

About the Agency

page 3



Foreword by Director Brendan Beatty

Hello and thanks for your interest in the Montana Department of Revenue! Since January, 2021, it's been my honor to serve as the Director under Governor Greg Gianforte. Over the past 4 years, we've focused DOR's efforts on our new mission statement: *"To be the nation's most citizen-oriented, efficiently administered, state tax agency."* This has been extremely important to me and I'm happy to report that we've made great strides. Some of the highlights include:

- **Town Hall Meetings** outreach to citizens: In 2023, we hosted 59 Town Hall meetings across Montana focused on property taxes. In 2024, we hosted 26 more around the theme of *How Property Taxation Happens*. Given recent major valuation increases and, in some cases, significant increases in residential property taxes, we felt compelled to reach out and help citizens better understand this somewhat complex topic.
- **Income Taxation and Alcohol Regulation Outreach:** Each year, our Business and Income Tax Division hosts webinars for accountants and citizens who need to understand how new tax laws affect Montana income taxpayers.
- **Alcohol Regulation Laws:** Our Alcohol Beverage Control Division (ABCD) organized and hosted 13 in-person workshops and one zoom workshop open to the public across Montana to assure understanding of Montana's comprehensive alcohol regulation laws after the 2023 Legislative Session. ABCD conducted 1,052 licensee visits comprised of new, existing, compliance failure meetings. ABCD met with 42 licensees regarding compliance issues to help them understand alcohol laws relating to their business. ABCD arranged 28 discussion meetings with nonprofit organizations, city staff, and county officials around the state. The meetings' intent was to ensure understanding of the lawful and responsible sales and serving of alcoholic beverages during festivals.
- **Income and Property Tax Rebates:** The 2023 Montana Legislature passed bills regarding, and Governor Gianforte signed into law, historic income tax and property tax rebates. Our DOR team issued over 468,000 income tax rebates totaling \$483 million in 2023. That same year, we processed over 227,000 property tax rebate applications resulting in issuing over 216,000 property tax rebates totaling \$142 million. We processed over 230,000 property tax rebate applications resulting in issuing over 224,000 rebates totaling \$148 million. We improved the process in 2024 based on lessons learned in 2023 and having more time for system development. I'm happy to report that the process went very smoothly for citizens in 2024.
- **Property Appraisal:** Every two years, Montana law dictates that all property is re-appraised at 100% of market value. Through our network of about 300 appraisers, property valuation specialists, computer modelers, management, and other staff members, we appraised over 500,000 residential properties this past cycle, along with 316,000 commercial, industrial, and ag properties. Our internal cross-checking process showed that our processes were highly precise, that is, within 5% of 100% accuracy. Citizens can rely on our meticulous appraisal processes, and, in the few instances where our models don't get it right, we work just as hard to make adjustments or corrections to assure accuracy.
- **Fair and Equal Treatment:** DOR regularly works to assure that all citizens are treated fairly and equally, that the correct amount of taxes are determined, and that everyone who should pay taxes does so. Thus tax burdens are not shifted from those who, according to law, should be paying a tax, to others. We watch for areas of noncompliance and make concerted efforts to discover and properly assess any who aren't paying what they owe. One priority for non-compliance is people who have a Montana drivers' license, have a resident fishing/hunting license, and/or are registered to vote in Montana, yet don't file as a resident on their Montana income tax return. From April to October of 2024 this initiative resulted in 514 tax adjustments, \$2.7 million total dollars assessed, and \$375,000 total dollars collected.

I sincerely hope you find the following report useful and informative. Please also explore our website at mtrevenue.gov for additional resources and always feel free to reach out with any questions or concerns you may have. We'd like to help you!

- DOR Director Brendan Beatty

About the Agency

What is the Department of Revenue?

The 1972 Montana Legislature ratified the state's new Constitution, creating the Montana Department of Revenue in the process.

This reorganization of state government effectively consolidated the assessment and collection of state taxes, property valuation, and alcoholic beverage control into one agency.

Today, the department:

- Administers approximately 40 Montana taxes and fees to achieve equity and integrity in taxation.
- Values all property as accurately as possible and supervises Montana's property tax system.
- Administers alcohol and cannabis laws to protect public health and safety.
- Receives abandoned property and seeks to return it to its rightful Montana owners.
- Administers unlocatable mineral trusts.
- Informs and advises the governor, the legislature, and the public on tax trends and issues; and
- Cooperates with local, state, tribal, and federal governments to advance the public interest under the law.

The department is committed to fulfilling its mission to be the nation's most citizen-oriented, efficiently administered state tax agency by:

- Improving citizen interactions
- Accurately valuing property
- Efficiently regulating alcohol and cannabis
- Efficiently processing revenue and data
- Developing electronic filing and payment services
- Developing equitable collection practices
- Securing confidential information
- Providing a simple and seamless process for business registration and licensing
- Hiring and retaining qualified and competent employees