

\$400 PROPERTY TAX REFUND RECEIVES ENTHUSIASTIC RESPONSE

As of Friday (August 31), the Montana Department of Revenue had received about 120,000 applications for the \$400 property tax refund from Montana homeowners.

“We are delighted with the response we are receiving from Montana citizens,” said revenue director Dan Bucks. “The interest in this tax refund is extraordinary.”

The 120,000 applications that have been received so far represent almost half of the 254,000 homeowners who are expected to qualify for the tax refund.

The 2007 Montana Legislature passed the law to refund up to \$400 of property taxes paid in 2006 for a property owner’s principal residence, subject to certain qualifications. The refunds are expected to provide nearly \$100 million in property tax relief to residential homeowners.

“These tax refunds represent a huge boost to our economy,” said Bucks.

About 67,000 of the applications received were electronically filed on the department’s website at mt.gov/revenue. The department is encouraging electronic filing of the application form for the fastest refund. Nearly 53,000 were paper forms that the department received by mail.

The department is trying to process the refund claims as quickly as possible, said Bucks. The department began issuing refund checks on Monday (August 27). As of Friday (August 31), the department had issued about 50,000 tax refunds to homeowners.

“Homeowners who applied early this week using electronic filing have most likely already received their tax refund,” said Bucks. “Those who filed electronically and have not received their refund yet should see it soon.”

To qualify for the refund, a Montana property owner must meet the statutory requirements. Under the requirements, the property owner must have:

1. Been the owner of residential property in 2006.
2. Lived in the property as a principal residence for at least 7 months during 2006.
3. Paid 2006 property taxes on the principal residence.

Provisions in the law allow members of family farm and ranch corporations who own at least 20% of the corporation to qualify, if they meet the residency requirement.

The department expects most homeowners to qualify for a full \$400 tax refund. To do so, the homeowner must have paid at least \$400 in property taxes in tax year 2006. Exceptions under the law allow a homeowner to add property taxes paid in 2005 and

2004 to meet the \$400 refund amount, if the property taxes on the principal residence were less than \$400 in 2006.

Homeowners who paid less than \$400 in combined property taxes on the principal residence in 2006, 2005 and 2004 may claim a refund for the amount of property taxes that were paid.

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