\$8.7	2.2%
Total	573,983	762,464	\$28,957.1	100.0%	\$1,101.8	100.0%	\$22.7	100.0%	\$45.4	100.0%	\$226.5	100.0%	\$100.8	100.0%	\$395.4	100.0%

*Montana Source Income for Nonresidents and Part-Year Residents

Income Tax Expenditures by Household Income Tax Year 2017 (\$ million)																
Residents	Returns	Taxpayers	Total Household Income*		Tax		Passive Federal		State Adjustments		Itemized		Credits		Total	
			\$ million	% of Total	\$ million	% of Total	Adjustments to Income	% of Total	to Income	% of Total	Deductions	% of Total	% of Total	% of Total		
Income range																
Less than \$0	5,356	7,726	-\$273.0	-0.9%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$2.0	1.6%	\$2.0	0.5%
\$0 to \$7,044	46,102	50,271	\$166.1	0.5%	\$0.1	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$3.1	2.6%	\$3.2	0.7%
\$7,045 to \$13,877	46,105	51,649	\$482.5	1.6%	\$2.4	0.2%	\$0.0	0.1%	\$0.3	0.7%	\$0.1	0.1%	\$2.2	1.8%	\$2.7	0.6%
\$13,878 to \$21,064	46,103	53,532	\$803.9	2.6%	\$8.1	0.7%	\$0.0	0.2%	\$1.2	2.5%	\$0.7	0.3%	\$1.6	1.3%	\$3.5	0.8%
\$21,065 to \$28,713	46,104	55,062	\$1,144.3	3.7%	\$18.9	1.6%	\$0.2	0.8%	\$2.7	5.6%	\$2.2	0.9%	\$1.2	1.0%	\$6.2	1.5%
\$28,714 to \$37,962	46,105	57,627	\$1,528.0	5.0%	\$34.8	3.0%	\$0.5	2.1%	\$4.3	8.8%	\$6.4	2.8%	\$1.4	1.1%	\$12.6	3.0%
\$37,963 to \$50,454	46,103	62,295	\$2,025.0	6.6%	\$56.3	4.8%	\$0.9	3.9%	\$5.1	10.5%	\$14.3	6.2%	\$1.7	1.4%	\$22.0	5.2%
\$50,455 to \$66,613	46,104	69,071	\$2,681.1	8.7%	\$83.8	7.1%	\$1.6	6.6%	\$6.5	13.4%	\$24.2	10.4%	\$2.6	2.1%	\$34.9	8.2%
\$66,614 to \$88,566	46,103	77,972	\$3,551.8	11.6%	\$121.2	10.3%	\$2.3	9.8%	\$7.8	16.1%	\$37.0	16.0%	\$4.3	3.5%	\$51.4	12.1%
\$88,567 to \$123,839	46,105	84,260	\$4,799.0	15.7%	\$183.6	15.7%	\$3.4	14.7%	\$8.6	17.9%	\$52.3	22.6%	\$7.3	6.0%	\$71.8	16.8%
\$123,840 to \$147,527	15,366	28,810	\$2,065.6	6.7%	\$87.5	7.5%	\$1.8	7.5%	\$2.8	5.9%	\$21.2	9.1%	\$4.0	3.3%	\$29.7	7.0%
\$147,528 to \$204,501	15,368	28,835	\$2,615.3	8.5%	\$118.3	10.1%	\$2.7	11.7%	\$3.0	6.2%	\$24.4	10.5%	\$7.6	6.2%	\$37.8	8.9%
Over \$204,501	15,369	28,535	\$7,216.9	23.5%	\$380.5	32.4%	\$8.9	38.1%	\$3.2	6.7%	\$40.2	17.3%	\$64.8	53.1%	\$117.2	27.5%
Resident Total	466,393	655,645	\$28,806.5	93.9%	\$1,095.5	93.4%	\$22.4	95.4%	\$45.6	94.2%	\$223.1	96.1%	\$103.8	85.0%	\$394.9	92.7%
Nonresidents	52,172	79,877	\$1,176.6	3.8%	\$51.6	4.4%	\$0.8	3.4%	\$1.8	3.7%	\$5.4	2.3%	\$16.1	13.2%	\$24.1	5.6%
Part-Year Residents	26,913	34,932	\$681.1	2.2%	\$26.2	2.2%	\$0.3	1.2%	\$1.0	2.1%	\$3.6	1.5%	\$2.2	1.8%	\$7.1	1.7%
Total	545,478	770,454	\$30,664.1	100.0%	\$1,173.2	100.0%	\$23.5	100.0%	\$48.4	100.0%	\$232.1	100.0%	\$122.2	100.0%	\$426.1	100.0%

*Montana Source Income for Nonresidents and Part-Year Residents

Following is a list of expenditures that reduce tax liability for corporate income taxpayers. Many of these expenditures can also be claimed by small businesses, S corporations, or limited liability companies whose income is “passed through” to the owner, member, or partner and is taxed as individual income.

Water’s Edge Election

Code: 15-31-322 through 324, MCA

Legislation: HB 703, 1987 Session

Montana requires corporations that have common ownership to file a combined report. The income of the members of the group of corporations under common ownership is apportioned to Montana based on the combined apportionment factors of the group. The purpose of the combined reporting is to make the apportionment of income to Montana independent of the financial arrangements between group members.

Under current state law (15-31-324, MCA), corporations can elect to file as a water’s edge corporation. In doing so the corporation will pay a higher rate, 7 percent, instead of the normal corporate income tax rate of 6.75 percent, on income apportioned to Montana. Only its domestic, rather than worldwide, income and apportionment factors are included in the apportionment process (with certain exceptions). Under the water’s edge election, some of the group’s foreign affiliates may be excluded from the process of apportioning income to Montana.

The number of corporations electing to file water’s edge was 487 in Tax Year 2016, 472 in Tax Year 2015, 424 in Tax Year 2014, 395 in Tax Year 2013, 365 in Tax Year 2012, 293 in Tax Year 2011, 230 in Tax Year 2010 and 221 in Tax Year 2009.

The department’s analyses of the fiscal impact of narrowing the water’s edge provisions by modifying the test for whether a foreign affiliate is included or excluded in the apportionment process indicate the revenue foregone is at least \$2.0 million to \$2.6 million per year. The proposed changes to the existing test for inclusion of affiliates in combined reporting included:

- Requiring all domestically (U.S.) incorporated affiliates be included, even if less than 20 percent of their payroll and property is in the United States;
- Requiring a subsidiary of a foreign-owned corporation be included if the subsidiary has more than 20 percent of the average of its payroll and property in the U.S.;
- Requiring a group member be included if it earns more than 20 percent of its income from selling services or intangibles to other members of the group and the other members can deduct the expenses against income; and
- Requiring all the income considered U.S. income under federal law be reported and used in the apportionment process.

Under current state law, a group member or affiliate must be included in the combined report if it is incorporated in a tax haven, and the analyses of revenue foregone included updating the list of tax havens.

However, if the water’s edge election was eliminated completely - not just narrowed by the changes in provisions described above - additional revenue to the state is estimated to be four or five times those amounts estimated, or in the \$8 million-\$13 million range. This estimate, which is based upon audit experience, may be conservative, as the number of water’s edge filers has almost doubled over the last 6 years.

Montana Deductions

Capital Gain Exclusion for Mobile Home Park: 15-31-163, MCA
Legislation: SB 636, 2009 Session

A taxpayer may exclude a portion of the recognized gain from sale of a mobile home park from taxable corporate income or taxable individual income if the sale is to a tenants' association or a mobile home park residents' association; a nonprofit organization that purchases a mobile home park on behalf of a tenants' association or mobile home park residents' association; a county housing authority; or a municipal housing authority. The exclusion of recognized capital gain is limited to 50 percent for mobile home parks with more than 50 lots; for mobile home parks with 50 lots or less the excluded gain is 100 percent.

Usually properties owned by municipal and county housing authorities are eligible for a property tax exemption; however, if the corporate tax exclusion is used for a mobile home park property, it is not eligible for the property tax exemption allowed under Title 15, Chapter 6, Part 2 while the property is used as a mobile home park. The exclusion was passed by the 2009 Legislature (HB 636) and applies to tax years beginning after December 31, 2008.

Deduction for Purchasing Montana-Produced Organic or Inorganic Fertilizer Produced: 15-32-303, MCA
Legislation: SB 322, 1981 Session

In addition to all the other allowed deductions from gross corporate income, a taxpayer may deduct expenditures for organic fertilizer and inorganic fertilizer produced as a byproduct, if the fertilizer was made and used in Montana. The purpose of this deduction is to promote the use of inorganic byproducts and organic matter produced by Montana industries.

Deduction for Donation of Exploration Information: 15-32-510, MCA
Legislation: SB 625, 1999 Session

A taxpayer may deduct expenses from the donation of mineral exploration information to the Montana Tech Foundation to reside in the Montana Tech research library. Montana Tech has the right to limit what information is accepted and what deductions are granted. The documented expenses must be based on the cost of recreating the donated information. If the exploration incentive credit is also claimed by the taxpayer, then this deduction is limited to 20 percent of the actual value of the data. The deduction was established in 1999 in SB 625 and is intended to encourage the sharing of mineral exploration information.

Energy-Conserving Investments Deduction: 15-32-103, MCA
Legislation: HB 663, 1975 Session

A corporate taxpayer may deduct from gross corporate income a portion of expenditures on capital investment in a building for an energy conservation purpose. If the building is a residential building, the taxpayer may deduct 100 percent of the first \$1,000 expended, 50 percent of the next \$1,000 expended, 20 percent of the third \$1,000 expended, and 10 percent of the fourth \$1,000 expended. For example, if a corporate taxpayer invested \$4,000 in approved energy conservation measures in a residential apartment building owned by the taxpayer, it would be able to deduct \$1,800 of the expenses (100 percent of \$1,000, plus 50 percent of \$1,000, plus 20 percent of \$1,000, plus 10 percent of \$1,000, or \$1,000 + \$500 + \$200 + \$100).

For non-residential buildings, the taxpayer may deduct 100 percent of the first \$2,000 spent on energy conservation capital investments, 50 percent of the second \$2,000 spent, 20 percent of the third \$2,000 spent, and 10 percent of the fourth \$2,000 spent. If a corporate taxpayer invested \$4,000 in approved energy conservation measures in a non-residential building owned by the taxpayer, it could deduct \$3,000 of the expenses (100 percent of \$2,000, plus 50 percent of \$2,000, or \$2,000 plus \$1,000). If the taxpayer

Corporate Tax Expenditures

invested \$8,000 in approved energy conservation measures in the same building, it could deduct \$3,600 of the expenses (100 percent of \$2,000, plus 50 percent of \$2,000, plus 20 percent of \$2,000, plus 10 percent of \$2,000, or \$2,000 + \$1,000 + \$400 + \$200).

This deduction is subject to approval of the Department of Revenue and cannot be taken on expenditures financed by a state, federal, or private grant. The purpose of this deduction is to encourage energy-conserving investments in existing buildings.

Recycled Material Qualifying for Deduction: 15-32-609 and 610, MCA

Legislation: SB 111, 1991 Session

A taxpayer may deduct an additional 10 percent of expenditures for the purchase of recycled material that was otherwise deductible as a business-related expense. The Department of Revenue defines the types of recycled material that may be used to claim this deduction. The purpose of this deduction is to encourage the use of goods made from reclaimed materials, especially post-consumer materials. The deduction was set to expire at the end of calendar year 2011, but HB 21, passed by the 2009 Legislature, makes the additional 10 percent deduction permanent. The deduction originally began in 1991 through passage of SB 111.

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Montana Corporate Tax Credits

Many of these credits are available to individual income taxpayers as well as corporate income taxpayers. More thorough explanations of many of the credits and their history are available in the individual income tax section on tax expenditures.

There are differences between the tax periods for the two different income taxes – individual and corporate. The tax year for individual income tax returns is the calendar year and data from the tax returns is presented on that basis. The corporate income tax year and filing requirements is based upon the corporation's fiscal year, which can vary from the calendar year.

There is another change in the tables presented in this section due to the availability of a more complete, updated dataset of corporate tax returns. The tables in this section show 7 years of history, unless the credit has not been in effect that long.

Alternative Energy Production Credit: 15-32-401 through 407, MCA
Legislation: HB 755, 1983 Session

Qualifying taxpayers that invest \$5,000 or more in a commercial system, or net metering system, that generates energy using alternative energy sources are allowed a credit against corporation income tax of 35 percent of the costs, less any federal or state grants. Alternative energy sources are defined as including, but not limited to, solar energy, wind energy, geothermal energy, conversion of biomass, fuel cells that do not require hydrocarbon fuel, small hydroelectric generators producing less than one megawatt; and methane from solid waste.

Tax credits may be carried forward for 7 years. The carry-forward period is extended to 15 years if the equipment is placed in service within the boundaries of a Montana reservation and there is an employment agreement with the tribal government of the reservation in which tribal members will be trained and employed in constructing, maintaining and operating the system.

Alternative Energy Production Credit		
Year	Number of Credits Claimed	Total Credits Claimed
2009	*	\$50
2010	*	\$100
2011	*	\$50
2012	*	\$50
2013	*	\$100
2014	0	\$0
2015	0	\$0
2016	0	\$0

* Not disclosed due to confidentiality concerns

Alternative Fuel Motor Vehicle Conversion Credit		
Year	Number of Credits Claimed	Total Credits Claimed
2009	*	\$6,004
2010	*	\$14,000
2011	*	\$6,479
2012	0	\$0
2013	*	\$379
2014	*	\$4,000
2015	*	\$1,000
2016	0	\$0

* Not disclosed due to confidentiality concerns

The table shows credits claimed on corporate tax returns by tax year for 2009 through 2016.

Alternative Fuel Motor Vehicle Conversion Credit: 15-30-2320, MCA
Legislation: HB 219, 1993 Session

Taxpayers are allowed a credit against individual income tax or corporate income tax of up to 50 percent of the cost of converting a motor vehicle to operate on natural gas, liquefied petroleum gas (LPG or propane), liquefied natural gas, hydrogen, electricity, or a fuel of at least 85 percent alcohol or ether.

The credit is limited to \$500 for conversion of a motor vehicle with gross weight of 10,000 pounds or less or \$1,000 for

Corporate Tax Expenditures

conversion of a vehicle weighing more than 10,000 pounds.

The credit claimed cannot be more than the taxpayer's liability and cannot be carried forward or back. The credit must be claimed for the year in which the conversion was done. The table shows credits claimed on corporate tax returns by fiscal year for tax years 2009 through 2016.

Apprenticeship Credit: 15-30-2357 and 39-6-109, MCA
Legislation: HB 308, 2017 Session

Individual and corporate income taxpayers are allowed a credit for employing an apprentice or veteran apprentice as a new employee in a state-registered apprenticeship training program. The credit is worth \$750 per approved apprentice or \$1,500 per approved veteran apprentice and may only be claimed for 5 years per apprentice. This tax credit is effective for tax years beginning January 1, 2018 and thereafter.

Biodiesel Blending and Storage Tank Credit: 15-32-703, MCA
Legislation: HB 756, 2005 Session

Taxpayers can claim a credit of 15 percent of the cost of equipment used in blending biodiesel made from Montana ingredients with petroleum-based diesel. The credit can also be used for storage facilities in a year when the taxpayer is blending or in the two years before blending began. The total credits that may be claimed over time are \$52,500 for a distributor (wholesaler) and \$7,500 for a retailer.

The credit is subject to some restrictions, including that the taxpayer's biodiesel sales must be greater than 2 percent of the total diesel sales by the end of the third year after the year that the investment is claimed. The unused tax credit can be carried forward up to 7 years, but can only be claimed in tax years in which the facility is operating for the purposes of biodiesel blending.

The table shows credits claimed on corporate tax returns by tax year for 2009 through 2016.

Biodiesel Blending and Storage Credit		
Year	Number of Credits Claimed	Total Credits Claimed
2008	0	\$0
2009	0	\$0
2010	0	\$0
2011	0	\$0
2012	0	\$0
2013	0	\$0
2014	0	\$0
2015	0	\$0
2016	0	\$0

Charitable Endowment Credit		
Year	Number of Credits Claimed	Total Credits Claimed
2009	30	\$94,889
2010	14	\$42,830
2011	15	\$45,913
2012	20	\$60,406
2013	26	\$50,704
2014	17	\$32,561
2015	15	\$31,436
2016	11	\$25,130

Charitable Endowment Credit: 15-31-161 and 162, MCA
Legislation: HB 434, 1997 Session

A qualified endowment is a permanent fund held by or on behalf of a 501(c)(3) charitable organization. A planned gift is one of nine types of arrangements specified in the IRS code that generally provide income to the donor for life or a set period and then the remainder goes to the charity. Individual taxpayers are allowed a credit of 40 percent of the present value of a planned gift to a qualified charitable endowment.

Corporations are allowed a credit of 20 percent of a gift to a qualified endowment.

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The 2013 Legislature passed SB 108, which extends the credit through 2019. Among other changes, the legislation made the definition of a “permanent, irrevocable fund” which can accept donations eligible for the credit refer to the Uniform Prudent Management of Institutional Funds Act (Title 72, Chapter 30).

The table shows credits claimed on corporate tax returns by tax year for 2009 through 2016.

College Contribution Credit: 15-30-2326, MCA
Legislation: HB 894, 1991 Session

Individual and corporate taxpayers are allowed a credit equal to 10 percent of donations to the general endowment funds of units of the Montana university system, Montana private colleges, or Montana private college foundations. The maximum credit allowed per year is \$500. The credit claimed may not exceed the taxpayer liability. The credit must be applied in the tax year in which the donation was made and no carry-forward or carry-back is allowed.

The table shows credits claimed on corporate tax returns by tax year for 2009 through 2016.

College Contribution Credit		
Year	Number of Credits Claimed	Total Credits Claimed
2009	22	\$4,466
2010	25	\$5,605
2011	24	\$5,874
2012	28	\$9,020
2013	28	\$6,173
2014	31	\$19,300
2015	28	\$6,468
2016	25	\$4,898

Contractor’s Gross Receipts: 15-50-207, MCA
Legislation: HB 530, 1967 Session

Contractor's Gross Receipts		
Year	Number of Credits Claimed	Total Credits Claimed
2009	90	\$1,318,876
2010	91	\$906,127
2011	110	\$531,807
2012	104	\$763,534
2013	103	\$613,274
2014	96	\$645,615
2015	91	\$644,922
2016	88	\$319,316

Contractors are required to pay a license fee equal to 1 percent of the gross receipts from government contracts during the year for which the license is issued. The agency or prime contractor withholds the 1 percent license fee from payments to the prime contractor or subcontractors. The agency or contractor is responsible for remitting the correct amount to the Department of Revenue along with a form reporting who is to be credited with the license fee payment.

Contractors may use the amount of gross receipts tax paid as a credit against the contractor’s corporation income tax liability or income tax liability, depending upon the type of tax the contractor must pay. The credit may be carried forward a maximum of 5 years.

The table shows credits claimed on corporate tax returns by tax year for 2009 through 2016.

Contributions to Public and Private Schools Credit: 15-31-158 and 159, MCA
Legislation: SB 410, 2015 Session

The 2015 legislature created a nonrefundable individual and corporate income tax credit for donations made to the educational improvement account provided for in 20-9-905, providing supplemental funding to public schools for innovative educational programs and technological deficiencies. The aggregate amount of tax credits allowed is \$3 million in Tax Year 2016. If the \$3 million is met, that amount is increased by 10 percent each year.

Corporate Tax Expenditures

The 2015 Legislature also created a nonrefundable individual and corporate income tax credit for donations made to student scholarship organizations. This credit is limited to \$150 per taxpayer. The aggregate amount of tax credits allowed is \$3 million in Tax Year 2016. If the \$3 million is met, that amount is increased by 10 percent each year.

There were no C corporation claims of this credit in Tax Year 2016.

Dependent Care Assistance Credit: 15-31-131 and 133, MCA
Legislation: SB 282, 1989 Session

There are several employer costs for which dependent care credits can be claimed. If the employer provides day care services to employees' dependents or information and referral services to employees, then a credit against corporation tax can be claimed for a share of the costs. The allowed credit is 25 percent of the cost of the day care assistance with a limit of \$1,575 per employee receiving the assistance. The day care must be provided by a licensed or registered day care provider; it must meet IRS requirements and cannot be part of the employee's compensation. The employer can also claim a credit on 25 percent of the cost of providing day care information and referral services to employees (15-31-131, MCA).

Under 15-31-133, MCA there is a credit allowed against corporation tax for a portion of the cost of setting up a day care facility to be used by the taxpayer's employees' dependents. The credit is the lowest of either:

- (1) 15 percent of the costs incurred, or
- (2) \$2,500 times the number of dependents the facility accommodates, or
- (3) \$50,000.

To claim the credit the facility must meet certain criteria, such as accommodating six or more children, be run by a licensed operator, and have been placed in operation by January 1, 2006. The credit is to be claimed over a 10 year period, with one-tenth of the credit claimed each year.

There were no C corporation claims of this credit from Tax Year 2009 through 2016.

Empowerment Zone New Employees Tax Credit: 15-31-134, MCA
Legislation: SB 484, 2003 Session

A local government may establish an empowerment zone in an area with chronic high unemployment (7-21-3710, MCA). Employers in an empowerment zone are eligible for a credit against either income tax or corporation income tax for the first 3 years of employment for new positions. The credit per new employee is \$500 for the first year, \$1,000 for the second year, and \$1,500 for the third year.

To receive the credit, the taxpayer must apply for and receive certification from the Department of Labor and Industry.

There were no C corporation claims of this credit from Tax Year 2009 through 2016.

Geothermal Heating System Credit: 15-32-115, MCA
Legislation: SB 340, 2005 Session

Taxpayers are allowed a credit against individual income tax or corporation tax for up to \$1,500 of costs of installing a geothermal heating system (ground-source heat pump) in the taxpayer's principal residence or in a residence the taxpayer constructs. Only one credit may be claimed per residence and any credit remaining after the year of installation can be carried forward and claimed in succeeding tax years.

Geothermal System Credit		
Year	Number of Credits Claimed	Total Credits Claimed
2008	*	\$500
2009	0	\$0
2010	0	\$0
2011	0	\$0
2012	0	\$0
2013	*	\$1,500
2014	0	\$0
2015	0	\$0
2016	0	\$0

* Not disclosed due to confidentiality concerns

Corporate Tax Expenditures

This credit could not be claimed by corporate taxpayers, such as builders of residential units, until Tax Year 2006. The change was made by the 2005 Legislature (SB 340). The table on the previous page shows credits claimed on corporate tax returns by tax year for 2009 through 2016.

Health Insurance for Uninsured Montanans Credit: 15-31-132, MCA
Legislation: HB 166, 1989 Session

A corporation with 20 or fewer employees working at least 20 hours per week may claim a nonrefundable credit of up to \$3,000 against corporation income tax. In order to claim the credit, the employer must pay at least 50 percent of the employee's premium and can claim a credit for a maximum of 10 employees' health or disability insurance (ARM 42.4.2802).

A credit of \$25 a month is allowed if the employer pays 100 percent of the employee's premium. If the employer pays a share of the employee's premium, then the \$25 credit is prorated by the same percentage share.

The credit is subject to many restrictions including that the credit may not exceed 50 percent of the total premium for each employee, the credit may not be claimed for more than 36 consecutive months, and may not be granted to an employer or its successor within 10 years of when the last credit was claimed. The employer must have been in business in Montana for at least 12 months and the credit cannot be carried forward or backward and claimed against another year's taxes.

The table shows credits claimed on corporate tax returns by tax year for 2009 through 2016.

Historic Property Preservation Credit: 15-31-151, MCA
Legislation: HB 601, 1997 Session

Corporate taxpayers may take a credit against corporation income tax for costs of rehabilitating a historic building located in Montana. The credit is 25 percent of the federal credit allowed by 26 U.S.C. 47. The federal credit is 20 percent of the rehabilitation cost of a building certified as having historic significance and 10 percent of the cost of rehabilitation of a building placed in service before 1936 that has not been certified.

The credit is not refundable if it exceeds the amount of taxes owed, but unused credits can be carried over to the seven succeeding tax years. If the corporation is a partnership or S corporation, the credit must be attributed to the partners or shareholders in the same proportion used to report the partnership or corporation income or loss for Montana income tax purposes.

The table shows credits claimed on corporate tax returns by tax year for 2009 through 2016. An asterisk indicates that fewer than 10 corporate taxpayers claimed the credit in the fiscal year.

Health Insurance for Uninsured Montanans		
Year	Number of Credits Claimed	Total Credits Claimed
2009	43	\$30,319
2010	42	\$31,753
2011	28	\$29,619
2012	19	\$15,220
2013	15	\$11,741
2014	*	\$5,581
2015	*	\$5,750
2016	*	\$350

* Not disclosed due to confidentiality concerns

Historic Property Preservation Credit		
Year	Number of Credits Claimed	Total Credits Claimed
2009	0	\$0
2010	0	\$0
2011	0	\$0
2012	0	\$0
2013	0	\$0
2014	*	\$85,520
2015	*	\$374,586
2016	*	\$39,653

* Not disclosed due to confidentiality concerns

Corporate Tax Expenditures

Infrastructure Users Fee Credit: 17-6-316, MCA
Legislation: SB 100 and HB 602, 1995 Session

The Board of Investments may make loans to local governments to finance infrastructure to serve a new or relocated business that will result in 15 or more new full-time jobs. The infrastructure may serve as collateral for the loan and the local government may charge fees to the users for extending the infrastructure. The business may claim a credit against income or corporation tax for the fee it pays.

The total amount of the credit claimed may not exceed the amount of the loan. The credit can be carried forward for 7 years and used to reduce tax liability or carried back for 3 years.

The table shows credits claimed on corporate tax returns by tax year for 2009 through 2016. An asterisk indicates that fewer than 10 corporate taxpayers claimed the credit in the fiscal year.

Infrastructure Users Fee Credit		
Year	Number of Credits Claimed	Total Credits Claimed
2009	*	\$520,271
2010	*	\$501,904
2011	*	\$45,913
2012	*	\$305,304
2013	*	\$472,732
2014	*	\$741,261
2015	*	\$1,676,702
2016	*	\$706,524

* Not disclosed due to confidentiality concerns

Mineral Exploration Incentive Credit: 15-32-501 through 509, MCA
Legislation: SB 625, 1999 Session

Taxpayers are allowed a credit, not to exceed 50 percent of the taxpayer's liability and not greater than \$20 million, for certified mineral exploration expenses. The credit is for the full amount of solid mineral or coal exploration activity in the state (oil and gas exploration expenditures are not eligible). The credit is available only for expenses incurred up to the time that construction of a new mine or reopening of a previously closed mine commences. The credit can be carried forward for 15 years.

The table below shows credits claimed on corporate tax returns by tax year for 2009 through 2016. An asterisk indicates that fewer than 10 corporate taxpayers claimed the credit in the fiscal year.

Mineral Exploration Credit		
Year	Number of Credits Claimed	Total Credits Claimed
2009	*	\$25
2010	*	\$25
2011	*	\$2,767
2012	*	\$25
2013	*	\$534
2014	*	\$25
2015	*	\$25
2016	*	\$25

* Not disclosed due to confidentiality concerns

Corporate Tax Expenditures

New/Expanded Industry Credit: 15-31-124 and 125, MCA
Legislation: HB 593, 1975 Session

New or expanding manufacturing industries are allowed a tax credit equal to 1 percent of the total new wages paid in Montana for the first 3 years of operation or expansion. Expanding operations must increase total full-time jobs by 30 percent or more. "New" industry means a corporation engaging in manufacturing for the first time in Montana.

The table shows credits claimed on corporate tax returns by tax year for 2009 through 2016. An asterisk indicates that fewer than 10 corporate taxpayers claimed the credit in the fiscal year.

New and Expanded Industry Credit		
Year	Number of Credits Claimed	Total Credits Claimed
2009	0	\$0
2010	0	\$0
2011	0	\$0
2012	0	\$0
2013	0	\$0
2014	*	\$4,221
2015	*	\$2,465
2016	*	\$872

* Not disclosed due to confidentiality concerns

Oilseed Crushing and Biodiesel Production Facility Credit:
 15-32-701 and 702
Legislation: HB 756, 2005 Session

Taxpayers are allowed a credit against individual income tax or corporation tax of 15 percent of the costs of investments in depreciable property in Montana that is used primarily for crushing oilseeds for producing biodiesel or lubricants or to produce biodiesel or bio-lubricants. The taxpayer can claim credits on investments for the two tax years prior to when the facility begins production or any tax year that the equipment is in production up to January 1, 2015. Unused credits can be carried forward 7 years. Taxpayers claiming the credit can still claim depreciation or amortization and other credits allowed by the state.

The credit is subject to several restrictions, including how the credit can be carried forward; total credits claimed may not exceed \$500,000; and the depreciable property for which the credit has been claimed must begin to be used by 2015 for the purposes of oilseed crushing and biodiesel or bio-lubricant production.

The credit was first enacted by the 2005 Legislature in HB 756. The 2007 Legislature passed HB 166 which extended this credit's life to January 1, 2015, from January 1, 2010; allows the credit to apply to bio-lubricants too; and allows the credit to be claimed on investment in the 2 tax years prior to when the equipment is used in production.

There have been no C corporation claims for this credit for Tax Year 2009 to 2016.

Qualified Research Credit: 15-31-150, MCA
Legislation: HB 638, 1999 Session

Taxpayers may receive a nonrefundable tax credit for increases in qualified research expense and basic research payments for research conducted in Montana. The amount of the credit is determined in accordance with Section 41 of the IRC, 26 U.S.C. 41 as it read on July 1, 1996, or as subsequently amended. Section 41 of the IRS code provides a credit equal to 20 percent of any increase in research expenditures over the taxpayer's baseline research expenditures. Montana provides a 5 percent credit against individual income tax or corporation income tax for the same increases in expenditures in the state.

Increased Research Activities Credits		
Year	Number of Credits Claimed	Total Credits Claimed
2009	24	\$250,195
2010	21	\$372,491
2011	18	\$365,643
2012	14	\$47,394
2013	*	\$16,264
2014	*	\$1,627
2015	*	\$300
2016	*	\$223

* Not disclosed due to confidentiality concerns

Corporate Tax Expenditures

The taxpayer may not claim a current year credit after December 31, 2010. Unused credits from any tax year may be carried back for 2 years or carried forward for up to 15 years and used to reduce tax liability.

The table on the previous page shows credits claimed on corporate tax returns by tax year for 2009 through 2016.

Recycling Credit: 15-32-601-611, MCA
Legislation: SB 111, 1997 Session

Taxpayers are allowed a credit against individual income tax or corporate income tax for a portion of the cost of investments in depreciable property used in collecting or processing reclaimable material or manufacturing a product from reclaimed material. The amount of the credit is equal to 25 percent of the cost of the first \$250,000 invested in property, 15 percent of the cost of the next \$250,000 invested in property and 5 percent of the next \$500,000 of investment.

Therefore, if the taxpayer invests \$1,000,000 in property that qualifies for the credit, the taxpayer can claim a credit of \$125,000. If the taxpayer invests \$250,000 in property qualifying for the credit, then the taxpayer can claim a credit of \$62,500. The credit was to end December 31, 2011, but the 2009 Legislature made the credit permanent (HB 21). An asterisk in the table indicates less than 10 corporate taxpayers claimed this credit.

In each tax year 2009 through 2016, there were less than 10 credits claimed. Thus, the department cannot disclose credit amounts due to confidentiality concerns.

Short-term Temporary Lodging Credit: 15-31-171, MCA
Legislation: HB 240, 2007 Session

The 2007 Legislature created a refundable individual and corporate income tax credit available to lodging establishments that provide free temporary lodging to individuals displaced from their homes due to domestic abuse (HB 240). The 2015 Legislature expanded the statutory definition to include families as well as individuals (SB 175). The tax credit is equal to \$30 for each day of lodging provided, limited to a maximum of 5 nights of lodging for all family members each year. The individuals must be referred to the lodging establishment by a designated charitable organization. The credit is claimable only for lodging provided in Montana.

The credit may not be claimed if the individual is displaced by a major disaster declared by the President under federal law (42 U.S.C. 5170 or 5191) and financial assistance for temporary housing assistance is available.

There have been no C corporation claims for this credit for Tax Year 2009 to 2016.

Unlocking Public Lands Credit: 15-30-2380, MCA
Legislation: HB 444, 2013 Session

The 2013 Legislature created a refundable individual and corporate income tax credit for taxpayers that provide access to state land. The 2015 Legislature expanded the credit to those providing public access to any public land and increased the credit amount. The tax credit is equal to \$750 for each qualified access to public land that is provided. The maximum credit a taxpayer may claim in a year is \$3,000.

There have not been any C corporation claims for this credit.

Passive Expenditures

Passive tax expenditures refer to the loss of Montana tax revenue due to federal tax laws. These tax expenditures are not due to actions taken by the Montana Legislature, but by our adherence to the definitions of income, exemptions, and deductions set at the federal level. Montana's corporate income tax calculations rely to some extent on these definitions so if there are changes at the federal level, then the tax collected by the state can also be affected.

One example of these federal tax credits is the accelerated depreciation of machinery and equipment listed in the table below. Depreciation is an income tax deduction that allows a taxpayer an annual allowance for the wear and tear, deterioration, or obsolescence of the property.

The figures provided below are an estimate of the impact that Montana's adherence to these definitions has on state income tax collections. The estimates are based on the federal tax expenditures estimated by the U.S. Treasury Department and included in the annual Executive Budget of the United States and are scaled down to Montana proportions. These passive tax expenditures are estimates based on other estimates and should be viewed as approximations. As with other tax expenditures, the figures shown do not necessarily equal the increase in tax revenues that would occur if the provision did not exist.

Corporate Tax Expenditures - Passive Expenditures

Estimated Impact of Passive (Federal) Corporate Tax Expenditures on Montana Tax		
	2017	2018
Exemptions		
Deferral of income from controlled foreign corporations (normal tax method)	\$12,763,942	\$13,402,139
Exclusion of interest on life insurance savings	\$341,721	\$356,009
Excess of percentage over cost depletion, fuels and nonfuel minerals	\$41,673	\$52,389
Exemption of certain mutuals' and cooperatives' income	\$17,860	\$17,860
Exemption of credit union income	\$347,436	\$345,412
Inventory property sales source rules exception	\$395,301	\$425,068
Deferral of gain on sale of farm refiners	\$2,381	\$2,381
Deferral of tax on shipping companies	\$2,381	\$2,381
Deductions		
Accelerated depreciation of machinery and equipment (normal tax method)	\$3,430,309	\$2,871,887
Accelerated depreciation on rental housing (normal tax method)	\$42,864	\$55,961
Deductibility of charitable contributions (education)	\$102,397	\$107,160
Deduction for U.S. production activities	\$1,182,332	\$1,238,293
Empowerment zones, Enterprise communities, and Renewal communities	\$5,953	\$2,381
Expensing of exploration and development costs, fuels	-\$55,961	-\$25,004
Expensing of certain multiperiod production costs for farmers	\$2,381	\$2,381
Expensing of certain small investments (normal tax method)	\$34,529	\$33,339
Expensing of exploration and development costs, nonfuel minerals	\$4,763	\$5,953
Expensing of multiperiod timber growing costs	\$25,004	\$26,195
Expensing research and experimentation expenditures (normal tax method)	\$907,288	\$909,669
Small life insurance company deduction	\$341,721	\$356,009
Other		
Special alternative tax on small property and casualty insurance companies	\$5,953	\$5,953
Special ESOP rules	\$233,371	\$240,515
Special rules for certain film and TV production	\$19,051	\$10,716
Tax incentives for preservation of historic structures	\$51,199	\$52,389
<p>Sources: Estimates of corporate tax expenditures are calculated by the U.S. Treasury and published annually as a part of the Executive Budget of the United States. The data is in the Analytical Perspectives section of the Executive Budget. The Montana estimates were developed using the ratio of total income subject to tax and total income tax before credits for Montana and federal taxes. Total income subject to tax and total income tax before credits comes from www.irs.gov, SOI tax statistics, total returns of active corporations, and from Montana data.</p>		

Property Tax Expenditures

Property Tax Expenditures

Property tax expenditures are provisions in the property tax laws that reduce taxes for properties that meet certain criteria.

The cost of property tax expenditures are the revenue losses from statewide mills that would have been collected if these programs did not reduce the properties taxable value. Property tax expenditures can cost other property owners as well due to laws governing local governments' budgeting procedure (15-10-420, MCA). This section of code allows local governments to increase mills to offset a reduction in the tax base. Property tax expenditures work to lower taxable value for one sub-group of taxpayers which decreases the tax base and can cause mills to increase so that local jurisdictions can maintain budget levels.

In this section, the tax expenditure is reported as the decrease of state revenue caused by each program, and the tax burden reallocated to other taxpayers is reported as a tax shift.

Residential Property Tax Expenditures

There are three major property tax programs that target homeowners: The Property Tax Assistance Program (PTAP), the Disabled American Veterans Program (DAV) and the Land Value Property Tax Assistance Program.

The Elderly Homeowner/Renter credit provides a tax credit based on property taxes. However, it is administered through the income tax so it is classified as an income tax expenditure.

Property Tax Assistance Program (PTAP): 15-6-305, MCA
Legislation: HB 398, 1979 Session

The Property Tax Assistance Program (PTAP) reduces property taxes for low-income households. The program works by reducing the Class 4 tax rate by 80 percent, 50 percent, or 30 percent, depending on the income of the owners. To qualify for this program in Tax Year 2018, homeowners must report a household income below \$21,607 for one qualified homeowner and below \$28,810 for more than one qualified owner. To qualify for PTAP, homeowners must reside in their home for seven months out of the year. PTAP applies to the first \$200,000 of the taxable market value of residential improvements and residential land.

The table on the next page shows that in 2018 there were 23,018 property taxpayers who qualified for PTAP. This program reduced the taxable value of these properties by \$25.482 million which reduced the state revenue collected with the 95 school mills, 1.5 vo-tech mills, and the six university mills by \$2.589 million. Additionally, the reduction in taxable value increased local mills, effectively shifting \$14.601 million in taxes to other taxpayers.

In 2018, PTAP participants paid a total of \$17.190 million less that they would have otherwise paid in taxes, an average benefit of \$747 per participant.

Property Tax Expenditures

Property Tax Expenditure - PTAP						
<u>Tax Year</u>	<u>Participants</u>	<u>Reduction in Taxable Value</u>	<u>Loss in State Revenue</u>	<u>Tax Shifts</u>	<u>Total Tax Benefit to Participants</u>	<u>Average Tax Benefit</u>
2005	8,568	\$4,316,852	\$436,002	\$1,817,049	\$2,253,051	\$263
2006	8,192	\$4,130,616	\$417,192	\$1,758,981	\$2,176,173	\$266
2007	7,729	\$3,856,960	\$389,553	\$1,651,280	\$2,040,833	\$264
2008	7,399	\$3,508,914	\$354,400	\$1,533,817	\$1,888,217	\$255
2009	10,716	\$10,088,764	\$1,024,553	\$4,715,210	\$5,739,763	\$536
2010	11,583	\$10,691,795	\$1,086,019	\$5,139,997	\$6,226,016	\$538
2011	13,115	\$11,925,684	\$1,211,511	\$5,769,721	\$6,981,233	\$532
2012	14,013	\$13,130,717	\$1,333,840	\$6,450,295	\$7,784,135	\$555
2013	18,302	\$17,035,076	\$1,730,774	\$8,604,113	\$10,334,886	\$565
2014	19,446	\$18,075,495	\$1,836,544	\$9,333,585	\$11,170,129	\$574
2015	20,397	\$20,491,472	\$2,082,193	\$10,828,944	\$12,911,136	\$633
2016	22,544	\$22,764,665	\$2,313,248	\$12,279,757	\$14,593,005	\$647
2017	22,378	\$24,398,251	\$2,479,136	\$13,619,695	\$16,098,831	\$719
2018	23,018	\$25,481,545	\$2,589,060	\$14,600,656	\$17,189,717	\$747

Disabled American Veterans Program (DAV): 15-6-311, MCA
Legislation: HB 213, 1979 Session

The Disabled American Veterans Program (DAV) reduces property taxes for disabled veterans and is established in 15-6-311, MCA. It reduces the residential Class 4 tax rate by 100 percent, 80 percent, 70 percent, or 50 percent, depending on the level of income of qualified veterans. It applies to residential improvements. To qualify, the property must be the primary residence of a veteran who was honorably discharged and paid at the 100 percent disabled rate by the Department of Veterans Affairs for a service-connected disability. The spouse of a veteran killed while on active duty or who died from a service-connected disability qualifies for DAV benefits as well.

The table on the next page shows that in 2018 there were 2,567 property taxpayers who qualified for DAV. This reduced the taxable value of these properties by \$6.370 million which reduced the state revenue collected with 95 school equalization mills, 1.5 vo-tech mills, and the six university mills by \$647,417. The reduction in taxable value increased the local mills effectively shifting \$3.529 million to other taxpayers.

In 2018, participants of DAV paid \$4.176 million less in taxes because of this program, an average benefit of \$1,627.

Property Tax Expenditures

Property Tax Expenditure - DAV						
<u>Tax Year</u>	<u>Participants</u>	<u>Reduction in Taxable Value</u>	<u>Loss in State Revenue</u>	<u>Tax Shifts</u>	<u>Total Tax Benefit to Participants</u>	<u>Average Tax Benefit</u>
2005	1,457	\$2,700,858	\$272,787	\$1,136,845	\$1,409,632	\$967
2006	1,546	\$2,915,543	\$294,470	\$1,241,555	\$1,536,024	\$994
2007	1,608	\$3,158,974	\$319,056	\$1,352,451	\$1,671,508	\$1,039
2008	1,711	\$3,237,648	\$327,002	\$1,415,241	\$1,742,243	\$1,018
2009	1,643	\$3,768,883	\$383,125	\$1,711,423	\$2,094,548	\$1,275
2010	1,800	\$4,001,902	\$406,865	\$1,904,963	\$2,311,828	\$1,284
2011	2,037	\$4,061,664	\$412,888	\$1,937,029	\$2,349,917	\$1,154
2012	2,095	\$4,230,522	\$429,951	\$2,024,742	\$2,454,693	\$1,172
2013	2,147	\$4,413,666	\$448,579	\$2,156,731	\$2,605,310	\$1,213
2014	2,199	\$4,562,601	\$463,708	\$2,268,044	\$2,731,752	\$1,242
2015	2,103	\$4,916,616	\$499,854	\$2,495,371	\$2,995,225	\$1,424
2016	2,383	\$5,324,319	\$541,332	\$2,765,682	\$3,307,014	\$1,388
2017	2,427	\$5,920,080	\$601,769	\$3,176,103	\$3,777,872	\$1,557
2018	2,567	\$6,370,030	\$647,417	\$3,528,561	\$4,175,978	\$1,627

Land Value Property Tax Assistance Program: ,15-6-240, MCA
Legislation: SB 94, 2017 Session

The Land Value Property Tax Assistance Program for Residential Property helps residential property owners if the value of their land is disproportionately higher than the value of their home or other buildings on their land and the land has been in their family for at least 30 years. The benefit applies to the portion of the property owner's land value that is more than 150 percent of the department's appraised market value of the home and other improvements located on the land, effectively capping the value of the property owners land to 150 percent of the improvement value. The benefit applies to a maximum of 5 acres, although there is no maximum on the tax benefit of this program, nor is there an income qualification.

The table below provides some summary data on the properties that received assistance under this program. In Tax Year 2018, the first year this program was available, there were 104 participants, the reduction in taxable value was equal to \$592,904, the reduction in state taxes was equal to \$59,909, and the shift in tax burden to other tax payers was equal to \$272,853. However, as the table below illustrates, these tax savings disproportionately distributed to the higher valued homes.

Land Value Property Tax Assistance Program Exemption Detail Tax Year 2018						
	<u>Market Value</u>	<u>Tax With SB 94</u>	<u>Tax Without SB 94</u>	<u>Tax Savings</u>	<u>State Tax Expend.</u>	<u>% Reduction in Taxes</u>
Example Properties						
Minimum <u>Valued</u> Prop.	\$61,422	\$319	\$569	-\$251	-\$37	-43.99%
Median <u>Valued</u> Prop.	\$798,400	\$5,101	\$5,684	-\$583	-\$112	-10.26%
Maximum <u>Valued</u> Prop.	\$3,753,800	\$12,050	\$25,745	-\$13,695	-\$2,723	-53.19%
Summary Value (N=104)						
Minimum <u>Values</u>	\$61,422	\$319	\$569	-\$105	-\$20	-1.71%
Average <u>Values</u>	\$923,906	\$3,629	\$6,829	-\$3,200	-\$576	-42.63%
Maximum <u>Value</u>	\$3,753,800	\$12,050	\$25,745	-\$16,584	-\$2,778	-92.52%
Total	\$96,086,210	\$377,412	\$710,175	-\$332,763	-\$59,909	-46.86%

Property Tax Expenditures

Economic Development Tax Expenditures

In addition to the residential property tax exemptions, there are tax expenditures in statute that encourage economic development by reducing the taxable value of properties or by creating a tax increment finance district. These expenditures are described below.

Energy Production or Development Tax Abatement: 15-24-3111, MCA **Legislation:** HB 3, May 2007 Special Session

The energy production or development tax abatement provides a 50 percent rate reduction on a qualified energy production or development facility and equipment. The tax rate reduction may be in effect during the construction period and the first 15 years after the facility commences operation, not to exceed a total of 19 years. Currently the properties using this abatement are Class 14 and Class 15, both of which are normally taxed at 3 percent. This program changes the tax rate to 1.5 percent for these properties.

In Tax Year 2018, approximately \$235.714 million market value was reported in this program, providing for an abatement of approximately \$1.415 million in taxes. Approximately \$0.357 million of this amount is a reduction in state revenue; the remaining amount was shifted to other tax payers.

Energy Production or Development State and Local Tax Abatement					
<u>Tax Year</u>	<u>Market Value</u>	<u>Reduction in Taxable Value</u>	<u>Loss in State Revenue</u>	<u>Tax Shifts</u>	<u>Total Tax Benefit to Participants</u>
2012	\$64,844,968	\$972,675	\$98,466	\$463,966	\$562,432
2013	\$176,656,421	\$2,649,846	\$268,027	\$1,137,804	\$1,405,831
2014	\$240,744,779	\$3,611,173	\$365,159	\$1,556,291	\$1,921,449
2015	\$292,397,489	\$4,252,907	\$429,985	\$1,450,428	\$1,880,413
2016	\$294,559,606	\$4,201,253	\$424,327	\$1,600,023	\$2,024,350
2017	\$268,796,398	\$4,031,946	\$407,227	\$1,545,357	\$1,952,584
2018	\$235,714,004	\$3,535,709	\$357,107	\$1,414,512	\$1,771,618

Electrical Generation and Transmission Facility Exemption: 15-24-3001, MCA **Legislation:** HB 3, May 2007 Special Session

The electrical generation and transmission facility exemption provides a 10 year exemption from taxation for certain qualified property that was constructed in the state of Montana between May 5, 2001 and January 1, 2006.

In 2018, this exemption was not claimed by any taxpayer.

Tax Increment Finance Districts: 7-15-4282, MCA **Legislation:** HB 193, 1974 Session

Tax increment financing (TIF) provides for the segregation of the taxable value, in a qualified district, into base and increment values. Qualified districts may include urban renewal districts and targeted economic development districts. Tax increment financing may be used to pay for a variety of development activities within the TIF, including land acquisition, demolition and removal of structures, relocation of occupants, infrastructure costs, construction of publicly owned buildings and improvements, administration of urban renewal activities, and paying bonds that were issued to fund appropriate costs. To learn more about TIFs, please refer to the property tax chapter.

The TIF increment value is the amount of taxable value of a TIF less the taxable value when it was formed. All local and state mills are levied against the TIF increment value and the TIF retains this revenue with the exception of the 6 university mills.

Property Tax Expenditures

The state only receives revenue for mills levied against TIF increment value from the 6 university mills so the tax expenditure cost to the state is the revenue generated from the 95 and 1.5 statewide mills on the increment value. Unlike the other property tax expenditure programs, there is not a clear shift to other taxpayers. There are however some instances when the creation of a TIF can lead to increases in property taxes for taxpayers located inside and outside the TIF.

Development within a TIF may necessitate an increase of services by local jurisdictions, whether they are schools, towns, counties, or fire districts. Since local budgets are constrained by 15-10-420, MCA, local governments may propose voted mill levy increases to pay for new services. A voted levy would increase taxes for all property owners located in the jurisdiction, increase TIF revenue, and may increase taxes on property located outside of the TIF.

If development is intended inside a proposed TIF district, but does not occur before the TIF base is determined, the TIF may collect revenue that may have otherwise been used to reduce mills and taxes due by property owners in affiliated taxing jurisdictions.

The following table presents the amount of revenue used by TIFs in Montana by type of jurisdictions for tax years 2009 through 2018. In 2018, the amount of TIF revenue that came from the 95 state education equalization mills and 1.5 vo-tech mills was \$5.259 million.

TIF Districts Revenue Generated by Mill Type							
Tax Year	Increment	Revenue From Statewide Mills	Revenue From County Mills	Revenue From School Mills	Revenue From City Mills	Revenue From Misc. Mills	Total From All Mills
2009	\$32,014,815	\$3,069,779	\$6,079,435	\$6,599,541	\$2,853,160	\$778,881	\$19,380,796
2010	\$42,266,864	\$4,057,293	\$7,767,739	\$9,969,301	\$3,905,254	\$995,454	\$26,695,041
2011	\$46,300,358	\$4,438,575	\$9,385,018	\$10,625,763	\$4,264,645	\$1,213,209	\$29,927,210
2012	\$46,053,586	\$4,408,555	\$8,627,610	\$10,660,530	\$4,220,604	\$1,681,498	\$29,598,797
2013	\$48,039,378	\$4,652,871	\$8,694,981	\$9,843,858	\$4,525,461	\$1,873,798	\$29,590,969
2014	\$45,186,770	\$4,324,414	\$7,822,155	\$10,879,496	\$4,910,109	\$1,654,865	\$29,591,039
2015	\$50,785,821	\$4,871,444	\$9,031,894	\$12,909,760	\$5,823,421	\$1,498,020	\$34,134,539
2016	\$52,929,104	\$5,069,499	\$13,090,100	\$10,221,322	\$5,369,837	\$1,618,956	\$35,369,714
2017	\$58,171,093	\$5,571,918	\$10,688,524	\$14,728,273	\$6,639,817	\$2,245,574	\$39,874,104
2018	\$54,926,982	\$5,258,806	\$10,385,468	\$15,769,712	\$6,436,009	\$1,561,221	\$39,411,215

Centrally Assessed Tax Expenditures

The last type of property tax deals with the way centrally assessed properties are value relative to locally assessed properties.

Intangible Personal Property (IPP) Exemption: 15-6-218, MCA

Legislation: SB 111, 1999 Session

Montana is a unit value state, which means that a total unit value of a centrally assessed company is determined, and the relevant portion of the total value is allocated to Montana using an apportionment formula for property tax purposes. The Montana unit value includes both tangible and intangible personal property. Since centrally assessed companies are valued as a whole unit, and not as a sum of each individual part, the value of IPP must be excluded from the unit value.

Intangible personal property can be exempt Class 8 personal property, or exempt personal property owned by a centrally assessed company. The concept of intangible personal property is not easily grasped, since by its very nature lacks a physical presence and cannot be seen or touched. IPP is statutorily defined in 15-6-218, MCA, but unfortunately, these definitions can be somewhat ambiguous. In some instances,

Property Tax Expenditures

statute very clearly defines IPP. Certificates of stock, bonds, promissory notes, licenses, copyrights, patents, trademarks, contracts, software, and franchises are all specifically defined as IPP. However, IPP is also defined with the following more nebulous descriptions: goodwill, property that “has no intrinsic value but is representative of value”, or property that “lacks a physical presence”.

The department excludes IPP by automatically granting each company a percentage reduction to account for the inclusion of IPP in the unit value. However, a company may claim a larger reduction if it can prove that the value of IPP is greater than the default percentage provided by rule.

The fiscal impact of exempting intangible personal property is estimated by calculating the taxable value decrease caused by exempting IPP market value from centrally assessed companies. This decrease is the difference of taxable value under current law and the taxable value that would exist in the absence of the IPP exemption.

The following table displays the market value of exempt IPP, the impact the exemption has on taxable value, the impact on statewide property taxes, and the estimated amount of tax revenue shifted to local tax taxpayers. In Tax Year 2018, it is estimated state property tax revenues would have been \$15.595 million higher if there was no IPP exemption.

Intangible Personal Property Exemption State and Local Tax Effects					
Tax Year	Exempt Market Value	Reduction in Taxable Value	Loss in State Revenue	Tax Shifts	Total Tax Benefit to Central. Assess. Comp.
2012	\$1,694,045,680	\$106,005,997	\$10,774,142	\$46,527,597	\$57,301,739
2013	\$1,883,034,088	\$117,423,302	\$11,934,115	\$53,480,744	\$65,414,859
2014	\$1,777,563,764	\$112,421,730	\$11,420,628	\$51,779,273	\$63,199,901
2015	\$1,864,874,318	\$116,341,728	\$11,818,446	\$53,397,311	\$65,215,756
2016	\$1,738,771,588	\$111,478,545	\$11,322,582	\$51,124,671	\$62,447,253
2017	\$2,445,472,074	\$154,291,592	\$15,680,073	\$77,326,355	\$93,006,427
2018	\$2,447,543,291	\$153,466,984	\$15,595,004	\$80,224,603	\$95,819,607

Generally Exempt Property: Title 15, Chapter 6, Part 2 (and Various Other Sections)

Legislation: NA

Certain property may qualify for a reduced taxable value. This can be either a direct reduction, or a reduction of assessed value. Montana does not tax certain types of property or organizations. For example, real property owned by federal, state, and local governments; public libraries; irrigation districts not operated for gain or profit; property owned by municipal corporations, fire districts and some volunteer fire departments; or property owned by a federally recognized tribe located within the boundaries of the reservation and used for essential governmental services is all exempt from property taxation.

Montana also recognizes the tax exempt status of the following organizations: church property used for religious worship, clergy residence, or educational or youth recreational activities open to the public; nonprofit agricultural or horticultural societies; organizations with specific educational facilities; low-income housing nonprofits; organizations with nonprofit health care facilities; cemeteries; public charities; public museums, art galleries, zoos, or observatories operating as not-for-profit; nonprofits that lease railroad right-of-way land for less than \$100 per year; landowners with land within 660 feet on either side of qualifying transmission right-of-way constructed after January 1, 2007; organizations with a nonprofit veterans' clubhouse; organizations with nonprofit facilities used in international sports and athletic event competitions or used in training and practicing for such competitions; nonprofits organized to furnish potable water to its members (other than for agricultural irrigation); and nonprofits caring for the developmentally disabled, the mentally ill, the vocationally handicapped, the retired, aged, or chronically ill.

Additionally, some personal property is specifically exempt from property taxation including: freepoint merchandise and business inventories; agricultural irrigation systems livestock and the unprocessed products of livestock; livestock that is subject to a per capita fee; producer-held grain in storage; unprocessed

Property Tax Expenditures

agricultural products; poultry and the unprocessed products of poultry; bees and the unprocessed products of bees; biological control insects; some sugar beet equipment; agricultural implements and machinery worth less than \$100; down-hole equipment in oil and gas wells; certain motion picture and television property; intangible personal property, including software; harness, saddles, and other tack; the first \$15,000 or less of hand-held tools; household goods and furniture; bicycles used for personal use; personal property intended for rent or lease if it meets specific conditions; space vehicles and all associated equipment; title plane owned by a title insurer; business equipment used in the manufacture of ammunition components; machinery and equipment used in a canola seed oil processing facility, malting barley facility, industrial dairy or milk processing, or in the production of ethanol from grain in the first 10 years; small electrical generation equipment with a nameplate capacity of less than 1 megawatt; property subject to registration fees; class 8 property totaling less than \$100,000 market value.

Some property is contained in the property tax system, such as property owned by a governmental entity, and the tax impact of exempting this property can therefore be estimated. Other types of property are not reported, and therefore, the tax impact of exempting these properties cannot be accurately estimated, class 8 property owners who don't report the value of their business equipment property under \$100,000 as an example.

The following table shows the tax impact of some of the property tax exemptions that could be estimated in the property tax database. However, this is an underestimate, as the tax impact cannot be estimated for all types of exempt property.

TY 2018 Estimated Tax Expenditures for Generally Exempt Property				
Type of Exemption	Parcels	Market Value	Tax Shift	Tax Expend
Governmental Exemptions	96,882	8,404,394,674	62,172,823.45	11,550,139.92
Non-Profit Health Care	482	1,325,348,800	16,210,128.81	2,547,516.42
Religious Exemptions	2,439	1,152,460,261	12,679,791.87	2,164,953.06
Educational Exemptions	574	649,812,195	7,486,351.46	1,232,891.21
Charitable Exemptions	943	564,610,650	6,528,371.44	1,063,986.97
Low Income Housing	145	176,602,835	2,163,960.98	329,039.81
Community Service Building/Fraternal	353	123,521,756	1,385,515.29	234,703.36
Developmentally Disabled Org/Mentally Impaired	254	100,230,394	1,136,843.65	180,432.07
Art Galleries/Observatories/Zoos/Museums	87	44,123,466	468,369.09	83,261.52
Cemetery, Mausoleums, Crematories	130	42,652,336	482,818.65	81,331.46
Retired/Aged/Chronically Ill	25	30,163,317	350,758.25	57,633.61
Veteran's Clubhouse	78	15,568,468	181,003.98	29,313.52
Non-Profit Water Association	88	8,679,093	71,854.53	15,949.43
Non-Profit International Athletic Facility	3	5,352,973	64,540.05	10,308.92
Horticulture/Agricultural Societies	2	2,503,162	26,515.54	4,778.81
Natural Disaster	21	1,142,999	10,701.31	1,770.91
Historic Abatement	1	159,220	2,039.34	303.94
Unknown	21,210	696,701,230	7,146,184.97	1,215,226.80
Total	123,717	13,344,027,829	118,568,573	20,803,542

Oil and Gas Tax Expenditures

There are many tax rates for production from oil and natural gas wells, depending on the type of well, when they were drilled, and whether the production is owned by working interest or royalty owners. The following tax expenditures all apply to working interest owners, as production owned by royalty owners does not benefit from any tax expenditures. All estimated tax expenditures are summarized in the table at the end of this section.

Reduced Rates for “New” Oil and Gas Production

Code: 15-36-304, MCA

Legislation: HB 553, 1977 session

Oil or gas produced from a well that qualifies as “new” production is taxed at a reduced rate of 0.80 percent. This reduced rate applies for the first 12 months of production from a conventional well and the first 18 months of production from a horizontally completed well. New production includes production from new wells and from wells that have not produced oil or gas during the previous 60 months. This reduced rate is intended to provide an incentive for the exploration, development and production of oil and gas.

Reduced Rate for Horizontally Recompleted Oil Wells

Code: 15-36-304, MCA

Legislation: SB 18, 1993 session

The first 18 months of incremental production from a horizontally recompleted well is taxed at 5.80 percent. After this period, the tax rate reverts to 9.30 percent for wells drilled in and after Calendar Year 1999 or 12.80 percent for wells drilled prior to 1999. There has been no production reported from horizontally recompleted oil wells after Fiscal Year 2012.

Reduced Rates for Incremental Oil Production from Enhanced Recovery Projects

Code: 15-36-304, MCA

Legislation: HB 636, 1985 session

In any quarter when the average price of West Texas Intermediate (WTI) crude oil is less than \$54 per barrel, incremental production from secondary recovery projects is taxed at 8.80 percent, and incremental production from tertiary recovery projects is taxed at 6.10 percent. In quarters when the average price of WTI is at least \$54 per barrel, these wells are taxed at 9.30 percent for wells drilled in and after Calendar Year 1999 and 12.80 percent for wells drilled before 1999. The reduced rates provide incentives for the use of enhanced recovery technologies when prices are low.

Reduced Rates for Stripper Exemption and Stripper Oil Wells

Code: 15-36-304, MCA

Legislation: HB 661, 1999 session; HB 658, 1999 session; HB 535, 2005 session; HB 411, 2015 session

In any quarter the average price of WTI crude oil is less than \$54 per barrel, oil from wells on leases that produce less than 3 barrels per well per day is taxed at 0.80 percent (stripper exemption). If the price of WTI is equal to or greater than \$54 per barrel, this oil is taxed at 6.30 percent.

From wells on leases that produce between 3 and 15 barrels per well per day (stripper oil), the first 10 barrels per day are taxed at 5.80 percent and remaining production is taxed at 9.30 percent in quarters when the average price of WTI is less than \$54 per barrel. In quarters when the average price of WTI is at least \$54 per barrel, stripper oil is taxed at 9.30 percent for well drilled in and after 1999 and 12.80 percent for wells drilled before 1999. The reduced rates on stripper exemption and stripper oil provide an incentive to keep low-volume wells in production.

Natural Resource Tax Expenditures

The 2015 Legislature passed HB 411 changing one of the benchmarks for reduced rates from \$38 per barrel to \$54 per barrel (average quarterly WTI price). The change increased the revenue foregone by the state during Fiscal Year 2016 and 2017 with the price exceeding the trigger point part-way through Fiscal Year 2018.

Reduced Rates for Pre-1999 “Stripper” Gas Wells

Code: 15-36-304, MCA

Legislation: SB 530, 1999 session

Gas wells drilled prior to January 1, 1999, that produced less than 60,000 cubic feet of natural gas a day during the previous year (stripper wells) receive a preferential tax rate of 11.30 percent.

Oil and Natural Gas Severance Tax Expenditures							
Natural Gas Production	New Production Tax Holiday						
	Fiscal Year	Working Interest Value	Actual Tax Rate	Tax Revenue	Normal Tax Rate	Normal Tax Revenue	Tax Expenditure
	2014	\$23,652,552	0.760%	\$179,759	9.260%	\$2,190,226	\$2,010,467
	2015	\$13,343,168	0.760%	\$101,408	9.260%	\$1,235,577	\$1,134,169
	2016	\$3,259,367	0.760%	\$24,771	9.260%	\$301,817	\$277,046
	2017	\$409,529	0.787%	\$3,225	9.287%	\$38,033	\$34,808
	2018	\$1,542,607	0.800%	\$12,341	9.300%	\$143,462	\$131,122
	Drilled Before 1999 and Average Less Than 60 MCF/ Day in Prior Calendar Year						
	Fiscal Year	Working Interest Value	Actual Tax Rate	Tax Revenue	Normal Tax Rate	Normal Tax Revenue	Tax Expenditure
	2014	\$33,768,347	11.260%	\$3,802,316	15.060%	\$5,085,513	\$1,283,197
	2015	\$25,239,595	11.260%	\$2,841,979	15.060%	\$3,801,083	\$959,104
	2016	\$12,426,517	11.260%	\$1,399,226	15.060%	\$1,871,433	\$472,207
2017	\$11,750,406	11.290%	\$1,326,579	15.090%	\$1,773,136	\$446,557	
2018	\$9,532,877	11.300%	\$1,077,216	15.100%	\$1,439,464	\$362,249	
Oil Production	New Production Tax Holiday						
	Fiscal Year	Working Interest Value	Actual Tax Rate	Tax Revenue	Normal Tax Rate	Normal Tax Revenue	Tax Expenditure
	2014	\$657,251,544	0.760%	\$4,996,704	9.260%	\$60,861,493	\$55,864,789
	2015	\$425,578,790	0.760%	\$3,234,399	9.260%	\$39,408,596	\$36,174,197
	2016	\$107,543,080	0.760%	\$817,327	9.260%	\$9,958,489	\$9,141,162
	2017	\$11,268,317	0.789%	\$88,876	9.289%	\$1,046,714	\$957,838
	2018	\$29,850,102	0.800%	\$238,801	9.300%	\$2,776,060	\$2,537,259
	Stripper Well Production						
	Fiscal Year	Working Interest Value	Actual Tax Rate	Tax Revenue	Normal Tax Rate	Normal Tax Revenue	Tax Expenditure
	2014	\$45,552,890	6.260%	\$2,851,611	9.260%	\$4,218,198	\$1,366,587
	2015	\$31,379,118	6.260%	\$1,964,333	9.260%	\$2,905,706	\$941,373
	2016	\$17,747,394	0.765%	\$135,737	9.260%	\$1,643,409	\$1,507,672
2017	\$20,798,632	0.790%	\$164,334	9.290%	\$1,932,193	\$1,767,859	
2018	\$21,519,867	4.904%	\$1,055,394	9.300%	\$2,001,348	\$945,954	
Total	Fiscal Year	Natural Gas Tax Expenditures	Oil Tax Expenditures	Oil and Natural Gas Tax Expenditures			
	2014	\$3,293,664	\$57,231,376	\$60,525,040			
	2015	\$2,093,274	\$37,115,571	\$39,208,844			
	2016	\$749,254	\$10,648,834	\$11,398,087			
	2017	\$481,365	\$2,725,697	\$3,207,062			
	2018	\$493,371	\$3,483,213	\$3,976,583			

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Transfers to Local Government

The Department of Revenue is responsible for allocating certain revenue from the state to local governments. This includes revenue from natural resources and the Entitlement Share Payment. The summary table below describes the distributions.

Revenue Source	Share Provision	Share Cycle	FY2017 Shared Amount	FY2018 Shared Amount
Oil and natural gas production tax (15-36-332, MCA)	Local governments receive approximately half of all oil and natural gas production tax received by the state. The percentage for each county is based on the allocations under the pre-2003 mill-based system. The county share of the revenue is distributed between elementary retirement funds, high school retirement funds, countywide transportation funds, school districts, community colleges, and county governments.	August 1, November 1, February 1, May 1	\$46,340,400	\$55,599,988
Federal mineral royalties (17-3-240, MCA)	Twenty-five percent of the money received by the state for federal mineral royalties is dedicated to local governments. Distribution to eligible counties is based on the proportion that the total amount of revenue generated by mineral extraction in an eligible county bears to the total amount of money received by the state.	August 15	\$5,454,776	\$5,489,060
Coal Gross Proceeds Tax (15-23-703, MCA)	The revenue is proportionally distributed to the taxing jurisdictions in which production occurred based on the total number of mills levied in fiscal year 1990.	May 31, November 30	\$10,627,162	\$9,136,947
Bentonite Tax (15-39-110, MCA)	The tax is distributed according to a statutory formula that distributes the tax among state and local entities.	October 1, April 1	\$893,088	\$787,094
Metalliferous Mines License Tax (15-37-117, MCA)	Metalliferous mines license tax is distributed to various entities including 25 percent to the counties in which the mine is located or a county experiencing fiscal impacts from the mine, as indicated by an economic impact study.	60 days following August 15 and March 31	\$3,627,095	\$4,933,499
Entitlement Share Payment (15-1-121, MCA)	Local governments receive an annual payment from the state as a reimbursement due to permanent reductions in local revenue.	September, December, March, June	\$133,424,240	\$134,869,807

The next two tables show total combined revenue distributed within the county. Not all of this revenue stays at the county level. Natural resource revenue is shared with schools, cities, and towns. Over 50 percent of the Entitlement Share Payment is distributed to cities.

In the past, natural resource taxation was a system where state and local taxing jurisdictions taxed mineral production and local revenues were based on property tax mills. Over time, the Legislature has converted this system into the current code, where only the state taxes production and revenue is shared with local jurisdictions in fixed proportions

Transfers to Local Government

Shared Revenue by County, Fiscal Year 2017

County	Oil and Natural Gas Tax	Oil and Gas Resource Account	Coal Gross Proceeds Tax	Federal Mineral Royalties	Bentonite Tax	Metalliferous Mines License Tax	Entitlement Share Payments	Total Shared Revenue
Beaverhead	\$0	\$0	\$0	\$3,063	\$0	\$372	\$1,201,184	\$1,204,619
Big Horn	\$84,111	\$1,031	\$5,143,610	\$2,057,260	\$0	\$0	\$1,021,011	\$8,307,023
Blaine	\$741,082	\$7,241	\$0	\$32,680	\$0	\$0	\$865,612	\$1,646,616
Broadwater	\$0	\$0	\$0	\$0	\$0	\$0	\$835,067	\$835,067
Carbon	\$798,779	\$5,809	\$0	\$121,119	\$141,247	\$0	\$1,369,479	\$2,436,434
Carter	\$19,376	\$239	\$0	\$12,327	\$751,841	\$0	\$328,491	\$1,112,273
Cascade	\$0	\$0	\$0	\$0	\$0	\$0	\$10,034,052	\$10,034,052
Chouteau	\$40,922	\$606	\$0	\$6,378	\$0	\$0	\$1,390,012	\$1,437,919
Custer	\$4,276	\$24	\$0	\$11,181	\$0	\$0	\$1,973,528	\$1,989,009
Daniels	\$0	\$0	\$0	\$338	\$0	\$0	\$675,814	\$676,152
Dawson	\$1,257,676	\$10,272	\$0	\$105,409	\$0	\$0	\$2,210,423	\$3,583,779
Deer Lodge	\$0	\$0	\$0	\$15	\$0	\$0	\$1,510,695	\$1,510,710
Fallon	\$7,263,576	\$63,232	\$0	\$479,203	\$0	\$0	\$828,872	\$8,634,882
Fergus	\$570	\$5	\$0	\$2,489	\$0	\$0	\$1,673,903	\$1,676,967
Flathead	\$0	\$0	\$0	\$0	\$0	\$0	\$10,047,433	\$10,047,433
Gallatin	\$0	\$0	\$0	\$22	\$0	\$0	\$9,229,543	\$9,229,566
Garfield	\$18,293	\$258	\$0	\$1,388	\$0	\$0	\$380,133	\$400,072
Glacier	\$524,262	\$6,017	\$0	\$5,540	\$0	\$0	\$1,497,596	\$2,033,416
Golden Valley	\$9,678	\$79	\$0	\$165	\$0	\$0	\$118,076	\$127,998
Granite	\$0	\$0	\$0	\$0	\$0	\$0	\$588,351	\$588,351
Hill	\$230,199	\$2,927	\$0	\$3,288	\$0	\$0	\$2,501,465	\$2,737,879
Jefferson	\$0	\$0	\$0	\$139	\$0	\$279,122	\$1,371,881	\$1,651,142
Judith Basin	\$0	\$0	\$0	\$0	\$0	\$0	\$490,239	\$490,239
Lake	\$0	\$0	\$0	\$0	\$0	\$0	\$2,272,708	\$2,272,708
Lewis & Clark	\$0	\$0	\$0	\$63	\$0	\$0	\$7,190,295	\$7,190,358
Liberty	\$201,565	\$1,840	\$0	\$5,150	\$0	\$0	\$689,865	\$898,419
Lincoln	\$0	\$0	\$0	\$0	\$0	\$0	\$1,945,471	\$1,945,471
Madison	\$0	\$0	\$0	\$37	\$0	\$0	\$1,148,648	\$1,148,685
McCone	\$7,776	\$15	\$0	\$9,521	\$0	\$0	\$603,000	\$620,312
Meagher	\$0	\$0	\$0	\$0	\$0	\$578	\$348,641	\$349,218
Mineral	\$0	\$0	\$0	\$0	\$0	\$0	\$643,799	\$643,799
Missoula	\$0	\$0	\$0	\$0	\$0	\$0	\$14,782,342	\$14,782,342
Musselshell	\$292,809	\$1,860	\$610,660	\$32,025	\$0	\$0	\$597,161	\$1,534,516
Park	\$0	\$0	\$0	\$2	\$0	\$187,802	\$2,071,128	\$2,258,931
Petroleum	-\$11,230	\$301	\$0	\$4,540	\$0	\$0	\$121,944	\$115,555
Phillips	\$376,331	\$5,011	\$0	\$132,766	\$0	\$0	\$703,356	\$1,217,465
Pondera	\$78,310	\$1,621	\$0	\$3,426	\$0	\$0	\$1,127,772	\$1,211,129
Powder River	\$3,463,154	\$21,267	\$0	\$220,202	\$0	\$0	\$569,671	\$4,274,294
Powell	\$0	\$0	\$0	\$3	\$0	\$0	\$757,350	\$757,353
Prairie	\$83,240	\$809	\$0	\$30,896	\$0	\$0	\$352,623	\$467,567
Ravalli	\$0	\$0	\$0	\$0	\$0	\$0	\$3,185,631	\$3,185,631
Richland	\$22,203,249	\$190,572	\$186,895	\$266,541	\$0	\$0	\$1,834,159	\$24,681,416
Roosevelt	\$4,872,448	\$40,244	\$0	\$0	\$0	\$0	\$1,565,937	\$6,478,630
Rosebud	\$288,671	\$3,023	\$3,333,529	\$1,638,466	\$0	\$0	\$3,979,497	\$9,243,186
Sanders	\$0	\$0	\$0	\$0	\$0	\$0	\$1,792,132	\$1,792,132
Sheridan	\$1,521,534	\$11,677	\$0	\$7,373	\$0	\$0	\$1,219,717	\$2,760,301
Silver Bow	\$0	\$0	\$0	\$157	\$0	\$1,174,784	\$5,068,258	\$6,243,199
Stillwater	\$10,143	\$77	\$0	\$2,488	\$0	\$1,281,582	\$1,482,628	\$2,776,917
Sweet Grass	\$1,511	\$11	\$0	\$4	\$0	\$702,857	\$628,407	\$1,332,791
Teton	\$54,855	\$821	\$0	\$265	\$0	\$0	\$1,014,529	\$1,070,470
Toole	\$510,794	\$6,646	\$0	\$28,243	\$0	\$0	\$1,371,080	\$1,916,762
Treasure	\$0	\$0	\$0	\$103,242	\$0	\$0	\$184,796	\$288,039
Valley	\$237,075	\$2,352	\$0	\$4,435	\$0	\$0	\$1,036,626	\$1,280,487
Wheatland	\$0	\$0	\$0	\$27	\$0	\$0	\$379,927	\$379,954
Wibaux	\$1,124,505	\$7,844	\$0	\$122,851	\$0	\$0	\$453,877	\$1,709,077
Yellowstone	\$30,859	\$211	\$1,352,467	\$53	\$0	\$0	\$20,158,403	\$21,541,993
Total	\$46,340,400	\$393,943	\$10,627,162	\$5,454,776	\$893,088	\$3,627,095	\$133,424,240	\$200,760,704

Transfers to Local Government

Shared Revenue by County, Fiscal Year 2018

County	Oil and Natural Gas Tax	Oil and Gas Resource Account	Coal Gross Proceeds Tax	Federal Mineral Royalties	Bentonite Tax	Metalliferous Mines License Tax	Entitlement Share Payments	Total Shared Revenue
Beaverhead	\$0	\$0	\$0	\$1,357	\$0	\$0	\$1,206,989	\$1,208,346
Big Horn	\$103,377	\$11	\$3,592,823	\$1,911,082	\$0	\$0	\$1,033,162	\$6,640,455
Blaine	\$776,582	\$76	\$0	\$40,887	\$0	\$0	\$875,762	\$1,693,307
Broadwater	\$0	\$0	\$0	\$0	\$0	\$0	\$845,530	\$845,530
Carbon	\$897,530	\$56	\$0	\$126,341	\$79,408	\$0	\$1,385,660	\$2,488,994
Carter	\$29,886	\$3	\$0	\$10,000	\$707,686	\$0	\$332,362	\$1,079,938
Cascade	\$0	\$0	\$0	\$0	\$0	\$0	\$10,131,397	\$10,131,397
Chouteau	\$34,564	\$7	\$0	\$5,101	\$0	\$0	\$1,406,757	\$1,446,429
Custer	\$10,135	\$0	\$0	\$973	\$0	\$0	\$1,993,184	\$2,004,292
Daniels	\$0	\$0	\$0	\$456	\$0	\$0	\$683,438	\$683,894
Dawson	\$1,492,189	\$96	\$0	\$122,605	\$0	\$0	\$2,235,674	\$3,850,564
Deer Lodge	\$0	\$0	\$0	\$14	\$0	\$0	\$1,517,867	\$1,517,881
Fallon	\$8,711,741	\$620	\$0	\$442,872	\$0	\$0	\$838,144	\$9,993,377
Fergus	\$157	\$0	\$0	\$39,920	\$0	\$0	\$1,691,485	\$1,731,562
Flathead	\$0	\$0	\$0	\$16	\$0	\$0	\$10,172,965	\$10,172,981
Gallatin	\$0	\$0	\$0	\$84	\$0	\$0	\$9,350,135	\$9,350,219
Garfield	\$17,844	\$2	\$0	\$1,376	\$0	\$0	\$384,831	\$404,052
Glacier	\$739,542	\$56	\$0	\$2,677	\$0	\$0	\$1,516,390	\$2,258,664
Golden Valley	\$4,664	\$1	\$0	\$74	\$0	\$0	\$119,643	\$124,382
Granite	\$0	\$0	\$0	\$0	\$0	\$1,534	\$595,661	\$597,195
Hill	\$157,708	\$29	\$0	\$11,747	\$0	\$0	\$2,527,588	\$2,697,073
Jefferson	\$0	\$0	\$0	\$134	\$0	\$274,114	\$1,390,565	\$1,664,813
Judith Basin	\$0	\$0	\$0	\$0	\$0	\$0	\$496,272	\$496,272
Lake	\$0	\$0	\$0	\$0	\$0	\$0	\$2,305,774	\$2,305,774
Lewis & Clark	\$0	\$0	\$0	\$60	\$0	\$0	\$7,272,406	\$7,272,466
Liberty	\$223,093	\$22	\$0	\$7,326	\$0	\$0	\$698,130	\$928,571
Lincoln	\$0	\$0	\$0	\$0	\$0	\$0	\$1,947,717	\$1,947,717
Madison	\$0	\$0	\$0	\$369	\$0	\$0	\$1,163,989	\$1,164,358
McCone	\$7,764	\$1	\$0	\$2,245	\$0	\$0	\$610,094	\$620,104
Meagher	\$0	\$0	\$0	\$0	\$0	\$479	\$352,515	\$352,995
Mineral	\$0	\$0	\$0	\$0	\$0	\$0	\$651,512	\$651,512
Missoula	\$0	\$0	\$0	\$0	\$0	\$0	\$14,944,012	\$14,944,012
Musselshell	\$332,785	\$21	\$1,775,718	\$20,440	\$0	\$0	\$604,202	\$2,733,165
Park	\$0	\$0	\$0	\$1	\$0	\$244,938	\$2,093,631	\$2,338,569
Petroleum	\$18,348	\$2	\$0	\$5,341	\$0	\$0	\$123,396	\$147,087
Phillips	\$1,222,572	\$86	\$0	\$21,537	\$0	\$0	\$711,242	\$1,955,436
Pondera	\$155,446	\$14	\$0	\$0	\$0	\$0	\$1,141,000	\$1,296,460
Powder River	\$5,242,990	\$247	\$0	\$271,395	\$0	\$0	\$576,570	\$6,091,201
Powell	\$0	\$0	\$0	\$3	\$0	\$0	\$766,160	\$766,163
Prairie	\$96,303	\$8	\$0	\$32,306	\$0	\$0	\$356,623	\$485,239
Ravalli	\$0	\$0	\$0	\$0	\$0	\$0	\$3,231,583	\$3,231,583
Richland	\$24,892,328	\$1,594	\$214,701	\$229,860	\$0	\$0	\$1,854,570	\$27,193,053
Roosevelt	\$5,898,634	\$468	\$0	\$163,390	\$0	\$0	\$1,584,394	\$7,646,886
Rosebud	\$375,957	\$27	\$3,427,207	\$1,823,378	\$0	\$0	\$4,020,750	\$9,647,319
Sanders	\$0	\$0	\$0	\$0	\$0	\$0	\$1,813,855	\$1,813,855
Sheridan	\$1,816,671	\$107	\$0	\$10,632	\$0	\$0	\$1,233,130	\$3,060,541
Silver Bow	\$0	\$0	\$0	\$151	\$0	\$1,737,667	\$5,093,367	\$6,831,185
Stillwater	\$6,225	\$1	\$0	\$401	\$0	\$1,807,543	\$1,500,976	\$3,315,146
Sweet Grass	\$1,683	\$0	\$0	\$1	\$0	\$867,224	\$635,974	\$1,504,881
Teton	\$96,566	\$9	\$0	\$26	\$0	\$0	\$1,026,976	\$1,123,577
Toole	\$614,647	\$64	\$0	\$33,853	\$0	\$0	\$1,385,416	\$2,033,980
Treasure	\$0	\$0	\$0	\$23,841	\$0	\$0	\$187,062	\$210,903
Valley	\$270,989	\$20	\$0	\$734	\$0	\$0	\$1,047,938	\$1,319,681
Wheatland	\$0	\$0	\$0	\$28	\$0	\$0	\$384,115	\$384,143
Wibaux	\$1,332,305	\$79	\$0	\$123,967	\$0	\$0	\$458,988	\$1,915,339
Yellowstone	\$18,766	\$1	\$126,497	\$58	\$0	\$0	\$20,360,281	\$20,505,603
Total	\$55,599,988	\$3,726	\$9,136,947	\$5,489,060	\$787,094	\$4,933,499	\$134,869,807	\$210,820,121

Oil and Natural Gas Production

Each county receives a fixed percentage of tax revenue from oil and natural gas production in the county. The percentage is based on the allocation under the pre-2003, system which distributed revenue based on mill levies. In Fiscal Year 2018, counties received 46.4 percent of total oil and natural gas tax revenue. Within each county, revenue is allocated to school districts, county-wide school funds, and the county in proportions based on pre-2003 distributions (15-36-332, MCA). Recent legislatures have made changes to how the school portion of this tax revenue is distributed. See the oil and gas tax section of the natural resource chapter for further information.

Shared revenue from oil and natural gas production is shown in the table on the next page. The majority of oil and natural gas production takes place in eastern counties and thus these counties have the largest distributions. Richland County receives almost half of total oil and natural gas county distributions.

Oil and Gas Resource Distribution Account

In addition to production tax revenue from oil and gas production, counties, cities, and towns receive revenue from the oil and gas natural resource distribution account (90-6-1001, MCA). The rate for this tax is set by the Board of Oil and Gas Conservation to fund its operations with the rate between 0.08 and 0.3 percent (15-36-304(7)(b), MCA). If the Board of Oil and Gas Conservation sets the rate at less than 0.3 percent, the difference goes to the oil and gas natural resource distribution account. The county keeps one-third and gives two-thirds to incorporated cities and towns within the county. If there is more than one, the city and town allocation is distributed according to population (15-36-332(7), MCA). Since partway through Fiscal Year 2017 the Board of Oil and Gas Conservation has utilized the full 0.3 percent for its operations, meaning there is no revenue to be distributed for the oil and gas natural resource account.

The following two tables show the distribution of oil and gas production revenue by county and the distribution of the oil and gas natural resource distribution account by county over the past four years.

Oil and Natural Gas Revenue

Oil and Natural Gas Distribution				
County	FY 2015	FY 2016	FY 2017	FY 2018
Beaverhead	\$0	\$0	\$0	\$0
Big Horn	\$159,754	\$33,116	\$84,111	\$103,377
Blaine	\$1,276,840	\$562,461	\$741,082	\$776,582
Broadwater	\$0	\$0	\$0	\$0
Carbon	\$1,428,979	\$707,042	\$798,779	\$897,530
Carter	\$20,617	\$19,530	\$19,376	\$29,886
Cascade	\$0	\$0	\$0	\$0
Chouteau	\$62,999	\$26,727	\$40,922	\$34,564
Custer	\$6,108	\$1,979	\$4,276	\$10,135
Daniels	\$0	\$0	\$0	\$0
Dawson	\$1,875,635	\$1,046,152	\$1,257,676	\$1,492,189
Deer Lodge	\$0	\$0	\$0	\$0
Fallon	\$11,452,443	\$6,429,316	\$7,263,576	\$8,711,741
Fergus	\$2,262	\$906	\$570	\$157
Flathead	\$0	\$0	\$0	\$0
Gallatin	\$0	\$0	\$0	\$0
Garfield	\$29,027	\$19,356	\$18,293	\$17,844
Glacier	\$1,174,785	\$454,327	\$524,262	\$739,542
Golden Valley	\$16,199	\$8,492	\$9,678	\$4,664
Granite	\$0	\$0	\$0	\$0
Hill	\$437,096	\$174,386	\$230,199	\$157,708
Jefferson	\$0	\$0	\$0	\$0
Judith Basin	\$0	\$0	\$0	\$0
Lake	\$0	\$0	\$0	\$0
Lewis & Clark	\$0	\$0	\$0	\$0
Liberty	\$463,941	\$207,108	\$201,565	\$223,093
Lincoln	\$0	\$0	\$0	\$0
Madison	\$0	\$0	\$0	\$0
McCone	\$31,439	\$14,526	\$7,776	\$7,764
Meagher	\$0	\$0	\$0	\$0
Mineral	\$0	\$0	\$0	\$0
Missoula	\$0	\$0	\$0	\$0
Musselshell	\$492,219	\$239,900	\$292,809	\$332,785
Park	\$0	\$0	\$0	\$0
Petroleum	\$49,427	\$16,439	-\$11,230	\$18,348
Phillips	\$1,156,477	\$567,326	\$376,331	\$1,222,572
Pondera	\$312,192	\$64,744	\$78,310	\$155,446
Powder River	\$3,159,515	\$2,698,741	\$3,463,154	\$5,242,990
Powell	\$0	\$0	\$0	\$0
Prairie	\$158,515	\$75,312	\$83,240	\$96,303
Ravalli	\$0	\$0	\$0	\$0
Richland	\$34,217,386	\$18,753,990	\$22,203,249	\$24,892,328
Roosevelt	\$8,004,646	\$4,087,082	\$4,872,448	\$5,898,634
Rosebud	\$628,020	\$308,092	\$288,671	\$375,957
Sanders	\$0	\$0	\$0	\$0
Sheridan	\$3,004,240	\$1,457,331	\$1,521,534	\$1,816,671
Silver Bow	\$0	\$0	\$0	\$0
Stillwater	\$92,483	\$19,293	\$10,143	\$6,225
Sweet Grass	\$3,767	\$1,577	\$1,511	\$1,683
Teton	\$126,084	\$46,585	\$54,855	\$96,566
Toole	\$1,205,810	\$449,296	\$510,794	\$614,647
Treasure	\$0	\$0	\$0	\$0
Valley	\$395,458	\$157,092	\$237,075	\$270,989
Wheatland	\$0	\$0	\$0	\$0
Wibaux	\$1,872,798	\$1,074,494	\$1,124,505	\$1,332,305
Yellowstone	\$50,867	\$17,195	\$30,859	\$18,766
Total	\$73,368,028	\$39,739,912	\$46,340,400	\$55,599,988

Oil and Gas Natural Resource Distribution Account

Oil and Gas Natural Resource Distribution Account				
County	FY 2015	FY 2016	FY 2017	FY 2018
Beaverhead	\$0	\$0	\$0	\$0
Big Horn	\$7,140	\$3,588	\$1,031	\$11
Blaine	\$49,290	\$25,129	\$7,241	\$76
Broadwater	\$0	\$0	\$0	\$0
Carbon	\$37,693	\$21,369	\$5,809	\$56
Carter	\$1,871	\$853	\$239	\$3
Cascade	\$0	\$0	\$0	\$0
Chouteau	\$3,672	\$1,884	\$606	\$7
Custer	\$226	\$96	\$24	\$0
Daniels	\$0	\$0	\$0	\$0
Dawson	\$67,042	\$35,970	\$10,272	\$96
Deer Lodge	\$0	\$0	\$0	\$0
Fallon	\$427,550	\$219,076	\$63,232	\$620
Fergus	\$69	\$16	\$5	\$0
Flathead	\$0	\$0	\$0	\$0
Gallatin	\$0	\$0	\$0	\$0
Garfield	\$1,100	\$752	\$258	\$2
Glacier	\$39,361	\$21,866	\$6,017	\$56
Golden Valley	\$455	\$223	\$79	\$1
Granite	\$0	\$0	\$0	\$0
Hill	\$18,941	\$8,894	\$2,927	\$29
Jefferson	\$0	\$0	\$0	\$0
Judith Basin	\$0	\$0	\$0	\$0
Lake	\$0	\$0	\$0	\$0
Lewis & Clark	\$0	\$0	\$0	\$0
Liberty	\$15,173	\$7,716	\$1,840	\$22
Lincoln	\$0	\$0	\$0	\$0
Madison	\$0	\$0	\$0	\$0
McCone	\$683	\$398	\$15	\$1
Meagher	\$0	\$0	\$0	\$0
Mineral	\$0	\$0	\$0	\$0
Missoula	\$0	\$0	\$0	\$0
Musselshell	\$13,829	\$6,835	\$1,860	\$21
Park	\$0	\$0	\$0	\$0
Petroleum	\$2,104	\$1,097	\$301	\$2
Phillips	\$43,505	\$13,911	\$5,011	\$86
Pondera	\$12,137	\$5,791	\$1,621	\$14
Powder River	\$86,929	\$70,476	\$21,267	\$247
Powell	\$0	\$0	\$0	\$0
Prairie	\$6,531	\$2,918	\$809	\$8
Ravalli	\$0	\$0	\$0	\$0
Richland	\$1,652,641	\$780,240	\$190,572	\$1,594
Roosevelt	\$422,165	\$187,530	\$40,244	\$468
Rosebud	\$22,959	\$11,261	\$3,023	\$27
Sanders	\$0	\$0	\$0	\$0
Sheridan	\$96,908	\$44,364	\$11,677	\$107
Silver Bow	\$0	\$0	\$0	\$0
Stillwater	\$4,330	\$1,009	\$77	\$1
Sweet Grass	\$67	\$29	\$11	\$0
Teton	\$5,679	\$2,969	\$821	\$9
Toole	\$43,106	\$23,982	\$6,646	\$64
Treasure	\$0	\$0	\$0	\$0
Valley	\$15,998	\$5,729	\$2,352	\$20
Wheatland	\$0	\$0	\$0	\$0
Wibaux	\$57,531	\$29,834	\$7,844	\$79
Yellowstone	\$1,728	\$693	\$211	\$1
Total	\$3,158,413	\$1,536,495	\$393,943	\$3,726

Coal Gross Proceeds and Bentonite

Coal Gross Proceeds

All of the revenue from coal gross proceeds is distributed to local governments. It is allocated to the taxing jurisdictions in which production occurred based on the number of mills levied in Fiscal Year 1990 (15-23-703, MCA). Therefore, coal gross proceeds are currently distributed to five counties.

Coal Gross Proceeds Distribution				
County	FY 2015	FY 2016	FY 2017	FY 2018
Big Horn	\$5,279,474	\$5,330,497	\$5,143,610	\$3,592,823
Musselshell	\$1,424,710	\$1,324,769	\$610,660	\$1,775,718
Richland	\$242,547	\$229,175	\$186,895	\$214,701
Rosebud	\$3,096,112	\$3,286,268	\$3,333,529	\$3,427,207
Yellowstone	\$726,137	\$1,116,776	\$1,352,467	\$126,497
Total	\$10,768,980	\$11,287,485	\$10,627,162	\$9,136,947

Bentonite Revenue

Tax revenue from bentonite production is distributed according to a statutory formula (15-39-110, MCA). Distribution is currently to two counties, Carbon and Carter.

Bentonite Distribution				
County	FY 2015	FY 2016	FY 2017	FY 2018
Carbon	\$135,871	\$93,835	\$141,247	\$79,408
Carter	\$687,691	\$913,486	\$751,841	\$707,686
Total	\$823,563	\$1,007,321	\$893,088	\$787,094

Federal Mineral Royalties

Twenty-five percent of the revenue received by the state for federal mineral royalties is given to local governments. It is distributed based on mineral production in each county (17-3-240, MCA).

Metalliferous Mines License Tax

The metalliferous mines license tax is distributed to various entities including 25 percent to the counties in which the mine is located or a county experiencing fiscal impacts from the mine, as indicated by an economic impact study (15-37-117, MCA). Starting Fiscal Year 2017, the percentage distributed to counties was increased to 35 percent.

Distribution for federal mineral royalties and metalliferous mines are on the following two pages.

Federal Mineral Royalties

Federal Mineral Royalties Distribution				
County	FY 2015	FY 2016	FY 2017	FY 2018
Beaverhead	\$15,526	\$13,185	\$3,063	\$1,357
Big Horn	\$2,934,979	\$3,135,199	\$2,057,260	\$1,911,082
Blaine	\$272,229	\$148,513	\$32,680	\$40,887
Broadwater	\$396	\$483	\$0	\$0
Carbon	\$304,290	\$224,333	\$121,119	\$126,341
Carter	\$43,726	\$24,349	\$12,327	\$10,000
Cascade	\$0	\$0	\$0	\$0
Chouteau	\$25,131	\$13,334	\$6,378	\$5,101
Custer	\$2,017	\$2,311	\$11,181	\$973
Daniels	\$1,294	\$372	\$338	\$456
Dawson	\$238,643	\$164,783	\$105,409	\$122,605
Deer Lodge	\$0	\$16	\$15	\$14
Fallon	\$1,358,440	\$931,569	\$479,203	\$442,872
Fergus	\$3,626	\$3,729	\$2,489	\$39,920
Flathead	\$0	\$0	\$0	\$16
Gallatin	\$45	\$79	\$22	\$84
Garfield	\$6,459	\$2,469	\$1,388	\$1,376
Glacier	\$5,072	\$4,806	\$5,540	\$2,677
Golden Valley	\$2,650	\$512	\$165	\$74
Granite	\$0	\$0	\$0	\$0
Hill	\$25,450	\$13,236	\$3,288	\$11,747
Jefferson	\$0	\$217	\$139	\$134
Judith Basin	\$0	\$0	\$0	\$0
Lake	\$0	\$0	\$0	\$0
Lewis & Clark	\$2,863	\$90	\$63	\$60
Liberty	\$10,937	\$7,902	\$5,150	\$7,326
Lincoln	\$0	\$0	\$0	\$0
Madison	\$1,287	\$36	\$37	\$369
McCone	\$27,207	\$11,949	\$9,521	\$2,245
Meagher	\$0	\$18,964	\$0	\$0
Mineral	\$0	\$0	\$0	\$0
Missoula	\$0	\$0	\$0	\$0
Musselshell	\$9,392	\$27	\$32,025	\$20,440
Park	\$0	\$8,111	\$2	\$1
Petroleum	\$11,923	\$215,275	\$4,540	\$5,341
Phillips	\$319,199	\$3,841	\$132,766	\$21,537
Pondera	\$3,873	\$262,319	\$3,426	\$0
Powder River	\$192,381	\$4	\$220,202	\$271,395
Powell	\$0	\$0	\$3	\$3
Prairie	\$81,374	\$57,003	\$30,896	\$32,306
Ravalli	\$0	\$0	\$0	\$0
Richland	\$328,122	\$698,274	\$266,541	\$229,860
Roosevelt	\$145,840	\$293,016	\$0	\$163,390
Rosebud	\$1,998,179	\$1,701,796	\$1,638,466	\$1,823,378
Sanders	\$0	\$0	\$0	\$0
Sheridan	\$32,147	\$17,833	\$7,373	\$10,632
Silver Bow	\$0	\$232	\$157	\$151
Stillwater	\$14,850	\$7,852	\$2,488	\$401
Sweet Grass	\$1,004	\$883	\$4	\$1
Teton	\$325	\$263	\$265	\$26
Toole	\$64,528	\$44,084	\$28,243	\$33,853
Treasure	\$168,307	\$128,536	\$103,242	\$23,841
Valley	\$26,903	\$17,153	\$4,435	\$734
Wheatland	\$216	\$27	\$27	\$28
Wibaux	\$335,992	\$228,691	\$122,851	\$123,967
Yellowstone	\$734	\$481	\$53	\$58
Total	\$9,017,559	\$8,408,139	\$5,454,776	\$5,489,060

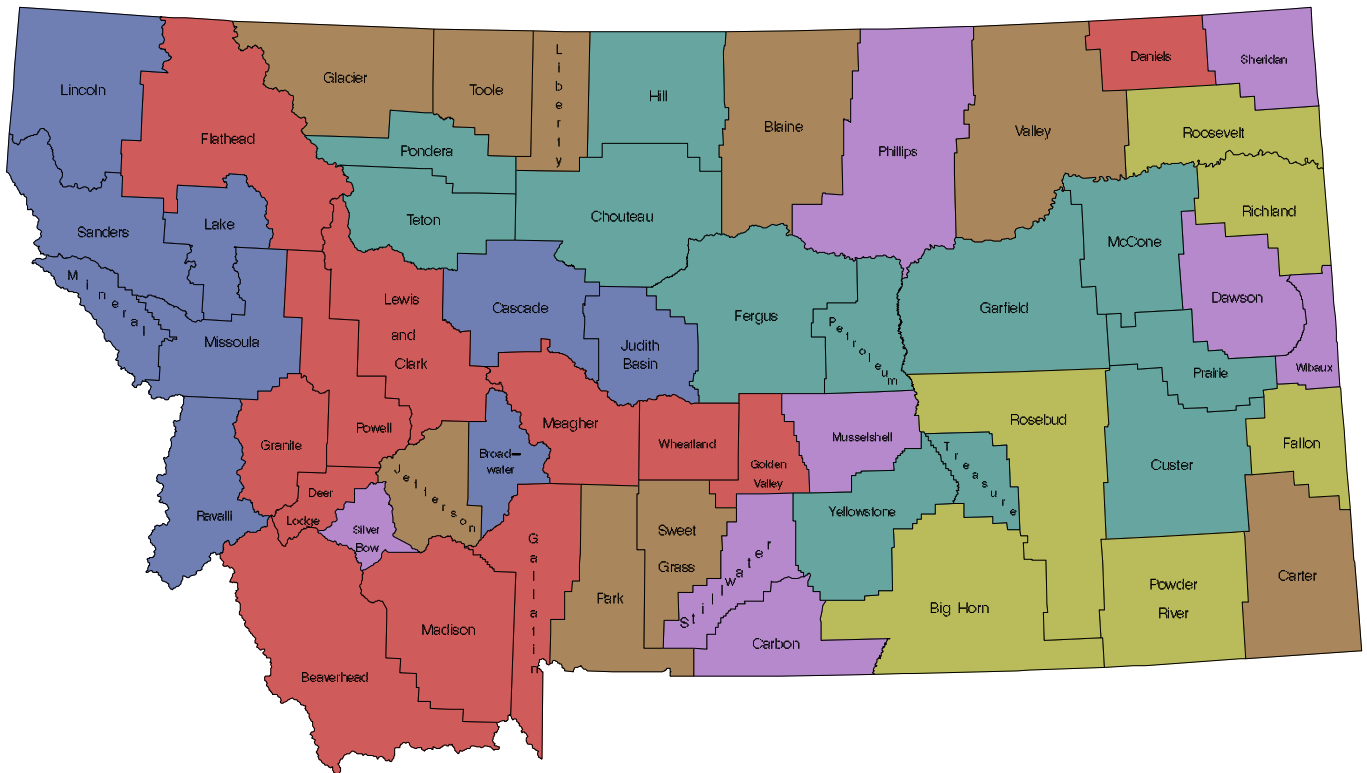
Metalliferous Mines

Metalliferous Mines Distribution				
County	FY 2015	FY 2016	FY 2017	FY 2018
Beaverhead	\$635	\$1,250	\$372	\$0
Big Horn	\$0	\$0	\$0	\$0
Blaine	\$0	\$0	\$0	\$0
Broadwater	\$0	\$987	\$0	\$0
Carbon	\$0	\$0	\$0	\$0
Carter	\$0	\$0	\$0	\$0
Cascade	\$0	\$0	\$0	\$0
Chouteau	\$0	\$0	\$0	\$0
Custer	\$0	\$0	\$0	\$0
Daniels	\$0	\$0	\$0	\$0
Dawson	\$0	\$0	\$0	\$0
Deer Lodge	\$0	\$0	\$0	\$0
Fallon	\$0	\$0	\$0	\$0
Fergus	\$0	\$0	\$0	\$0
Flathead	\$0	\$0	\$0	\$0
Gallatin	\$0	\$0	\$0	\$0
Garfield	\$0	\$0	\$0	\$0
Glacier	\$0	\$0	\$0	\$0
Golden Valley	\$0	\$0	\$0	\$0
Granite	\$21	\$0	\$0	\$1,534
Hill	\$0	\$0	\$0	\$0
Jefferson	\$413,290	\$197,710	\$279,122	\$274,114
Judith Basin	\$0	\$0	\$0	\$0
Lake	\$0	\$0	\$0	\$0
Lewis & Clark	\$0	\$0	\$0	\$0
Liberty	\$0	\$0	\$0	\$0
Lincoln	\$2,712	\$0	\$0	\$0
Madison	\$2,732	\$4,948	\$0	\$0
McCone	\$0	\$0	\$0	\$0
Meagher	\$250	\$0	\$578	\$479
Mineral	\$0	\$0	\$0	\$0
Missoula	\$0	\$0	\$0	\$0
Musselshell	\$0	\$0	\$0	\$0
Park	\$161,245	\$87,258	\$187,802	\$244,938
Petroleum	\$0	\$0	\$0	\$0
Phillips	\$0	\$0	\$0	\$0
Pondera	\$0	\$0	\$0	\$0
Powder River	\$0	\$0	\$0	\$0
Powell	\$0	\$0	\$0	\$0
Prairie	\$0	\$0	\$0	\$0
Ravalli	\$0	\$0	\$0	\$0
Richland	\$0	\$0	\$0	\$0
Roosevelt	\$0	\$0	\$0	\$0
Rosebud	\$0	\$0	\$0	\$0
Sanders	\$0	\$0	\$0	\$0
Sheridan	\$0	\$0	\$0	\$0
Silver Bow	\$992,077	\$737,060	\$1,174,784	\$1,737,667
Stillwater	\$1,174,201	\$643,728	\$1,281,582	\$1,807,543
Sweet Grass	\$543,056	\$331,420	\$702,857	\$867,224
Teton	\$0	\$0	\$0	\$0
Toole	\$0	\$0	\$0	\$0
Treasure	\$0	\$0	\$0	\$0
Valley	\$0	\$0	\$0	\$0
Wheatland	\$0	\$0	\$0	\$0
Wibaux	\$0	\$0	\$0	\$0
Yellowstone	\$0	\$0	\$0	\$0
Total	\$3,290,217	\$2,004,361	\$3,627,095	\$4,933,499

Natural Resource Revenue

The following map shows total natural resource revenue shared with local governments for Fiscal Year 2018.

FY2018 Total Natural Resource Shared Revenue by County



Entitlement Share Payments

Entitlement Share Payment

The Entitlement Share Payment is an annual payment from the state to local governments to provide funding for loss of revenue due to legislative action. It was enacted by the 2001 Legislature with the passage of HB 124. As described in law:

15-1-121(1), MCA – “each local government is entitled to an annual amount that is the replacement for revenue received by local governments for diminishment of property tax base and various earmarked fees and other revenue that [...] were consolidated to provide aggregation of certain reimbursements, fees, tax collections, and other revenue in the state treasury with each local government’s share.”

Prior to Fiscal Year 2002, revenue from motor vehicle fees, gaming, taxes on alcohol, financial institutions tax, and a variety of other revenue sources were collected by and/or shared with local governments. After Fiscal Year 2002, this revenue was distributed to the state. During this time the state also assumed the full costs of public assistance and district courts. Prior to this, local governments shared in this cost. The sum of the gain and loss to each specific local government was the basis of their Entitlement Share Payment.

A growth rate is applied to the Entitlement Share Payments every year. This is calculated using the formula described in 15-1-121(4), MCA and is based on three years of revenue from: vehicle, boat, and aircraft fees; gaming revenue; beer, wine, and liquor revenue; individual income tax; and corporate income tax. The maximum growth rate is 1.03 for counties, 1.0325 for consolidated local governments, and 1.035 for cities and towns. Growth rates are not applied to payments to tax increment finance districts.

The growth rates are not applied to each local government’s individual Entitlement Share Payment. Instead, the county growth rate is applied to the sum of all of the counties’ Entitlement Share Payments; the city/town growth rate is applied to the sum of all of the cities’ and towns’ Entitlement Share Payments; the consolidated local governments’ growth rate is applied to the sum of all of the consolidated local government Entitlement Share Payments. Fifty percent of the total growth is then distributed to each individual local government based on population and the other 50 percent is distributed based on the previous year’s Entitlement Share Payment. The functional outcome of this formula is to shift payment growth towards areas experiencing higher population growth while also carrying forward previous payment growth amounts.

Historically, legislation has also changed the amount distributed to Entitlement Share Payments. When the Legislature reduced tax rates on Class 8 property (business equipment) in 2011 and 2013, it increased the Entitlement Share Payments to compensate for reduced local property taxable value. In the 2015 Legislative Session, the pool of money to be grown was reduced by \$1,049,904 for Fiscal Year 2016. Most recently, the 2017 Legislature prescribed a growth rate of 1.005 for Fiscal Year 2018 and 1.0187 for Fiscal Year 2019, with the stipulation that the entitlement share for Fiscal Year 2020 would be calculated as if normal growth rates has been applied in Fiscal Year 2018 and Fiscal Year 2019 (HB 565 in 2017). This 2017 Legislature also changed the entitlement share growth factor calculation for the Class 8 reimbursement to half the rate of inflation of the prior 3 years.

In the current year, Fiscal Year 2019, total Entitlement Share Payments are \$135,995,910. The following tables show four years of payments.

County Entitlement Share Payment

County Entitlement Share Payment				
County	FY 2016	FY 2017	FY 2018	FY 2019
Beaverhead	\$573,030	\$589,162	\$591,970	\$600,366
Big Horn	\$220,674	\$234,695	\$237,087	\$243,495
Blaine	\$462,725	\$475,003	\$477,446	\$483,485
Broadwater	\$541,963	\$554,662	\$556,937	\$563,794
Carbon	\$694,995	\$713,806	\$716,977	\$727,010
Carter	\$258,617	\$263,439	\$264,465	\$267,030
Cascade	\$1,431,516	\$1,519,391	\$1,533,354	\$1,574,774
Chouteau	\$1,071,334	\$1,092,157	\$1,096,505	\$1,107,411
Custer	\$673,373	\$693,224	\$696,941	\$706,731
Daniels	\$522,940	\$532,230	\$534,397	\$539,116
Dawson	\$1,438,093	\$1,467,340	\$1,472,819	\$1,488,809
Fallon	\$546,600	\$557,305	\$559,658	\$565,138
Fergus	\$642,642	\$661,509	\$665,184	\$674,340
Flathead	\$4,723,251	\$4,870,647	\$4,894,659	\$4,973,067
Gallatin	\$3,209,578	\$3,336,192	\$3,356,313	\$3,423,388
Garfield	\$330,424	\$336,436	\$337,802	\$340,892
Glacier	\$784,560	\$807,373	\$811,340	\$823,103
Golden Valley	\$81,537	\$83,447	\$83,807	\$84,798
Granite	\$416,628	\$425,465	\$427,114	\$431,972
Hill	\$963,602	\$991,439	\$996,629	\$1,010,509
Jefferson	\$964,326	\$988,111	\$992,162	\$1,005,178
Judith Basin	\$396,713	\$404,269	\$405,678	\$409,893
Lake	\$1,169,174	\$1,210,177	\$1,216,655	\$1,238,165
Lewis and Clark	\$2,295,205	\$2,382,740	\$2,396,674	\$2,441,733
Liberty	\$565,506	\$575,891	\$578,262	\$583,588
Lincoln	\$1,023,780	\$1,054,560	\$1,059,580	\$1,075,836
Madison	\$861,028	\$880,250	\$883,687	\$894,218
McCone	\$505,540	\$514,490	\$516,586	\$521,145
Meagher	\$200,431	\$204,932	\$205,801	\$208,149
Mineral	\$395,842	\$405,212	\$406,809	\$411,916
Missoula	\$5,143,160	\$5,311,177	\$5,338,421	\$5,427,093
Musselshell	\$301,816	\$310,044	\$311,613	\$315,732
Park	\$781,024	\$805,545	\$809,459	\$822,475
Petroleum	\$93,759	\$95,557	\$95,955	\$96,875
Phillips	\$369,895	\$378,824	\$380,450	\$385,149
Pondera	\$713,023	\$728,733	\$731,949	\$739,932
Powder River	\$484,941	\$493,653	\$495,400	\$500,202
Powell	\$295,612	\$305,617	\$307,301	\$312,345
Prairie	\$259,471	\$264,289	\$265,341	\$267,870
Ravalli	\$1,650,667	\$1,708,514	\$1,717,480	\$1,748,093
Richland	\$861,212	\$883,465	\$888,031	\$898,904
Roosevelt	\$834,991	\$856,654	\$861,276	\$871,597
Rosebud	\$2,687,527	\$2,735,360	\$2,743,255	\$2,772,125
Sanders	\$1,148,302	\$1,174,691	\$1,178,952	\$1,193,911
Sheridan	\$864,627	\$880,577	\$884,221	\$892,327
Stillwater	\$1,008,742	\$1,031,365	\$1,035,243	\$1,047,860
Sweet Grass	\$401,600	\$410,580	\$412,212	\$417,049
Teton	\$668,980	\$683,905	\$686,784	\$694,635
Toole	\$789,729	\$805,728	\$808,880	\$817,383
Treasure	\$148,969	\$151,761	\$152,321	\$153,844
Valley	\$420,557	\$433,026	\$435,497	\$441,451
Wheatland	\$202,290	\$207,019	\$207,879	\$210,411
Wibaux	\$346,748	\$352,853	\$354,005	\$357,495
Yellowstone	\$4,228,485	\$4,417,417	\$4,447,945	\$4,541,987
Total	\$52,671,754	\$54,251,906	\$54,523,166	\$55,345,796

City/Town Entitlement Share Payment

City/Town Entitlement Share Payment					
County	City/Town	FY 2016	FY 2017	FY 2018	FY 2019
Beaverhead	Dillon	\$567,318	\$587,012	\$589,874	\$600,323
Beaverhead	Lima	\$24,071	\$25,011	\$25,144	\$25,642
Big Horn	Hardin	\$736,350	\$758,014	\$761,154	\$772,728
Big Horn	Lodge Grass	\$26,040	\$27,525	\$27,735	\$28,519
Blaine	Chinook	\$233,472	\$240,402	\$241,416	\$245,094
Blaine	Harlem	\$145,737	\$150,206	\$150,861	\$153,216
Broadwater	Townsend	\$271,169	\$280,405	\$281,736	\$286,690
Carbon	Bearcreek	\$5,320	\$5,605	\$5,645	\$5,797
Carbon	Bridger	\$173,560	\$178,290	\$178,976	\$181,500
Carbon	Fromberg	\$34,404	\$36,033	\$36,264	\$37,127
Carbon	Joliet	\$47,066	\$49,390	\$49,718	\$50,935
Carbon	Red Lodge	\$374,676	\$386,355	\$388,047	\$394,282
Carter	Ekalaka	\$63,153	\$65,052	\$65,332	\$66,347
Cascade	Belt	\$107,302	\$110,577	\$111,049	\$112,771
Cascade	Cascade	\$82,022	\$85,088	\$85,522	\$87,132
Cascade	Great Falls	\$8,021,241	\$8,298,406	\$8,339,431	\$8,485,246
Cascade	Neihart	\$5,404	\$5,617	\$5,647	\$5,759
Chouteau	Big Sandy	\$68,646	\$71,251	\$71,623	\$72,980
Chouteau	Fort Benton	\$192,815	\$199,635	\$200,617	\$204,180
Chouteau	Geraldine	\$19,920	\$20,895	\$21,032	\$21,534
Custer	Ismay	\$1,415	\$1,489	\$1,500	\$1,538
Custer	Miles City	\$1,236,915	\$1,278,815	\$1,284,954	\$1,306,946
Daniels	Flaxville	\$7,065	\$7,355	\$7,396	\$7,548
Daniels	Scobey	\$131,496	\$136,230	\$136,926	\$139,384
Dawson	Glendive	\$703,786	\$728,588	\$732,269	\$745,235
Dawson	Richey	\$13,816	\$14,495	\$14,596	\$14,948
Fallon	Baker	\$247,521	\$256,272	\$257,614	\$262,280
Fallon	Plevna	\$14,620	\$15,294	\$15,392	\$15,742
Fergus	Denton	\$31,688	\$32,816	\$32,981	\$33,574
Fergus	Grass Range	\$10,639	\$11,077	\$11,140	\$11,371
Fergus	Lewistown	\$904,481	\$933,877	\$938,171	\$953,727
Fergus	Moore	\$19,010	\$19,789	\$19,914	\$20,316
Fergus	Winifred	\$14,108	\$14,836	\$14,939	\$15,320
Flathead	Columbia Falls	\$683,038	\$706,374	\$709,820	\$722,543
Flathead	Kalispell	\$2,992,950	\$3,095,088	\$3,110,338	\$3,165,523
Flathead	Whitefish	\$807,597	\$837,603	\$842,020	\$858,361
Gallatin	Belgrade	\$749,033	\$780,174	\$784,767	\$801,698
Gallatin	Bozeman	\$4,218,677	\$4,388,845	\$4,414,455	\$4,507,846
Gallatin	Manhattan	\$159,214	\$165,633	\$166,583	\$170,107
Gallatin	Three Forks	\$169,994	\$177,369	\$178,433	\$182,379
Gallatin	West Yellowstone	\$278,076	\$286,000	\$287,179	\$291,404
Garfield	Jordan	\$42,068	\$43,696	\$43,939	\$44,811
Glacier	Browning	\$66,139	\$69,683	\$70,189	\$72,052
Glacier	Cut Bank	\$603,059	\$620,541	\$623,098	\$632,398
Golden Valley	Lavina	\$9,636	\$10,216	\$10,296	\$10,596
Golden Valley	Ryegate	\$23,440	\$24,413	\$24,549	\$25,056
Granite	Drummond	\$39,806	\$41,275	\$41,488	\$42,282
Granite	Philipsburg	\$117,544	\$121,611	\$122,201	\$124,419
Hill	Havre	\$1,450,966	\$1,499,003	\$1,505,986	\$1,531,508
Hill	Hingham	\$10,556	\$11,023	\$11,093	\$11,336
Jefferson	Boulder	\$161,366	\$166,970	\$167,780	\$170,784
Jefferson	Whitehall	\$174,637	\$180,188	\$180,995	\$183,987
Judith Basin	Hobson	\$27,736	\$28,728	\$28,869	\$29,395
Judith Basin	Stanford	\$55,378	\$57,242	\$57,510	\$58,494
Lake	Polson	\$635,455	\$657,229	\$660,410	\$672,152
Lake	Ronan	\$324,679	\$334,824	\$336,315	\$341,800
Lake	St. Ignatius	\$54,472	\$57,396	\$57,802	\$59,308
Lewis and Clark	East Helena	\$576,883	\$591,742	\$593,962	\$601,838
Lewis and Clark	Helena	\$4,075,251	\$4,215,813	\$4,236,711	\$4,312,139
Liberty	Chester	\$110,060	\$113,974	\$114,542	\$116,651
Lincoln	Eureka	\$123,448	\$128,111	\$128,784	\$131,251
Lincoln	Libby	\$534,387	\$549,881	\$552,125	\$560,401
Lincoln	Rexford	\$17,351	\$17,995	\$18,087	\$18,434
Lincoln	Troy	\$159,085	\$164,045	\$164,739	\$167,320

City/Town Entitlement Share Payment

City/Town Entitlement Share Payment (Continued)

County	City/Town	FY 2016	FY 2017	FY 2016	FY 2017
Madison	Ennis	\$139,752	\$139,752	\$140,394	\$142,738
Madison	Sheridan	\$60,743	\$60,743	\$61,114	\$62,477
Madison	Twin Bridges	\$41,186	\$41,186	\$41,416	\$42,266
Madison	Virginia City	\$26,717	\$26,717	\$26,847	\$27,332
McCone	Circle	\$88,510	\$88,510	\$88,950	\$90,478
Meagher	White Sulphur Springs	\$143,709	\$143,709	\$144,366	\$146,773
Mineral	Alberton	\$64,271	\$64,271	\$64,567	\$65,661
Mineral	Superior	\$174,316	\$174,316	\$175,029	\$177,623
Missoula	Missoula	\$8,507,515	\$8,507,515	\$8,553,269	\$8,715,797
Musselshell	Melstone	\$12,936	\$12,936	\$13,010	\$13,247
Musselshell	Roundup	\$274,181	\$274,181	\$275,460	\$280,189
Park	Clyde Park	\$41,475	\$41,475	\$41,677	\$42,430
Park	Livingston	\$1,169,952	\$1,169,952	\$1,175,322	\$1,194,853
Petroleum	Winnett	\$26,387	\$26,387	\$26,521	\$26,972
Phillips	Dodson	\$15,508	\$15,508	\$15,587	\$15,878
Phillips	Malta	\$286,344	\$286,344	\$287,702	\$292,662
Phillips	Saco	\$22,680	\$22,680	\$22,803	\$23,245
Pondera	Conrad	\$350,672	\$350,672	\$352,407	\$358,657
Pondera	Valier	\$48,367	\$48,367	\$48,661	\$49,686
Powder River	Broadus	\$76,018	\$76,018	\$76,368	\$77,642
Powell	Deer Lodge	\$451,732	\$451,732	\$453,815	\$461,568
Prairie	Terry	\$88,334	\$88,334	\$88,752	\$90,288
Ravalli	Darby	\$157,306	\$157,306	\$157,940	\$160,311
Ravalli	Hamilton	\$1,064,920	\$1,064,920	\$1,069,146	\$1,084,507
Ravalli	Pinesdale	\$38,108	\$38,108	\$38,508	\$40,005
Ravalli	Stevensville	\$195,071	\$195,071	\$196,186	\$200,310
Richland	Fairview	\$134,333	\$134,333	\$134,984	\$137,319
Richland	Sidney	\$816,361	\$816,361	\$820,682	\$835,934
Roosevelt	Bainville	\$49,305	\$49,305	\$49,531	\$50,362
Roosevelt	Brockton	\$14,271	\$14,271	\$14,384	\$14,805
Roosevelt	Culbertson	\$109,756	\$109,756	\$110,295	\$112,264
Roosevelt	Froid	\$23,659	\$23,659	\$23,790	\$24,240
Roosevelt	Poplar	\$134,085	\$134,085	\$134,706	\$136,959
Roosevelt	Wolf Point	\$378,208	\$378,208	\$380,091	\$386,905
Rosebud	Colstrip	\$916,288	\$916,288	\$919,321	\$930,638
Rosebud	Forsyth	\$327,849	\$327,849	\$329,304	\$334,536
Sanders	Hot Springs	\$48,633	\$48,633	\$48,932	\$50,041
Sanders	Plains	\$229,738	\$229,738	\$230,657	\$234,060
Sanders	Thompson Falls	\$339,069	\$339,069	\$340,355	\$345,114
Sheridan	Medicine Lake	\$25,114	\$25,114	\$25,256	\$25,773
Sheridan	Outlook	\$4,834	\$4,834	\$4,863	\$4,969
Sheridan	Plentywood	\$285,531	\$285,531	\$286,904	\$291,762
Sheridan	Westby	\$23,661	\$23,661	\$23,780	\$24,202
Silver Bow	Walkerville	\$35,939	\$35,939	\$36,251	\$37,415
Stillwater	Columbus	\$451,263	\$451,263	\$453,116	\$459,635
Sweet Grass	Big Timber	\$217,828	\$217,828	\$218,924	\$222,869
Teton	Choteau	\$181,569	\$181,569	\$182,568	\$186,252
Teton	Dutton	\$49,702	\$49,702	\$49,928	\$50,754
Teton	Fairfield	\$99,352	\$99,352	\$99,844	\$101,617
Toole	Kevin	\$21,710	\$21,710	\$21,812	\$22,176
Toole	Shelby	\$509,429	\$509,429	\$511,809	\$520,287
Toole	Sunburst	\$34,213	\$34,213	\$34,413	\$35,129
Treasure	Hysham	\$33,035	\$33,035	\$33,218	\$33,878
Valley	Fort Peck	\$16,026	\$16,026	\$16,145	\$16,587
Valley	Glasgow	\$540,142	\$540,142	\$542,664	\$551,579
Valley	Nashua	\$35,187	\$35,187	\$35,371	\$36,040
Valley	Opheim	\$12,245	\$12,245	\$12,307	\$12,521
Wheatland	Harlowton	\$158,728	\$158,728	\$159,448	\$162,081
Wheatland	Judith Gap	\$14,180	\$14,180	\$14,256	\$14,533
Wibaux	Wibaux	\$101,024	\$101,024	\$101,493	\$103,200
Yellowstone	Billings	\$14,087,186	\$14,087,186	\$14,159,702	\$14,418,871
Yellowstone	Broadview	\$28,217	\$28,217	\$28,350	\$28,841
Yellowstone	Laurel	\$938,715	\$938,715	\$943,373	\$960,131
Total		\$68,981,327	\$70,167,485	\$70,518,323	\$71,781,879

Consolidated Government and TIF Entitlement Share Payment

Consolidated Government Entitlement Share Payment

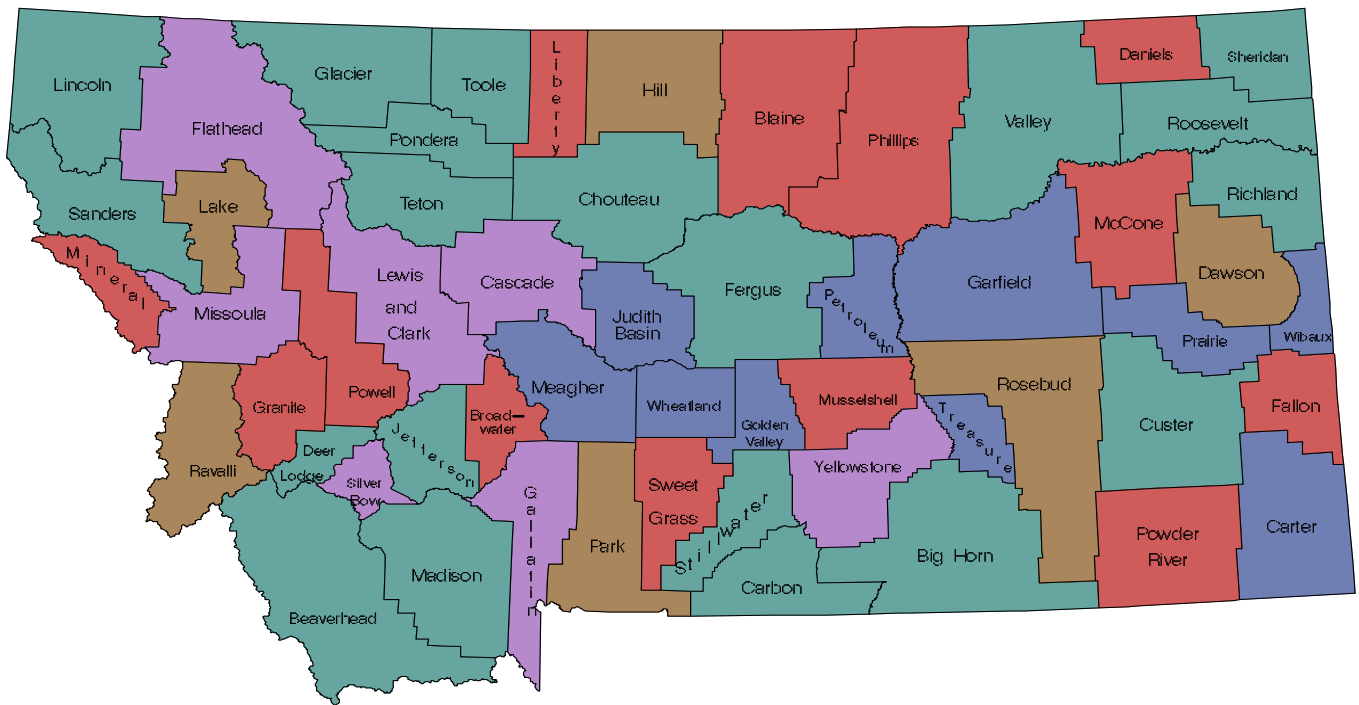
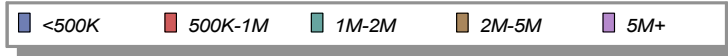
<u>Consolidated Government</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>
Deer Lodge	\$1,465,532	\$1,510,695	\$1,517,867	\$1,519,080
Silver Bow	\$4,726,905	\$4,882,997	\$4,907,794	\$4,911,300
Total	\$6,192,437	\$6,393,692	\$6,425,660	\$6,430,379

Tax Increment Financing Entitlement Share Payment

<u>County</u>	<u>TIF</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Big Horn	Hardin Industrial Infrastructure	\$777	\$777	\$777	\$777
Cascade	International Malting Plant	\$3,517	\$3,517	\$3,517	\$3,517
Cascade	Great Falls Urban Renewal	\$2,245	\$2,245	\$2,245	\$2,245
Cascade	Great Falls International Airport	\$23	\$23	\$23	\$23
Cascade	Manchester Exit Industrial	\$1,856	\$1,856	\$1,856	\$1,856
Cascade	Montana Milling Industrial	\$2,648	\$2,648	\$2,648	\$2,648
Cascade	West Bank Urban Renewal	\$4,684	\$4,684	\$4,684	\$4,684
Chouteau	1 TIFD	\$6,075	\$6,075	\$6,075	\$6,075
Gallatin	Bozeman Downtown	\$56,050	\$56,050	\$56,050	\$56,050
Gallatin	North-East Urban Renewal	\$1,353	\$1,353	\$1,353	\$1,353
Gallatin	North 7th Urban Renewal	\$37,926	\$37,926	\$37,926	\$37,926
Jefferson	16RT	\$36,612	\$36,612	\$36,612	\$36,612
Flathead	Old School Technology	\$3,057	\$3,057	\$3,057	\$3,057
Flathead	Kalispell B	\$42,671	\$42,671	\$42,671	\$42,671
Flathead	Kalispell C	\$243,128	\$243,128	\$243,128	\$243,128
Flathead	Whitefish	\$248,865	\$248,865	\$248,865	\$248,865
Lake	Polson	\$13,081	\$13,081	\$13,081	\$13,081
Lincoln	Lincoln Industrial (4)	\$22,733	\$22,733	\$0	\$0
Lincoln	Riverside	\$8,147	\$8,147	\$8,147	\$8,147
Missoula	Airport Industrial (20-3A)	\$150,568	\$150,568	\$150,568	\$0
Missoula	Urban Renewal District III (1-1D)	\$277,850	\$277,850	\$277,850	\$277,850
Missoula	Technology District (20-3E)	\$15,365	\$15,365	\$15,365	\$15,365
Missoula	Urban Renewal District II (1-1C)	\$400,286	\$400,286	\$400,286	\$400,286
Missoula	Urban Renewal District II (4-1C)	\$42,305	\$42,305	\$42,305	\$42,305
Missoula	Front Street URD (1-1F)	\$53,975	\$53,975	\$53,975	\$53,975
Missoula	River Front URD (1-1R)	\$9,316	\$9,316	\$9,316	\$9,316
Missoula	Bonner Mill Industrial District	\$13,986	\$13,986	\$13,986	\$13,986
Park	West End Industrial	\$13,189	\$13,189	\$13,189	\$13,189
Park	Livingston Urban Renewal	\$40,967	\$40,967	\$40,967	\$40,967
Ravalli	North Stevensville Industrial	\$21,710	\$21,710	\$21,710	\$21,710
Silver Bow	Ramsey TIFD	\$140,482	\$140,482	\$140,482	\$140,482
Silver Bow	Eastside TIFD	\$8,840	\$8,840	\$8,840	\$8,840
Yellowstone	North 27th Street	\$76,855	\$76,855	\$76,855	\$76,855
Yellowstone	East Billings	\$146,654	\$146,654	\$146,654	\$146,654
Yellowstone	South Billings Blvd	\$256,218	\$256,218	\$256,218	\$256,218
Yellowstone	Laurel	\$72,175	\$72,175	\$72,175	\$72,175
Yellowstone	Expanded North 27th Street	\$134,966	\$134,966	\$134,966	\$134,966
Total		\$2,611,157	\$2,611,157	\$2,588,424	\$2,437,856

Entitlement Share

FY2018 Entitlement Share Revenue by County



Glossary

Glossary

Ad valorem tax: A tax based on the value of property, be it real estate or a particular good.

Arms-length transaction: A transaction in which the buyer and seller are not related and act independently in their own self-interest, not subject to each other's influence.

British thermal unit (Btu): The amount of energy needed to raise the temperature of one pound of water by one degree Fahrenheit. This is the standard for measuring the energy content in fuels.

Capital gain: The profit an investor gains from selling an investment (property, stocks, bonds, mutual funds, etc.) that has increased in value over its purchase price.

Carryback: An accounting technique with which a company retroactively applies net operating losses to a preceding year's income to reduce tax liabilities present in that year.

Carryforward: To adjust an amount against succeeding amounts, or to transfer it to the next period.

Carryover: See carryforward.

C-corporation: Any corporation that is, in general, taxed separately from its shareholders.

Centrally assessed properties: Large utilities and railroads valued by the state.

Coal severance tax: State tax on coal extracted (or severed) from the earth, based on its value. Tax rate varies with the heat content of the coal and the type of mine (open pit or underground).

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA): Commonly known as Superfund, a law that provided a tax on the chemical and petroleum industries and provided broad federal authority to clean up releases of hazardous substances.

Decedent: A person who has died.

Decile: A method of dividing a set of values or statistics into 10 equally large groups.

Empowerment zone: A financially distressed area that receives tax credits, grants, and other advantages to help revitalize the area.

Estate tax: A tax on the net value of the estate of a deceased person before transfer to person's heirs.

Excise tax: A tax on the use or consumption of a certain products, such as gasoline, cigarettes and alcohol.

Extended Property Tax Assistance Program (EPTAP): Property tax relief program for property owners who meet certain qualifications, including having experience a tax increase of \$250 or more due to a reappraisal.

Homestead exemption: A type of property tax relief whereby the assessed value of a home, on which property tax is based, is reduced. The exemption usually arises following the death of a homeowner spouse.

Horizontal well: A drilling method in which the drill turns and runs horizontally once it reaches the source of energy to be extracted, be it gas or oil.

Glossary

Inpatient bed day: A day of care provided to a patient in a hospital. A day begins at midnight and ends 24 hours later. Part of a day, including day of admission, counts as a full day. Day of discharge or death does not. If admission and discharge or death occur on the same day, that day is counted as one bed day.

License tax: A fee paid to the government for the privilege of holding a license to conduct a certain trade, such as sell alcohol or practice medicine.

Limited liability company (LLC): A hybrid company structure combining characteristics of both a corporation and a sole proprietorship (or partnership). Members of the company cannot be held personally liable for the company's debts or liabilities.

Market value: The highest estimated amount that a buyer would pay for an item in the open market.

Millage rate: Tax per dollar of assessed value of property, whereby the rate is referred to as "mills," which is one-tenth of a cent.

Net operating loss: Occurs when a company's allowable tax deductions are greater than its taxable income.

Offset: To hold a tax refund amount, or part of the amount, if an individual owes money to the state of Montana because of a delinquent debt. The department can offset that individual's state payment, or withhold part of a tax refund to satisfy the debt.

Orphan share: Part of the liability of a Superfund site that belongs to insolvent or defunct parties that cannot pay their fair share of a site's cleanup cost.

Property Tax Assistance Program (PTAP): Property tax relief program for property owners who meet certain qualifications.

Resource Indemnity and Groundwater Assessment Tax (RIGWAT): A tax on mining and mineral extraction within the state of Montana created to secure its citizens against the loss of long-term value resulting from the depletion of natural resource bases and against environmental damage caused by mineral development.

RTIC: Revenue and Transportation Interim Committee

Pass-through entity: An entity that passes its income, loss, deductions or credits to its owners, who may include partners, shareholders, beneficiaries and investors.

State general fund: The primary fund of the state composed mainly of revenue from taxes and used to budget for state operations.

Subjobber: An entity or a person who purchases tobacco products from a Montana licensed wholesaler with the cigarette tax insignia affixed and sells or offers to sell those products to a licensed retailer or tobacco product vendor.

Resident bed day: Each 24-hour period that a resident in an intermediate care facility is present in the facility and receiving care or that a resident is on leave but a bed is being held for him or her.

S-corporation: Any corporation that, in general, does not pay any federal income tax, but rather divides its income and losses among its shareholders, who are then subject to taxation.

Glossary

Stripper well: An oil or gas well nearing the end of its economically useful life.

Statute: A written law passed by the legislature.

Suits Index: A measure of tax progressiveness.

Taxable income: The income factored in calculating how much tax an individual or company owes, usually the gross income minus any deductions, exemptions or other adjustments.

Taxable value: A percentage of property value used to calculate property tax.

Tax expenditures: Any reduction in government revenue through provisions in tax laws, such as deductions, exclusions, deferrals, exemptions and preferential tax rates.

Tax gap: The difference between total amounts of taxes owed to the government and the amount it actually receives.

Tax increment financing (TIF): A method of public financing used to encourage development and redevelopment in financially distressed areas.

Tax liability: The total amount of tax an individual or entity owes the government after credits and advance payments (e.g. withholding, estimated payments, etc.) for some “taxable event,” such as income, the sale of an asset, capital gains, etc.

Taxing district: Single purpose jurisdictions—such as a school district, fire district, water district, etc.—that exist separately from local governments and are funded by special taxes.

Treasure State Endowment Program and Fund (TSEP and TSEF): State program that awards matching grants to local governments for the construction of local infrastructure projects. TSEF is fed by the coal severance tax, the interest on which helps pay for the TSEP projects.

Valuation: The process of determining the current value of an asset, such as a home.

West Texas Intermediate (WTI): A grade of crude oil used as a benchmark in oil pricing.

Acronyms

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ARM: Administrative Rules of the State of Montana

Btu: British Thermal Unit

CERCLA: Comprehensive Environmental Response, Compensation, and Liability Act of 1980

DAV: The Disabled American Veterans Program

DOR: Department of Revenue

DPHHS: Montana Department of Public Health and Human Services

EPTAP: Extended Property Tax Assistance Program

FERC: Federal Energy Regulatory Commission

MCA: Montana Code Annotated

MDV: Montana Disabled Veteran Property Tax Relief Program

MMHNCC: Montana Mental Health Nursing Care Center

NCSL: National Conference of State Legislatures

NOL: Net operating loss

PSC: Public Service Commission

PTAP: Property Tax Assistance Program

RTIC: Revenue and Transportation Interim Committee

TDD: Telecommunications Device for the Deaf

TIF: Tax increment financing

TSEF: Treasure State Endowment Fund

TSEP: Treasure State Endowment Program

WTI: West Texas Intermediate