

Memorandum

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

FROM: Dylan Cole, Tax Policy and Research

DATE: May 2, 2022

SUBJECT: Tax Year 2022 Class 12 Taxable Percentage Rate

The tax year 2022 taxable percentage rate for class 12 property is estimated to be **3.06%**, a decrease relative to the TY 2021 rate of 3.12%.

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 2021 sales assessment ratio of class 4 commercial and industrial property is 74.47%. 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 2021 (\$ Millions)	
Number of Sales	1,931
Assessed Value	\$1,116.033
Sales Value	\$1,498.571
Sales Ratio	74.47%

Because the certification of TY 2022 property values occurs in August of 2022, the information used in this computation is certified TY 2021 values. Once the TY 2022 certification is complete, the department will recalculate the class 12 percentage, and if the recalculated percentage differs from 3.06% by more than 5%, the department will provide notification of the new class twelve percentage by September 1, 2022.

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

Class 12 Tax Rate - Tax Year 2021 (\$ Millions)					
Class of Property	Market Value	Taxable Value	Sales Ratio	Adj. Taxable Value	Eff. Tax Rate
Class 4 Commercial and Industrial	\$24,905.521	\$467.031	74.47%	\$347.81	1.40%
Class 7	\$0.035	\$0.003	100.00%	\$0.00	8.00%
Class 8	\$6,772.861	\$154.700	100.00%	\$154.700	2.28%
Class 9	\$4,635.886	\$549.156	100.00%	\$549.156	11.85%
Class 13	\$2,533.970	\$151.958	100.00%	\$151.958	6.00%
Class 14	\$866.999	\$15.606	100.00%	\$15.606	1.80%
Class 15	\$143.186	\$2.124	100.00%	\$2.124	1.48%
Class 16	\$0.000	\$0.000	100.00%	\$0.000	
Class 17	\$0.000	\$0.000	100.00%	\$0.000	
Total Commercial and Industrial	39,858.459	NA		1,221.358	3.06%

Please contact Dylan Cole at (444-6634, dylan.cole@mt.gov) or Ed Caplis at (444-3531, edcaplis@mt.gov) if you have any questions.

cc.	Brendan Beatty Nick VanBrown Julia Pattin Kory Hofland Doug Roehm Sherri Diemert	Scott Mendenhall Ryan Evans Derek Bell Robin Rude Eric Bryson Kelly Lynch
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