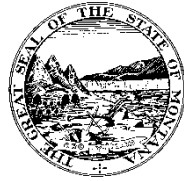




**Gene Walborn**  
Director

# Montana Department of Revenue



**Steve Bullock**  
Governor

TO: Keith Broussard, BIT

FROM: Eric Dale, Tax Policy and Research

DATE: June 3, 2019

RE: Tax Year 2019 Revised Class 12 Taxable Percentage Rate

CC: Gene Walborn  
Nick VanBrown  
Gordon Conn  
Doug Roehm  
Sherri Diemert  
Lee Bearlocher

Shauna Helfert  
Ryan Evans  
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Tim Burton

The revised tax year 2019 taxable percentage rate for class 12 property is estimated to be **3.20%**.

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 2018 sales assessment ratio of class 4 commercial and industrial property is 77.80%. The actual assessed value for class 4 commercial and industrial property is divided by the sales prices to determine a sales ratio.

<b>Class 4</b>	
<b>Commercial &amp; Industrial Adjustments</b>	
<b>Class 4 Market Value TY 2018</b>	
(\$ Millions)	
Number of Sales	1,192
Assessed Value	\$453.585
Sales Value	\$583.027
Sales Ratio	<b>77.80%</b>

Because the certification of TY 2019 property values occurs in August of 2019, the information used in this computation is certified TY 2018 values. Once the TY 2019 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, 2019.

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

<b>Class 12 Tax Rate - Tax Year 2018</b>					
(\$ Millions)					
<b>Class of Property</b>	<b>Market Value</b>	<b>Taxable Value</b>	<b>Sales Ratio</b>	<b>Adj. Taxable Value</b>	<b>Eff. Tax Rate</b>
Class 4 Commercial and Industrial	\$20,863.857	\$390.031	77.80%	\$303.44	1.45%
Class 7	\$15.191	\$1.215	100%	\$1.22	8.00%
Class 8	\$6,949.617	\$155.879	100%	\$155.879	2.24%
Class 9	\$4,176.210	\$495.371	100%	\$495.371	11.86%
Class 13	\$2,877.270	\$172.526	100%	\$172.526	6.00%
Class 14	\$761.927	\$16.208	100%	\$16.208	2.13%
Class 15	\$151.199	\$2.010	100%	\$2.010	1.33%
Class 16	\$0.000	\$0.000	100%	\$0.000	
<b>Total Commercial and Industrial</b>	<b>35,795.272</b>	<b>NA</b>		<b>1,146.647</b>	<b>3.20%</b>

Please contact Eric Dale (444-7925 [edale@mt.gov](mailto:edale@mt.gov)) or Ed Caplis at (444-3531 [edcaplis@mt.gov](mailto:edcaplis@mt.gov)) if you have any questions.