

**Department of Revenue, PPL Montana Reach Tax Compromise  
PPL Montana to pay 94% of property taxes assessed over 8 years**

(HELENA) - The Montana Department of Revenue has reached a negotiated compromise with PPL Montana on the company's protested property taxes for 2003 through 2007.

Between the Supreme Court decision for tax years 2000-2002 and this settlement, PPL Montana will pay 94% of their assessed taxes over eight years. Statewide, PPL Montana's assessed taxes were roughly \$121 million over those years. PPL Montana wanted to pay only \$76 million in tax, 63% of the assessed amount, placing \$45 million in protest. The agreement provides that PPL Montana will pay \$114 million in property taxes for the eight years.

"The Supreme Court upheld Montana's method of taxation and determined our approach was fair," said Dan Bucks, Director of the Montana Department of Revenue. "That has resulted in PPL Montana paying almost all of the taxes we believed they owed over eight years."

The agreement provides for releasing protested funds to state and local governments and refunding a portion of the taxes to PPL Montana. The agreement will affect Cascade, Lewis and Clark, Rosebud, Stillwater, Lake, Flathead, Madison, Sanders, Gallatin, Butte-Silver Bow and Yellowstone counties and the state.

"The state prevailed in the fundamental constitutional issue before the court," Bucks said. "I believe that both sides recognized the value of reaching an agreement now that the legal issues have been decided by the court."

The \$45 million paid under protest by PPL Montana has been placed in escrow by most of the affected counties. It was not available to fund K-12 programs or other county-funded programs during those eight years. This settlement will release \$38 million to the appropriate taxing jurisdictions.

"PPL did the right thing in reaching this agreement and putting the matter behind them," Bucks said. "I hope other major corporations that have protested their taxes will read this decision carefully, recognize the department's determination to defend the laws of Montana, and come to the table to do what is right for Montana's school children. It is the children who suffer when taxes are unnecessarily or excessively protested."

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