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RE: Tax Year 2020 Class 12 Taxable Percentage Rate

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The revised tax year 2020 taxable percentage rate for class 12 property is estimated to be **3.20%**, remaining unchanged from TY 2019.

Per 15-6-145, MCA, the Department of Revenue shall calculate the taxable percentage rate for class 12 property annually by:

1. conducting a sales assessment ratio for class 4 commercial and industrial property;
2. adjusting the total class 4 commercial and industrial taxable value with the sales ratio;
3. adding this product to the taxable value of other non-class 12 commercial property; and
4. dividing this adjusted total taxable value by the total statewide market value of all non-class 12 commercial property.

The tax year 2019 sales assessment ratio of class 4 commercial and industrial property is 85.17%. The actual assessed value for class 4 commercial and industrial property is divided by the sales prices to determine a sales ratio.

Class 4 Commercial & Industrial Adjustments	
Class 4 Market Value TY 2019 (\$ Millions)	
Number of Sales	1,264
Assessed Value	\$549.721
Sales Value	\$645.461
Sales Ratio	85.17%

Because the certification of TY 2020 property values occurs in August of 2020, the information used in this computation is certified TY 2019 values. Once the TY 2020 certification is complete, the department will recalculate the class 12 percentage, and if the recalculated percentage differs from 3.20% by more than 5%, the department will provide notification of the new class twelve percentage by September 1, 2020.

The following table showing the contribution of each class of property to the class 12 taxable percentage rate:

Class 12 Tax Rate - Tax Year 2019 (\$ Millions)					
Class of Property	Market Value	Taxable Value	Sales Ratio	Adj. Taxable Value	Eff. Tax Rate
Class 4 Commercial and Industrial	\$22,851.184	\$427.652	85.17%	\$364.22	1.59%
Class 7	\$0.038	\$0.003	100.00%	\$0.00	8.00%
Class 8	\$7,271.008	\$166.671	100.00%	\$166.671	2.29%
Class 9	\$4,227.858	\$501.031	100.00%	\$501.031	11.85%
Class 13	\$2,838.929	\$170.254	100.00%	\$170.254	6.00%
Class 14	\$825.784	\$16.833	100.00%	\$16.833	2.04%
Class 15	\$148.772	\$1.913	100.00%	\$1.913	1.29%
Class 16	\$0.000	\$0.000	100.00%	\$0.000	
Total Commercial and Industrial	38,163.573	NA		1,220.924	3.20%

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