



Governor Greg Gianforte

Director Brendan Beatty

TO: Keith Broussard, BIT
Angie Nelson-Haller, BIT

FROM: Eric Dale, Tax Policy and Research

DATE: June 11, 2021

RE: Tax Year 2021 Class 12 Taxable Percentage Rate

CC: Brendan Beatty
Nick VanBrown
Julia Pattin
Kory Hofland
Doug Roehm
Sherri Diemert

Scott Mendenhall
Ryan Evans
Derek Bell
Robin Rude
Eric Bryson
Tim Burton

The tax year 2021 taxable percentage rate for class 12 property is estimated to be **3.12%**, a decrease relative to the TY 2020 rate of 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
- 4. Dividing this adjusted total taxable value by the total statewide market value of all non-class 12 commercial property.

The tax year 2020 sales assessment ratio of class 4 commercial and industrial property is 72.33%. 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 2020 (\$ Millions)	
Number of Sales	981
Assessed Value	\$538.597
Sales Value	\$744.655
Sales Ratio	72.33%

Because the certification of TY 2021 property values occurs in August of 2021, the information used in this computation is certified TY 2020 values. Once the TY 2021 certification is complete, the department will recalculate the class 12 percentage, and if the recalculated percentage differs from 3.12% by more than 5%, the department will provide notification of the new class 12 percentage by September 1, 2021.

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

Class 12 Tax Rate - Tax Year 2020 (\$ Millions)					
Class of Property	Market Value	Taxable Value	Sales Ratio	Adj. Taxable Value	Eff. Tax Rate
Class 4 Commercial and Industrial	\$22,888.235	\$428.805	72.33%	\$310.15	1.36%
Class 7	\$0.038	\$0.003	100.00%	\$0.00	8.00%
Class 8	\$7,058.251	\$161.389	100.00%	\$161.389	2.29%
Class 9	\$4,509.421	\$534.403	100.00%	\$534.403	11.85%
Class 13	\$2,680.615	\$160.780	100.00%	\$160.780	6.00%
Class 14	\$772.732	\$17.567	100.00%	\$17.567	2.27%
Class 15	\$143.388	\$1.830	100.00%	\$1.830	1.28%
Class 16	\$0.000	\$0.000	100.00%	\$0.000	
Class 17	\$0.000	\$0.000	100.00%	\$0.000	
Total Commercial and Industrial	38,052.680	NA		1,186.120	3.12%

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