



Mike Kadas
Director

Montana Department of Revenue



Steve Bullock
Governor

Memorandum

To: Mike Kadas, Director
Montana Department of Revenue

From: Eric Dale, Tax Policy and Research
Montana Department of Revenue

Date: July 31st, 2017

Subject: Small business impact analysis of rules relating to HB 43 and HB 583 of the 2017 Legislature.

HB 43, of the 2017 Legislature, identified a deadline for taxpayers to submit informal reviews and appeals that occur in the second year of the appraisal cycle for Class 3 and Class 4 properties. If the taxpayer received a classification and appraisal notice in the second year of the cycle, the request must be made within 30 days of receiving the notice. For taxpayers who do not request a review within 30 days of the classification and appraisal notice in the first year of the cycle, they can only get the review for the second year of the cycle if they make the objection in writing before June 1 of the second year. HB 43 did not create more opportunities to file for informal reviews and appeals, but clarified when an appeal may be filed if the initial opportunity is not taken.

HB 583 of the 2017 Legislature, clarified the classification of forest land that is split by conveyance or other action of the owner, according to its new use. HB 583 also sets in statute current Department of Revenue practices for classifying the one acre site beneath a residence as class 4 property valued at the land's market value.

Neither HB 43 or HB 583 are anticipated to meaningfully impact small business, and the proposed rules changes are anticipated to simply implement the legislation into the current rules, and clean up or clarify some of the current rule language. Therefore there is not anticipated to be any meaningful impact to small businesses.