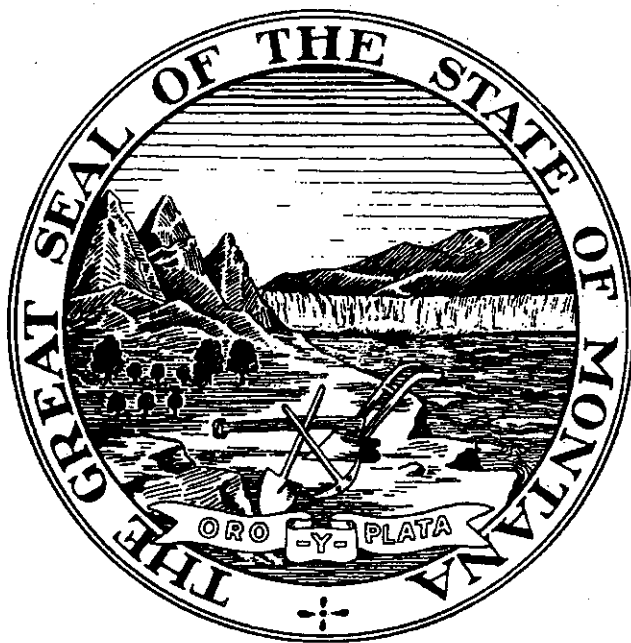


# BIENNIAL REPORT

of the

## Montana Department of Revenue

July 1, 2000 to June 30, 2002



Prepared by The Office of Tax Policy and Research  
Mitchell Building, Helena, MT 59620  
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## Letter of Transmittal

December 20, 2002

Governor Judy Martz and  
Members of the Fifty-eighth Montana Legislature:

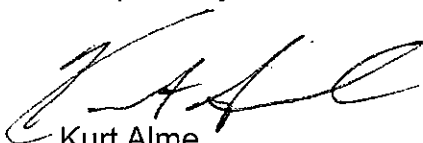
Herewith I am transmitting the Biennial Report of the Department of Revenue for the period July 1, 2000 through June 30, 2002, as required in 15-1-205, MCA. The Biennial Report focuses on providing detailed information on taxes administered by the department and related collections activity for the biennium.

In this edition of the Biennial Report, a companion publication, The Guide to Taxes, has been integrated into the report. The Guide to Taxes provides an expanded look at the taxes administered by the department and the associated policy implications. The combining of the two publications is an effort to improve the utility of the Biennial Report and provide a more effective tool for understanding the Department of Revenue and the state's tax base.

The Biennial Report has three primary sections. The first section of the report provides an overview of the department, the department's interim activity related to customer service and streamlining revenue allocations, and the composition of Montana's tax base. The second section focuses on the individual taxes that provide the framework of Montana's tax structure. The final section provides a tax expenditure analysis for the current biennium and projections for the next.

As always, we appreciate any ideas, suggestions or comments regarding this report.

Respectfully submitted,



Kurt Alme  
Director

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# Structure and Functions of the Department Of Revenue

**Mission Statement** - The Department of Revenue is a service-oriented and accountable organization where customers and employees are treated with courtesy, respect, and fairness; and where effective revenue, compliance, and collection services are provided to the public and to other governmental units in a fast, accurate, and cost effective manner.

The **Director's Office** advises the Governor on all matters affecting the agency, recommends changes to Montana tax laws and policies, and provides policy direction to all department processes. The director's office is composed of four sections:

**Dispute Resolution** reviews, facilitates, and resolves taxpayer disputes internally through a variety of means, including mediation.

**Office of Legal Affairs** supervises the overall legal efforts of the department, supervises the staff attorneys, and maintains liaison with retained attorneys.

**Policy and Performance Management (PPM)** provides policy direction, strategic planning, administrative rules, and performance management for department operations. PPM measures and facilitates the performance of department processes and ensures that department-related legislation is implemented effectively.

**Tax Policy and Research (TPR)** estimates state general fund revenues, coordinates department legislation, prepares fiscal notes for tax-related legislation, and reviews all legislation related to revenue. TPR also analyzes economic and statistical data, compiles department research data, conducts revenue-related research for the department and external stakeholders, and leads the negotiation team for revenue sharing agreements with Native American Governments.

## Processes Within the Department of Revenue

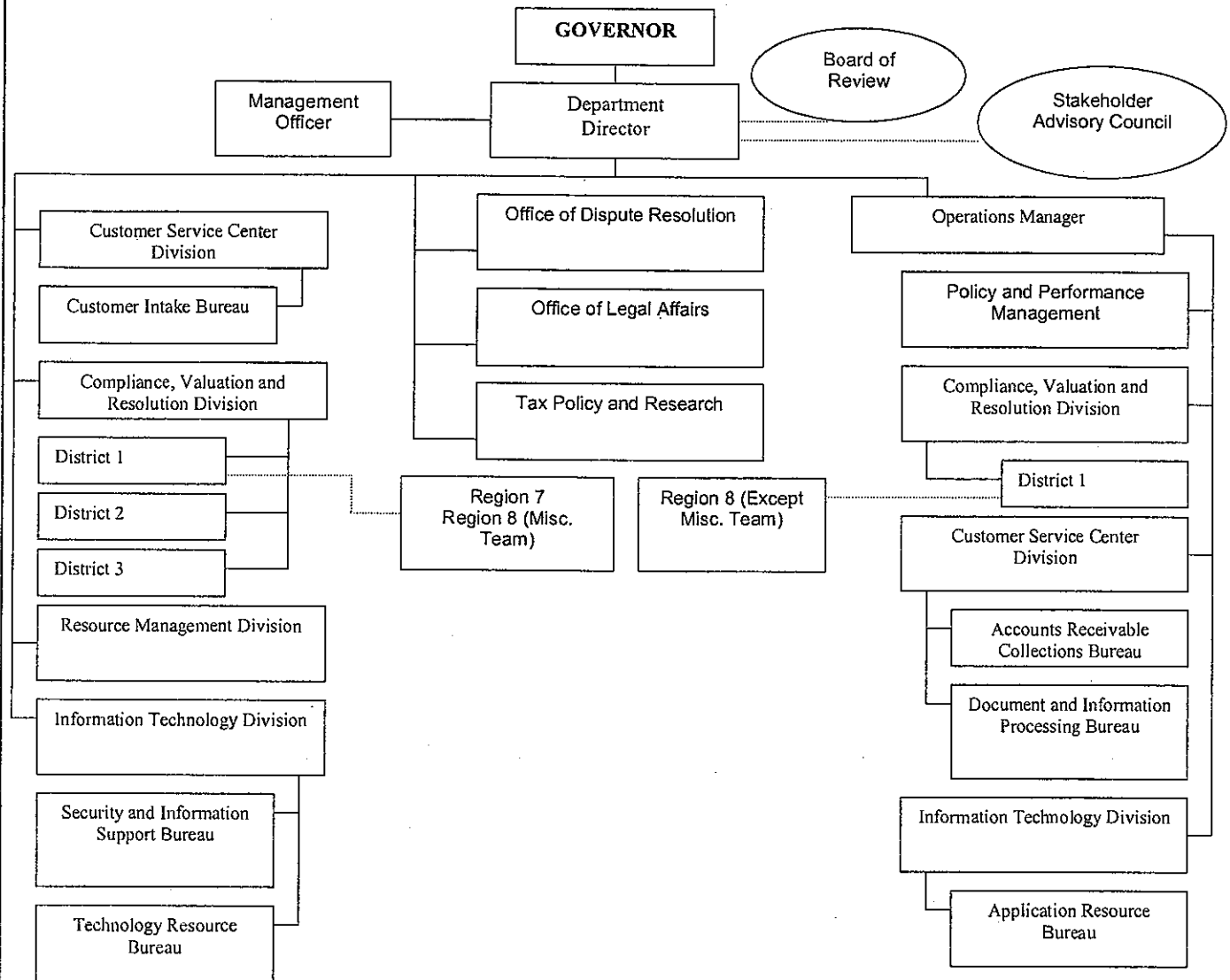
**Compliance, Valuation and Resolution (CVR)** - administers audits and appraisals to ensure that tax paying entities are in compliance with the laws. The process is located throughout the state in eight regions to provide superior customer service. Regions 1-6 are located throughout the state and focus on individuals and small businesses. Region 7 is located in Helena with a focus on large taxpayers and central taxes. Region 8 is also located in Helena with a focus on individual, small and medium businesses. This process provides for enhanced customer service and improved efficiency in the department.

**Customer Service Center (CSC)** - combines the document and information processing, accounts receivable and collections, and customer intake processes into a single business unit designed to collect revenue and process documents for the department and agency partners.

**Information Technology (IT)** - provides services in the area of data support, applications support, technology support, and user assistance, which enables the department to meet its business objectives.

**Resource Management (RM)** - integrates human resources, accounting, budgeting, facility management, education and training, communication, and liquor distribution into a process that focuses on service and support to the department.

**Department of Revenue Organizational Chart 2003  
(Effective December 31, 2002)**



# Tax Policy and Research

The Department of Revenue is required by 15-1-205, MCA, to transmit the Biennial Report to the governor before each new legislative session commences. This report is prepared by Tax Policy and Research (TPR).

**Tax Policy and Research (TPR)** reviews all legislation related to revenue, oversees tax policy development and communications, conducts revenue-related research for department and external stakeholders, and works with the Native Americans on tax issues. They coordinate and prepare fiscal notes on most revenue-related legislation. This consists of processing 300 to 400 fiscal notes per session. TPR is responsible for the state general fund revenue estimation and monitoring process of 32 different tax types. These revenue estimates are used by the Governor's Office to formulate the executive budget. TPR also analyzes state and local tax revenue and distribution systems, compiles department research data and analyzes economic and statistical data. The Biennial Report is prepared to give legislators and citizens a comprehensive overview of taxes to enhance their knowledge and facts in debating tax policy.

## TPR Mission Statement

We are a team of professionals committed to promoting effective tax policy by proactively providing valuable information and guidance to policy makers and the public in a positive and personally supportive environment.

## TPR Vision Statement

TPR supports the department's role as the state leader in the development and application of guiding principles of taxation, and comprehensive state taxation and strategic revenue policies broadly supported by government leaders and the general public.

TPR provides accurate revenue estimates through a centralized, enhanced, and expanded state revenue estimating and monitoring process. TPR coordinates the development of department, executive-supported and other revenue related legislation to ensure consistency with state strategic revenue policies; and promotes revenue-related legislation as appropriate. TPR analyzes, monitors, and comments on other state and federal revenue related legislation.

TPR encourages citizen participation in revenue policy development by proactively providing information and supporting the department's education efforts. TPR is a team of highly trained professionals that achieves its objectives by using a well managed, integrated information system; applying state of the art technology; and maintaining a strong communication system.

## Tax Policy and Research Values

- Trust
- Open and Honest Communication
- Respect for Team Members' Ideas, Values, and Priorities
- Clarity of Priorities and Purpose
  - Honesty with the Team, with All
  - Fun



## TPR Logo



# Interim Activity - Customer Service and Revenue Allocation

## CUSTOMER SERVICE

The Department of Revenue's (DOR) focus during this biennium has been one of improved customer service. Specifically, this has taken the form of efforts to increase the use of electronic commerce, deploy new technologies to gain accuracy in the valuation of property, provide timely refund processing, efficiently answer taxpayer questions, and provide educational outreach.

**Increase Electronic Commerce** - DOR continues to offer and expand the options to file tax returns electronically and make electronic payments. Using the Internet, taxpayers were able to make credit card payments for current year and back year estimated individual income taxes. When taxpayers use electronic mediums all parties benefit from increased accuracy and more timely service.

The department has successfully promoted and increased use of these mediums for filing and payment. In 2002, 140,034 out of the 467,479 returns filed were filed electronically. This represents a 28% increase over the previous year. Utilization of credit cards is relatively new, but is growing.

**Enhance Customer Service** - The department is consistently striving to enhance customer satisfaction with the service it provides. Key areas important to our broad customer base are the timely processing of refund claims, efficiently responding to taxpayer questions and concerns, and providing educational outreach.

State law requires the department to pay interest on refunds that are not processed within 45 days of receipt. In 2002, the department processed over 467,000 individual income tax returns, of which 310,231 or 66% requested a refund. The average time for Montanans to receive their refunds was 36 days, which represents a significant improvement over the last several years.

During the peak period of filing income tax returns the department's call center received thousands of customer inquires, which are answered by well-trained customer service representatives. From January 1, 2001 through September 2002, our customer service representatives received over 335,000 phone calls, and were able to effectively and immediately respond to 78% of them.

Public awareness of tax law changes and taxpayer assistance is provided through a variety of methods. Changes in tax law are communicated to businesses through the Assistance for Business Clinics, and to tax practitioners through the Tax Practitioner Institutes. Training on state tax preparation is also provided yearly to volunteer preparers working with the Tax Counseling for the Elderly and Volunteer Income Tax Assistance (VITA) programs. DOR's public outreach programs reached over 1,653 employers, accountants, office managers, CPA's and others in 2001 and 2002.

## CYCLICAL REAPPRAISAL – January 1, 2003

Cyclical reappraisal is an enormous task for the Department of Revenue. It involves the valuation of more than 800,000 parcels of property statewide. The properties include all taxable residential, commercial, industrial, agricultural and forestland and the improvements on that land. The department uses the cost approach, sales comparison approach, and the income approach to value those properties.

The department will complete a valuation of all property in Class 4 (residential, commercial, and industrial); Class 3 (agricultural land); and Class 10 (forestland) for tax year 2003. These updated property values will be used for property taxation purposes for the time period 2003 through 2008. Taxpayers will receive assessment notices that display the new values by July 2003. Under current law, those values will be phased-in at the rate of one-sixth each year. So the full reappraisal value won't be in effect until 2008. The impact of the new phased-in values will be seen on the November 2003 and the May 2004 property tax bills.

The department used the Geographic Information System (GIS) to improve the process and quality of determining property values for tax year 2003. The GIS system is a visual data base system where parcel information in all counties in the state can be displayed spatially through a mapping mechanism much like an aerial photo. This process places parcel information on a map for appraisers to analyze and review for quality control. One example of the benefits of GIS is the review of irrigated agricultural land. The Department of Natural Resources and

## **Interim Activity** *continued*

Conservation (DNRC) has an information system that identifies water rights. The DNRC information was compared to the Department of Revenue irrigated land parcel data by spatially locating both on the mapping system. Discrepancies between the two data sources were identified and reviewed, thus improving the accuracy of irrigated land valuation information.

An advisory council, appointed by the governor, made recommendations on the agricultural land valuation. Those recommendations, accepted by the department, served as the basis for the agricultural land valuation schedules that will be used for the current reappraisal. The department also enlisted the assistance of staff at the University of Montana – School of Forestry to determine the forestland valuation schedules.

The department used a negotiated rule making process to adopt rules that will have a direct impact in determining when there is a change in land use for property taxation purposes. When certain criteria are met, land that has historically been valued on a productivity basis as agricultural or forestland will be valued as tract land at market value. The rules will be implemented as a part of reappraisal.

### **IMPLEMENT HB124 (“The Big Bill”)**

During the interim, the Department of Revenue worked closely with local governments and the courts to implement HB124 (2001). This bill significantly restructured the revenue and funding relationship that previously existed between state and local governments. These funding relationship changes were interwoven with the state assumption of most district court costs (SB176; 2001) and public assistance costs (SB339; 2001) that previously had been paid by county governments.

The department developed the base-year revenue and expenditure information upon which the local government entitlement share payments are based. Revenues from personal property tax reimbursements under SB184 (1999), certain motor vehicle and boat taxes and fees, video gambling revenues, certain district court fees, the financial institutions tax, alcohol taxes, state aeronautics fees, and DNRC PILT payments, no longer are split between state and local governments, but instead flow entirely into the state general fund.

Local governments now receive an "entitlement share payment" calculated by the department that reflect the above loss of revenue sources, net of any cost savings from state assumption of district court and welfare expenses. The entitlement share payment calculations grow with the state's economy, based on a percentage of the four-year average growth in state personal income and gross state product. The annual growth amount in the entitlement share is distributed across local governments, half based on population and half based on the base year entitlement share distribution.

The department also calculates the state agencies' statutory reimbursements for motor vehicle and boat revenues, now deposited into the general fund based on actual vehicle counts and current law fee amounts.

### **IMPLEMENT SB144 – COUNTY COLLECTION REPORT**

Many sources of state revenue are collected initially by county treasurers, and are submitted to the state through the "county collections report." HB124 significantly impacted the number and amount of revenues flowing to the state. Previously, responsibility for the county collections report and distribution of state revenues resided with the Department of Administration. SB144 shifted the responsibility for this process from the Department of Administration to the Department of Revenue.

Working with local county treasurer offices, the department automated the process by assisting all counties to submit the collection reports in electronic format, either on floppy diskette or directly over the Internet. This enhances the program's efficiency significantly. In addition, the department modified the program designed to record and distribute county collections to conform with the new requirements of HB124, and continues to work closely with local governments to provide updates of the county collections form and reporting requirements via the Internet and other means. Beginning July 1, 2002 the collections report was again modified to reflect remittances of additional court fees required to be deposited in the state general fund under SB176 (2001), which provided for state assumption of district court costs in fiscal 2003.



# Guiding Principles of Taxation

Sound tax policy should be driven by fundamental, underlying principles of taxation. Currently, Montana does not formally have any universal principles of taxation to guide policy makers and lawmakers in establishing revenue and tax policies. The implementation of universal guiding principles would provide a conceptual framework for policy makers, lawmakers, and the citizens of Montana to measure the performance and quality of our state tax structure with regard to revenue and tax policy and promote stability and consistency in tax laws.

Montana continues to face many issues and proposals regarding tax reform, especially during legislative sessions. Current and future efforts to reform Montana's tax system should be founded in principles of taxation that are appropriate to the specific circumstances and needs of this state.

Following are eight universal guiding principles of taxation. These principles provide a good foundation for policy makers and lawmakers for developing revenue and tax policy.

A sound taxation system should embody the following principles:

**Simplicity.** There are two aspects to simplicity. First, a high quality tax system should be clear and understandable to the taxpayer, and minimize the cost of complying with tax laws. Second, tax systems should be easy to administer, and promote efficient and effective administration that is uniformly applied.

**Accountability.** Tax systems must be accountable to the citizens they are designed to serve. Taxes and tax policy must be explicit, with taxes clearly visible and not hidden from taxpayers. Proposed policies should be highly publicized and open to public debate.

**Economic Neutrality.** This principle suggests that tax systems should exert a minimal impact on spending and business decisions of individuals and businesses.

**Equity.** The principle of equity suggests that state revenue systems should treat similarly situated taxpayers similarly, minimize regressivity in the tax system, and to the greatest extent possible minimize the tax burden on poor households.

**Complementary.** This principle suggests that a healthy relationship should exist between state and local taxing authorities, whereby the state is always mindful of how tax decisions affect local governments, and vice versa.

**Competitiveness.** In the past decade, interstate and international competition has intensified, pressuring policy makers to use tax systems as a tool of economic development. This principle suggests that high quality revenue systems will be responsive to competition.

**Balance.** Quality tax systems rely on a variety of broad-based taxes. Most states adhere to this principle by relying on the traditional "three-legged stool" of income, sales, and property taxes to keep tax rates low, provide stability, and to control equity in their systems.

**Reliability.** Reliability encompasses adequacy, stability, and certainty in taxation and revenue flows. This principle asserts that revenues should be sufficient to cover anticipated government expenditures, should be stable in growth and not subject to unpredictable fluctuations, and should provide certainty with respect to the financial planning of individuals and businesses.

These principles serve as criteria that assist in the creation of sound tax policy, the evaluation of various revenue sources, and the identification of future directions for the Montana tax system. It is important to note that, typically, not all of the principles of taxation can be attained simultaneously. Increasing equity in the system may erode simplicity; enhancing the state's competitive stance may erode the adequacy of revenue flows. Policymakers are given the difficult task of determining which principle deserves more weight when a piece of legislation is at once wholly aligned with one principle and wholly against another. Nevertheless, these are the appropriate criteria by which to gauge tax legislation.

# Tax Structure Trends in Montana

The six charts on the next three pages provide a graphic illustration of Montana's general tax structure. Using tax collection data from fiscal year 1984 through 2002, the charts show how Montana's tax structure has changed over time. For most states, the tax structure is typically characterized as a "three-legged stool" consisting of income, property, and sales taxes. In Montana, the sales tax leg of this typical tax structure is comprised of natural resource taxes (e.g., coal, oil, and natural gas severance taxes) and selective sales taxes (e.g., cigarette and alcoholic beverage taxes). Income taxes include taxes levied on corporations as well as individuals; property taxes include state and local property tax levies.

The four tax categories represented on the six charts on the following pages are consistently comprised of these items:

## Property Taxes

The Property Taxes category includes:

- Property Taxes
- All SID and RID Amounts
- All Fees Paid on Property

## Income Taxes

The Income Taxes category includes:

- Individual Income Taxes
- Corporate License Taxes

## Natural Resource Taxes

The Natural Resources Taxes category includes:

- Coal Severance Tax
- Coal Gross Proceeds Tax
- Oil and Natural Gas Production Tax
- Metalliferous Mines License Tax
- Metal Mines Gross Proceeds Tax
- Miscellaneous Mines Net Proceeds Tax
- Resource Indemnity and Groundwater Assessment Tax (RIGWAT)
- Electrical Energy Production Tax
- Cement/Gypsum Tax

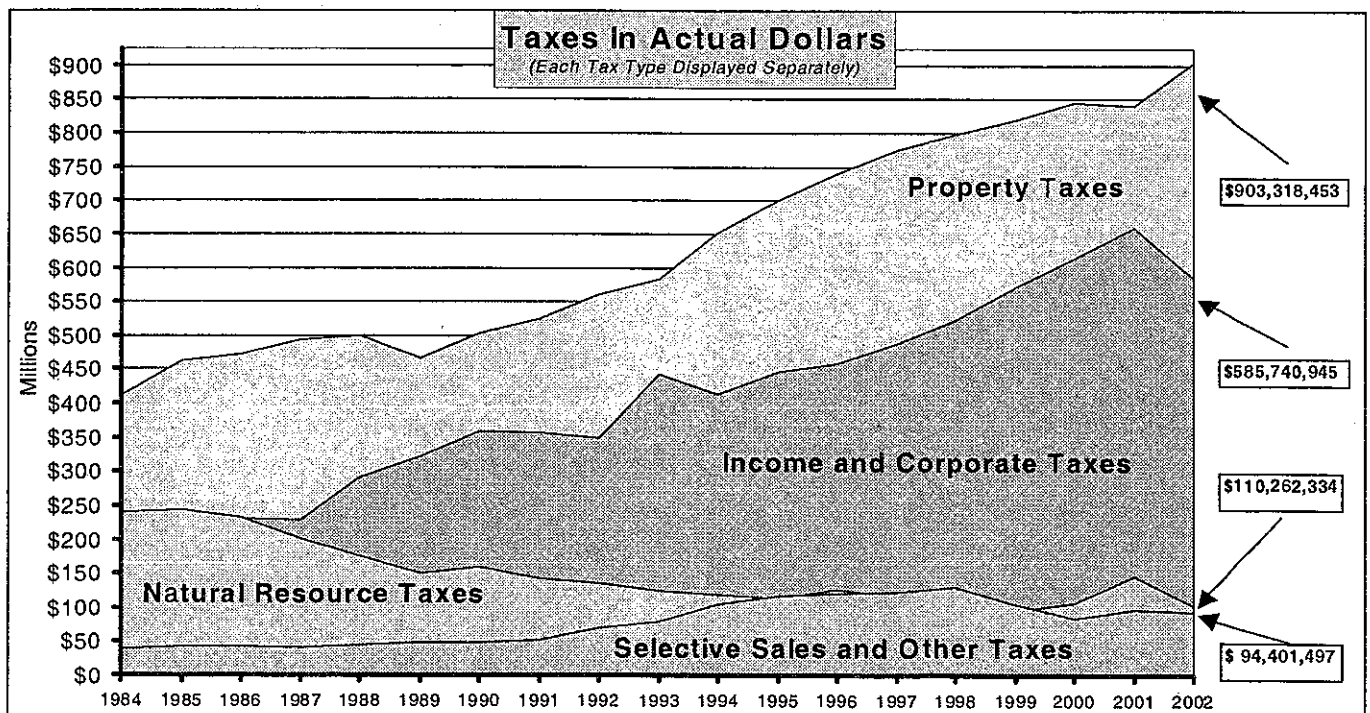
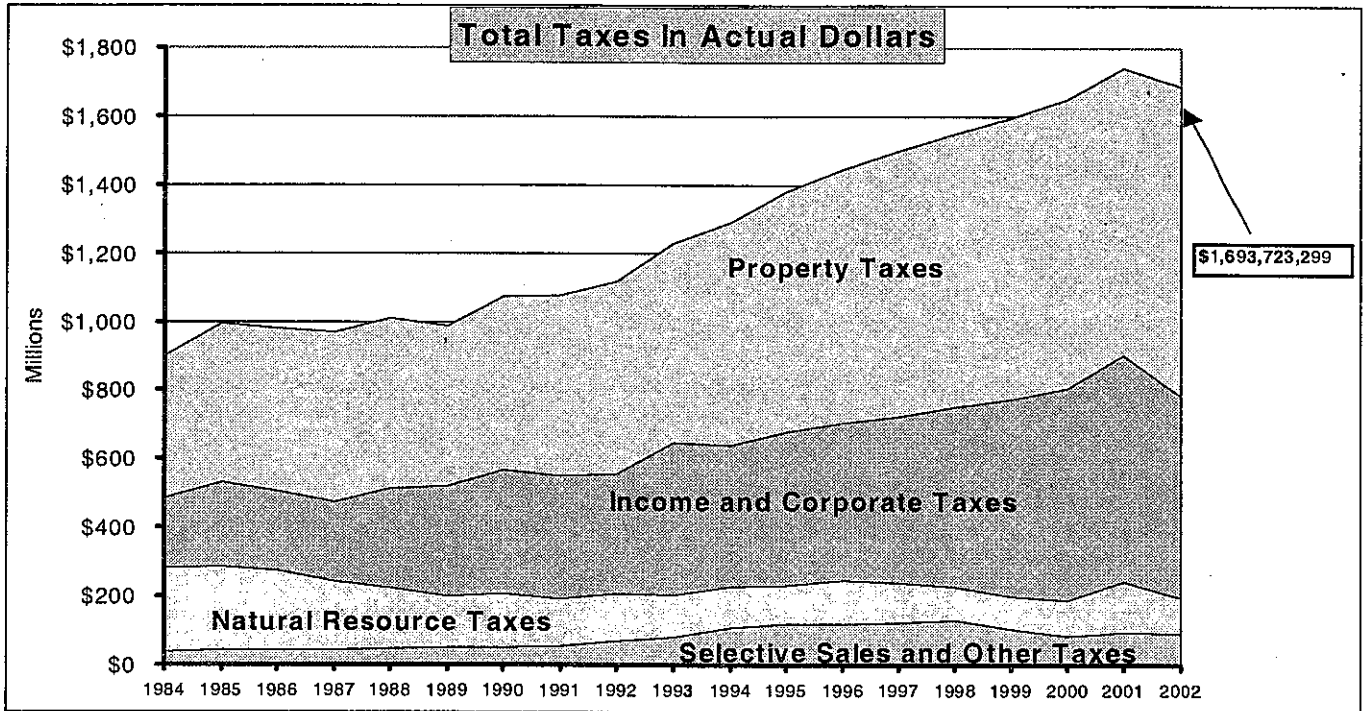
## Selective Sale and Other Taxes

The Selective Sales Taxes category includes:

- Liquor Excise Tax
- Liquor License Tax
- Beer and Wine Tax
- Old Fund Liability Tax
- Inheritance and Estate Tax
- Lodging Facility Use Tax
- Telecommunications License Tax
- Wholesale Energy Transaction Tax
- Nursing Bed Tax
- Public Service Commission Tax
- Tobacco Products Tax
- Statewide 911 Fee
- Contractor's Gross Receipts Tax
- Consumer Counsel Tax

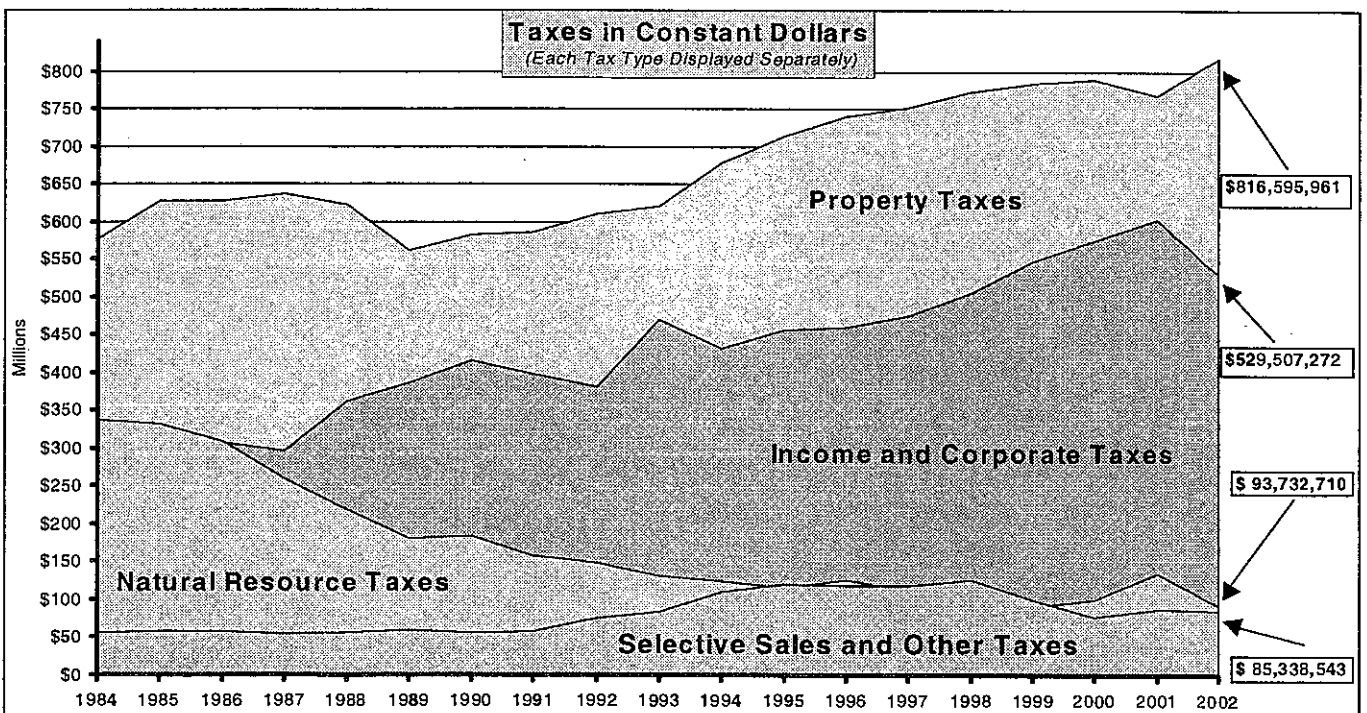
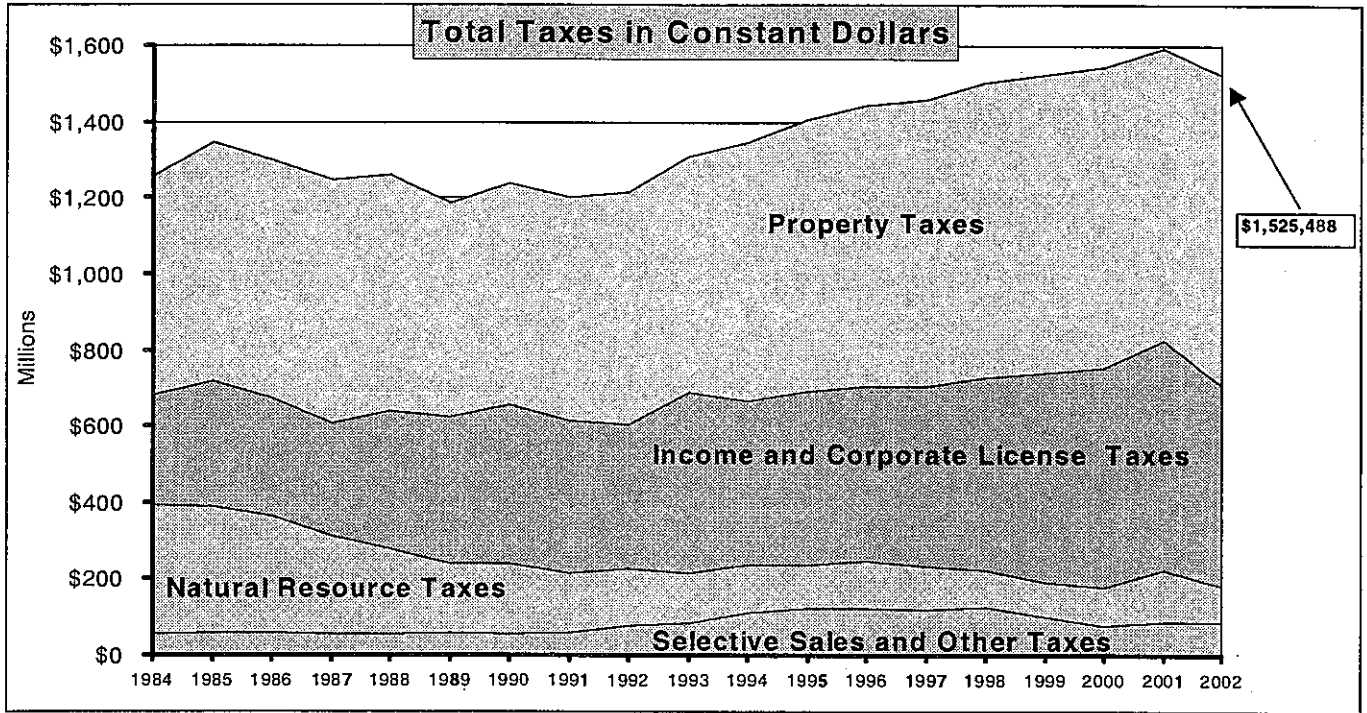
# Tax Structure - Actual Dollars

The first two charts show the change in taxes over time in *actual* dollars. These dollars are **not** adjusted for any effects due to inflation. The first chart shows growth in total taxes; the second chart shows how each component of total tax dollars has changed over time.



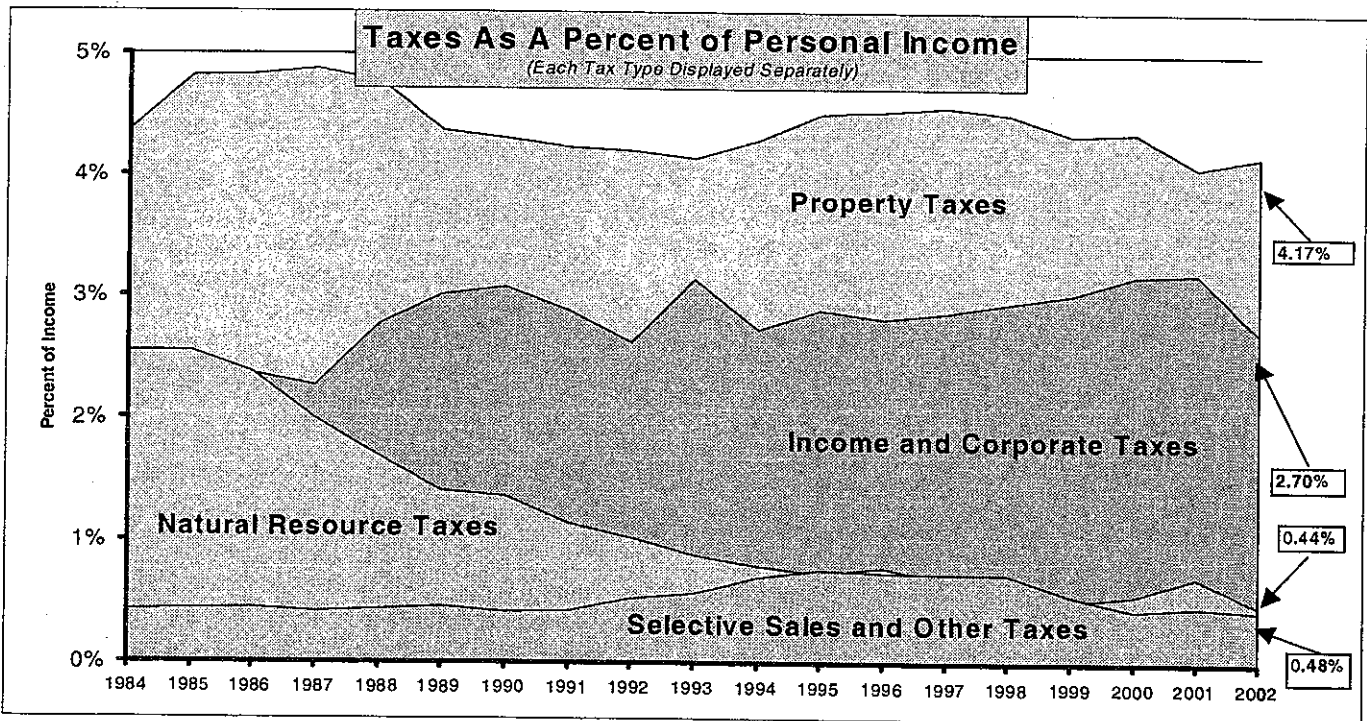
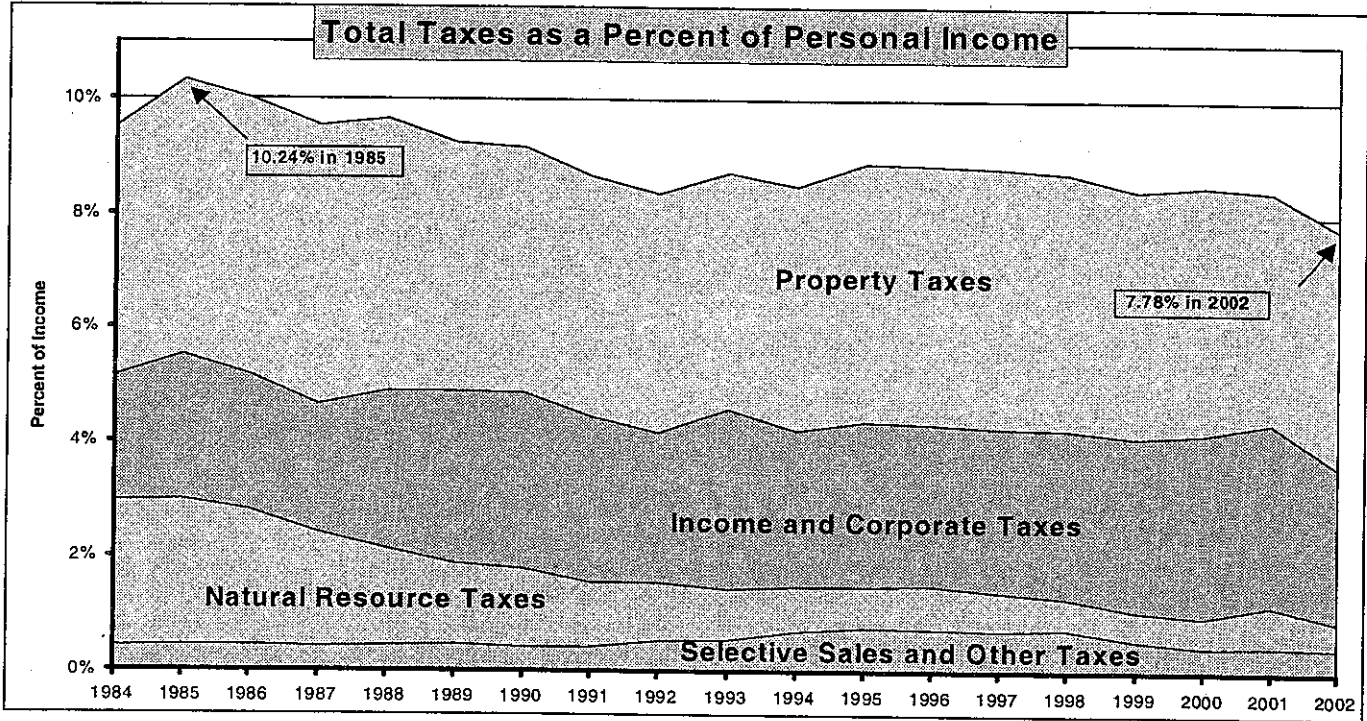
# Tax Structure - Constant Dollars

The next two charts show the change in taxes over time in constant 1996 dollars. These dollars, often referred to as "real" dollars, have been adjusted to remove the effects of inflation. The charts show the changes in each component of the tax structure



# Tax Structure - Taxes as a Percent of Income

The final two charts show actual taxes as a percent of Montana total personal income (TPI). The chart can be viewed as a general reflection of the share of total economic activity consumed by taxes in each year. Since 1984, total taxes as a percent of personal income have been as high as 10.24% in 1985, and as low as 7.78% in 2002.





**Department of Revenue State Collections - Fiscal Years 1996 - 2002**

	1996	1997	1998	1999	2000	2001	2002
<b>Individual Income Tax</b>							
Income Tax Withheld	\$ 278,399,600	\$ 313,213,643	\$ 338,489,478	\$ 354,150,183	\$ 366,445,198	\$ 393,209,335	\$ 403,857,414
Income Tax All Other	104,692,012	93,062,097	105,671,251	128,881,386	149,816,713	162,805,219	113,710,277
Subtotal	383,091,612	406,275,740	444,160,729	483,031,569	516,261,911	556,014,554	517,567,691
<b>Corporation License Tax</b>	75,761,891	81,999,138	77,928,498	89,624,560	99,088,870	103,670,487	68,173,254
<b>Natural Resources Taxes (State)</b>							
Coal Severance Tax	36,260,949	37,740,212	35,045,243	36,767,488	35,469,791	32,337,172	31,614,049
Oil Severance Tax	11,417,361	-	-	-	-	-	-
Natural Gas Severance Tax	1,412,006	-	-	-	-	-	-
Oil and Gas Producer's P&L Tax	825,583	-	-	-	-	-	-
Oil and Gas Production Tax	-	16,004,744	11,185,290	9,221,612	13,817,290	31,392,351	15,837,967
Resource Indemnity Trust Tax	3,351,177	1,345,199	1,379,111	1,273,739	13,232,102	1,077,072	1,224,307
Metaliferous Mines License Tax	6,941,131	4,648,564	3,977,699	5,700,013	4,661,369	5,923,752	5,740,242
Subtotal	60,208,207	59,738,719	51,587,343	52,962,852	67,180,552	70,730,347	54,416,565
<b>Other Taxes, Licenses and Services</b>							
Unemployment Insurance Tax	62,465,253	62,735,866	62,976,826	59,826,218	61,082,845	57,146,685	60,827,552
Old Fund Liability Tax	45,254,475	49,770,930	52,650,637	28,722,320	1,892,208	-	-
Cigarette Tax	12,969,137	13,267,374	13,244,550	12,265,347	11,766,271	11,628,458	11,052,174
Inheritance Tax (Net)	15,404,110	14,562,382	15,726,605	18,301,680	19,038,785	20,285,642	13,816,144
Lodging Facility Use Tax	9,197,924	9,509,673	10,008,143	10,773,706	11,184,192	11,348,328	12,015,697
Telephone License Tax	5,711,933	6,045,081	5,773,341	6,036,769	3,490,590	-	-
Telecommunications Excise Tax	-	-	-	-	6,366,299	18,838,200	19,593,501
Electrical Energy Tax	3,520,407	3,849,052	4,401,728	4,618,433	4,829,002	4,057,952	4,197,477
Wholesale Energy Transaction Tax	-	-	-	-	1,705,093	3,503,427	2,906,263
Nursing Facility Bed Tax	6,579,620	6,572,123	6,200,413	5,713,357	6,054,947	5,655,978	5,918,173
Public Service Regulation Tax	1,915,092	1,780,150	2,154,289	2,383,511	2,347,280	2,851,306	2,296,111
Tobacco Products Tax	1,579,547	1,702,313	1,801,084	1,817,971	2,042,241	2,097,590	2,228,524
Emergency Telephone 911 System	2,100,359	1,719,562	3,666,571	2,868,094	4,244,220	4,644,034	4,968,579
Contractor's Gross Receipts Tax	1,621,439	1,963,820	2,290,944	3,320,402	2,162,223	791,615	3,267,321
Rail Car Tax	780,125	6,309,000	2,054,244	2,074,000	2,100,600	1,555,747	1,489,813
Abandoned Property	1,272,859	1,240,407	1,831,638	1,247,508	1,809,387	1,930,446	1,349,765
Telecommunications Service Fee	598,763	683,717	728,017	570,089	850,586	845,505	1,080,299
Consumer Counsel Tax	815,801	781,279	779,809	877,935	929,731	1,049,394	855,308
Other Taxes, Licenses and Services	217,697	200,817	188,126	189,766	183,152	150,037	179,096
Subtotal	172,004,541	182,693,546	186,476,965	161,607,106	144,079,652	148,380,344	148,041,797
<b>Liquor Taxes, Profits, and Licenses</b>							
Liquor Profits, Licenses (to GF), Tax Receipts	11,191,611	10,260,292	11,394,940	12,085,603	12,258,887	12,358,114	11,597,749
Liquor, Beer, and Wine Taxes	12,094,518	11,074,324	11,440,392	11,891,047	12,673,526	12,900,328	13,426,398
Subtotal	23,286,129	21,334,616	22,835,332	23,976,650	24,932,413	25,258,442	25,024,147
<b>TOTAL COLLECTIONS</b>	<b>\$ 714,352,380</b>	<b>\$ 752,041,759</b>	<b>\$ 782,988,867</b>	<b>\$ 811,202,737</b>	<b>\$ 851,543,398</b>	<b>\$ 904,054,174</b>	<b>\$ 813,223,454</b>

# Overview of Individual Income Tax

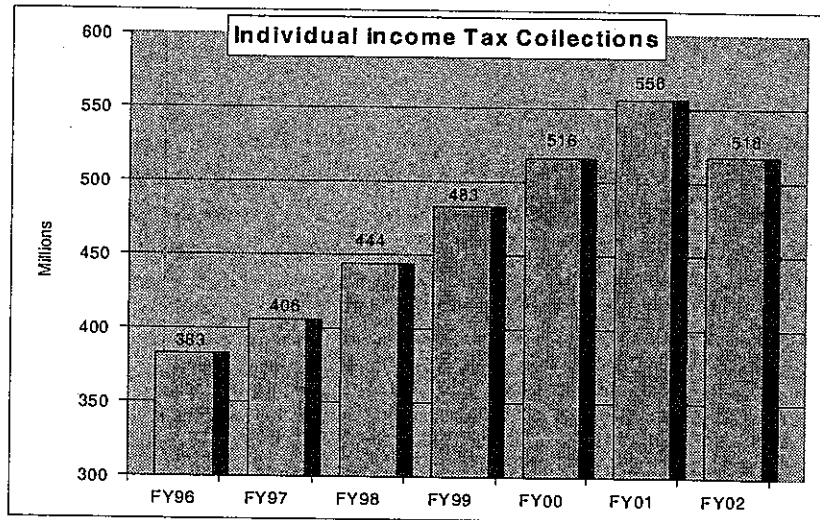
Montana's individual income tax was enacted in 1933 and continues to this day to be the largest source of state tax revenue. The state's income tax is viewed as a "progressive" tax system because income is taxed according to a graduated rate structure with rates ranging from 2% to 11% of taxable income. A progressive tax system taxes citizens with larger income at a higher rate than citizens with lower income.

Probably the most significant feature of Montana's income tax is the substantial reliance on the federal tax code. Often described as a "tie to federal" alignment, this reliance allows the state to establish the essential elements of this tax system by direct reference to federal definitions of income and deductions, and federal reporting procedures and protocol. This reliance is common among the 43 other states imposing individual income taxes. Most importantly, this approach allows both the state and its taxpayers to realize significant operating efficiencies. Without this parallel structure, Montanans would face increased complexity and substantially higher compliance costs.

The income tax statutes do, however, reflect Montana-specific tax policy as determined by previous legislative assemblies. These policy directives are found in the areas of additions and reductions to federal adjusted gross income, unique itemized deductions, and tax credits. Details relating to these unique features are presented in the following pages.

## Income Tax Collections

FY1996	\$ 383,091,612
FY1997	\$ 406,275,740
FY1998	\$ 444,160,729
FY1999	\$ 483,031,569
FY2000	\$ 516,261,911
FY2001	\$ 556,014,554
FY2002	\$ 517,567,691



Income tax revenues are collected primarily through employer withholding, periodic estimated tax payments, and payments made when the return is filed. Income tax revenues are distributed 100% to the general fund.

Since 1981, Montana's income tax has been indexed to changes in the Consumer Price Index (CPI). The personal exemption, standard deduction, and tax brackets are adjusted annually in response to inflation. During tax year 2001, the Department of Revenue processed 467,776 returns, 310,404 of which were refunds with an average refund of \$500.31. (MCA 15-30-101, et. seq.)

## Income Tax Returns and Refund Information

Calendar Year	Total Number of Income Tax Returns	Number of Returns With Refunds	Returns w/Refunds as Percent of Total Number	Average Refund
1994	408,843	225,801	55%	\$334.52
1995	421,180	246,505	59%	\$338.23
1996	433,105	261,034	60%	\$341.24
1997	437,443	268,616	61%	\$361.37
1998	422,565	257,791	61%	\$597.25
1999	433,483	279,377	64%	\$500.75
2000	457,859	292,522	64%	\$456.56
2001	467,776	310,404	66%	\$500.31

## Recent Legislative Changes - Income Tax

**HB143** generally revises and clarifies the reporting of income for pass-through entities. Among other things, the bill clarifies or provides definitions for the following terms: corporation, disregarded entity, internal revenue code, limited liability company, limited liability partnership, Montana source income, nonresident, partner, partnership, pass-through entity, and S. corporation, small business corporation.

**HB377** extends the termination date for the qualified endowment tax credit to December 31, 2007. The credit for individual income tax is reduced from 50% of the value of the planned gift up to \$10,000 to 40% of the value of the gift up to \$10,000. The credit for corporation license tax purposes is reduced from 50% of the value of any charitable gift to 20% of the value, with the maximum credit also retained at \$10,000. The bill also provides that charitable contributions using certain types of gifting techniques authorized by federal law will not be considered a "planned gift" unless certain stipulations are met.

**HB619** provides for a credit against individual income taxes equal to 20% of the cost of creating a conservation easement, and any decrease in value of a historically significant property, including buildings and structures, that results from a contract that places a conservation easement on the property. To qualify for the credit, the property, the property owner, and the conservation easement holder must all qualify based on stipulations provided in MCA 15-30-180(2).

**HB 623** provides for a non-refundable credit against corporate license tax or individual income tax for employers' expenditures on day care facilities that are acquired, constructed, reconstructed, renovated, or otherwise improved and placed in operation between January 1, 2001 and December 31, 2005. The tax credit is limited to the lesser of \$2,500 multiplied by the number of dependents the facility is designed to accommodate, 15% of the cost of the facility or improvement, or \$50,000. One-tenth of the new credit may be claimed in each of ten tax years, and the credit may be carried forward within that ten-year period.

**HB643** addresses commercial wind energy investments 5 megawatts or larger in size: that are located within the exterior boundaries of a Montana Indian reservation, for which the taxpayer has signed an employment agreement with the tribal government regarding the training and employment of tribal members in the construction, operation, and maintenance of the commercial system, and that offer contracts with a duration of at least 5 years to sell at least 33% of electrical energy produced at cost (plus a reasonable rate of return) to customers for use within Montana. For these investments, the bill eliminates the limitation on the credit to 60% of eligible costs, and extends the carry forward period to 15 years for taxpayers investing in the above situation.

**SB92** extends the termination date of the recycling tax credits and deductions in MCA 15-32-601 through 15-32-610 from December 31, 2001 to December 31, 2005. It also removes the provisions allowing the credit for property used to treat soil contaminated with hazardous waste.

**SB245** provides that an individual or a "family farm corporation" may create only one Montana farm and ranch risk management account, the trustee of which must be a financial institution. Annual deposits to the account, which cannot exceed the lesser of 20% of net income attributable to "agricultural business" included in federal adjusted gross income, or \$20,000, may be excluded from adjusted gross income for state individual income tax purposes. For any given tax year, a deposit to an account may be made during the tax year or within 3 ½ months following the close of the tax year.

**SB350** provides for a nonrefundable tax credit against individual income and corporation license tax for contributions to the affordable housing revolving loan account established in MCA 90-6-133. For individuals, the credit is equal to 20% of the amount of the donation, up to a maximum of \$10,000; for corporations the credit is equal to 10% of the amount donated up to \$10,000. The credit may not be carried forward or carried back. Also, the credit may not be claimed if the donation is taken as a deduction for tax purposes.

**SB15** (2002 special session) modifies the percentage and maximum credit amounts for the charitable endowment credit. For the period beginning on the date of passage and approval of the bill, the percentage for planned gifts is 30%, the percentage for out right gifts is 13.3%, and both gifts have a maximum credit of \$6,600. For the period beginning July 1, 2003 through April 30, 2004, the percentage for planned gifts is 50%, the percentage for out right gifts is 26.7%, and both gifts have a maximum credit of \$13,400. After April 30, 2004, the percentage for planned gifts is 40%, the percentage for out right gifts is 20% and both gifts have a maximum credit of \$10,000.



# Electronic Tax Reporting for Employers and Individuals

In this era of "reduced costs/improved service," the Montana Department of Revenue increasingly relies on electronic commerce for financial reporting.

**Electronic Commerce (EC)** - The realm of technology available to communicate electronically in the business setting.

**Electronic Data Interchange (EDI)** - The electronic transmission of information from one computer to or through multiple computers to another computer.

**Electronic Funds Transfer (EFT)** - An electronic remittance, including the transmission of information to ensure the debit/credit of appropriate accounts, which results in payment of a bill, tax, etc.

**Electronic Tax Reporting for Employers (ETR)** - The combination of EDI and EFT specific to the filing of employer tax returns.

**Electronic Filing for Individuals (E-file)** - Electronic data interchange specific to the filing of individual income tax returns.

**Automated Clearing House (ACH)** - Many electronic fund transfer transactions are processed and transmitted via an automated clearinghouse which provides enabling services such as paperwork processing, error tracking, etc. The National Association of Clearing House Administrators (NACHA) has developed transmission standards for users.

## Current Department Electronic Commerce Projects

**Electronic Filing For Individuals (E-file)** - The Montana Department of Revenue can accept electronically filed income tax returns from resident, part-year, and nonresident taxpayers in a joint project with the Internal Revenue Service. Taxpayers who file electronically with the IRS can have the information sent to the department as well. The information is received by the department electronically, reformatted, and input directly into the income tax system. Direct deposit is available to those taxpayers due a refund.

**Telefile for Individual Income Tax Returns** - Individual income tax returns can be filed over the telephone. Taxpayers must meet eligibility requirements and be invited to participate in this program. Return information is entered using the telephone keypad. The department can receive these filings 24 hours a day, seven days a week. The telefile computer does all the calculations and provides the taxpayer with a confirmation number. As with e-file, direct deposit of refunds is also available. Since January 1, 1997, the department has processed 75,216 returns with telefile (32,855 in FY97, 21,698 in FY98, and 20,663 in FY99).

**Electronic Tax Reporting for Employers (ETR)** - Electronic Tax Reporting consists of both the electronic filing of a return (EDI) and the electronic payment of the tax (EFT). ETR is accomplished through either an ACH credit or ACH debit. An ACH credit occurs when the taxpayer contacts his/her own bank to initiate a funds transfer. Included with the money is an information record which acts as the remittance advice. Under the ACH debit option, the taxpayer sends the electronic file directly to the department. The file consists of the remittance information and authorizes the department to withdraw a specific amount of money from the taxpayer's bank account. These banking transactions are easily automated, requiring very little human intervention.

**Benefits of Electronic Commerce** - These programs lessen the strain on current operations. Labor intensive, error prone manual processes are reduced. Electronic filing eliminates the need for opening envelopes and extracting information, manual sorting, data entry, error correction, and document storage and retrieval. In addition, electronic payment eliminates the need for a cashiering function.

Taxpayers benefit through the ease in filing and receiving their refunds in a timely manner. The programs have an acknowledgment process that is not included in paper return processing. The taxpayer receives notification that the department has accepted the return.

For updated information please see our web site at: <http://www.discoveringmontana.com/revenue>

# Calculation of Individual Income Tax

## Total Income

Total income includes salaries and wages, interest and dividends, state refunds, alimony, net business income, capital gain income, pension income, rents and royalties, net farm income, unemployment compensation, social security benefits and any other miscellaneous income.

## Less Adjustments To Income:

- Student Loan Interest
- IRA/Keogh Deductions
- Self-Employment Taxes (50%)
- Self-Employment Insurance Deductions
- Alimony Paid
- Moving Expenses

## Equals: Federal Adjusted Gross Income (FAGI)

## Plus Additions and Less Subtractions:

### Additions

- Non-Montana Local Government Interest
- Federal Tax Refunds
- Other Additions

### Subtractions

- 40% Capital Gain Exclusion (Pre - 1986)
- Elderly Interest Exclusion
- U.S. Savings Bond Interest Exclusion
- State Tax Refunds Included in FAGI
- Exempt Pension and Annuity Income
- Unemployment Benefits
- Tip Income
- Medical Savings Account
- First Time Homebuyers Savings Account
- Family Education Savings Account
- Other Reductions

## Equals: Montana Adjusted Gross Income (MAGI)

- Less Itemized Deductions or Standard Deduction
- Less Personal Exemptions

## Equals: Montana Taxable Income

Times Tax Table Rate

## Equals: Tax Before Credits

## Less Credits:

Out-of-State Credit, Planned Gift Credit, Rural Physician Credit, Contractors Gross Receipts Credit, Geothermal Energy Systems Credit, Recycling Credit, Energy Conservation Credit, Capital Company Credit, College Contribution Credit, Dependent Care Credit, Investment Credit, Elderly Care Credit, Wind-Powered Generation Equipment Credit, Alternative Fuel Credit, Health Insurance for Uninsured Montanans Credit, Infrastructure Users Fee Credit, Preservation of Historical Buildings Credit, Mineral Exploration Credit, Increased Research Credit, and Elderly Homeowners Credit.

## Equals: Tax After Credits

**Montana Individual Income Tax**  
**Comparison of Return Data, Full-Year Residents**  
**2000 vs. 2001**

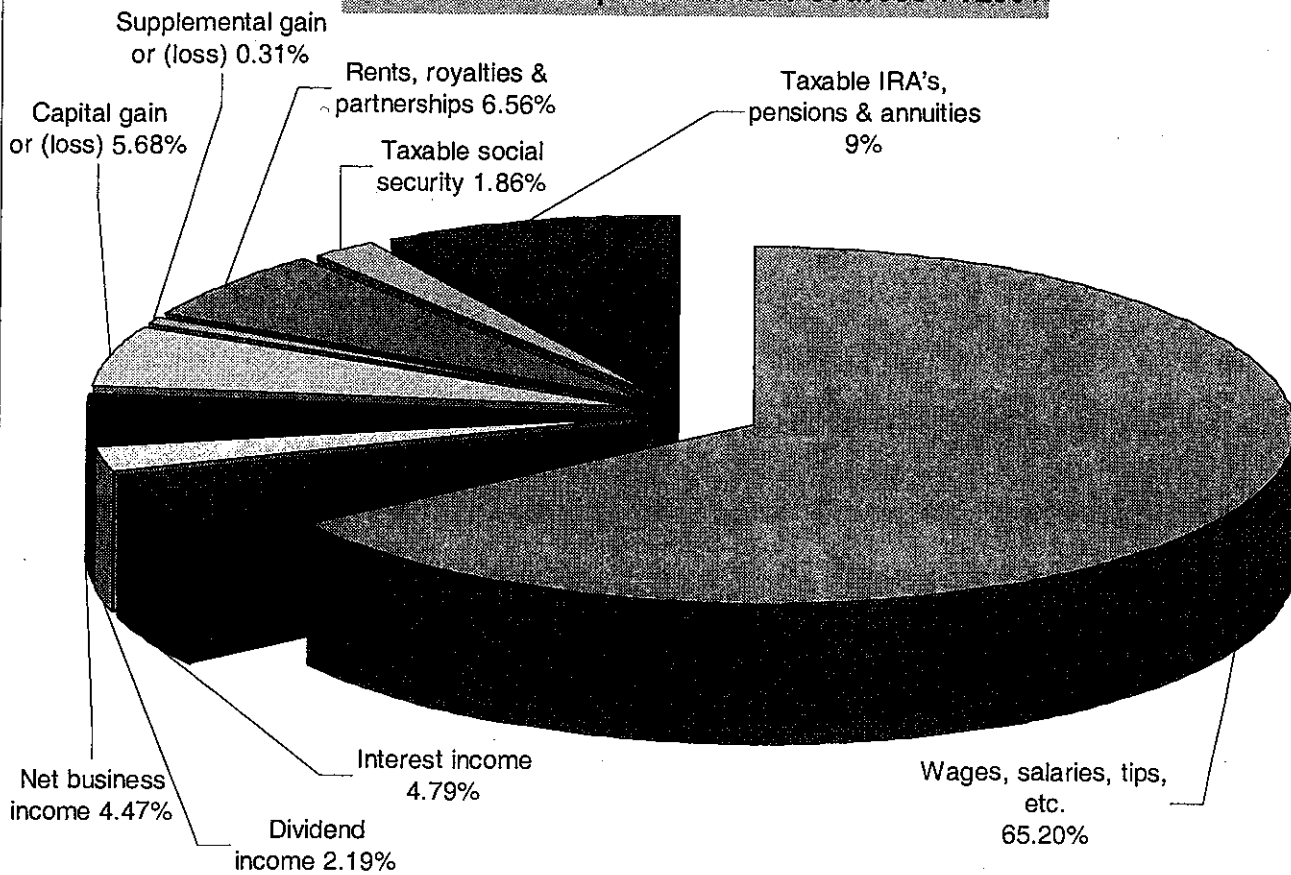
Item of Information	2000		2001		Difference in Total	
	Count	Total	Count	Total	Absolute	Percent
<b>EXEMPTIONS</b>						
Taxpayer exemptions	382,964	444,760	384,222	446,812	2,052	0.46%
Spouse exemptions	170,855	195,634	170,900	196,027	393	0.20%
Dependent exemptions	126,391	222,834	125,694	221,179	(1,655)	-0.74%
Handicapped children exemptions	1,408	<u>1,460</u>	1,393	<u>1,454</u>	<u>(6)</u>	<u>-0.41%</u>
<b>Total Exemptions</b>	<b>479,971</b>	<b><u>864,688</u></b>	<b>479,444</b>	<b><u>865,472</u></b>	<b><u>784</u></b>	<b><u>0.09%</u></b>
<b>INCOME ITEMS</b>						
Wages, salaries, tips, etc.	376,661	8,569,388,406	379,045	9,013,441,387	444,052,981	5.18%
Interest income	288,611	652,743,511	281,447	662,616,830	9,873,319	1.51%
Dividend income	149,938	374,794,193	139,272	302,464,371	(72,329,822)	-19.30%
Net business income	74,440	606,597,200	73,515	617,942,632	11,345,432	1.87%
Capital gain or (loss)	139,010	1,259,719,705	123,285	785,759,218	(473,960,487)	-37.62%
Supplemental gain or (loss)	17,487	46,175,253	17,256	42,906,157	(3,269,096)	-7.08%
Rents, royalties & partnerships	85,362	894,050,325	85,107	907,393,972	13,343,647	1.49%
Net farm income	22,889	(77,472,732)	22,145	(112,632,772)	(35,160,040)	-45.38%
Taxable social security	42,471	255,296,811	41,952	257,153,132	1,856,321	0.73%
Taxable IRA's, pensions & annuities	0	1,206,260,973	0	1,233,690,260	27,429,287	2.27%
Taxable individual retirement acc'ts	31,890	267,961,035	32,238	264,672,173	(3,288,862)	-1.23%
Taxable pensions & annuities	76,467	938,299,938	76,792	969,018,087	30,718,149	3.27%
Other income	136,660	<u>(32,693,707)</u>	141,396	<u>(22,436,200)</u>	<u>10,257,507</u>	<u>31.37%</u>
<b>Total Income</b>	<b>479,345</b>	<b>13,754,859,938</b>	<b>478,721</b>	<b>13,688,298,987</b>	<b>(66,560,951)</b>	<b>-0.48%</b>
IRA/Keogh/Self-empl. deductions	98,359	202,442,859	97,757	205,024,224	2,581,365	1.28%
<b>Federal Adjusted Gross Income</b>	<b>479,298</b>	<b>13,552,417,079</b>	<b>478,669</b>	<b>13,483,274,763</b>	<b>(69,142,316)</b>	<b>-0.51%</b>
<b>ADDITIONS</b>						
Interest on local govt bonds	15,795	42,518,667	14,922	44,552,431	2,033,764	4.78%
Federal income tax refunds	111,517	184,885,555	117,156	203,809,786	18,924,231	10.24%
Other additions	25,482	<u>145,637,746</u>	27,439	<u>146,694,821</u>	<u>1,057,075</u>	<u>0.73%</u>
<b>Total Additions</b>	<b>138,795</b>	<b>373,041,968</b>	<b>144,581</b>	<b>395,057,038</b>	<b>22,015,070</b>	<b>5.90%</b>
<b>FAGI Plus Additions</b>	<b>479,381</b>	<b>13,925,459,047</b>	<b>478,761</b>	<b>13,878,331,801</b>	<b>(47,127,246)</b>	<b>-0.34%</b>
<b>REDUCTIONS</b>						
Capital gains exclusion	738	2,753,579	539	1,792,204	(961,375)	-34.91%
Elderly interest exclusion	62,891	46,732,843	62,628	46,773,697	40,854	0.09%
Savings bonds interest exclusion	38,207	98,577,472	34,791	85,952,848	(12,624,624)	-12.81%
Exempt retirement income	43,534	156,465,588	44,483	161,621,214	5,155,626	3.30%
Unemployment compensation	24,384	50,685,840	26,385	59,504,425	8,818,585	17.40%
Medical savings accounts	3,364	6,777,035	3,907	8,242,749	1,465,714	21.63%
Family education savings accounts	876	2,118,416	1,345	3,415,825	1,297,409	61.24%
First-time home buyers accounts	297	739,084	366	912,566	173,482	23.47%
Other reductions	131,218	<u>442,097,368</u>	136,841	<u>470,668,689</u>	<u>28,571,321</u>	<u>6.46%</u>
<b>Total Reductions</b>	<b>212,088</b>	<b>806,947,225</b>	<b>216,105</b>	<b>838,884,217</b>	<b>31,936,992</b>	<b>3.96%</b>
<b>MT ADJ GROSS INCOME</b>	<b>476,197</b>	<b>13,118,511,822</b>	<b>475,437</b>	<b>13,039,447,584</b>	<b>(79,064,238)</b>	<b>-0.60%</b>

**Montana Individual Income Tax  
Comparison of Return Data, Full-Year Residents  
2000 vs. 2001**

Items of Information	2000		2001		Difference in Total	
	Count	Total	Count	Total	Absolute	Percent
<b>ITEMIZED DEDUCTIONS</b>						
Medical insurance premiums	106,549	200,002,957	104,500	217,940,463	17,937,506	8.97%
Medical and dental	62,440	184,849,463	65,888	203,239,099	18,389,636	9.95%
Long term care insurance premiums	8,749	13,502,837	8,790	14,061,406	558,569	4.14%
Federal income tax withheld	216,325	993,970,182	217,566	1,029,105,453	35,135,271	3.53%
Federal estimated tax paid	53,975	524,703,657	55,146	529,003,186	4,299,529	0.82%
Federal advance payment (TY2001 only)	0	0	209,909	73,574,954	73,574,954	NA
Federal income tax balance	59,557	209,620,945	65,010	214,879,592	5,258,647	2.51%
Federal income tax additional years	4,452	11,803,595	4,537	19,036,920	7,233,325	61.28%
Property taxes	185,791	239,539,241	186,615	248,404,235	8,864,994	3.70%
Other deductible taxes	130,455	43,249,518	125,018	35,414,255	(7,835,263)	-18.12%
Home mortgage interest	138,398	674,783,486	140,875	722,240,324	47,456,838	7.03%
Other interest	10,623	39,843,897	10,244	36,076,803	(3,767,094)	-9.45%
Charitable contributions	174,934	294,840,519	175,523	305,371,553	10,531,034	3.57%
Child/dependent care expenses	1,301	1,776,837	1,130	1,642,048	(134,789)	-7.59%
Casualty and theft losses	484	7,212,024	391	3,158,568	(4,053,456)	-56.20%
Employee business exp/other (Misc 1)	50,617	129,241,069	52,152	140,956,776	11,715,707	9.07%
Other misc. deductions (Misc 2)	1,788	3,770,804	1,750	3,760,967	(9,837)	-0.26%
Gambling losses	884	<u>5,692,095</u>	912	<u>4,839,289</u>	<u>(852,806)</u>	<u>-14.98%</u>
<b>Total Itemized</b>	<b>277,921</b>	<b>3,578,403,126</b>	<b>275,850</b>	<b>3,655,555,983</b>	<b>77,152,857</b>	<b>2.16%</b>
<b>TOTAL DEDUCTIONS</b>	<b>475,104</b>	<b>4,036,333,109</b>	<b>473,637</b>	<b>4,136,668,940</b>	<b>100,335,831</b>	<b>2.49%</b>
<b>VALUE OF EXEMPTIONS</b>	<b>479,971</b>	<b>1,444,028,900</b>	<b>479,444</b>	<b>1,488,611,730</b>	<b>44,582,830</b>	<b>3.09%</b>
<b>MONTANA TAXABLE INCOME</b>	<b>406,348</b>	<b>8,226,369,886</b>	<b>400,980</b>	<b>8,087,111,270</b>	<b>(139,258,616)</b>	<b>-1.69%</b>
Tax	406,348	518,211,874	400,980	498,294,819	(19,917,055)	-3.84%
Tax on lump sum distributions	161	<u>67,582</u>	178	<u>46,724</u>	<u>(20,858)</u>	<u>-30.86%</u>
<b>Tax before credits</b>	<b>406,370</b>	<b>518,279,456</b>	<b>401,010</b>	<b>498,341,543</b>	<b>(19,937,913)</b>	<b>-3.85%</b>
Investment credit recapture	21	598	20	3,906	3,308	553.18%
Montana tax withheld	363,148	359,985,310	309,889	374,352,388	14,367,078	3.99%
Estimated payments	50,577	150,310,568	49,328	135,547,232	(14,763,336)	-9.82%
Elderly homeowner/renter credit	11,914	<u>5,056,701</u>	12,858	<u>5,831,326</u>	<u>774,625</u>	<u>15.32%</u>
<b>Total Payments</b>	<b>402,497</b>	<b>515,352,579</b>	<b>405,641</b>	<b>515,730,946</b>	<b>378,367</b>	<b>0.07%</b>
<b>CREDITS</b>						
Physician credit for rural practice	82	289,738	82	284,082	(5,656)	-1.95%
College contribution credit	1,813	169,944	1,913	165,451	(4,493)	-2.64%
Charitable endowment credit	1,712	6,960,128	1,892	7,410,957	450,829	6.48%
Elderly care credit	46	54,657	57	64,247	9,590	17.55%
Other state/foreign tax credit	11,268	12,196,826	10,650	13,501,613	1,304,787	10.70%
Contractor's gross receipts credit	278	586,040	307	649,632	63,592	10.85%
Investment credit	45	7,657	25	4,765	(2,892)	-37.77%
Geothermal energy system credit	197	38,336	207	40,193	1,857	4.84%
Energy conservation credit	1,949	141,693	2,588	201,445	59,752	42.17%
Wind-powered generation credit	21	3,555	17	3,220	(335)	-9.42%
Recycling credit	60	261,529	35	102,071	(159,458)	-60.97%
Alternative fuels credit	6	3,215	4	2,924	(291)	-9.05%
Montana capital company credit	2	165,498	3	170,001	4,503	2.72%
Dependent care assistance credit	1	296	3	538	242	81.76%
Employee health insurance credit	96	70,666	68	93,618	22,952	32.48%
Infrastructure users fee credit	0	0	0	0	0	NA
Historic bldg. preservation credit	13	28,759	21	71,980	43,221	150.29%
Increased research activity credit	3	994	7	7,289	6,295	633.30%
Mineral exploration credit	2	192	1	893,841	893,649	465442.19%
Affordable housing RLA credit	0	0	4	<u>386</u>	<u>386</u>	NA
<b>Total Credits</b>	<b>16,104</b>	<b><u>20,979,723</u></b>	<b>16,975</b>	<b><u>23,667,867</u></b>	<b><u>2,688,144</u></b>	<b><u>12.81%</u></b>

# Components of Income Reported for Individual Income Tax

**Breakdown of Reported Income Sources TY2001**



**Montana Income Tax Returns  
Effective Tax Rate by Decile Group  
Full Year Resident Taxpayers - Tax Year 2001**

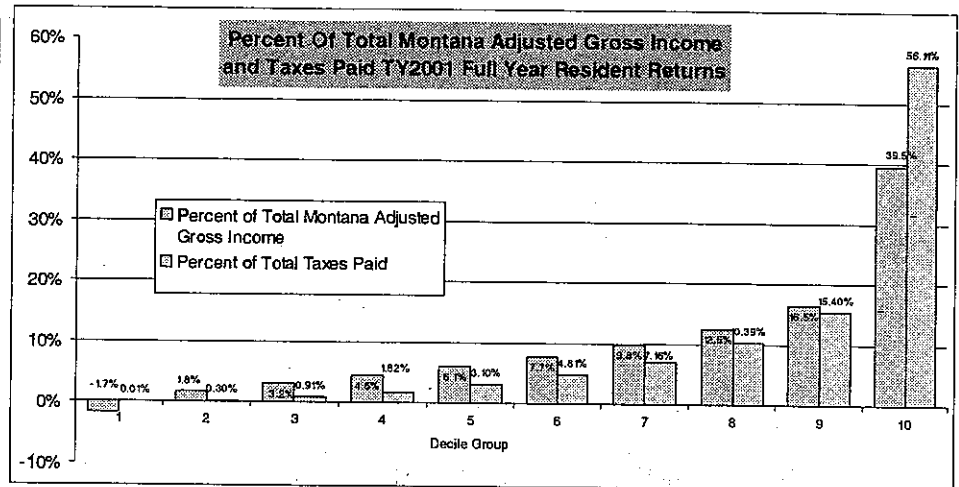
Decile Group	Montana Adjusted Income Range	Montana Adjusted Gross Income	Total Tax Liability	Returns In Bracket	Average Per Tax Payer	Effective Tax Rate
1	\$ 0 - \$ 3,216	(\$220,347,771)	\$22,852	47,944	\$0.48	0.00%
2	\$ 3,217 - \$ 6,749	238,781,548	1,369,366	47,944	28.56	0.60%
3	\$ 6,750 - \$ 10,453	411,206,497	4,547,172	47,944	94.84	1.06%
4	\$ 10,454 - \$ 14,448	596,279,377	9,204,055	47,944	191.98	1.46%
5	\$ 14,449 - \$ 18,650	791,705,841	15,669,490	47,944	326.83	1.87%
6	\$ 18,651 - \$ 23,650	1,008,808,685	24,593,503	47,944	512.96	2.28%
7	\$ 23,651 - \$ 30,169	1,282,774,350	36,784,680	47,944	767.24	2.67%
8	\$ 30,170 - \$ 38,538	1,636,431,997	52,509,358	47,944	1,095.22	3.04%
9	\$ 38,539 - \$ 53,035	2,145,467,162	78,119,433	47,944	1,629.39	3.43%
10	\$ 53,036 - and Above	5,148,339,838	275,474,910	47,944	5,745.76	5.22%
<b>Total</b>		<b>\$13,039,447,524</b>	<b>\$498,294,819</b>	<b>479,440</b>	<b>\$ 10,393</b>	<b>3.67%</b>

# Comparison of Income and Tax Paid by Decile Group

**Decile Grouping** is a very useful tool in tax burden analysis. The population is divided into ten equal groups by income level. Group 1 is the 10% of the population with the lowest incomes, while group 10 represents the 10% of the population with the highest incomes. The following tables show the tax year 2001 decile groups for full year resident taxpayers, the percent of total Montana adjusted gross income for each decile group and the percent of total tax paid by each decile group.

**2001 Comparison of Montana Adjusted Gross Income to Tax Paid by Decile Groups**

Decile Group	Percent MAGI	Percent Tax
1	-1.69%	0.01%
2	1.83%	0.30%
3	3.15%	0.91%
4	4.57%	1.82%
5	6.07%	3.10%
6	7.74%	4.81%
7	9.84%	7.16%
8	12.55%	10.39%
9	16.45%	15.40%
10	39.48%	56.11%

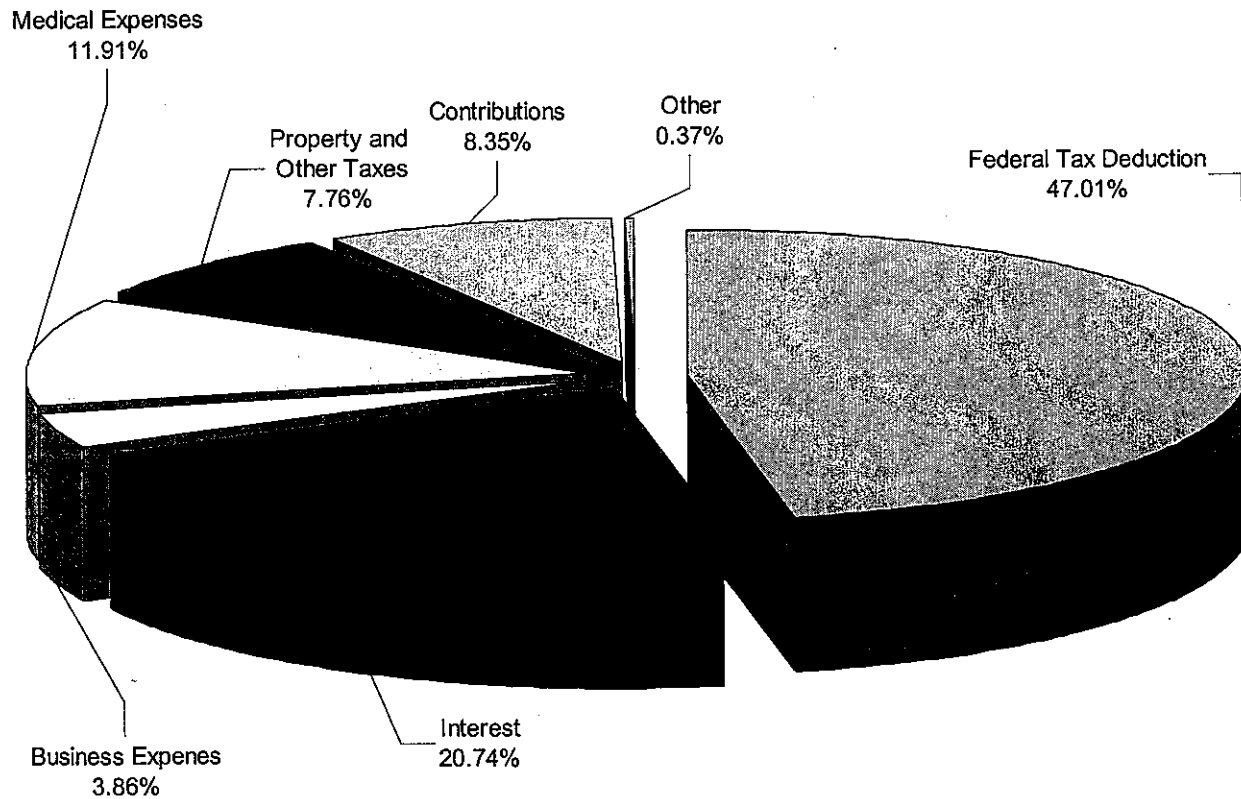


## Summary of Income Tax Credits - Full-Year Residents

CREDITS	Tax Year 2000			Tax Year 2001		
	Total Value of Tax Credits	Number of Returns	Average Per Return	Total Value of Tax Credits	Number of Returns	Average Per Return
Physician credit for rural practice	\$289,738	82	\$3,533	\$284,082	82	\$3,464
College contribution credit	169,944	1,813	94	165,451	1,913	86
Charitable endowment credit	6,960,128	1,712	4,065	7,410,957	1,892	3,917
Elderly care credit	54,657	46	1,188	64,247	57	1,127
Other state/foreign tax credit	12,196,826	11,268	1,082	13,501,613	10,650	1,268
Contractor's gross receipts credit	586,040	278	2,108	649,632	307	2,116
Investment credit	7,657	45	170	4,765	25	191
Geothermal energy system credit	38,336	197	195	40,193	207	194
Energy conservation credit	141,693	1,949	73	201,445	2,588	78
Wind-powered generation credit	3,555	21	169	3,220	17	189
Recycling credit	261,529	60	4,359	102,071	35	2,916
Alternative fuels credit	3,215	6	536	2,924	4	731
Montana capital company credit	165,498	2	82,749	170,001	3	56,667
Dependent care assistance credit	296	1	296	538	3	179
Employee health insurance credit	70,666	96	736	93,618	68	1,377
Infrastructure users fee credit	0	0	0	0	0	0
Historic bldg. preservation credit	28,759	13	2,212	71,980	21	3,428
Increased research activity credit	994	3	331	7,289	7	1,041
Mineral exploration credit	192	2	96	893,841	1	893,841
Affordable housing RLA credit	0	0	0	386	4	97
<b>Total Credits</b>	<b>\$20,979,723</b>	<b>16,104</b>	<b>\$1,303</b>	<b>\$23,667,867</b>	<b>16,975</b>	<b>\$1,394</b>

# Itemized Deductions for Individual Income Tax

**Breakdown of Itemized Deductions TY2001**



**Comparison of Itemized vs. Standard Deduction Filers  
Full-Year Resident Filers - Tax Year 2001**

Item	Standard Deductions	Allowable Itemized Deductions	Totals
Number of Returns	193,791	285,653	479,444
Percent of Returns	40%	60%	100%
Total Deductions	\$ 504,544,780	\$ 3,632,124,160	\$ 4,136,668,940
Average Deductions	\$ 2,604	\$ 12,715	\$ 8,628
Taxable Income	\$ 1,560,441,262	\$ 6,526,670,008	\$ 8,087,111,270
Average Taxable Income	\$ 8,052	\$ 22,848	\$ 16,868
<b>Deductions as a Percentage of Taxable Income</b>	<b>32%</b>	<b>56%</b>	<b>51%</b>

# Ranking of Income Tax Burdens Nationally and Regionally

## Comparison of Individual Income Tax Burdens All States - Tax Year 2001

Rank	State	Income Tax Collected (In Thousands)	Personal Income (In Thousands)	Tax Per Thousand \$ Of Personal Income
1	Oregon	4,384,324	97,813,547	44.82
2	Massachusetts	9,902,677	248,202,140	39.90
3	California	44,614,297	1,128,256,352	39.54
4	New York	26,442,534	684,773,804	38.61
5	Minnesota	5,906,184	164,588,791	35.88
6	Maine	1,161,738	34,384,068	33.79
7	North Carolina	7,526,282	225,233,835	33.42
8	Wisconsin	5,149,020	158,116,069	32.56
9	Idaho	1,030,528	32,524,914	31.68
10	Hawaii	1,105,058	35,509,586	31.12
11	Utah	1,705,271	54,883,681	31.07
12	Virginia	7,226,402	233,106,915	31.00
13	Connecticut	4,464,376	145,341,415	30.72
14	Rhode Island	928,203	31,995,433	29.01
15	Georgia	6,926,035	240,895,710	28.75
16	Delaware	720,034	25,853,206	27.85
17	Vermont	483,592	17,530,931	27.59
18	Colorado	3,893,395	147,860,094	26.33
19	Oklahoma	2,279,364	86,749,508	26.28
20	Kentucky	2,649,818	101,326,275	26.15
21	Kansas	1,988,460	76,972,623	25.83
<b>22</b>	<b>Montana</b>	<b>556,015</b>	<b>21,673,131</b>	<b>25.65</b>
23	Arkansas	1,564,621	61,612,669	25.39
24	Ohio	8,305,725	327,744,899	25.34
25	Maryland	4,724,074	189,141,723	24.98
26	Nebraska	1,227,092	49,489,022	24.80
27	West Virginia	1,020,690	41,230,293	24.76
28	New Jersey	7,989,222	326,723,335	24.45
29	Missouri	3,815,194	158,905,914	24.01
30	Iowa	1,888,847	79,893,017	23.64
31	Michigan	6,790,384	297,609,334	22.82
32	Indiana	3,779,805	169,885,402	22.25
33	South Carolina	2,128,740	101,110,225	21.05
34	New Mexico	830,006	42,353,504	19.60
35	Alabama	2,103,985	109,773,054	19.17
36	Pennsylvania	7,154,138	377,461,496	18.95
37	Illinois	7,668,717	412,199,759	18.60
38	Arizona	2,303,888	137,313,561	16.78
39	Mississippi	1,033,367	62,163,207	16.62
40	Louisiana	1,750,261	109,560,182	15.98
41	North Dakota	213,485	16,433,657	12.99
42	New Hampshire	76,651	42,985,971	1.78
43	Tennessee	198,071	154,910,561	1.28
States With No Income Tax				
44	Alaska	0	19,641,252	0.00
45	Florida	0	474,625,595	0.00
46	Nevada	0	62,966,282	0.00
47	South Dakota	0	20,173,940	0.00
48	Texas	0	609,489,206	0.00
49	Washington	0	191,763,140	0.00
50	Wyoming	0	14,544,084	0.00

Source: Income - BEA Annual State Personal Income TY2001, Income Tax - State Tax Collections TY2001 Census

## Individual Income Tax Burden Regional Ranking

High - Low Ranking	State	Tax Per \$1,000 PI
1	Oregon	44.82
2	Idaho	31.68
3	Utah	31.07
4	<b>Montana</b>	<b>25.65</b>
5	Arizona	16.78
6	North Dakota	12.99
7	Nevada	0.00
7	Wyoming	0.00
7	Washington	0.00



# Corporation License Tax

## Tax Rate

Montana's corporation license tax is a franchise tax levied on corporations, including banks and savings and loan associations, for "...the privilege of carrying on business in this state." The tax is levied at the rate of 6.75% on net income earned in Montana. Corporations making a "water's edge" election pay tax at a rate of 7%. Corporations whose only activity in Montana consists of making sales, and who do not own or rent real estate or tangible personal property, and whose annual gross income from sales in Montana does not exceed \$100,000 may elect to pay a tax equal to ½ of 1% of gross sales.

The starting point for the Montana corporation license tax is the corporation's federal taxable income. Net operating losses of the corporation may be carried forward for a period of three years, and may be carried back for a period of seven years. Corporations conducting business that is taxable both in and outside the state (multistate corporations) are required to allocate income to Montana based on an equally-weighted, three-factor apportionment formula. Sales, property, and payroll comprise the three factors used in the apportionment formula.

There is a minimum payment of \$50. However, if a corporation has no property, payroll, or sales in Montana during the tax period, it is exempt from paying the minimum tax. All Montana corporations not otherwise exempt from the corporation license tax must file a tax return even if they are exempt from the minimum payment.

Corporations electing to file as subchapter S-corporation for federal income tax purposes must also file as an S-corporation for Montana tax purposes. S-corporations are not subject to tax; instead, the income of these corporations flows through to individual shareholders and is subject to the state's individual income tax.

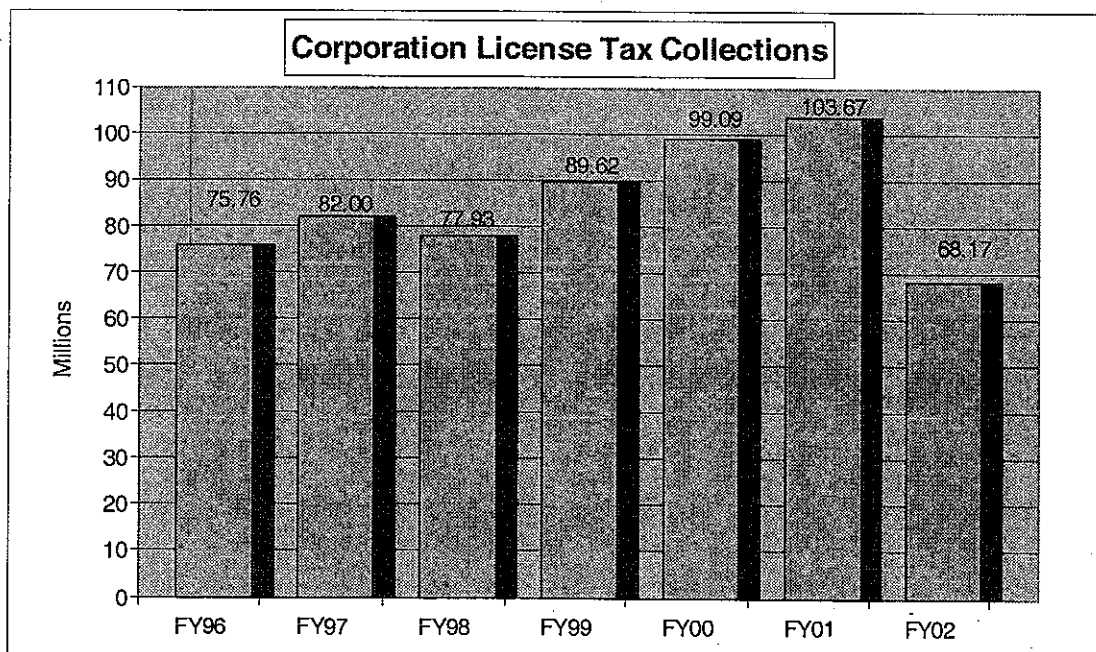
### Corporation Tax Returns Returns Filed in FY 2002

Regular Corporations	16,689
S-Corporations	16,401
<b>Total Corporations</b>	<b>33,090</b>
Corporations Paying \$50 Min. Tax	9,740
Corporations Paying More Than \$50 Tax	6,152
Corporations Paying No Tax	797
<b>Total Regular Corporations</b>	<b>16,689</b>

Organizations exempt from the corporation license tax include labor, agricultural, or horticultural organizations; non-profit corporations; fraternal organizations, societies, or associations; and domestic international sales corporations (DISCs). Research and development (R&D) firms organized to engage in business for the first time in Montana are not subject to the corporation license tax for the first five years of operation.

## Corporate License Tax Collections

The table below shows total corporate license tax collections from fiscal year 1996 to 2002.



Prior to HB124 (2001), 80% of the corporation license tax paid by financial institutions was returned to the county in which the financial institution is located. Under current law, 100% of corporation license taxes, included taxes paid by financial institutions, is deposited in the state general fund.

### Corporation License Tax Collections

	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002
Non-Financials	\$63,665,234	\$68,613,383	\$67,673,725	\$77,771,879	\$88,581,126	\$ 94,422,466	\$58,863,651
Financials	12,096,657	13,385,755	10,254,773	11,852,680	10,507,744	9,248,021	9,309,603
<b>Total Collections</b>	<b>\$75,761,891</b>	<b>\$81,999,138</b>	<b>\$77,928,498</b>	<b>\$89,624,559</b>	<b>\$99,088,870</b>	<b>\$103,670,487</b>	<b>\$68,173,254</b>

Corporations may take a variety of tax credits including the contractor's gross receipts tax credit; the Montana capital company credit; the investment credit; a credit for employee disability insurance; the recycling tax credit; the charitable endowment contribution credit; the new or expanded industry credit; the credit for dependent care assistance and referral services; a credit for day care facilities; a credit for certain research expenses; the historic building preservation credit; and the credit for contributions to the affordable housing revolving loan account.

### Montana Corporation License Tax Credits

Credit	----- Fiscal Year 2001 -----		----- Fiscal Year 2002 -----	
	Number of Corps	Credit Amount	Number of Corps	Credit Amount
Contractor's Gross Receipts Tax Credit	119	\$ 709,652	121	\$1,048,955
Charitable Endowment Credit	127	703,420	125	622,099
Montana Recycling Credit	7	87,912	6	119,060
Credit for Increasing Research Activities	5	13,031	8	684,774
Credit Contribution Univ or MT Private College	36	8,221	28	6,737
Montana Capital Company Credit	15	9,047	15	2,695
Disability Insurance - Uninsured Montanans Credit	11	7,566	2	1,219
Credit for Alternative Fuel Motor Vehicle Conv	1	2,760	1	7,000
Dependent Care Assistance Credit	5	1,846	3	4,790
New/Expanded Industry Credit	1	1,721	1	994
Historical Building Credit	2	1,709	3	12,884
Infrastructure Users Fee Credit	1	100	1	36,295
Interest Differential Credit	0	-	0	-
Carryover of Montana Investment Credit	0	-	0	-
<b>Total Credits</b>		<b>\$1,546,985</b>		<b>\$2,547,502</b>

#### Filing Dates

The corporation license tax return is due on the 15<sup>th</sup> day of the fifth month following the end of the corporation's taxable year. Corporations are entitled to an automatic 6-month extension for filing a return, with tax plus interest due at the time the return is filed.

#### Estimated Payments

Corporations whose estimated tax for the period is \$5,000 or more are required to make quarterly estimated tax payments on the 15<sup>th</sup> day of the fourth, sixth, ninth and twelfth months of their tax year. The required annual total estimated payment is 80% of the tax shown on the return, or 100% of the tax for the prior year.

#### Penalties and Interest

Corporations who fail to pay a tax when due may be assessed a late payment penalty of 1.5% per month on the unpaid tax, up to a maximum penalty of 18% of the tax due. Interest on unpaid taxes accrues at the rate of 12% per year, accrued at 1% per month or fraction of a month on the unpaid tax.

## Comparison of Corporate Tax Rate With Other States

There are 44 states that have a similar tax. The schedule below shows the rates vary from a low of 4% to a high of 12%. Montana ranks 29th with a rate of 6.75%.

### Maximum Corporate Tax Rate Regional Ranking

High - Low Ranking	State	Tax Per \$1,000 PI
1	North Dakota	10.50%
2	Idaho	7.60%
3	Arizona	6.97%
<b>4</b>	<b>Montana</b>	<b>6.75%</b>
5	Oregon	6.60%
6	Utah	5.00%
7	Nevada	0.00%
7	Wyoming	0.00%
7	Washington	0.00%

Source: Federation of Tax Administrators, Tax Rates as of September 18, 2002.

\*States that have an alternative form of corporation tax not necessarily based on income.

\*\*States with a graduated rate corporation income tax. Highest rate is shown.

### Ranking of States By Maximum Corp. Tax Rate All States Highest to Lowest - Tax Year 2001

Rank	State	Maximum Tax Rate
1	Iowa**	12.00%
2	North Dakota**	10.50%
3	Pennsylvania	9.99%
4	Minnesota	9.80%
5	Vermont**	9.75%
6	Massachusetts	9.50%
7	Alaska**	9.40%
8	New Jersey	9.00%
9	Rhode Island	9.00%
10	West Virginia	9.00%
11	Maine**	8.93%
12	California	8.84%
13	Delaware	8.70%
14	New Hampshire	8.50%
15	Ohio**	8.50%
16	Kentucky**	8.25%
17	Louisiana**	8.00%
18	Indiana	7.90%
19	Wisconsin	7.90%
20	Nebraska**	7.81%
21	Idaho	7.60%
22	New Mexico**	7.60%
23	Connecticut	7.50%
24	New York	7.50%
25	Illinois	7.30%
26	Maryland	7.00%
27	Arizona	6.97%
28	North Carolina	6.90%
29	<b>Montana</b>	<b>6.75%</b>
30	Oregon	6.60%
31	Alabama	6.50%
32	Arkansas**	6.50%
33	Hawaii**	6.40%
34	Missouri	6.25%
35	Georgia	6.00%
36	Oklahoma	6.00%
37	Tennessee	6.00%
38	Virginia	6.00%
39	Florida	5.50%
40	Mississippi**	5.00%
41	South Carolina	5.00%
42	Utah	5.00%
43	Colorado	4.63%
44	Kansas	4.00%
45	Michigan*	0.00%
46	Nevada*	0.00%
47	South Dakota*	0.00%
48	Texas*	0.00%
49	Washington*	0.00%
50	Wyoming*	0.00%

## Montana Taxation of Natural Resources

Historically, Montana has relied on its store of natural resource wealth as a primary source of tax revenue. So significant is this source of revenue, that it has been likened to the "third leg" of Montana's tax stool, supplementing the individual income and property tax as the three major sources of revenue in the state. However, it should be noted that state revenues from natural resource taxes in 2002 were 45% of fiscal 1985 collections.

This section discusses the characteristics of each of the different natural resource taxes in Montana. Generally, natural resource taxes may be categorized as either severance/license taxes, or some form of ad valorem (property) taxes. Details of natural resource taxes are provided in subsequent subsections. Information provided includes tax rates, filing requirements, disposition of the tax, production tax incentives, and recent revenue collections.

### Natural Resource Tax Collections - FY2002

	Fiscal 2002 Collections
<b>State Severance and License Taxes</b>	
Coal Severance Tax	\$31,614,049
Oil & Gas Production Tax (State Share)	2,189,530
Metalliferous Mines License Tax	5,740,242
Resource Indemnity and Groundwater Assessment Tax (RIGWAT)	1,224,307
Total State Collections	\$40,768,128
<b>Local Government Ad Valorem and Severance Taxes</b>	
Coal Gross Proceeds Tax	\$10,634,959
Oil & Natural Gas Production Tax (Local Government Share)	34,465,644
Metal Mines Gross Proceeds Tax (estimated)	3,928,018
Miscellaneous Mines Net Proceeds Tax (estimated)	2,715,524
Total Local Government Collections	\$51,744,145

# Coal Severance Tax

## Tax Rate

The coal severance tax applies to the value of coal f.o.b. (free-on-board) at the mine less deductions for taxes, fees, government and tribal royalties, and processing allowances. (MCA 15-35-102)

Producers of over 50,000 tons of coal per year pay a quarterly tax on all production in excess of 20,000 tons. Producers of less than 50,000 tons per year are exempt from the tax. Surface mined coal is taxed at 15% of value if rated 7,000 BTU per pound and over and taxed at 10% of value if rated under 7,000 BTU per pound. Coal mined underground is taxed at 4% if rated 7,000 BTU per pound and over, and is taxed at 3% if rated under 7,000 BTU per pound.

Coal Severance Tax Rates		
Heating Quality (BTU* per pound)	Surface Mining	Underground Mining
Under 7,000 BTU	10% of value	3% of value
7,000 BTU and over	15% of value	4% of value

\*BTU stands for British Thermal Unit

## Value of Coal

The value of coal to which the severance tax is applied is the "contract sales price." The contract sales price is the price of coal extracted and prepared for shipment f.o.b. mine, less that amount required to pay production taxes. Production taxes include the state severance tax, resource indemnity and groundwater assessment tax (RIGWAT), local gross proceeds taxes, federal reclamation taxes, and the federal Black Lung Tax. The contract sales price includes royalties up to \$0.15 per ton paid to federal and state governments, or Indian tribes, and all royalties paid to other mineral rights owners.

## Production Incentives

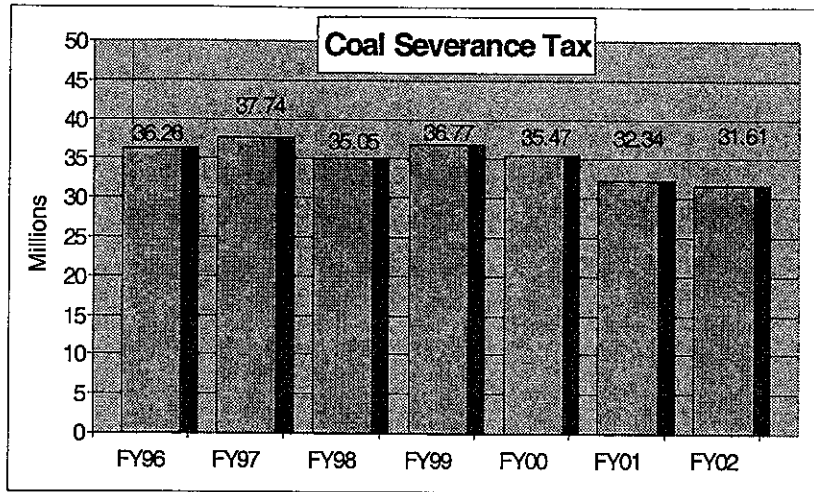
Persons producing less than 50,000 tons of coal in a year are exempt from severance tax. Persons producing in excess of 50,000 tons per year are exempt from severance tax on the first 20,000 tons produced. Effective calendar year 1995, a person is not liable for any severance tax upon the first 2,000,000 tons of coal produced as feedstock for an approved coal enhancement facility. This exemption terminates December 31, 2005. Coal used in a power plant constructed between 2002 and 2008 that offers half of the electricity it produces for sale in Montana at a rate set by the Public Service Commission is to be taxed at one-third of the normal rate.

## Filing Requirements

Coal mine operators are required to file quarterly statements containing information sufficient to calculate the tax due. Tax payments are due at the time of filing (within 30 days following the close of each calendar quarter).

## Collection of Coal Severance Tax

Coal Severance Tax Collections							
	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002
Severance Tax Collected	\$36,260,949	\$37,740,212	\$35,045,243	\$36,767,488	\$35,469,791	\$32,337,172	\$31,614,049
Number of Producers	5	5	5	5	5	5	5
Number of Tons Taxed	32,185,754	33,271,338	35,501,422	34,975,407	35,077,422	32,317,962	33,148,533
Average Value per ton	\$ 7.75	\$ 7.49	\$ 6.78	\$ 6.00	\$ 6.43	\$ 6.23	\$ 6.38



### Distribution of Coal Severance Tax Revenue

Coal severance tax collections are distributed to several trusts, funds, and programs, with 50% of revenues deposited into the Permanent Coal Trust Fund as mandated by the state constitution. The adjacent table details current law coal severance tax distributions.

	FY00 - FY02	FY03
Coal Tax Trust Fund	50.00%	50.00%
General Fund	26.79%	33.04%
Long Range Building Fund	12.00%	10.00%
Local Impact Fund	8.36%	6.01%
Parks Acquisition	1.27%	0.00%
Renewable Resource Loan Fund	0.95%	0.95%
Capitol / Art Trust Fund	0.63%	0.00%
<b>Total Distributions</b>	<b>100.00%</b>	<b>100.00%</b>

## Coal Severance Tax Trust Funds

Half of coal severance tax collections are deposited in the coal tax trust funds. The Coal Severance Tax Bond Fund and Coal Severance Tax School Bond Contingency Loan Funds are reserve funds to guarantee repayment of state and school bonds if the normal funding source is unavailable. Having these funds allows the state to borrow at lower interest rates. Interest on these two funds and on the Coal Severance Tax Permanent Fund is deposited in the state general fund. Interest on the Treasure State Endowment Fund is to be used for local infrastructure projects. Interest on the Treasure State Endowment Regional Water System Fund is to be used for regional water systems.

Fund	Principal			
	FY1999	FY2000	FY2001	FY2002
Coal Severance Tax Bond Fund	\$ 11,066,948	\$ 6,933,282	\$ 9,586,515	\$ 9,403,227
Treasure State Endowment Fund	64,749,752	76,976,715	87,664,755	99,311,288
Coal Severance Tax Fund	541,587,573	544,861,285	545,160,833	543,584,807
Regional Water System Fund	-	3,441,977	6,987,709	10,869,886
School Bond Contingency Loan Fund	2,177,740	2,177,740	-	-
<b>Total Trust Fund Principal</b>	<b>\$619,582,013</b>	<b>\$634,390,999</b>	<b>\$649,399,812</b>	<b>\$663,169,208</b>
Fund	Interest			
	FY1999	FY2000	FY2001	FY2002
General Fund	\$ 41,177,971	\$ 39,195,203	\$ 37,639,527	\$ 37,605,247
Local Infrastructure Projects	5,030,847	5,123,375	5,801,525	6,804,839
Regional Water Systems	-	32,058	370,164	643,133
<b>Total Trust Fund Interest</b>	<b>\$ 46,208,818</b>	<b>\$ 44,350,636</b>	<b>\$ 43,811,216</b>	<b>\$ 45,053,219</b>

# Coal Gross Proceeds Tax

## Tax Rate

Legislation passed during the 1989 special session established a flat 5% tax on coal gross proceeds.

## Value of Coal

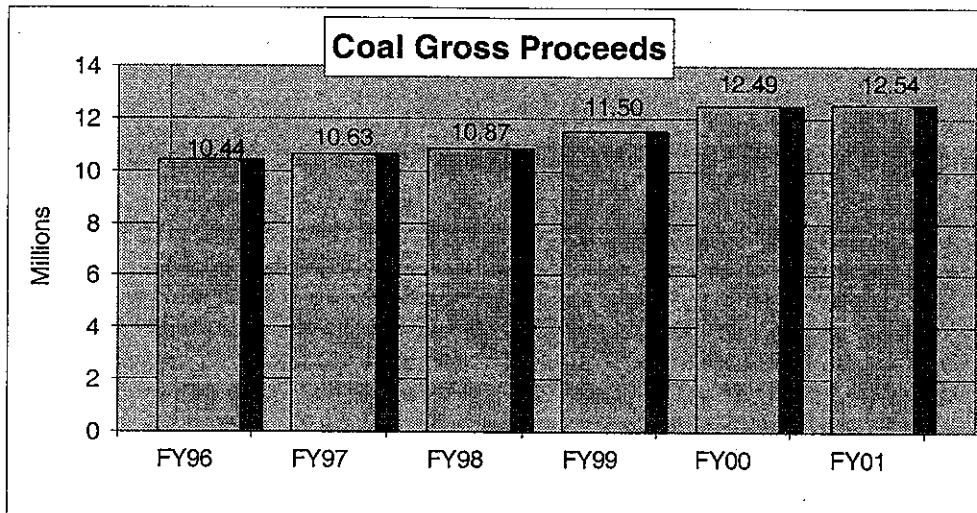
The gross proceeds of coal is determined by multiplying the number of tons produced times the contract sales price.

Coal Gross Proceeds Tax						
Tax Year	TY1996	TY1997	TY1998	TY1999	TY2000	TY2001
Tons	33,246,326	33,772,470	36,195,263	35,656,533	33,456,998	33,281,024
Gross Value	\$351,392,113	\$ 351,551,736	\$308,119,966	\$323,056,504	\$302,646,145	\$301,864,347
Gross Proceeds	\$249,836,850	\$ 250,878,184	\$217,415,975	\$229,967,925	\$212,699,186	\$208,870,891
Tax	\$ 12,491,842	\$ 12,543,909	\$ 10,870,799	\$ 11,498,396	\$ 10,634,959	\$ 10,443,545

## Filing Requirements

On or before March 31 of every year, each person or firm engaged in mining coal must file a statement of gross yield for every mine operated in the preceding year. The producer must pay 50% of the taxes due on or before November 30; the remaining 50% is due on or before May 31 of the following year.

## Collection of Coal Gross Proceeds Tax



## Distribution of Coal Gross Proceeds Tax

The revenue is proportionally distributed to the appropriate taxing jurisdictions in which production occurred based on the total number of mills levied in fiscal year 1990.

# Metalliferous Mines License Tax

## Tax Rate

Mining operations in which metal or gems are extracted are subject to the metalliferous mines license tax, which is based on the gross value of the product.

The first \$250,000 of gross value of concentrate shipped to a smelter, mill, or reduction work is exempt from taxation and the increment above \$250,000 is taxed at 1.81% of gross value. The first \$250,000 of gross value of gold, silver, or any platinum-group metal that is dore, bullion, or matte that is shipped to a refinery is exempt from taxation and the increment above \$250,000 is taxed at 1.6% of gross value. Shipping and refining costs are deducted from revenue to determine gross value. (MCA 15-37-102, 103)

Metalliferous Mines License Tax Rates		
Product	Gross Value Of Product	Tax Rate
Dore/Bullion/Matte	First \$250,000	0.00%
	Over \$250,000	1.60%
Concentrates	First \$250,000	0.00%
	Over \$250,000	1.81%

## Gross Value

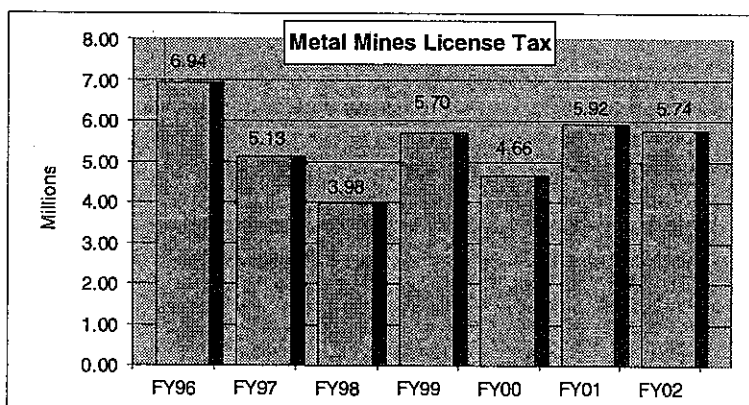
The value to which the tax rate is applied is the monetary payment the mining company receives from the metal trader, smelter, roaster, or refinery, determined by multiplying the quantity of metal received by the metal trader, smelter, roaster, or refinery by the quoted price for the metal and then subtracting basic treatment and refinery charges, quantity deductions, price deductions, interest and penalty, metal impurity, and moisture deductions as specified by contract between the mining company and the receiving metal trader, smelter, roaster, or refinery. Deductions also are allowed for the cost of transportation from the mine or mill to the smelter, roaster, or refinery.

## Filing Requirements

Beginning in 2003, reports and payment of metal mines tax are due twice a year, on or before March 31 and August 15.

## Metalliferous Mines License Tax Collections

Metalliferous Mines License Tax			
Year	Number of Producers	Gross Value	Total Tax
FY1996	8	\$323,201,965	\$ 6,941,131
FY1997	14	\$307,986,391	\$ 4,648,563
FY1998	10	\$302,013,004	\$ 3,977,699
FY1999	5	\$298,741,683	\$ 5,700,013
FY2000	5	\$324,743,563	\$ 4,661,369
FY2001	5	\$352,909,344	\$ 5,923,752
FY2002	4	\$374,454,984	\$ 5,740,242



## Distribution

Except in fiscal 2003, 58% of the revenue is deposited in the general fund; 8.5% in the abandoned mines account; 7% in the reclamation and development grants account; 2.5% in the hard-rock mining impact trust account; and 24% to the county or counties identified as experiencing fiscal and economic impacts under an impact plan. If no such plan has been prepared, that same 24% goes instead to the county in which the mine is located (MCA 15-37-117). In fiscal 2003, no revenue goes to reclamation and development grants and 65% goes to the general fund.



## Metal Mines Gross Proceeds Tax

### Tax Rate

For property tax purposes, the taxable value of metal mines is equal to 3% of annual gross proceeds. This amount is then subject to local mill levies in the jurisdictions in which the taxable value of the mining operation is allocated. Metal mines that produce less than 20,000 tons of ore in a year are exempt from property taxation on one-half of the merchantable value. (MCA 15-23-801,802)

### Gross Value

Total gross proceeds means the monetary payment or refined metal received by the mining company from the metal trader, smelter, roaster, or refinery, determined by multiplying the quantity of metal received by the quoted price for the metal and then subtracting basic treatment and refinery charges, quantity deductions, price deductions, interest and penalty, metal impurity, and moisture deductions as specified by contract.

### Metal Mines Gross and Taxable Value of Production

Annual Production	Gross Value	Taxable Value
1996	\$302,584,184	\$ 9,066,330
1997	\$301,805,597	\$ 9,049,227
1998	\$276,229,167	\$ 8,282,055
1999	\$282,110,429	\$ 8,460,977
2000	\$367,081,367	\$11,012,441
2001	\$355,644,688	\$10,669,341

### Filing Requirements

Metal mines tax reports are required to be filed by March 31 of each year, showing the total gross proceeds of metal mined during the preceding calendar year.

### Distribution of Metal Mines Gross Proceeds Tax

The metal mines gross proceeds tax is class 1 of the property tax. Property tax is allocated to taxing jurisdictions based on their mill levies.

## Micaceous Mines License Tax

Micaceous minerals are those that are generally classified as complex silicates, and include such minerals as vermiculite, perlite, kernite, maconite, bentonite, silica, and bauxite etc. There have been no micaceous mines license tax collections in the last eight fiscal years because there has been no production. All proceeds from the micaceous mines license tax are deposited in the state general fund.

### Tax Rate

There is a tax of \$0.05 per ton of concentrates mined, extracted, or produced.

### Filing Requirements

Operators of micaceous mineral mines are required to file quarterly statements showing the number of tons of micaceous minerals mined. Quarterly returns, along with the accompanying tax payment, are due within 30 days following the end of each calendar quarter.

# Miscellaneous Mines Net Proceeds Tax

## Tax Rate

For property tax purposes, the taxable value of mines other than metal and coal mines (bentonite, talc, vermiculite, etc.) is equal to 100% of annual net proceeds. This amount is then subject to local mill levies in the jurisdictions where the mining operation is located.

## Value of Minerals

<b>Miscellaneous Mines Net Proceeds Imputed Value of Minerals</b>	
Talc	\$5.81 per ton for 2003 production, adjusted annually for inflation
Coal	Contract sales price per ton reported for coal severance tax
Vermiculite	\$33.80 per ton for 2003 production, adjusted annually for inflation
Limestone for Quicklime	\$0.39 per ton for 2003 production, adjusted annually for inflation
Industrial Garnets	\$22.67 per ton for 2003 production, adjusted annually for inflation
All Other Minerals	Gross proceeds minus allowable costs

## Exemptions

Sand, gravel, travertine and building stone are exempt from mines net proceeds taxation. Producers of industrial garnets are exempt from mines net proceeds taxation on the first 1,000 tons of production.

## Filing Requirements

Miscellaneous mines tax reports are due by March 31 of each year, showing the total gross proceeds of minerals mined during the preceding calendar year, and information on costs associated with the mining operation sufficient to allow calculation of the net proceeds from the operation.

## Distribution of Miscellaneous Mines Net Proceeds Tax

The net proceeds of miscellaneous mines is subject to mill levies of those taxing jurisdictions in which the mine is located. The tax is distributed on the basis of relative mills levied by all jurisdictions levying taxes in the area.

<b>Miscellaneous Mines Net Proceeds Tax</b>					
Tax Year	Tons	Gross Value	Net Proceeds	Taxable Royalties	Taxable Value
1996 Production	3,336,562	\$ 17,661,045	\$6,704,050	\$ 169,684	\$6,873,734
1997 Production	4,353,042	\$ 22,627,631	\$7,076,916	\$ 421,834	\$7,498,750
1998 Production	2,546,160	\$ 18,073,480	\$6,908,942	\$ 289,372	\$7,198,314
1999 Production	2,321,605	\$156,127,644	\$4,770,722	\$ -	\$4,770,722
2000 Production	2,965,847	\$ 20,127,099	\$7,276,946	\$ 160,093	\$7,437,039
2001 Production	2,753,889	\$ 23,606,545	\$8,133,721	\$ -	\$8,133,721

# Oil and Natural Gas Production Tax

## Tax Rates

The 1995 Montana Legislature replaced all existing state and local extraction taxes on all oil and natural gas production with a single production tax based on the type of well and type of production. This tax became effective January 1, 1996. The 1999 legislature further simplified the structure of oil and gas production tax rates. Effective January 1, 2000, the legislature consolidated tax rates, revised the definition of qualifying production, shortened incentive periods for qualifying production, and replaced pre - 1985 and post - 1985 categories with pre - 1999 and post - 1999. The pre - 1999 classification includes all wells drilled before January 1, 1999, while the post - 1999 classification refers to wells drilled on or after January 1, 1999. (MCA 16-36-304)

Oil Production Tax Rates	
Royalties	15.06%
Pre -1999 wells not in another category	12.76%
Post -1999 wells not in another category	9.26%
Incremental production from secondary recovery	8.76%
Incremental production from tertiary recovery	6.06%
New production horizontally recompleted wells and first 10 barrels per day from wells producing 3 to 15 barrels a per day	5.76%
New production and wells producing less than 3 barrels per day	0.76%

Natural Gas Production Tax Rates	
Royalties and regular production from pre -1999 wells	15.06%
Regular production post -1999 wells and all horizontally completed wells	9.26%
Pre - 1999 wells producing less than 60 thousand cubic feet per day	11.26%
The first 12 months of new wells, production from post - 1999 wells	0.76%

## Value of Oil

Total gross value is computed as the product of the total number of barrels produced each month and the average wellhead value per barrel. Producers are allowed to deduct any oil produced that is used in the operation of the well.

## Value of Gas

Total gross value is computed as the product of the total number of cubic feet produced each month and the average wellhead value per cubic foot. Producers are allowed to deduct any natural gas produced that is used in the operation of the well.

## Exemptions

Royalties received by an Indian tribe from on-reservation oil production pursuant to a lease entered into under the Indian Mineral Leasing Act of 1938, and all governmental royalties, are exempt from taxation.

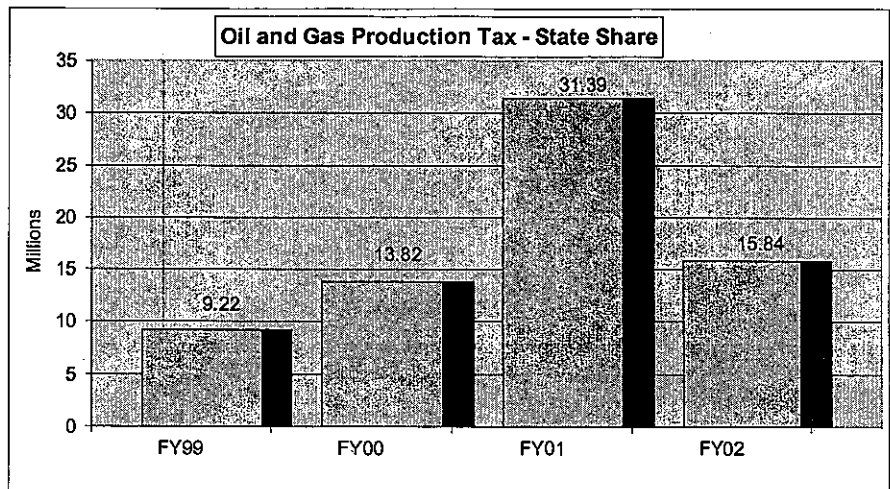
## Production Incentives

Incremental production from secondary and tertiary recovery projects and recompleted horizontal wells are taxed at reduced rates as shown above. These reduced rates apply when the average price for West Texas Intermediate Crude Oil (WTI) is less than \$30 per barrel. Production from stripper wells is taxed at reduced rates as shown in the tables above. The reduced rate for oil wells producing less than 3 barrels per day applies when the average price of WTI is less than \$38. The reduced rate for oil wells producing between 3 and 15 barrels per day applies when the average price of WTI is less than \$30 per barrel. The first 12 months of production from a conventional well and the first 18 months of production from a horizontally completed or horizontally recompleted well is taxed at reduced rates as shown also in the tables that can be found above.

## Filing Requirements

Oil and natural gas producers are required to file quarterly statements containing information sufficient to calculate the tax due. Tax payments are due at the time of filing (within 60 days following the close of each calendar quarter).

## Oil and Natural Gas Tax Collections



<b>Oil and Natural Gas Production Tax Revenue Collections</b>				
Oil and Natural Gas	FY1999	FY2000	FY2001	FY2002
General Fund	\$ 7,505,617	\$ 11,362,742	\$ 26,057,218	\$ 12,902,439
Board of Oil and Gas	650,457	1,055,457	2,000,320	982,574
Resource Indemnity	1,065,538	1,399,091	3,334,813	1,952,954
<b>Total State Share</b>	<b>\$ 9,221,612</b>	<b>\$ 13,817,290</b>	<b>\$ 31,392,351</b>	<b>\$ 15,837,967</b>
<b>Total Local Share</b>	<b>21,607,789</b>	<b>29,953,032</b>	<b>61,425,763</b>	<b>34,465,644</b>
<b>Total State and Local</b>	<b><u>\$30,829,401</u></b>	<b><u>\$43,770,322</u></b>	<b><u>\$92,818,114</u></b>	<b><u>\$50,303,611</u></b>

## Distribution of Oil and Gas Production Tax

The oil and gas production tax is distributed as shown in the adjacent table.

### Distribution Percentages for Oil and Natural Gas Revenues

#### New gas wells, new oil wells, and oil wells producing less than 3 barrels per day

RIGWAT	63.48%
Board of Oil and Gas	36.52%

#### New Horizontally Re-Completed Oil Wells

General Fund	86.95%
RIGWAT	8.75%
Board of Oil and Gas	4.30%

#### Gas Royalties and Other Gas Production

General Fund	10.79%
RIGWAT	2.06%
Board of Oil and Gas	0.89%
Local Share	86.27%

#### Oil Royalties and Other Oil Production

General Fund	33.99%
RIGWAT	3.42%
Board of Oil and Gas	1.68%
Local Share	60.91%

#### Oil Wells Producing 3 to 10 Barrels Per Day

RIGWAT	8.69%
Board of Oil and Gas	5.00%
Local Share	86.31%

# Resource Indemnity and Groundwater Assessment Tax

## Tax Rates

The resource indemnity and groundwater assessment tax (RIGWAT) was created to indemnify the citizens of Montana for the loss of long-term value resulting from the depletion of natural resource bases, and for environmental damage caused by mineral development. The tax is placed in a trust fund, which is managed by the state Board of Investments.

RIGWAT Tax Rates	
Mineral	Tax
Talc	\$25 plus 4% of gross value
Coal	\$25 plus 0.4% of gross value
Vermiculite	\$25 plus 2% of gross value
Quicklime	\$25 plus 10% of gross value
Industrial Garnets	\$25 plus 1% of gross value
Other	\$25 plus 0.5% of gross value

## Exemptions

- Metal production subject to the metal mines license tax is exempt from RIGWAT.
- Oil and gas royalties received by an Indian tribe, by the U.S. government as trustee for individual Indians, by the U.S. government, by the state of Montana, or by a county or municipality are exempt from RIGWAT.
- Oil and natural gas production subject to the oil and gas production tax is exempt from RIGWAT.

## Filing Requirements

All extractors and producers of minerals must file an annual statement showing the gross yield of product for each mineral mined. Metal producers are required to file on or before March 31. All other producers are required to file on or before the 60th day following the end of the calendar year. The tax due is required to be paid at the time of filing the statement of gross yield.

## RIGWAT Tax Collections

RIGWAT Tax Collections By Mineral				
Mineral	FY1999	FY2000	FY2001	FY2002
Coal	\$ 1,069,298	\$ 1,034,506	\$ 951,681	\$ 998,816
Metals	\$ 1,078	\$ -	\$ 1,862	\$ 460
Other	\$ 203,363	\$ 288,596	\$ 123,529	\$ 225,031
<b>Total</b>	<b>\$ 1,273,739</b>	<b>\$ 1,323,102</b>	<b>\$ 1,077,072</b>	<b>\$ 1,224,307</b>

## Distribution of RIGWAT

The Resource Indemnity trust reached \$100 million in fiscal year 2002, and no more funds are to be deposited in the trust. Beginning in fiscal year 2003, \$366,000 is to be deposited in the groundwater assessment account, half of the remainder is to be deposited in the reclamation and development grants account, \$150,000 is to be deposited in the natural resource workers' tuition scholarship account, and the remainder is to be deposited in the orphan share account.

## Distribution of Interest Income

Interest from the resource indemnity trust is allocated in a two-stage process. First, several programs receive fixed allocations. Second, remaining funds are divided between four programs on a percentage basis. The table shows these allocations.

	Fixed Allocations		Percentage Allocations of Remainder
	Even Numbered Fiscal Years	Odd Numbered Fiscal Years	
MSU-Northern Water Quality Program	\$ 240,000.00	\$ 240,000.00	
Renewable Resource Grants and Loans	\$ 2,000,000.00	\$ 2,000,000.00	25.5% <sup>2</sup>
Reclamation and Development Grants	\$ 1,200,000.00	\$ 1,200,000.00 <sup>1</sup>	45.0% <sup>2</sup>
Groundwater Assessment	\$ 300,000.00	\$ 300,000.00	-
Fishery Habitat Restoration	\$ 350,000.00	\$ 350,000.00 <sup>1</sup>	-
Environmental Contingency Account	\$ 175,000.00	\$ -	-
Oil and Gas Damage Mitigation	\$ 50,000.00	\$ -	-
Water Storage	\$ 500,000.00	\$ -	-
Hazardous Waste/CERCLA Account	-	-	22.0% <sup>2</sup>
Environmental Quality Protection Fund	-	-	7.5% <sup>2</sup>

<sup>1</sup> Beginning FY2006 \$1,500,000 to Reclamation and Development Grants and \$500,000 to Fishery Habitat Restoration  
<sup>2</sup> Beginning FY2006 30% to Renewable Resource Grants and Loans, 35% to Reclamation and Development Grants, 26% to Hazardous Waste/CERCLA, and 9% to Environmental Quality Protection Fund

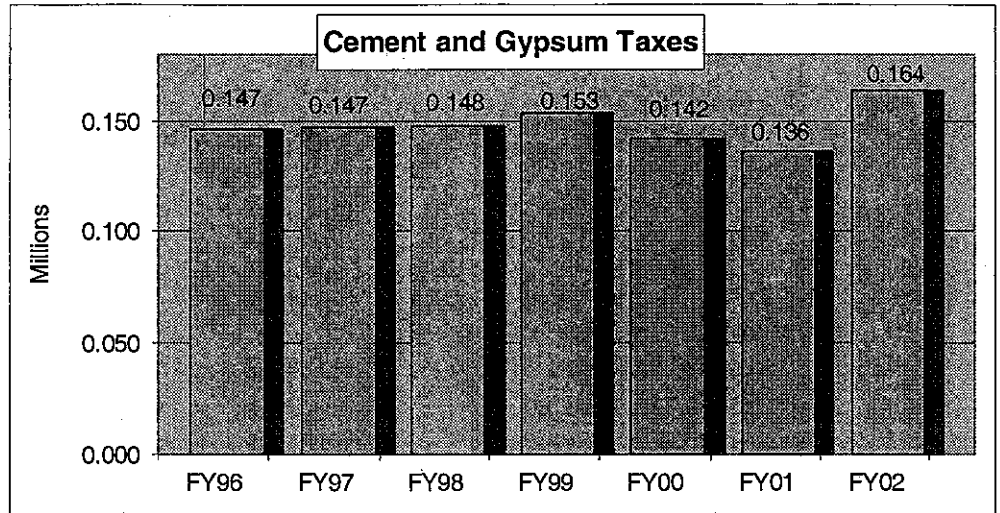
# Cement and Gypsum Taxes and Licenses

## Tax Rate

Producers and importers of cement and cement products are required to pay a license tax of \$0.22 per ton. Producers and importers of gypsum and gypsum products are required to pay \$0.05 per ton. Before July 1, 1997, individuals retailing cement and gypsum products in Montana paid a license tax of \$0.22 and \$0.05, respectively, for every ton that had not been paid for under any other law. This tax on retailers was repealed in House Bill 274 of the 1997 legislative session. All cement and gypsum collections are deposited in the general fund. (MCA 15-59-101)

## Cement and Gypsum Taxes and Licenses Collections

Cement Tax Collections	
FY1996	\$146,828
FY1997	\$147,379
FY1998	\$147,705
FY1999	\$153,393
FY2000	\$142,204
FY2001	\$136,301
FY2002	\$163,893



## Filing Requirements

Producers, manufacturers, and importers shall file quarterly statements showing the number of tons of cement or gypsum produced, manufactured, or imported. The statements, along with the tax due, must be submitted within 30 days following the end of each calendar quarter.

## Distribution

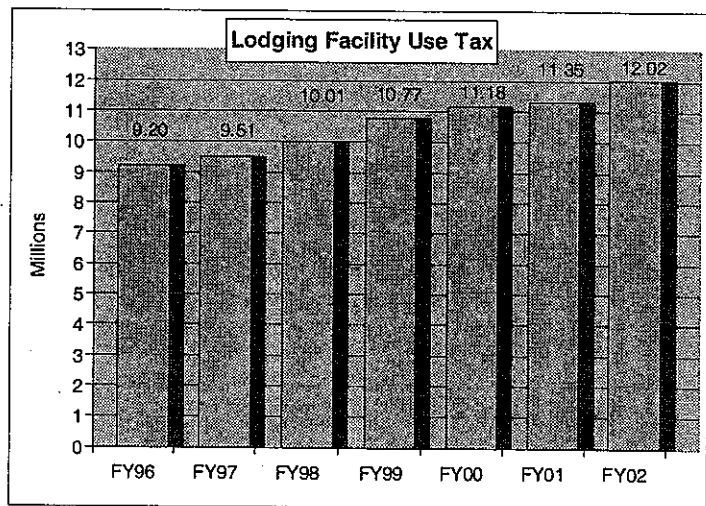
All proceeds from cement and gypsum taxes and licenses are deposited in the state general fund.

# Lodging Facility Use Tax

A tax is imposed on users of overnight lodging facilities. This tax is 4% of the lodging charge and is collected by the owner or operator of the facility.

Proceeds from the tax are deposited in a state special revenue fund to the credit of the Department of Revenue. Department administrative costs are paid, various state funds are reimbursed for taxes paid by state agencies for in-state lodging and \$400,000 each year goes to the Montana Heritage Preservation Account. The balance is distributed: 67.5% to the Department of Commerce for its direct use, 1% to the Montana Historical Society, 2.5% to the university system for the Montana Travel Research Program, and 6.5% to the Department of Fish, Wildlife and Parks for maintenance of facilities. The remaining 22.5% goes to various regional nonprofit tourism corporations unless that particular city-county area collects in excess of \$35,000 in proceeds annually. In this instance, half of the amount available for distribution to the nonprofit tourism corporation would instead go to a nonprofit convention and visitors bureau in that city-county region. (MCA 15-65-111, 15-65-121)

Lodging Facility Use Tax Collections	
FY1996	\$ 9,197,924
FY1997	\$ 9,509,673
FY1998	\$10,008,143
FY1999	\$10,773,706
FY2000	\$11,184,192
FY2001	\$11,348,328
FY2002	\$12,015,697

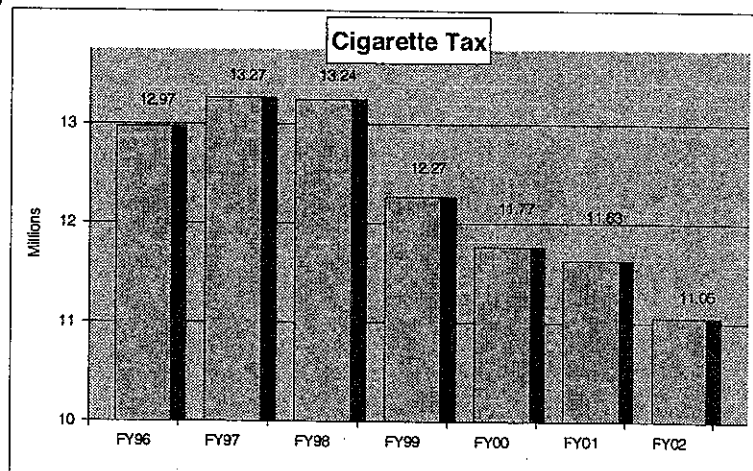


# Cigarette Tax

Montana cigarette wholesalers pre-collect a tax of 18¢ per package of 20 cigarettes. The tax is included in the retail price of the cigarettes. A tax insignia must be affixed to each package by the wholesaler licensed to purchase insignias at face value less allowances to defray costs of affixing insignias and pre-collecting the tax on behalf of the State of Montana.

Cigarette tax revenues, after tribal revenue sharing payments, are distributed 73.04% to the general fund; 15.85% to the Long-Range Building Account; and 11.11% to the Department of Public Health and Human Services. (MCA, 16-11-111; 16-11-119)

Cigarette Tax Collections	
FY1996	\$12,969,137
FY1997	\$13,267,374
FY1998	\$13,244,550
FY1999	\$12,265,347
FY2000	\$11,766,271
FY2001	\$11,628,458
FY2002	\$11,052,174



## Cigarette Tax - All States - 2002

Rank	State	Excise Tax Rate	Rank	State	Excise Tax Rate
1	New Jersey	\$ 1.500	27	Iowa	\$ 0.360
2	New York <sup>1</sup>	\$ 1.500	28	Nevada	\$ 0.350
3	Washington	\$ 1.425	29	Nebraska <sup>3</sup>	\$ 0.340
4	Rhode Island	\$ 1.320	30	Florida	\$ 0.339
5	Connecticut	\$ 1.110	31	South Dakota	\$ 0.330
6	Alaska	\$ 1.000	32	Arkansas <sup>2</sup>	\$ 0.315
7	Hawaii <sup>3</sup>	\$ 1.000	33	Pennsylvania <sup>3</sup>	\$ 0.310
8	Maine	\$ 1.000	34	Idaho	\$ 0.280
9	Maryland	\$ 1.000	35	Delaware	\$ 0.240
10	Illinois <sup>1</sup>	\$ 0.980	36	Louisiana <sup>3</sup>	\$ 0.240
11	Vermont	\$ 0.930	37	Oklahoma	\$ 0.230
12	California	\$ 0.870	38	New Mexico	\$ 0.210
13	Wisconsin	\$ 0.770	39	Colorado	\$ 0.200
14	Massachusetts	\$ 0.760	40	Mississippi	\$ 0.180
15	Michigan	\$ 0.750	<b>41</b>	<b>Montana</b>	<b>\$ 0.180</b>
16	Kansas	\$ 0.700	42	Missouri <sup>1</sup>	\$ 0.170
17	Utah	\$ 0.695	43	West Virginia	\$ 0.170
18	Oregon	\$ 0.680	44	Alabama <sup>1</sup>	\$ 0.165
19	District of Columbia	\$ 0.650	45	Tennessee <sup>1,2</sup>	\$ 0.130
20	Arizona	\$ 0.580	46	Georgia	\$ 0.120
21	Indiana	\$ 0.555	47	Wyoming	\$ 0.120
22	Ohio	\$ 0.550	48	South Carolina	\$ 0.070
23	New Hampshire	\$ 0.520	49	North Carolina	\$ 0.050
24	Minnesota	\$ 0.480	50	Kentucky <sup>2</sup>	\$ 0.030
25	North Dakota	\$ 0.440	51	Virginia <sup>1</sup>	\$ 0.025
26	Texas	\$ 0.410			

<b>High</b>	<b>\$ 1.500</b>
<b>Low</b>	<b>\$ 0.025</b>
<b>Average</b>	<b>\$ 0.536</b>
<b>Median</b>	<b>\$ 0.410</b>

Source: Compiled by FTA from various sources.

<sup>1</sup>Counties and cities may impose an additional tax on a pack of cigarettes.

<sup>2</sup>Dealers pay an additional enforcement and administrative fee.

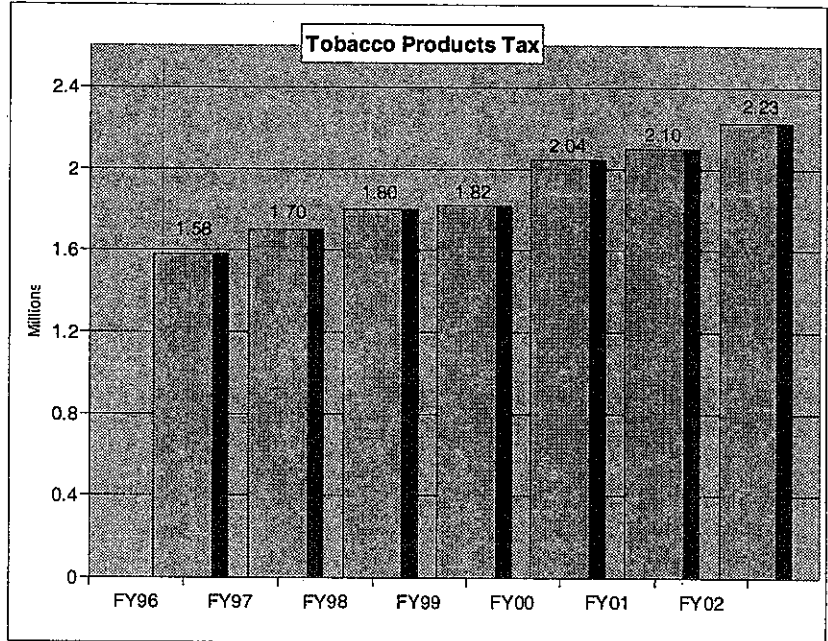
<sup>3</sup>Several states are scheduled to increase their tax rates further in 2002.



## Tobacco Products Tax

All tobacco products, excluding cigarettes, are subject to a tax of 12.5% of their wholesale price. The tax is collected from the wholesaler, less a 5% defrayment for collection and administrative expenses. Tobacco products tax revenues, after tribal revenue sharing payments, are deposited in the general fund. (MCA 16-11-206; 16-11-202)

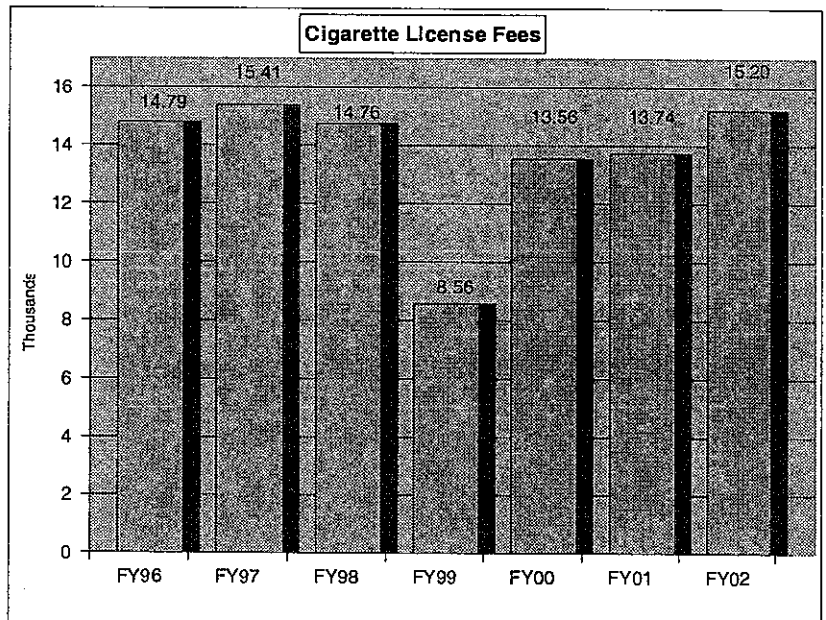
<b>Tobacco Products Tax Collections</b>	
FY1996	\$1,579,547
FY1997	\$1,702,313
FY1998	\$1,801,084
FY1999	\$1,817,971
FY2000	\$2,042,241
FY2001	\$2,097,590
FY2002	\$2,228,524



## Cigarette Wholesalers' and Retailers' License Fees

A license fee is imposed on cigarette dealers in Montana. Wholesalers, subjobbers and vendors (possessing 10 or more machines) pay an annual license fee of \$50. Retailers and vendors (possessing 9 or fewer machines) pay an annual license fee of \$5. (MCA 16-11-120)

<b>Cigarette License Fee Collections</b>	
FY1996	\$14,790
FY1997	\$15,406
FY1998	\$14,760
FY1999	\$ 8,560
FY2000	\$13,555
FY2001	\$13,736
FY2002	\$15,203



# Overview of Alcohol Taxes

The Department of Revenue administers Title 16, Chapters 1 through 6, Montana Code Annotated which relates to alcoholic beverage control, sale, and distribution, and the licensing of alcoholic beverage manufacturers, wholesalers and retailers. Warehouse inventory management, warehouse shipping and receiving, agents' order processing, agents' accounts receivable management, and customer service functions are all duties performed by the Resource Management Process. The Customer Intake Process is charged with all licensing and regulatory responsibilities for all-beverage, beer, and wine licensees. Additionally, the process oversees brewery and winery registrations, vendor permit applications and renewals, special retail beer permit applications, and provides information and explanation about licensing activity or related law, rule, policy and procedures.

An explanation of revenues and their distribution to cities, towns, and counties may be found in the fiscal 2001 Annual Financial Report of the Liquor Enterprise Fund from the Resource Management Process.

Number of Licensees By License Type - FY2002					
----- Off-Premise -----					
Type of License	Number Issued	Annual Fee	Type of License	Number Issued	Annual Fee
Agencies	98	No Fee	Beer	9	\$400
Beer	197	\$ 200	Wine	5	\$400
Wine	9	\$ 200	Beer & Wine	22	\$800
Beer & Wine	757	\$ 400			
Total Off-Premise	1,061		Total Wholesale	36	
----- On-Premise -----			----- Suppliers -----		
Type of License	Number Issued	Annual Fee	Type of License	Number Issued	Annual Fee
Beer	90	\$ 200	Beer	89	\$ 500
Beer & Wine	546	\$ 400	Wine	315	\$ 25 - 400
Beer & Wine & Spirits	1,603	\$ 400 - 800			
Total On-Premise	2,239		Total Suppliers	404	

Selected Comparison of State Liquor License Fees		
State	On-Premise License	Fee
Montana	All Beverages	\$ 400 - 800
	Beer and Wine	\$ 400
	Fraternal All Beverages	\$ 400 - 800
	Veteran's All Beverages	\$ 250 - 650
Wyoming	Restaurant License	\$ 500 - 3000
	County Malt Beverage	\$ 100 - 1500
	Fraternal, Veteran, Golf	\$ 100 - 1500
Idaho	Beer	\$ 50
	Beer and Wine	\$ 150
	Liquor	\$ 150
Washington	Beer	\$ 400 - 520
	Beer and Wine	\$ 400 - 520
	Beer, Wine and Spirits	\$ 1000 - 2000
South Dakota	Retail Wine	\$ 500
	Retail Beer, Wine and Spirits	Set Locally
North Dakota	Beer, Wine and Spirits	\$ 100 - 200

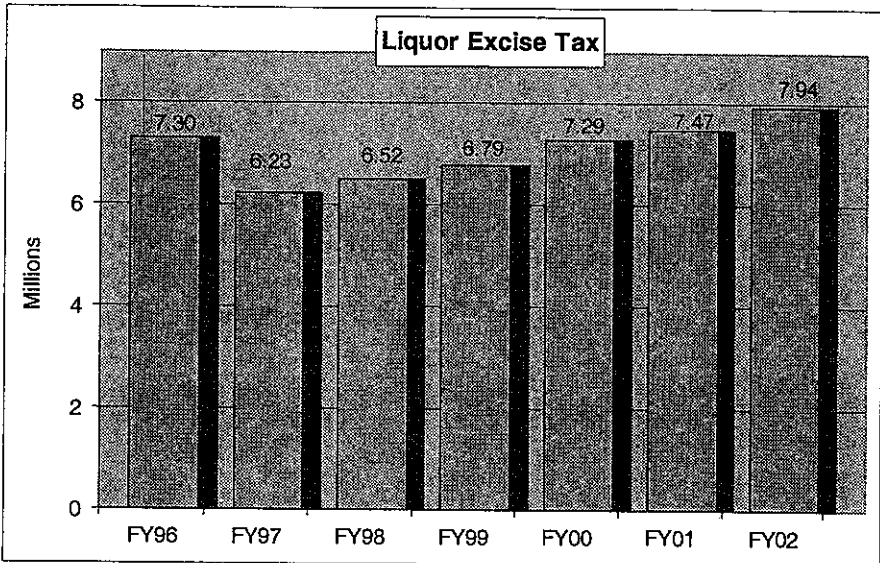
Source: National Alcohol Beverage Control Association Annual Survey, 2001

## Liquor Excise Tax

The Department of Revenue collects an excise tax of 16% of the retail selling price on all liquor sold by the state. The excise tax on products sold by companies whose annual sales do not exceed 200,000 proof gallons of liquor nationwide in the preceding year is 13.8%. A small portion of liquor excise tax revenue is refunded to three Indian tribes that have a revenue sharing agreement with the state, with the remaining revenue deposited in the state general fund. (MCA 16-1-401)

### Liquor Excise Tax Collections

FY1996	\$7,304,750
FY1997	\$6,230,501
FY1998	\$6,515,413
FY1999	\$6,786,469
FY2000	\$7,292,796
FY2001	\$7,472,654
FY2002	\$7,936,782

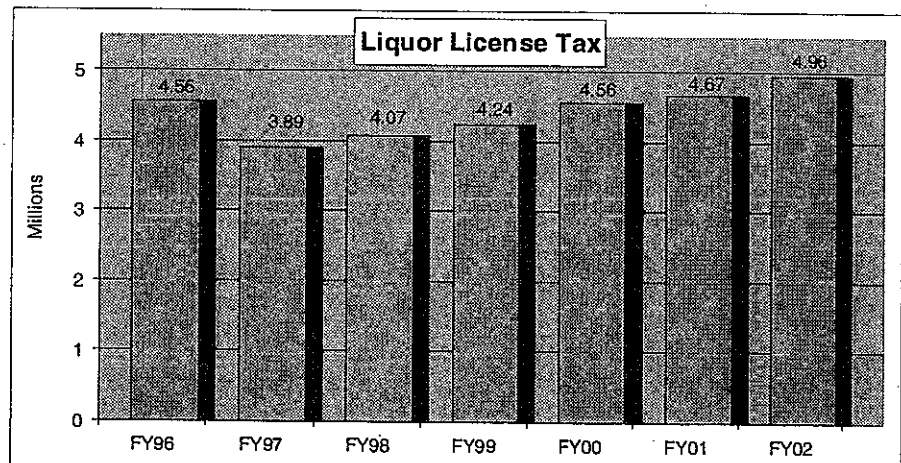


## Liquor License Tax

A license tax equal to 10% of the retail selling price of all liquor sold by the state is levied in Montana. The license tax is in addition to the liquor excise tax. The liquor license tax on products sold by companies whose annual sales do not exceed 200,000 proof gallons of liquor nationwide in the preceding year is 8.6%. The liquor license tax is deposited 34.5% in the state general fund and 65.5% to the Department of Public Health and Human Services to fund alcohol treatment programs. (MCA 16-1-404)

### Liquor License Tax Collections

FY1996	\$4,564,287
FY1997	\$3,893,221
FY1998	\$4,069,693
FY1999	\$4,238,338
FY2000	\$4,560,286
FY2001	\$4,668,407
FY2002	\$4,961,565



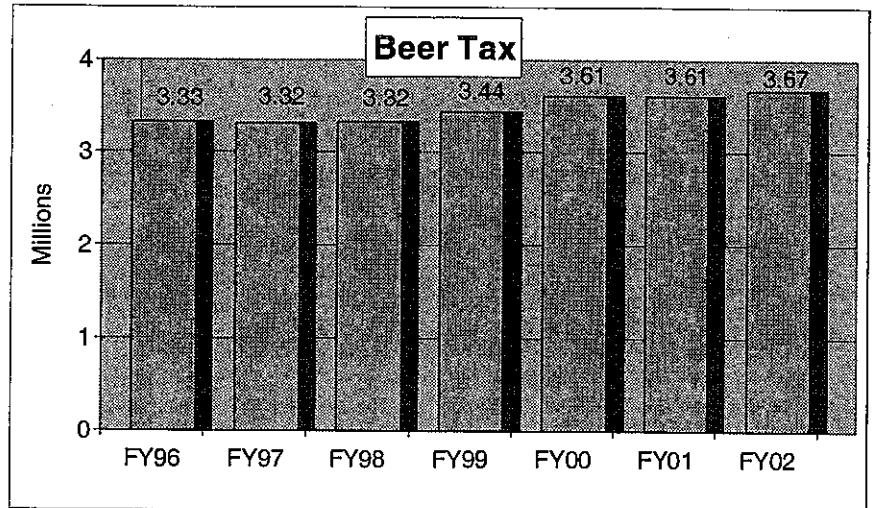
## Beer Tax

Section 16-1-406, MCA, directs the Department of Revenue to collect a tax on each barrel (a barrel consists of 31 gallons) of beer sold in Montana by a wholesaler at the rate shown.

Beer tax revenues are distributed 76.74% to the state general fund and 23.26% to the Department of Public Health and Human Services. A small portion of beer tax revenue is refunded from the general fund to those tribes that have a revenue sharing agreement with the state. Currently, the state has agreements with the Blackfeet, Fort Peck, and Fort Belknap Tribes.

Barrels Produced by a Brewer	Tax Rate Per Barrel
Less than or equal to 5,000	\$1.30
5,001 to 10,000	\$2.30
10,001 to 20,000	\$3.30
Greater than 20,000	\$4.30

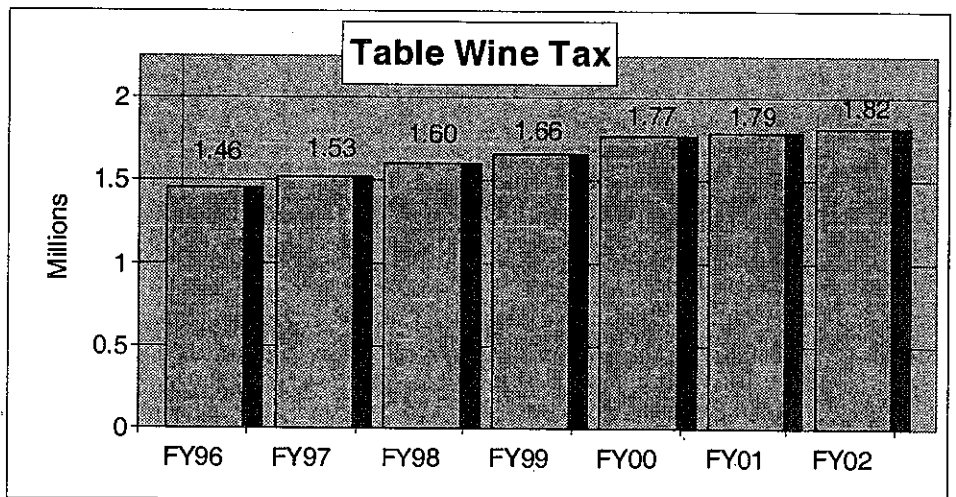
Beer Tax Collections	
FY1996	\$3,329,867
FY1997	\$3,318,448
FY1998	\$3,324,479
FY1999	\$3,443,466
FY2000	\$3,613,076
FY2001	\$3,614,271
FY2002	\$3,673,818



## Table Wine Tax

A tax of 27¢ per liter on table wine and a tax of 3.7¢ per liter on hard cider is levied on the amount imported by any distributor or the Department of Revenue. The revenues collected from the tax are deposited 69% to the general fund, and 31% to the Department of Public Health and Human Services for treatment, rehabilitation and prevention of alcoholism. A small portion of wine tax revenue is refunded from the general fund to the tribes that have a revenue-sharing agreement with the state. (MCA 16-1-411)

Table Wine Tax Collections	
FY1996	\$1,459,901
FY1997	\$1,525,375
FY1998	\$1,600,500
FY1999	\$1,661,112
FY2000	\$1,767,654
FY2001	\$1,786,403
FY2002	\$1,815,798

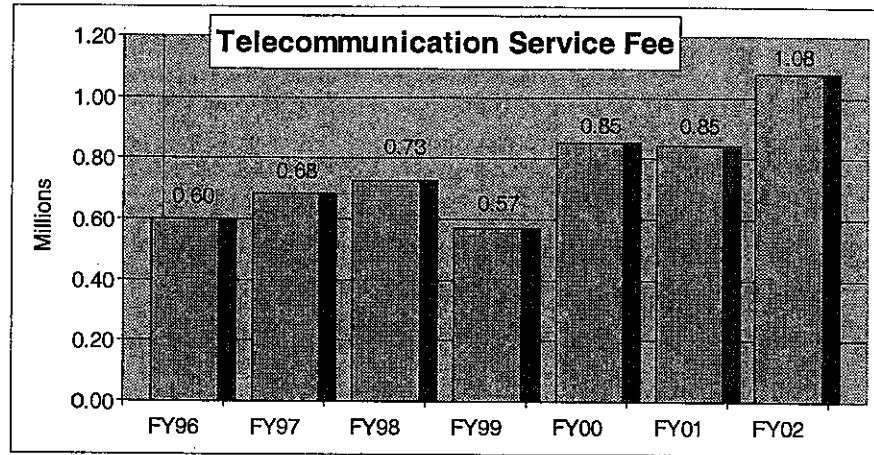


## TDD Telecommunications Service Fee

A fee of 10¢ a month per access line on each service subscriber in the state is imposed on the amount charged for telephone exchange access services. The revenue from this fee is deposited in a special revenue account to provide telecommunication devices for persons with hearing disabilities. (MCA 53-19-311)

### Telecommunication Service Fee Collections

FY1996	\$ 598,763
FY1997	\$ 683,717
FY1998	\$ 728,017
FY1999	\$ 570,089
FY2000	\$ 850,586
FY2001	\$ 845,505
FY2002	\$1,080,299



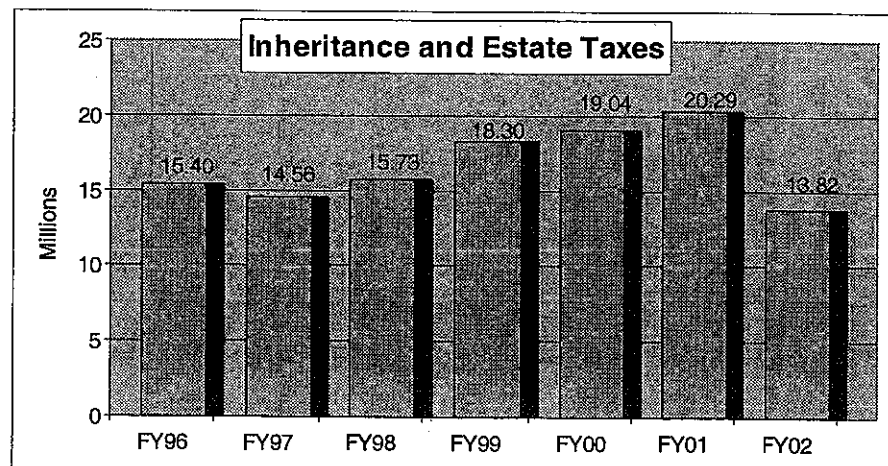
## Inheritance and Estate Taxes

Montana's inheritance tax is levied on bequests made by Montana residents and on bequests of real property located in Montana. Bequests to surviving spouses and descendants are exempt, as are properties of a closely held business when left to a close relative. Tax rates depend on the relationship between the deceased and the heirs and on the size of the estate. The federal estate tax allows a credit for state inheritance and estate taxes. Montana's estate tax is equal to the difference between inheritance taxes owed by an estate and the maximum credit against federal estate taxes.

Montana's inheritance tax was repealed by the passage of initiative 115 in November 2000. As a result, the inheritance tax will not apply to bequests made on or after January 1, 2001. The estate tax will continue to apply. Inheritance and estate tax collections are deposited in the general fund. (MCA 72-16-101/107)

### Inheritance and Estate Tax Collections

FY1996	\$15,404,110
FY1997	\$14,562,382
FY1998	\$15,726,605
FY1999	\$18,301,680
FY2000	\$19,038,785
FY2001	\$20,285,642
FY2002	\$13,816,144

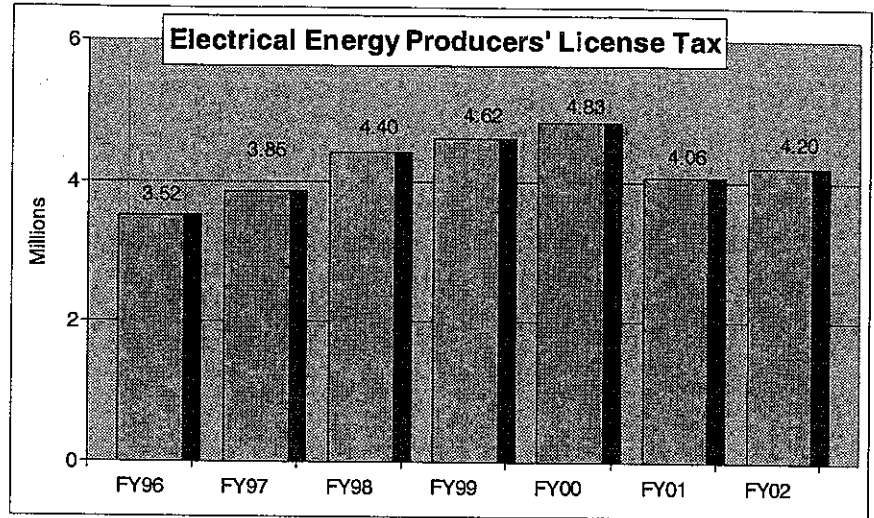


## Electrical Energy Producers' License Tax

A quarterly tax is imposed on any business in the state engaged in the generation of electrical energy. The tax is \$.0002 per kilowatt hour of electrical energy generated, manufactured or produced. Electric energy producers license tax collections are deposited in the general fund. (MCA 15-51-101)

### Electrical Energy Producers' License Tax Collections

FY1996	\$ 3,520,407
FY1997	\$ 3,849,052
FY1998	\$ 4,401,728
FY1999	\$ 4,618,433
FY2000	\$ 4,829,002
FY2001	\$ 4,057,952
FY2002	\$ 4,197,477

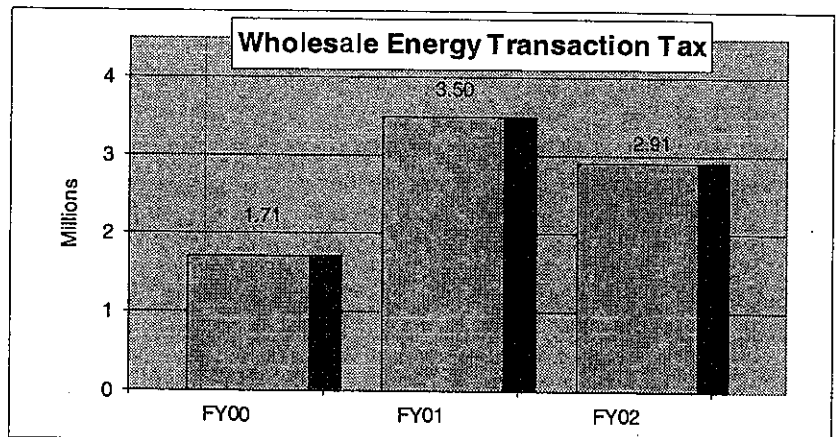


## Wholesale Energy Transaction Tax

HB174 (1999) reduced the taxable valuation rate applied to electric energy generation assets for property tax purposes from 12% to 6%. To provide general fund replacement revenue from this change, HB174 also provided for a new wholesale energy transaction (WET) tax imposed at a rate of \$0.00015 per kilowatt hour (Kwh) on all electricity transmitted by a transmission service provided in the state. The new tax, effective January 1, 2000, is paid on a quarterly basis; hence, fiscal 2000 only received two quarters worth of payments from this new tax. By statute, 100% of the wholesale energy transaction tax is deposited in the state general fund. (MCA 15-72-101)

### Wholesale Energy Transaction Tax Collections

FY2000	\$1,705,093
FY2001	\$3,503,427
FY2002	\$2,906,263



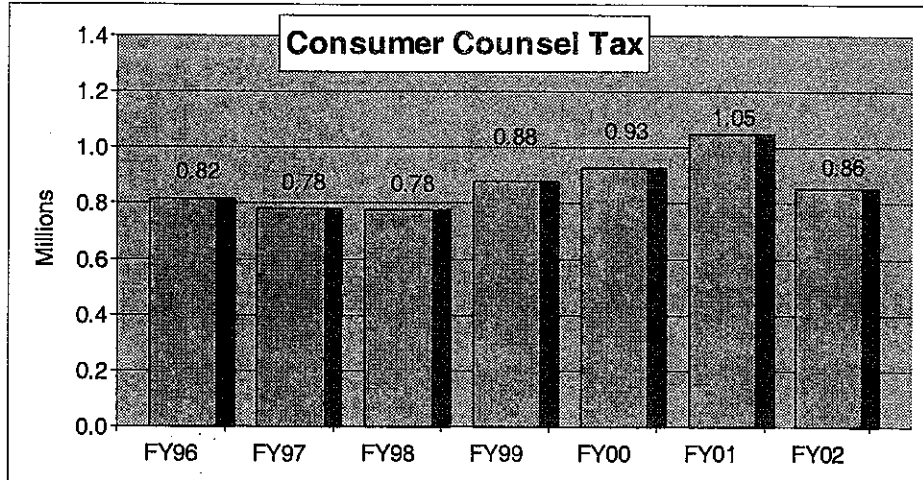


## Consumer Counsel Tax

All companies providing services which are regulated by the Public Service Commission are subject to a quarterly consumer counsel tax on gross operating revenue. The tax rate is set annually for the succeeding fiscal year to cover appropriations to the Office of the Consumer Counsel. All collections are deposited in a state special revenue fund. (MCA 69-1-201;223;224)

### Consumer Counsel Tax Collections

FY1996	\$ 815,801
FY1997	\$ 781,279
FY1998	\$ 779,809
FY1999	\$ 877,935
FY2000	\$ 929,731
FY2001	\$1,049,394
FY2002	\$ 855,308

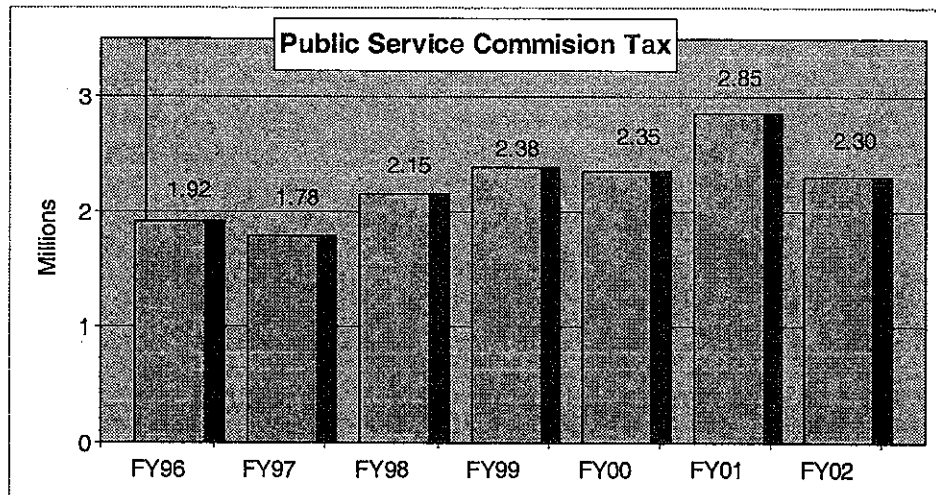


## Public Service Commission Tax

All companies providing services which are regulated by the Public Service Commission are subject to a quarterly tax on gross revenues excluding revenues from sales to other regulated companies for resale. The tax rate is set annually for the succeeding fiscal year in a manner to fund appropriation for operations of the Department of Public Service Regulation. All collections are deposited in a state special revenue fund. (MCA 69-1-402)

### Public Service Commission Tax Collections

FY1996	\$1,915,092
FY1997	\$1,780,150
FY1998	\$2,154,289
FY1999	\$2,383,511
FY2000	\$2,347,280
FY2001	\$2,851,306
FY2002	\$2,296,111



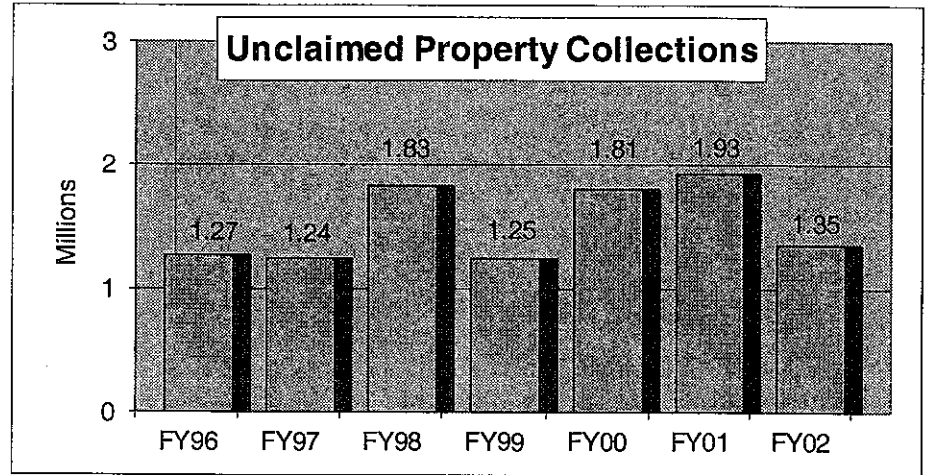
## Unclaimed / Abandoned Property

Under Montana's uniform unclaimed property act, any intangible and certain tangible property unclaimed by its owner must be turned over to the Department of Revenue. Montana is considered a "custodial state" and holds such property on behalf of the owners of lost or abandoned property. The department maintains records on all abandoned property reported in Montana. Reports filed by holders of abandoned property (banks and insurance companies, for instance) may be examined by the public.

All collections over \$100,000 (the amount allocated to the agency refund account) are transferred to the state's general fund. The refund period for items valued at more than \$50 is unlimited. Interest and dividends earned on the property are non-refundable. (MCA 70-9-801)

### Unclaimed Property Collections

FY1996	\$1,272,859
FY1997	\$1,240,407
FY1998	\$1,831,638
FY1999	\$1,247,508
FY2000	\$1,809,387
FY2001	\$1,930,446
FY2002	\$1,349,765

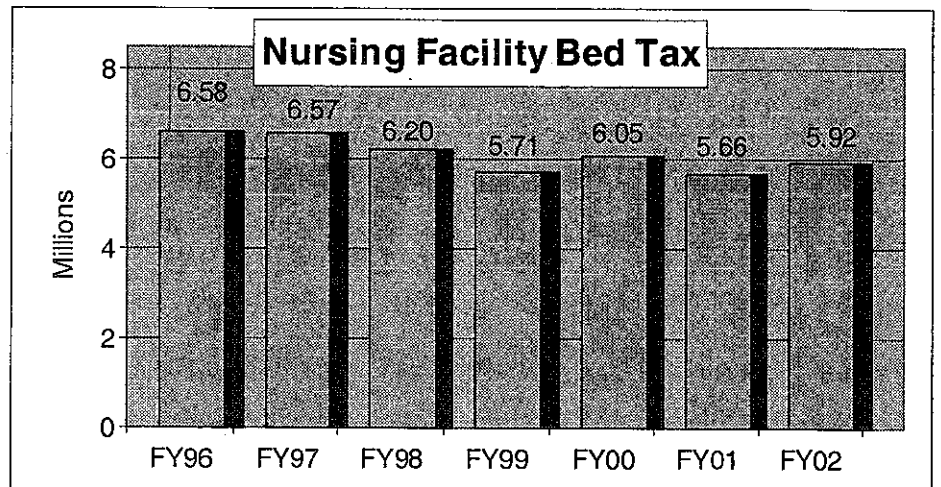


## Nursing Facility Bed Tax

Title 15, chapter 60, MCA, provides for a nursing facilities utilization fee. Nursing facilities are required to pay a utilization fee in the amount of \$2.80 for each bed day in the facility. "Nursing facilities" are health care facilities licensed by the Department of Public Health and Human Services (DPHHS) as facilities providing "skilled nursing care" or "intermediate nursing care." It does not matter whether the facility is nonprofit or for-profit; freestanding or part of another facility; publicly owned or privately owned. A "bed day" means each 24-hour period that a resident is present in the facility and receiving either skilled or intermediate nursing care, regardless of the source of payment. All proceeds of this fee are deposited in the general fund. (MCA Title 15, Chapter 60)

### Nursing Facility Bed Tax Collections

FY1996	\$6,579,620
FY1997	\$6,572,123
FY1998	\$6,200,413
FY1999	\$5,713,357
FY2000	\$6,054,947
FY2001	\$5,655,978
FY2002	\$5,918,173



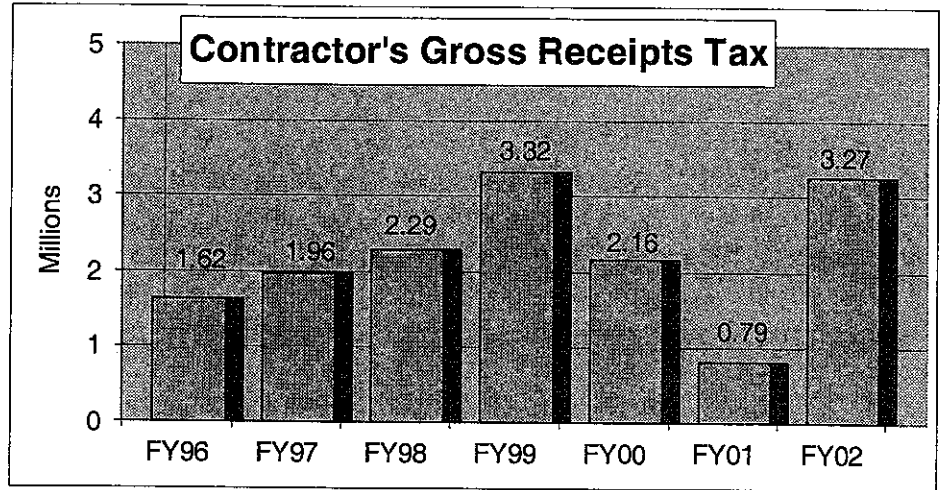


## Public Contractors' Gross Receipts Tax

Prime contractors and all levels of subcontractors must pay a tax equal to 1% of all public contracts over \$5,000. Contractors can obtain part or all of the tax back by requesting refunds for business equipment and vehicle property taxes paid by their contracting business, and by claiming credit on their individual Montana income tax return or Montana corporation license tax return. Revenues are deposited in the general fund. (MCA 15-50-101)

### Public Contractors' Gross Receipts Tax Collections

FY1996	\$ 1,621,439
FY1997	\$ 1,963,820
FY1998	\$ 2,290,944
FY1999	\$ 3,320,402
FY2000	\$ 2,162,223
FY2001	\$ 791,615
FY2002	\$ 3,267,321



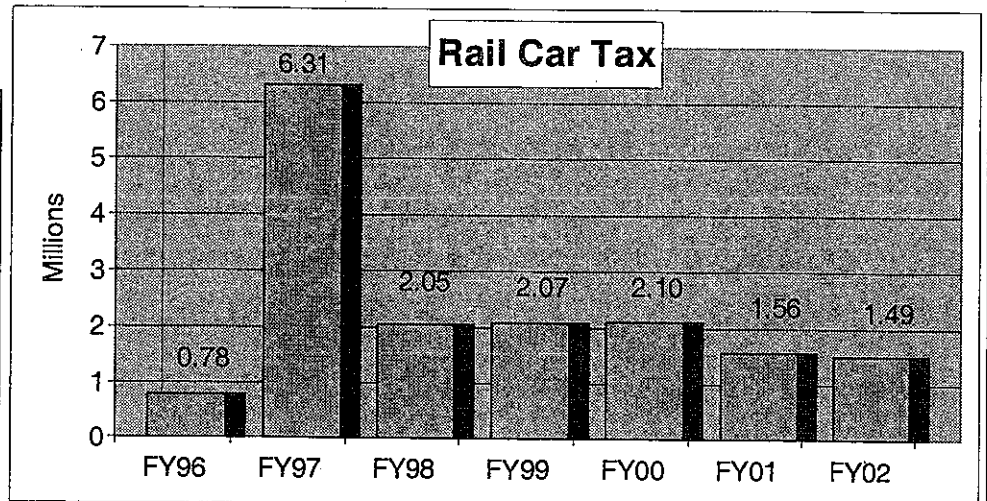
## Rail Car Tax

The rail car tax provides for the central assessment of rail car companies' operating properties. The rail car tax is assessed on the rolling stock of freight line companies. Section 15-23-214, MCA, provides that the tax is computed by multiplying the taxable value of the property by the average statewide mill levy for commercial and industrial property. Rail car tax revenue is deposited in the general fund.

The large increase in general fund collections in fiscal 1997 is due to a settlement agreement as a result of federal court litigation. The settlement brought in revenues due from prior years. (MCA 15-23-101; 214)

### Rail Car Tax Collections

FY1996	\$ 780,125
FY1997	\$6,309,000
FY1998	\$2,054,244
FY1999	\$2,074,000
FY2000	\$2,100,600
FY2001	\$1,555,747
FY2002	\$1,489,813

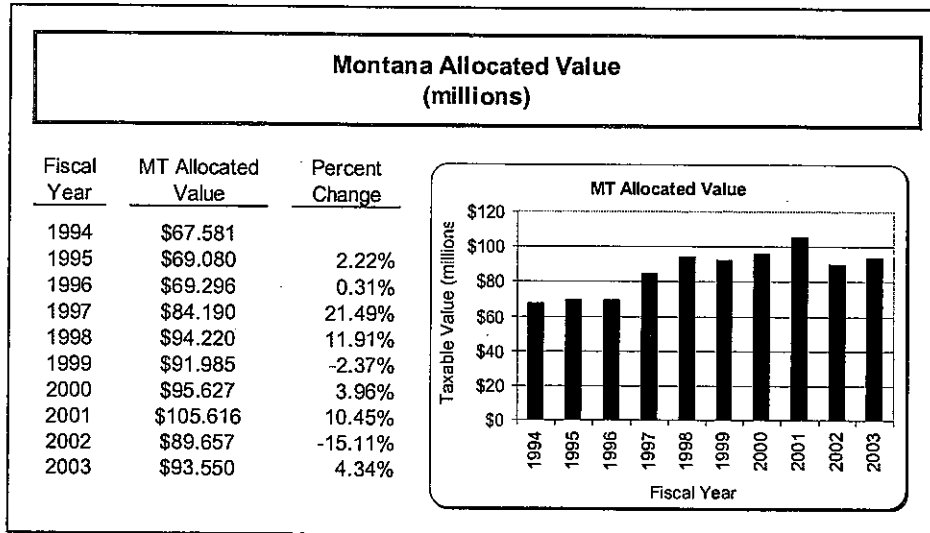


# Calculation of Rail Car Tax

Rail car companies were moved from a gross receipts tax to an ad valorem tax by the July 1992 special session of the Montana legislature. Calculation of rail car tax liability for tax year 2002 is a three-step process. The first step is to determine the Montana market value of rail car companies. The second step is to calculate the taxable value by applying the class 12 taxable valuation rate to the Montana market value. The third step is to apply 95% of the statewide average mill levy for commercial and industrial property to the taxable value.

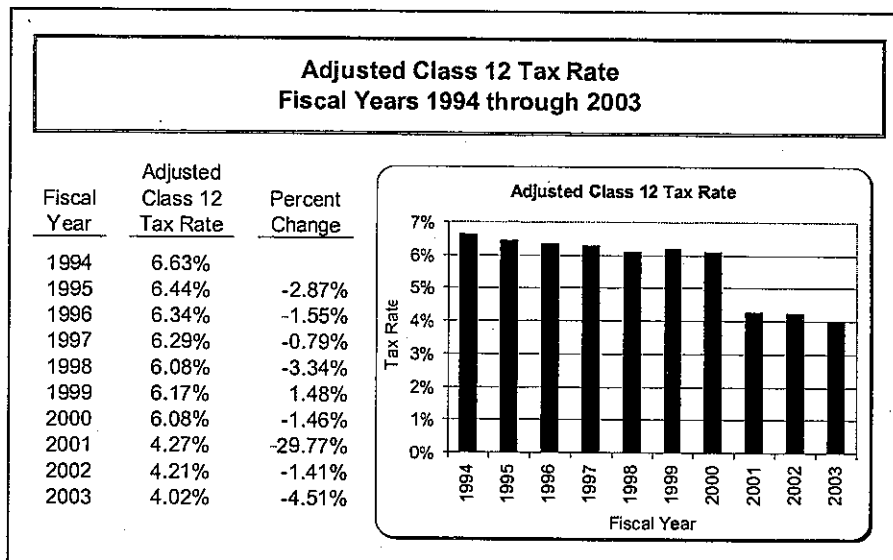
## Step 1: Calculate Montana Market Value

The Montana market value has fluctuated over the years. The total Montana allocated values for all rail car companies for fiscal years 1994 through 2003 is shown in the table.



## Step 2: Calculate Taxable Value Rate

The second step in calculating the rail car tax liability is to calculate the taxable value by applying the class 12 taxable valuation rate to Montana market value. The class 12 taxable valuation rate, which applies to railroad and airline property, is a composite rate reflective of the weighted average tax rate applied to all commercial and industrial property in the state. The class 12 taxable valuation rate for fiscal years 2001 through 2003 decreased significantly from the fiscal 2000 value due to the impacts of HB128, HB174, and SB200 on taxable valuations of classes 7, 8, and 9 properties. The class 12 tax rate is 4.02% for fiscal 2003. The table shows class 12 tax rates for fiscal years 1994 through 2003.

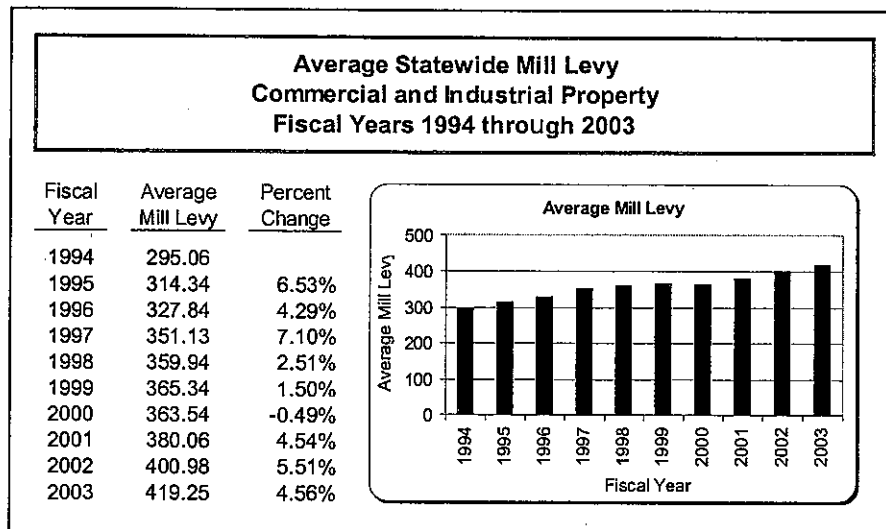


## Calculation of Rail Car Tax *continued*

### Step 3: Calculate Statewide Average Commercial/Industrial Property Mill Levy

The third step in calculating the rail car tax liability is to determine the statewide average mill levy for commercial and industrial property. Section 15-23-211, MCA, provides a definition of the "average levy." Under the final year of the current settlement agreement, fiscal 2003 tax calculations use 95% of the average statewide mill levy. Tax calculations for subsequent fiscal years are calculated at 100% of the average statewide mill levy, which is current law.

The applicable average statewide mill levies for commercial and industrial property for fiscal years 1994 through 2003 are shown in the table below.

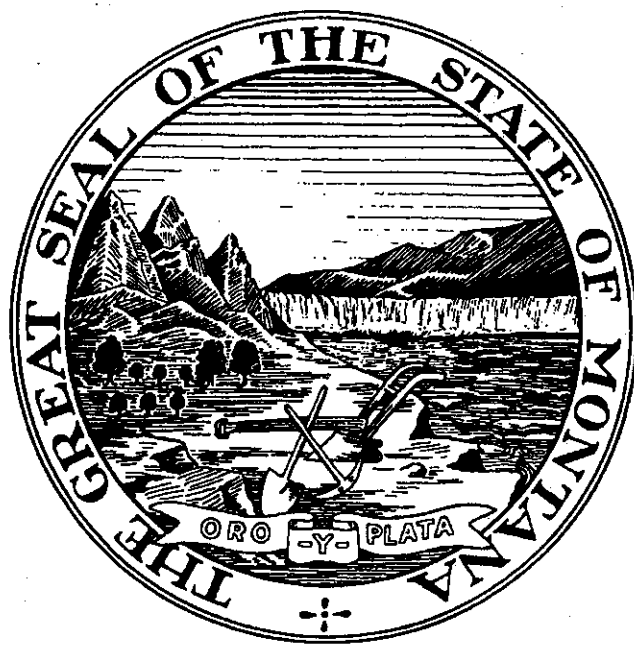


### Calculate General Fund Revenue

The rail car tax general fund revenue is Montana's allocated rail car value multiplied by the class 12 taxable valuation rate, and then multiplied by the average statewide mill levy for commercial and industrial property as shown in the table.

Calculation of Rail Car Tax General Fund Revenue Fiscal 2003	
<u>Description</u>	<u>FY2003</u>
Total Montana Allocated Value	\$ 93,549,680
Multiply by Class 12 Tax Rate	4.02%
Taxable Value	\$ 3,760,697
Multiply by Mill Levy	0.41925
<b>General Fund Revenue</b>	<b>\$ 1,576,672</b>

PROPERTY TAX SECTION  
of the  
Montana Department of Revenue  
Biennial Report



# Property Taxes

## The Department of Revenue's Role

The Department of Revenue is responsible for insuring that all classes of property in the state are valued uniformly. The department's duties include the appraisal, assessment, and equalization of the value of all property in the state for the purpose of taxation. The rate of tax on the various classes of property and the establishment of the property classes is a function of the legislature.

Property owned by companies that is single and continuous and is in more than one county (such as railroads, telecommunications, electric utilities, and pipelines) is centrally assessed by the Department of Revenue. The valuation is apportioned to counties and other jurisdictions on a mileage basis or other basis judged to be "reasonable and proper."

In 1975, the legislature required the Department of Revenue to administer and supervise a program for the revaluation every five years of all taxable property within the state. In 1991, the legislature reduced future reappraisal cycles to three years beginning January 1, 1997. Revaluations (more commonly called reappraisal cycles) are designed to insure that all property is taxed on current structural and market information.

Montana's second statewide reappraisal was completed in 1985; its third in 1992. The state's fourth reappraisal was completed on December 31, 1996. The 1997 Legislature passed Senate Bill 195 which mitigated the impact of the reappraisal values by phasing-in those values at the rate of 2% per year and by reducing the tax rate by .022 points per year. The SB195 phase-in values were used for tax years 1997 and 1998. The 1999 Legislature once again addressed the impacts of the 1997 reappraisal with Senate Bill 184.

To mitigate the impacts of the 1997 reappraisal, SB184 phases-in the changes in assessed values of agricultural land (class 3), residential and commercial properties (class 4), and forest land (class 10), over a 4-year period beginning in tax year 1999. SB184 establishes a residential homestead exemption for the first time in Montana (rental property, including duplexes, triplexes, fourplexes, etc., is considered residential property). SB184 also provides a similar exemption for commercial properties. The exemption excludes a specified percentage of the market value of a homestead property from taxation. The bill also reduces the taxable valuation rates for classes 3, 4, and 10.

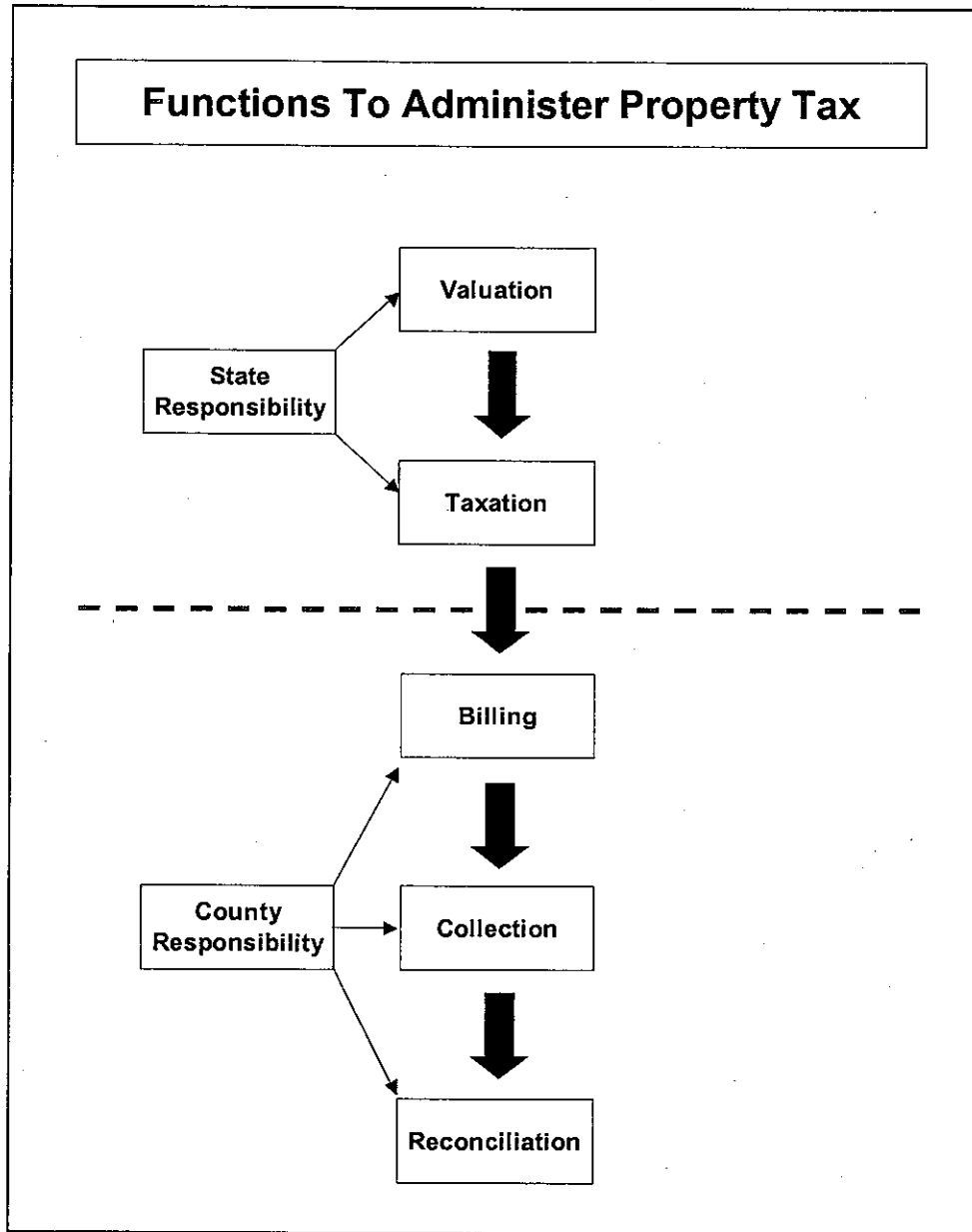
The homestead exemption percentage of market value excluded from taxation for commercial and residential property, and the reduction of taxable valuation rates are listed below:

<u>Tax Year</u>	<u>Homestead Exemption</u>		<u>Taxable Valuation Rates</u>	
	<u>Residential</u>	<u>Commercial</u>	<u>Class 3 &amp; 4</u>	<u>Class 10</u>
1999	16.0%	6.5%	3.710%	0.68%
2000	23.0%	9.0%	3.627%	0.57%
2001	27.5%	11.0%	3.543%	0.46%
2002 <i>and after</i>	31.0%	13.0%	3.460%	0.35%

There are currently twelve classes of property. Local governments determine the mill levy requirements for each local taxing jurisdiction. State mill levy requirements are established by the legislature. Using those mill levy determinations, Department of Revenue staff calculate the property tax liability for each property including special district fees and charges.

# Functions of Property Taxation

The various functions required to accomplish property taxation are identified below. The valuation and taxation functions are currently the responsibility of the state. The tax billing, collection, and reconciliation functions are a county responsibility.



## Appraisal Cycles

Beginning in 2003 - 6 Years (January 1, 2003  
- December 31, 2008; complete by 2008)

Annual Revaluation

## Property Types

Residential Land and Buildings - Class 4  
Commercial, Industrial Land and Buildings - Class 4  
Forest Lands - Class 10  
Agricultural Land

Business Equipment - Class 8  
Centrally Assessed Properties - all other classes

# Property Tax Computer Systems

The Compliance Valuation and Resolution Process of the Department of Revenue currently uses three property tax computer systems.

1. BEVS (Business Equipment Valuation System)
2. CAMAS (Computer-Assisted Mass Appraisal System)
3. MODS (Montana Ownership Database System)

## Business Equipment Valuation System (BEVS)

The Business Equipment Valuation System is a computer-assisted valuation system used by the department to value and assess personal property business equipment and livestock subject to ad valorem taxation. BEVS generates market value for over 88,000 parcels of property containing equipment and livestock. These valuations are based on characteristic data identified in the system such as quantity, make, model, year acquired, acquired cost, etc. The value of each piece of equipment and/or livestock identified for a specific business owner is recapped by class code to produce a valuation roll-up, or master record, for that property.

Two years of personal property information (current/previous) are maintained on BEVS. The current year's information is stored in a "working file" where changes are made and reports gathered. The previous year's information is used for viewing only.

BEVS provides the department the ability to generate itemized reporting forms. New property owners only need to review the previously reported personal property and update the information for the current year. This has resulted in a substantial savings in time to property owners.

BEVS provides the ability to list and value business equipment and livestock reported to the department by property owners more accurately and uniformly than ever before. Its reporting functions enable staff to produce statistical reports by specific property types which can be used to identify discrepancies in valuations between similar businesses.

Automation of business equipment and livestock valuation has greatly enhanced efficiency and allows department staff the opportunity to concentrate their efforts on other responsibilities such as on-site field inspections of farms and businesses to ensure a greater degree of accuracy and equity in the valuation and assessment of these properties.

## Computer-Assisted Mass Appraisal System (CAMAS)

The Computer-Assisted Mass Appraisal System is a set of computer programs and user procedures that help create and maintain a database of property information for each county in the state. The database holds the records of property characteristics that affect the tax evaluation of each taxable parcel in the state. It uses these files to produce computer-assisted cost and market valuations of the residential and agricultural properties, and cost and income valuations of the commercial and industrial properties.

CAMAS provides the department with the ability to utilize all three approaches to value: cost, market and income.

### Cost Approach

The CAMAS cost program provides appraisers with the ability to estimate the depreciated cost of reproducing or replacing a building and its site improvements. This is accomplished by determining the replacement cost new of a structure and deducting any loss in value due to physical deterioration, and functional or economic obsolescence.

The significance of the Cost Approach lies in the extent of its application. It is the one approach that can be used on all types of construction on each type of property. It is a starting point for appraisers in determining the value of a property. Its widest application is in the appraisal of properties where the lack of adequate market and income data preclude a reasonable application of the other traditional approaches to value.

## **Property Tax Computer Systems** *Continued*

### **Market Approach**

The CAMAS market modeling program gives appraisers the ability to value property using the comparable sales approach to establish market value. When a sufficient number of sales are available, market models can be developed. The models are then applied, in conjunction with a comparable sales analysis, to provide an estimate of the market value of each property. In making this analysis, individual properties are valued using three to five comparable sales. The comparable sales are adjusted to the subject for differences such as square foot of living area, location, year built, date of sale, quality grade, etc. The adjustments for each comparable are then applied to their sale price. The result is an estimate of value for the subject property, based on the adjusted sales of the comparable properties.

### **Income Modeling**

CAMAS income modeling gives the appraiser the ability to value income producing properties using the income approach to value. In applying the income approach to value, the appraiser must determine market rents, expenses and appropriate capitalization rates.

When income modeling, the appraiser develops a basic set of income and expense models based on market data. Through use of a capitalization rate, income is capitalized into an estimate of value. The models created reflect current economic trends in specific valuation areas. The value indications produced by the income approach and the cost approach are compared. A final value for the property is then determined.

The primary objective of CAMAS is to assist the department in determining uniform, accurate, equitable and defensible valuations of all types of classes of real property statewide. CAMAS has enabled the department to produce accurate, detailed reports and statistical information pertaining to the valuation of residential, commercial, industrial, agricultural, and forest land properties statewide. CAMAS has allowed the department to complete reappraisal cycles with fewer employees.

### **Montana Ownership Database System (MODS)**

The Montana Ownership Database System provides the Department of Revenue staff the ability to maintain, real and personal property ownership and address information for over 1,500,000 parcels of real and personal property subject to ad valorem taxation. MODS contains owner(s) name, mailing address, legal descriptions, and market and taxable values,

Market and taxable values (of all classes of real and personal taxable property) generated by the state's CAMAS and BEVS are uploaded electronically to MODS and stored in summary form by assessment code number. This function provides state and local government with a broad database of real and personal property ownership and valuation information, and allows for electronic preparation of all state and county recap reports and reporting forms from a central database.

MODS allows the department to produce and mail assessment notices for every county, from a central location. We are able to utilize the Department of Administration's laser printer, fold/pressure seal machine, and bar-code spraying machine. These features, in conjunction with the MODS on-line Postal Service address certification program, eliminate the need for staff to handle mailings. The department achieved Postal Address Certification of over 91% of the MODS mailing addresses statewide in the first year. This results in reduced postage rates. Local government can take advantage of the certified addresses from MODS to also reduce their mailing costs.

MODS provides the department the ability to produce statewide statistical reports and analysis of valuation, assessment, and taxation information more quickly, efficiently and accurately than ever before.



## Classes of Property and Tax Rates

<b>Class 1</b>	Net proceed of mines and mining claims except coal and metal mines. Class 1 property is taxed at 100% of its annual net proceeds after deducting the expenses specified and allowed. (MCA 15-6-131)	100.00% of annual net proceeds
<b>Class 2</b>	Gross proceeds of metal mines. (MCA 15-6-132)	3.00% of annual gross proceeds
<b>Class 3</b>	Agricultural land (MCA 15-6-133)	3.46%
	Nonproductive patented mining claims	3.46%
	Non-qualified agricultural land	24.22%
<b>Class 4</b>	Residential, commercial, and industrial land and improvements (MCA 15-6-134)	3.46%
	Mobile homes	3.46%
	Golf courses	1.73%
<b>Class 5</b>	Air water pollution control equipment (MCA 15-6-135)	3.00%
	Independent and rural electric and telephone cooperatives	3.00%
	Real and personal property of "new industry"	3.00%
	Machinery and equipment used in electrolytic reduction facilities	3.00%
	Real and personal property of research and development firms	3.00%
	Real and personal property used to produce gasohol	3.00%
<b>Class 6</b>	Livestock (MCA 15-6-136)	1.00% in 2002 there after 0%
	Rental or lease equipment with an acquired cost of less than \$15,000	1.00% in 2002 there after 0%
<b>Class 7</b>	Non-centrally assessed utilities (MCA 15-6-137)	8.00%
<b>Class 8</b>	Business Equipment (MCA 15-6-138)	
	A business with business equipment of less than \$5,000 total market value is exempt from Class 8 tax	3.00%, possible phase-down January 2004
<b>Class 9</b>	All property of pipelines and the non-electric generating properties of electric utilities (MCA 15-6-141)	12%
<b>Class 10</b>	Forestland (MCA 15-6-143)	0.35%
<b>Class 11</b>	Repealed. Sec. 9, Chapter 267, L. 1993	
<b>Class 12</b>	All property of railroads and airlines (MCA 15-145)	4.02% for tax year 2002, recalculated each year
<b>Class13</b>	All property of telecommunication utilities and the electric generating property of electric utilities (MCA 15-6-156)	6.00%

# Impact of Triggering the Class 8 Tax Rate Reduction

The following analysis estimates the impact of reducing the tax rate on Class 8 (business equipment) property. Current law, 15-5-138 MCA, contains a trigger mechanism that if hit will reduce the tax rate of Class 8 from 3% to 0% over a three-year period.

The first table assumes the trigger for the tax rate reduction is first met in tax year 2004. This is the earliest year that the trigger could be met. The tax rate would be 2% for tax year 2004, 1% for tax year 2005, and then 0% for tax year 2006 and beyond. It is estimated that property tax revenue would be reduced beginning in fiscal year 2004. The estimated reductions are; \$7,203,710 in fiscal year 2004; \$26,708,324 in fiscal year 2005; \$47,684,886 in fiscal year 2006; and eventually reaching full impact of \$62,160,566 in fiscal year 2007. The growth in the estimate for years beyond fiscal year 2007 reflect the estimated growth of Class 8 property.

The tables also list the estimated property tax revenue reduction for state government. If the state mill levies remain fixed at their current levels, the estimated reduction in revenues would actually be realized. It is most likely that the estimated property tax revenue reductions listed for local governments and local schools, unless replaced with alternative revenue, would be offset by higher mill levies, therefore keeping local property tax revenues at current law levels.

The second table lists the impact of the Class 8 tax rate reduction beginning in tax year 2005. The impacts are similar to those listed in the first table. The difference being that the impacts are delayed one year and the impacts are slightly larger due to estimate growth in Class 8 property.

The tax rate for Class 12 (railroad and airline) property is 4.02% in tax year 2002. The tax rate for Class 12 is annually calculated. It is a weighted average tax rate reflecting the average of tax rates applied to commercial and industrial property in Montana. Included in the calculation of the Class 12 tax rate is the market and taxable value of Class 8 property. The inclusion of Class 8 at a 3% tax rate results in the Class 12 tax rate being pulled down. Including Classes 9 and 13 at tax rates of 12% and 6% respectively result in the Class 12 tax rate being pulled up.

Under the scenario of the Class 8 tax rate being reduced to 2%, then 1%, and eventually to 0%, the Class 12 tax rate would initially be reduced for two years due to the reduced rates of 2% and 1% for Class 8, pulling the Class 12 tax rate down. However, once the tax rate for Class 8 reaches 0%, Class 8 would no longer be included in calculating the Class 12 tax rate. If the tax rate for Class 8 were reduced, the resulting tax rate for Class 12 would be 3.57% (Class 8 at 2%), 2.67% (Class 8 at 1%), and then 4.385% (Class 8 at 0%). This assumes that the tax rates for Classes of property remaining in the calculation do not change.

Estimated Impact of Reducing the Tax Rate on Class 8 Property								
Trigger Hit in TY04 (First Year Possible)								
	Taxable Value			Estimated Reduction in Property Tax Revenue				
	Trigger Not Hit	Triggered	Difference	State 95 Mills	State 6 Mills	Local Govt 182 Mills	Local Schools 163 Mills	Total
FY03	120,057,884	120,057,884	0	0	0	0	0	0
FY04	124,620,084	108,468,268	(16,151,816)	(1,534,423)	(96,911)	(2,939,631)	(2,632,746)	(7,203,710)
FY05	129,355,647	69,471,513	(59,884,135)	(5,688,993)	(359,305)	(10,898,912)	(9,761,114)	(26,708,324)
FY06	134,271,162	27,354,376	(106,916,786)	(10,157,095)	(641,501)	(19,458,855)	(17,427,436)	(47,684,886)
FY07	139,373,466	0	(139,373,466)	(13,240,479)	(836,241)	(25,365,971)	(22,717,875)	(62,160,566)
FY08	144,669,658	0	(144,669,658)	(13,743,617)	(868,018)	(26,329,878)	(23,581,154)	(64,522,667)
Trigger Hit in TY05 (Second Year Possible)								
	Taxable Value			Estimated Reduction in Property Tax Revenue				
	Trigger Not Hit	Triggered	Difference	State 95 Mills	State 6 Mills	Local Govt 182 Mills	Local Schools 163 Mills	Total
FY03	120,057,884	120,057,884	0	0	0	0	0	0
FY04	124,620,084	124,620,084	0	0	0	0	0	0
FY05	129,355,647	112,590,062	(16,765,585)	(1,592,731)	(100,594)	(3,051,337)	(2,732,790)	(7,477,451)
FY06	134,271,162	72,111,430	(62,159,732)	(5,905,175)	(372,958)	(11,313,071)	(10,132,036)	(27,723,240)
FY07	139,373,466	28,393,843	(110,979,623)	(10,543,064)	(665,878)	(20,198,291)	(18,089,679)	(49,496,912)
FY08	144,669,658	0	(144,669,658)	(13,743,617)	(868,018)	(26,329,878)	(23,581,154)	(64,522,667)

# Timeline of Reappraisal

	First Reappraisal Cycle						Second Cycle						Third Cycle											
	1971	1972	73	74	75	76	1977	1978	79	80	81	82	83	84	1985	1986	87	88	89	90	91	1992		
Base Year							1972						1982											
Tax Rate	30%						12%						8.55%						3.86%					
Assessment Factor	40%																							
Effective Tax Rate	12%																							
	<p>1971 values carried forward to 1972.</p> <p>Values determined by the cost approach.</p> <p>1973 Legislature directs DOR to develop reappraisal plan.</p> <p>Reappraisal plan implemented in 1975. 20% of property revalued each year.</p> <p>Lawsuits prompt Governor in 1976 to return to 1974 values.</p> <p>1975 Legislature passes the Realty Transfer Act.</p> <p>The 1977 Legislature establishes the market value standard for determining values.</p> <p>New reappraisal cycle to begin in 1978.</p>						<p>1977 Legislature, anticipating a large increase in the statewide total market value due to reappraisal, requires the tax rate to be reduced to offset the increase. The tax rate is reduced from 12% to 8.55%. This reduced tax rate offsets an overall increase in market value of 47%.</p> <p>Originally scheduled for five years (1978 through 1982), the cycle is extended through 1985.</p> <p>The legislature, again anticipating a large increase in the total statewide market value due to reappraisal, requires the tax rate to be reduced in 1986 to offset the total increase in market value.</p>						<p>Due to an increase in the total market value of class 4 property, the tax rate is reduced from 8.55% to 3.86%.</p> <p>The 1987 Legislature requires annual sales ratio studies for class 4 property. Annual adjustments, based on the sales ratio studies, are made to the market value of class four properties. Adjustments are made in 1988, 1989, 1990, 1991, and 1992.</p> <p>The Supreme Court rules the annual adjustments unconstitutional. The adjusted values are allowed to remain in effect.</p> <p>The 1990 Legislature extends the third reappraisal cycle an additional two years through 1992.</p> <p>The 1991 Legislature changed the reappraisal cycles from five years to three years.</p> <p>The 1992 special session changes the upcoming three-year cycle to a four-year cycle. Cycles will be three years following the transitional four-year cycle.</p>											

# Timeline of Reappraisal continued

Fourth Cycle				Fifth Cycle						Sixth Cycle					Seventh Cycle						
1993	94	95	1996	1997	98	99	00	01	2002	2003	04	05	06	07	2008	2009	10	11	12	13	2014
1992				1996						2002					2007						
3.86%				3.84% 3.82% 3.71% 3.63% 3.55% 3.46%						3.46%											
<p>Reappraisal increases total market value 7%.</p> <p>Because of the annual sales ratio adjustments to property, the sticker shock of the new reappraisal values was low. There was no reduction in the tax rate.</p> <p>New land values for agricultural land were established in 1994. This is the first change in ag land valuation since 1962. The change in values, both the increases and decreases, are phased in over a four-year period.</p>				<p>(The above tax rates are rounded)</p> <p>Reappraisal increases total market value 40%.</p> <p>The 1997 Legislature phases-in the change due to reappraisal, both increases and decreases, over a 50-year period. The tax rate was also to be incrementally reduced over the same period. This effectively froze taxable values at the 1996 levels.</p> <p>Supreme Court rules phasing property values down to a new, lower reappraisal value is unconstitutional.</p> <p>The 1999 Legislature passes SB184 with these features:</p> <ul style="list-style-type: none"> <li>- decreases in value are 100% immediately phased-down.</li> <li>- increases are phased-up over a four-year period.</li> <li>- the tax rate is phased-down to 3.46% over four-years.</li> <li>- a percentage of market value is exempt from tax through a homestead and comstead exemption.</li> </ul>						<p>Unless changed by law, the increase in value due to the 2003 reappraisal will be phased-in over a six-year period. Decreases in value will be 100% immediately phased-down in 2003.</p>											
1993	94	95	1996	1997	98	99	00	01	2002	2003	04	05	06	07	2008	2009	10	11	12	13	2014

# History of Reappraisal

The state became responsible for overseeing the property valuation program under the 1972 Constitution. This report gives an overview of how the state legislature has dealt with the cyclical reappraisal of class 3 (agriculture land), class 4 (residential and commercial property), and class 10 (forestland), since 1972. The reason cyclical reappraisal becomes a policy issue each reappraisal cycle is that without intervention by the legislature, there will be significant property tax increases for most class 4 residential and commercial property and some class 3 agricultural property. Classes of property which are appraised each year have their property values change gradually. In contrast, cyclical reappraisal results in significant changes in taxable values for this property in the year the cyclical reappraisal values are implemented. This is due to the time lag in recognizing property value changes in cyclical reappraisal.

The goal of reappraisal is to insure that property is valued at current market value. If this is done, then the state is in compliance with Section 3, Article VIII of the state Constitution which reads as follows.

"The state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner provided by law."

When a cyclical reappraisal cycle is completed, the state has met the constitutional obligation to equalize the valuation of all property. In theory, for every location in the state, all property of similar characteristics and use has a market value established for the same point in time.

## Background

This background section will identify the property tax classes and show how to calculate the property tax liability.

### Property Tax Classes

Table 1 shows the tax year 2002 market values, tax rates, and taxable values for each of the 12 classes of property. All classes of property are appraised annually with the exception of classes 3, 4 and 10, which are reappraised once every six years.

Table 1 shows that the total market value for the state is \$57.3 billion and the total taxable value is \$1.7 billion. Dividing the statewide total taxable value by the statewide total market value gives an average property tax rate of 3.0% for all property in the state.

The total market value of class 4 property is \$40 billion. This represents 70% of the total statewide market value. The total taxable value of class 4 property is \$1 billion. This represents 58.35% of the statewide taxable value. The class 4 share of total statewide taxable value is lower than class 4 share of total statewide market value. This indicates that the tax rate for class 4 property is lower than the statewide average tax rate.

### Calculation of Property Taxes

Table 2 shows the property tax calculation of property in class 3 (agriculture land), class 4 (residential), class 4 (commercial), and class 9 (utilities). The calculation for class 4 residential property includes a homestead exemption of 31%. The calculation for class 4 commercial property has a comstead exemption of 13%. For class 9, and all classes of property other than class 4, there is no homestead or comstead exemption. With a homestead or a comstead exemption, a percentage of the property value is exempt from property tax.

Classes 3 and 4 have the same tax rate of 3.46%. Allowing a homestead exemption for class 4 residential property and a comstead exemption for class 4 commercial property results in those properties having an effective tax rate lower than 3.46%. The lower effective tax rates are due to the residential property homestead exemption of 31% and the commercial property comstead exemption of 13%. Agricultural land has an effective tax rate of 1.38%, class 4 residential property has an effective tax rate of 0.95%, and class 4 commercial has an effective tax rate of 1.20%. The effective tax rate for class 9 property is 4.8%. This is higher than class 3 agricultural land and higher than class 4 residential and commercial property because class 9 property has a tax rate of 12% and does not receive the benefit of a homestead or comstead exemption.

**Table 1**  
**Tax Year 2002 Valuations by Tax Class**

<u>Tax Class</u>	<u>Description</u>	<u>Tax Rate</u>	<u>2002 Market Value</u>	<u>% of MV</u>	<u>2002 Taxable Value</u>	<u>% of TV</u>
1	Mine Net Proceeds	100.00%	8,691,402	0.02%	8,691,402	0.51%
2	Gross Proceeds Metal Mines	3.00%	355,644,076	0.62%	10,669,321	0.62%
3	Agricultural Land	3.46%	3,845,087,046	6.72%	138,900,095	8.08%
4	Residential <sup>1</sup>	3.46%	30,906,164,239	53.98%	731,671,491	42.57%
4	Commercial <sup>1</sup>	3.46%	9,110,810,891	15.91%	271,202,451	15.78%
<b>Sub 4</b>	<b>Subtotal Class 4</b>	<b>3.46%</b>	<b>40,016,975,130</b>	<b>69.89%</b>	<b>1,002,873,942</b>	<b>58.35%</b>
5	Pollution Control Equipment	3.00%	1,180,181,662	2.06%	35,382,198	2.06%
6	Livestock	1.00%	616,075,480	1.08%	6,167,237	0.36%
7	Non-Centrally Assessed Public Util.	8.00%	2,705,175	0.00%	216,414	0.01%
8	Business Personal Property	3.00%	4,012,212,828	7.01%	118,348,926	6.89%
9	Non-Elec. Gen. Prop. of Electric Util.	12.00%	1,719,851,111	3.00%	206,360,123	12.01%
10	Forest Land	0.35%	2,048,625,084	3.58%	7,170,239	0.42%
12	Railroad and Airline Property	4.02%	1,161,404,952	2.03%	46,688,479	2.72%
13	Telecomm. & Electric Property	6.00%	2,286,414,106	3.99%	137,184,847	7.98%
<b>Totals</b>			<b>57,253,868,052</b>	<b>100.00%</b>	<b>1,718,653,223</b>	<b>100.00%</b>

<sup>1</sup>Market Value is prior to Homestead/Comstead.

### Basis of Class 4 Property Valuation

For residential property, a new reappraised value is based on comparable sales of similar residential property. That is, the new reappraised value is an estimate of what the property would sell for on the open market in a sale between a willing seller and a willing buyer.

For commercial property, a new reappraised value is based on the income approach. The goal of this method is to value the property on the fair market rental income the property can produce. The income approach is the primary method for valuing commercial property. If there is insufficient information to apply the income approach, then the property is valued on a cost approach. The cost approach estimates the replacement cost of the property less depreciation.

If an improvement is added to an existing property or a property is newly constructed during the six-year reappraisal period, a revised or new value is assigned to reflect the new construction. The new value is an estimate of what the improved or new property would have been appraised at had it existed at the beginning of the reappraisal cycle. In doing this, the new construction is valued on an equal basis with the older property that did exist at the beginning of the reappraisal cycle.

**Table 2**  
**Tax Year 2002 Property Tax Calculation of Selected Tax Classes**

<u>Description</u>	<u>Tax Class 3</u>	<u>---- Tax Class 4 ----</u>		<u>Tax Class 9</u>
		<u>Residential</u>	<u>Commercial</u>	
Market Value	\$100,000	\$100,000	\$100,000	\$100,000
Homestead / Comstead	0	x 31%	x 13%	0
Exempt Market Value	\$0	\$31,000	\$13,000	\$0
<b>Net Assessed Value</b>	<b>\$100,000</b>	<b>\$69,000</b>	<b>\$87,000</b>	<b>\$100,000</b>
Tax Rate	x 3.46%	x 3.46%	x 3.46%	x 12.00%
<b>Taxable Value</b>	<b>\$3,460</b>	<b>\$2,387</b>	<b>\$3,010</b>	<b>\$12,000</b>
Mill Levy	x 400 Mills	x 400 Mills	x 400 Mills	x 400 Mills
<b>Tax Liability</b>	<b>\$1,384</b>	<b>\$955</b>	<b>\$1,204</b>	<b>\$4,800</b>
+ Market Value	\$100,000	\$100,000	\$100,000	\$100,000
<b>Effective Tax Rate</b>	<b>1.38%</b>	<b>0.95%</b>	<b>1.20%</b>	<b>4.80%</b>

## Reappraisal Cycles

There have been five reappraisal cycles since 1972. Each cycle must have a base year. The base year is generally the year prior to the start of a reappraisal cycle. The reappraisal value of a property in the reappraisal cycle is reflective of the true market value of the property in the base year. For example, for the upcoming six-year reappraisal cycle from January 2003 to December 2008, the base year is 2002. In 2003, each piece of property will be assigned a new reappraisal value that is an estimate of the true market value of that property in 2002. This new reappraisal value will be one of the components used in calculating the taxable value of the property in each year of the 2003 to 2008 cycle. If the characteristics of the property do not change during the cycle, then the reappraisal value will not change. If there is a change to the property, due to remodeling, new construction, or severe natural disaster damage, a new reappraisal value will be calculated. The new reappraisal value will be calculated using 2002 as the base year.

### First Reappraisal Cycle, January 1, 1972 – December 31, 1977

On January 1, 1972 the Department of Revenue was created and assumed the responsibility for the valuation of all property in the state, including all residential, commercial, agricultural and forest lands. Values for class 4 residential and commercial properties were established as of January 1, 1972. The values were based on the values already in place from the Montana Board of Equalization, the forerunner of the department. The values were determined based on the cost approach and were considered the market value of the property.

The 1973 Legislature directed the department to develop a reappraisal plan. Under the Administrative Procedures Act, the department developed a five-year plan that would require 20% of the property be re-valued each year of the cycle and began implementing the plan in 1975. Subsequent legal action prevented the plan from being implemented according to schedule and all values were returned to 1974 levels. The 1974 values included the property values that were changed from the 1972 values for the property that had been reappraised under the 20% a year plan.

To determine the taxable value, an assessment factor was in use. The assessment factor was used in addition to the tax rate. The assessment factor was applied to the market value to determine an assessed value. For class 4 residential and commercial properties the assessment factor was 40%. That is, 40% of the market value was considered the assessed value. The assessed value was then multiplied by a tax rate of 30% to yield the taxable value. In effect, this creates a 12% tax rate ( $40\% \times 30\% = 12\%$ ) on class 4 property. This practice was used on all property, although the assessment factors and tax rates varied based on the class of property.

The 1975 Legislature passed the Realty Transfer Act which required that sales information on certain properties be provided to the department. Having the sales information allowed the department to develop a market approach to value.

The 1977 Legislature removed the assessment factor on properties and instructed the department to apply a single tax rate against the market value of property. The tax rates established by the Legislature resulted in a "taxable value neutral" position on most properties. The 1977 Legislature also established the market value standard when determining the assessed value of property. The market value standard was effective after December 31, 1977 or for the next reappraisal cycle.

In 1977, the last year of the reappraisal cycle, the tax rate on residential and commercial property was fixed in statute at 12%. In the next tax year, 1978, new reappraisal values would be implemented. The 1977 Legislature, anticipating that implementing the new reappraisal values would result in significantly higher market values, required the tax rate for residential and commercial property be reduced from 12%. The purpose of the reduced rate was to offset the overall increase in market value due to reappraisal. The new tax rate, calculated by formula, was to be reduced to a level such that the statewide taxable value of residential and commercial property remained revenue neutral. The implementation of the new reappraisal values resulted in a 47% increase in total market value of residential and commercial property. The tax rate was reduced from 12% to 8.55% beginning in tax year 1978.

### **Second Reappraisal Cycle, January 1, 1978 – December 31, 1985**

The second reappraisal cycle began in 1978 and was originally scheduled for five years, from 1978 through 1982. The base year for this second reappraisal cycle was 1972. Under the original five-year schedule, the next reappraisal cycle would have been from 1983 through 1987, with the base year for that reappraisal cycle being 1982. However, it was necessary to extend the second reappraisal cycle an additional two years. The second reappraisal cycle was the period 1978 through 1985. The next reappraisal cycle would begin in 1986, but the base year for that reappraisal cycle would remain 1982, as originally scheduled.

The legislature, again anticipating that implementing new reappraisal values would result in significantly higher market values, required the tax rate for residential and commercial property be reduced from 8.55%. As before, the new tax rate, calculated by formula, was reduced to a level such that the statewide taxable value of residential and commercial property remained revenue neutral. The tax rate was reduced from 8.55% to 3.86% beginning in tax year 1986.

### **Third Reappraisal Cycle, January 1, 1986 – December 31, 1992**

The third reappraisal cycle was scheduled to be completed by December 31, 1990, per the five year cycles established by the department. HB 53 extended the reappraisal cycle for 2 years, to a completion date of December 31, 1992. The following reappraisal cycle would be from 1993 through 1997, with the base year 1992.

The 1987 legislature required annual property value adjustments for class 4 residential and class 4 commercial property beginning in 1987. The department was to do annual sales assessment studies for the purpose of adjusting assessments of real property to reflect changing market conditions. The adjustments did not replace the cyclical reappraisal, but were average property adjustments for the interim years to reflect market changes by location. Thus, the goal was to reduce the 'sticker shock' of reappraisal changes that occur when the property values were changed only once every reappraisal cycle.

Many property appeals followed and the Supreme Court ruled that the implementation of the sales assessment study adjustments were unconstitutional. The Supreme Court did allow the adjusted values to remain in effect for the 1990 tax year.

The 1991 Legislature passed legislation that continued the sales assessment studies and changed the reappraisal cycle from five to three years. This meant the upcoming reappraisal cycle would be the three-year period 1993 through 1995. This did not last long. The 1992 special session provided for a transitional four-year reappraisal cycle. The upcoming reappraisal cycle would be 1993 through 1996, with subsequent reappraisal cycles being three-year periods.

The implementation of the prior two reappraisals included reductions in the tax rate for residential and commercial property to offset the increases in market value. In implementing the 1993 reappraisal values, the legislature did not reduce the tax rate for residential and commercial property. The "sticker shock" generally associated with the implementation of new reappraisal values was absent. This is because the changes in market value due to reappraisal were small as a result of the sales assessment study adjustments in the prior years.

### **Fourth Reappraisal Cycle, January 1, 1993 – December 31, 1997**

This reappraisal cycle went on as scheduled and was uneventful. Of significance during this period is the revaluation of agricultural land. For the first time since 1962 the value of agricultural land was changed. New land schedules were adopted and implemented in 1994. To mitigate the impact on agricultural land taxpayers, statute required that the changes in value, both increases and decreases, be phased-in over a four-year period.



## Reappraisal - Tax Policy Basics

The new reappraisal value assigned to property on January 1, 1993, was an estimate of the January 1, 1992 market value of the property. The reappraisal value established in 1993 was the assessed value of residential and commercial property until the next reappraisal four years later in 1997. The assessed value for a residence reappraised at \$75,000 in 1993 remained fixed at \$75,000 for 1994, 1995, and 1996, if the residence remained unchanged.

In 1993 the new reappraised value represented the assessed value of residential property. The tax rate for residential property in 1993 was 3.86%. The property taxes on a residence with a reappraised value of \$75,000 in various cities are listed below.

The ending property tax liability differs because different local governments have different mill levies. Local governments and schools determine what mill level is necessary to fund the city and county taxing jurisdictions. State mill levies apply to all property equally statewide.

<b>Table 3</b>					
<b>Example of Difference in Tax Liability due to Mill Levy</b>					
Tax Year 1993					
<u>City</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Taxable Value</u>	<u>1993 Mills</u>	<u>Tax Liability</u>
Billings	75,000	3.86%	2,895	397.48	1,151
Missoula	75,000	3.86%	2,895	553.62	1,603
Great Falls	75,000	3.86%	2,895	436.04	1,262
Bozeman	75,000	3.86%	2,895	395.29	1,144
Helena	75,000	3.86%	2,895	463.82	1,343
Kalispell	75,000	3.86%	2,895	451.15	1,306
Butte	75,000	3.86%	2,895	474.17	1,373
Havre	75,000	3.86%	2,895	410.02	1,187
Miles City	75,000	3.86%	2,895	505.37	1,463
Livingston	75,000	3.86%	2,895	441.32	1,278
Glendive	75,000	3.86%	2,895	519.95	1,505

### What Happens Without Reappraisal?

The market value of property appreciates or depreciates over time. As time goes on, the last reappraisal value becomes more and more inaccurate as a measure of current market value. This would not be a problem if all property had the same rate of appreciation or depreciation (the value of property could still be considered equalized if the assessed value of all property were 75% of market value).

Below are examples of the change in market value of residences given different rates of appreciation.

<b>Table 4</b>					
<b>Change in Market Value of Residence Over Time</b>					
<u>Residence</u>	<u>Rate of Change</u>	<u>True Market Value</u>			
		<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
A	12%	75,000	84,000	94,080	105,370
B	8%	75,000	81,000	87,480	94,478
C	-2%	75,000	73,500	72,030	70,589
D	-4%	75,000	72,000	69,120	66,355

It does not take long for the 1993 market values to become disparate. In 1996 the market value of residence A is \$105,370 and the market value of residence D is \$66,355. Yet, in 1996, both residences have an assessed value of \$75,000 for the purposes of calculating property taxes. Since the owner knows that property tax is based on assessed value, the owner of residence D is going to do some thinking.

The amount of property tax paid to the state 95-mill levy for the four residences in 1996 is calculated in Table 5.

Because the assessed value, the tax rate, and the mill levy are the same for each residence, the resulting tax liability is the same.

Table 5 Property Taxes Paid to the State 95 Mill Levy in 1996					
<u>Residence</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Taxable Value</u>	<u>Mills</u>	<u>Tax Liability</u>
A	75,000	3.86%	2,895	95	275
B	75,000	3.86%	2,895	95	275
C	75,000	3.86%	2,895	95	275
D	75,000	3.86%	2,895	95	275

But here is what the owner of residence D is thinking as illustrated in Table 6.

"For each \$1,000 in true market value, the owner of residence A only pays 2.6 cents to the state. But for each \$1,000 of true market value, I pay 4.1 cents to the state. We are both paying the state for the same services, yet I pay at a rate that is 57% more than the other owner."

Table 6 1996 Effective Tax Rate for 95 Mill Levy			
<u>Residence</u>	<u>1996 Market Value</u>	<u>Tax Liability</u>	<u>Effective Tax Rate</u>
A	105,370	275	0.26%
B	94,478	275	0.29%
C	70,589	275	0.39%
D	66,355	275	0.41%

Three years after the last reappraisal (1993), the owners are paying at different effective tax rates to the state. Not because the mill levy differs (it is 95 mills for all owners), not because the tax rate differs (it is 3.86% for all owners), but because the 1993 market value of \$75,000 is still being used to calculate the property tax liability rather than the current 1996 market value.

This inequity is caused by the passage of time since the last reappraisal in 1993. This suggests that it is time for another reappraisal.

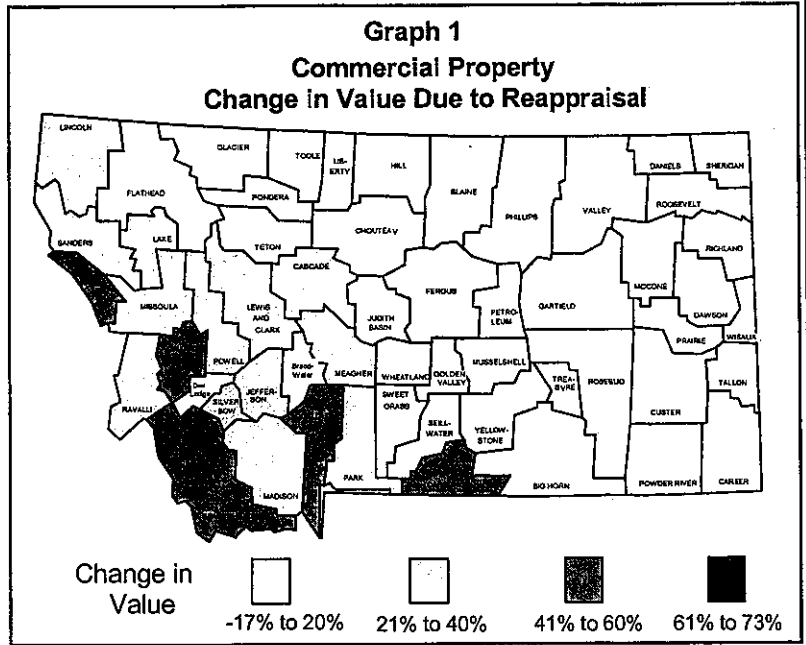
## 1997 Reappraisal

The most recent reappraisal was completed in 1997. The results of that reappraisal indicate that residential and commercial property had appreciated in value from 1993 to 1997 at various rates. The average increase in reappraisal value from 1993 to 1997 for each county is listed in the following Table 7.

<b>Table 7</b>				
<b>Impact of the 1997 Reappraisal - (1993 to 1997 Change)</b>				
County	Commercial Property		Residential Property	
	Total Change	Annual Change	Total Change	Annual Change
Beaverhead	47%	10%	50%	11%
Big Horn	8%	2%	38%	8%
Blaine	-4%	-1%	7%	2%
Broadwater	12%	3%	47%	10%
Carbon	46%	10%	66%	14%
Carter	12%	3%	0%	0%
Cascade	24%	5%	31%	7%
Chouteau	2%	1%	35%	8%
Custer	2%	0%	36%	8%
Daniels	7%	2%	5%	1%
Dawson	1%	0%	32%	7%
Deer Lodge	0%	0%	68%	14%
Fallon	5%	1%	2%	1%
Fergus	12%	3%	49%	11%
Flathead	12%	3%	39%	9%
Gallatin	53%	11%	54%	11%
Garfield	0%	0%	2%	0%
Glacier	4%	1%	31%	7%
Golden Valley	10%	2%	40%	9%
Granite	50%	11%	69%	14%
Hill	10%	2%	30%	7%
Jefferson	24%	5%	46%	10%
Judith Basin	5%	1%	33%	7%
Lake	31%	7%	59%	12%
Lewis And Clark	40%	9%	48%	10%
Liberty	0%	0%	23%	5%
Lincoln	32%	7%	51%	11%
Madison	36%	8%	60%	12%
McCone	0%	0%	-3%	-1%
Meagher	26%	6%	40%	9%
Mineral	49%	10%	44%	10%
Missoula	28%	6%	56%	12%
Musselshell	-7%	-2%	32%	7%
Park	25%	6%	77%	15%
Petroleum	-15%	-4%	48%	10%
Phillips	3%	1%	9%	2%
Pondera	6%	1%	40%	9%
Powder River	7%	2%	1%	0%
Powell	35%	8%	27%	6%
Prairie	-2%	0%	3%	1%
Ravalli	26%	6%	49%	10%
Richland	17%	4%	20%	5%
Roosevelt	7%	2%	12%	3%
Rosebud	-9%	-2%	20%	5%
Sanders	39%	8%	58%	12%
Sheridan	1%	0%	11%	3%
Silver Bow	24%	5%	41%	9%
Stillwater	16%	4%	49%	10%
Sweet Grass	15%	4%	86%	17%
Teton	4%	1%	50%	11%
Toole	5%	1%	34%	8%
Treasure	-17%	-5%	30%	7%
Valley	7%	2%	32%	7%
Wheatland	3%	1%	46%	10%
Wibaux	0%	0%	5%	1%
Yellowstone	19%	5%	36%	8%
State Average	24%	6%	44%	10%

**Commercial Property**

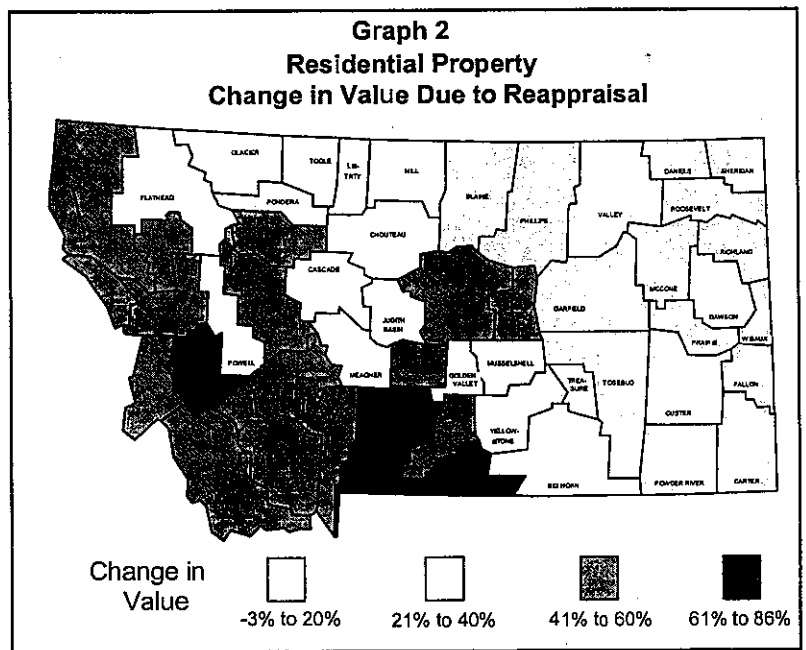
The increase of 24% for commercial property as shown in the previous table represents the statewide impact of reappraisal to the statewide total value of commercial property. The impact to the total value of commercial property within a county varies. Generally, far western and southwestern counties had large increases and counties in the east and north had smaller increases or even decreases. Graph 1 illustrates the variation in the impact of reappraisal by county.



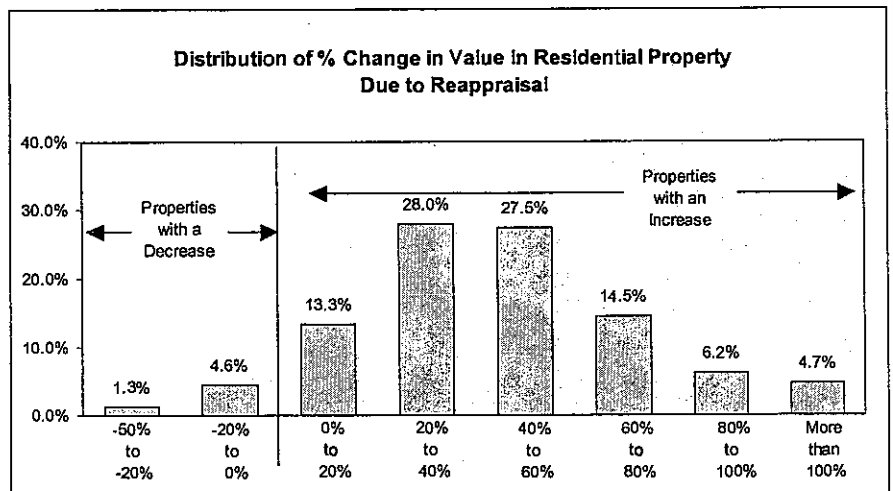
**Residential Property**

The increase of 44% for residential property as shown in Table 7 represents the statewide impact of reappraisal to the statewide total value of residential property. The impact to the total value of residential property within a county varies. Generally, western and southwestern counties had large increases and eastern counties had smaller increases as shown in graph 2.

The impact to individual residential properties is seen in the following graph. Reappraisal decreased the taxable value on 5.9% of the residential properties in the state. The graph shows 41.3% of the residential properties in the state had an increase of 40% or less. The remaining 52.9% of residential properties had an increase of 40% or more. The distribution of change in value represented in the graph is a reflection of the natural economic forces in different locations changing the market value of residential property from 1993 to 1997.

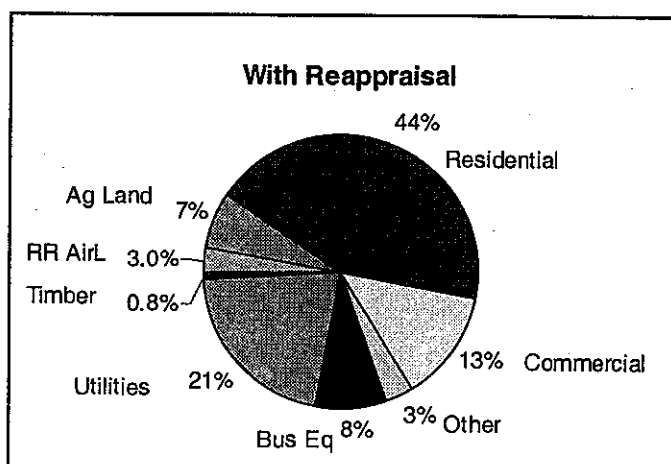
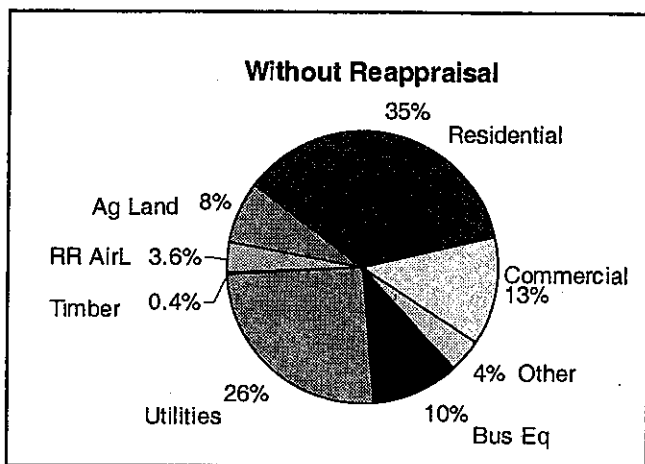


With no law change, a major impact of reappraisal would be a shift in the share of the property tax base to residential and commercial property from the other classes of property. This shift can be seen in the adjacent graph.



## Shift in the Share of the State Tax Base

Residential property increases its share of the tax base from 35% to 44%. Commercial property maintains its 13% share of the tax base. Forest land's share increases from 0.4% to 0.8%. All other property classes realize a decrease in their share of the tax base.



## What if Reappraisal is Implemented with No Changes in Law or Mill Levies?

The question asked is what would happen if no changes in law were made to offset the market values increases in residential and commercial property. That is, the new 1997 reappraisal values would become the new market values used to calculate tax liability.

To display the impact of the 1997 reappraisal under current law, a simplified sample county example is used. The impact to residential and commercial property is assumed to be the statewide averages of 44% and 24% respectively. It is also assumed that 85 mills generates the

Table 8 Example Impact of Reappraisal Without a Law or Mill Levy Change						
Before Reappraisal						
Property Type	Total Market Value	Tax Rate	Taxable Value	Mills	Tax Liability	
Residential	118,134,715	3.86%	4,560,000	85	387,600	
Commercial	43,523,316	3.86%	1,680,000	85	142,800	
Utility	27,000,000	12.00%	3,240,000	85	275,400	
Personal Property	48,000,000	3.00%	1,440,000	85	122,400	
Ag Land	27,979,275	3.86%	1,080,000	85	91,800	
<b>Total</b>	<b>264,637,306</b>		<b>12,000,000</b>		<b>1,020,000</b>	
After Reappraisal, No Other Changes						
Property Type	Total Market Value	Tax Rate	Taxable Value	Mills	--- Tax Liability --- Amount	Chg
Residential	170,113,990	3.86%	6,566,400	85	558,144	44%
Commercial	53,968,912	3.86%	2,083,200	85	177,072	24%
Utility	27,000,000	12.00%	3,240,000	85	275,400	0%
Personal Property	48,000,000	3.00%	1,440,000	85	122,400	0%
Ag Land	27,979,275	3.86%	1,080,000	85	91,800	0%
<b>Total</b>	<b>327,062,176</b>		<b>14,409,600</b>		<b>1,224,816</b>	<b>20%</b>

desired level of property tax revenue. The first part of the table shows what happens before the reappraisal numbers are applied. The second half of the table shows what happens after the reappraisal numbers are applied.

Table 8 shows the impact of implementing reappraisal with no changes in law when a 44% and 24% increase is applied to the value of residential and commercial property respectively, and no other changes are made, the results are:

- A windfall of property tax revenue for the county.
- Property tax liability for residential property increases 44%.
- Property tax liability for commercial property increases 24%.
- Property tax liability for other property types does not change.

**What if the Mill Levy is Reduced to Generate the Same Revenue as Prior to Reappraisal?**

Table 9 shows that if the mill levy was reduced from 85.00 to 70.79 mills, then \$1,020,000 in property tax revenue will be generated. This is the same amount of property tax revenue generated prior to reappraisal.

The results are:

- No windfall of property tax revenue for the county.
- Property tax liability for residential property increases 20%.
- Property tax liability for commercial property increases 3%.
- Property tax liability for other property types decreases 17%.

Table 9 Example of Impact of Reappraisal if Mill Levy is Reduced						
Property Type	Total Market Value	Tax Rate	Taxable Value	Mills	--- Tax Liability ---	
					Amount	Chg
Residential	170,113,990	3.86%	6,566,400	70.79	464,835	20%
Commercial	53,968,912	3.86%	2,083,200	70.79	147,470	3%
Utility	27,000,000	12.00%	3,240,000	70.79	229,360	-17%
Personal Property	48,000,000	3.00%	1,440,000	70.79	101,938	-17%
Ag Land	<u>27,979,275</u>	3.86%	<u>1,080,000</u>	70.79	<u>76,453</u>	<u>-17%</u>
Total	<u>327,062,176</u>		<u>14,409,600</u>		<u>1,020,056</u>	<u>0%</u>

**What if the Tax Rate for Class 4 (Residential and Commercial) Property is Reduced?**

The tax rate for class 4 property could be reduced to a level such that the total taxable value of the county remains the same as prior to reappraisal. This would impact the taxable value of residential and commercial property and agricultural land. Agricultural land is impacted because the tax rate for agricultural land (class 3 property) is tied to the tax rate for class 4 property. Table 10 shows this calculation.

The results are:

- No windfall of property tax revenue for the county.
- Property tax liability for residential property increases 9%.
- Property tax liability for commercial property decreases 7%.
- Property tax liability for agriculture land decreases 25%.
- Property tax liability for other property types does not change.

Table 10 After Reappraisal, Reduce Class 4 Tax Rate						
Property Type	Total Market Value	Tax Rate	Taxable Value	Mills	--- Tax Liability ---	
					Amount	Chg
Residential	170,113,990	2.91%	4,950,317	85.00	420,777	9%
Commercial	53,968,912	2.91%	1,570,495	85.00	133,492	-7%
Utility	27,000,000	12.00%	3,240,000	85.00	275,400	0%
Personal Property	48,000,000	3.00%	1,440,000	85.00	122,400	0%
Ag Land	<u>27,979,275</u>	2.91%	<u>814,197</u>	85.00	<u>69,207</u>	<u>-25%</u>
Total	<u>327,062,176</u>		<u>12,015,009</u>		<u>1,021,276</u>	<u>0%</u>

The result of reducing the tax rate of class 4 property increased the tax liability of residential property by 9%. This represents an average impact to residential property. Individual taxpayers won't know the average impact to residential property, but they will know the impact to their own property. Reducing the tax rate for class 4 property will have varied impacts to individual property tax payers as shown in Table 11.

The owner of residence A sees an increase of 19%. This is more than the average increase for residential property. The owner of residence D sees a decrease of 36%.

**Table 11**  
**Calculation of Property Tax Liability Before and After Reappraisal Without a Change in Mill Levy**

Property Taxes Paid Before Reappraisal					
Residence	Market Value	Tax Rate	Taxable Value	Mills	Tax Liability
A	75,000	3.86%	2,895	85	246
B	75,000	3.86%	2,895	85	246
C	75,000	3.86%	2,895	85	246
D	75,000	3.86%	2,895	85	246

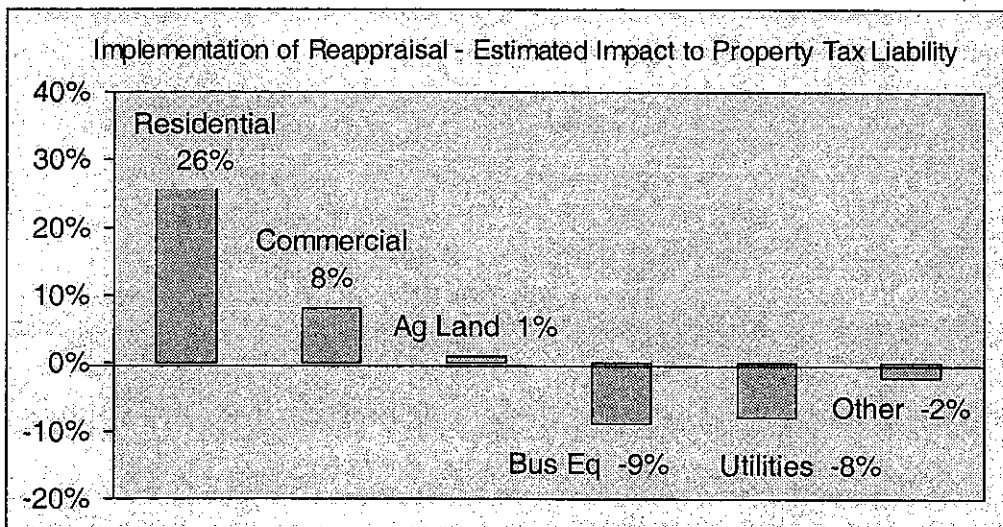
Property Taxes Paid After Reappraisal and Rate Reduction					
Residence	Market Value	Tax Rate	Taxable Value	Mills	Tax Liability
A	118,014	2.91%	3,434	85	292
B	102,037	2.91%	2,969	85	252
C	69,178	2.91%	2,013	85	171
D	63,701	2.91%	1,854	85	158

Property Taxes Paid				
Residence	Before	After	Change	
A	246	292	19%	
B	246	252	3%	
C	246	171	-30%	
D	246	158	-36%	

**Comprehensive View of Reappraisal Impacts**

The table below shows the impact of implementing the 1997 reappraisal without any changes in law. It is assumed that local governments would adjust mill levies to generate an amount of property tax revenue equal to that generated prior to reappraisal. State mill levies remain fixed at 101 mills. The impacts shown below are a result of a combination of the shift in the tax base caused by implementing reappraisal and state mill levies remaining fixed at 95 and 6 mills.

Residential property would have had an average tax increase of 26%. Commercial property would have had an average tax increase of 8%. Agricultural land would have increased 1%. All other classes of property's tax liability would have decreased.



## 1997 Reappraisal Solution

The 1997 Legislature was aware of the potential impact of implementing the 1997 reappraisal. The Legislature was also aware that the solutions discussed above resulted in property tax burden shifts between property types.

The solution that came out of the 1997 Legislature was to **phase-in the impact of the 1997 reappraisal over a 50-year period**. That is, the assessed value of property would creep from the 1993 reappraisal value to the 1997 reappraisal value over 50 years.

Such a phase-in had very little impact on assessed valuations. This made the owner of residence A happy. The assessed value of residence A would creep from \$75,000 to \$118,014 (the 1997 market value) over a 50-year period.

The owner of residence D was not happy. The assessed value of residence D would creep from \$75,000 to \$63,701 (the 1997 market value) over a 50-year period.

A lawsuit soon ensued. The Supreme Court agreed that phase-down to a reappraisal value over 50 years was unfair treatment.

## 1999 Solution

The 1999 Legislature, faced with a Supreme Court decision that negated the 50-year phase-in solution from the 1997 Legislature, devised the current solution. The new solution (SB184 of the 1999 Legislature) was a combination of five factors to be fully implemented in tax year 2002.

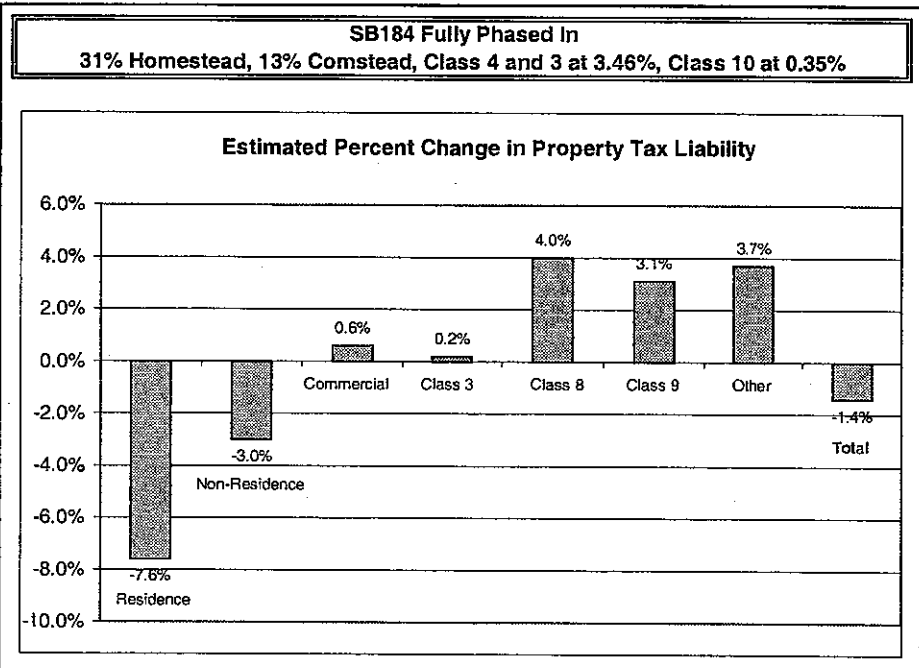
1. For those properties that saw an increase in value due to reappraisal (96% of all properties), phase-in the increase in value over a four-year period (from 1999 to 2002).
2. For those properties that decreased in value due to reappraisal (4% of all properties), reduce the value immediately to the lower reappraised value as required by the Supreme Court decision.
3. Decrease the tax rate of class 4 property from 3.86% to 3.46% over a four-year period (1999 to 2002).
4. Phase-in a 31% homestead exemption for residential property over a four-year period (1999 to 2002).
5. Phase-in a 13% comstead exemption for commercial property over a four-year period (1999 to 2002).

When fully implemented, SB184 was expected to result in a tax shift between property classes. As shown in the graph and in Table 12, property taxes on class 4 residential parcels with a residence were expected to decrease 7.6%, or \$18.9 million. Property taxes on class 4 residential parcels without a residence were expected to decrease 3%, or \$1.1 million. Property taxes on class 4 commercial properties were expected to increase 0.6%, or \$578,000.

The graph and Table 12 show the impact of SB184 from a statewide perspective. The impacts on property in individual counties will vary from the statewide average impacts. It was estimated that 74% of class 4 residences would have a property tax reduction.

**Table 12**  
**SB184 Fully Phased In**  
**Change in Property Taxes Paid**

Description	Property Tax Change
Residence	(\$18,913,419)
Non Residence	(1,098,344)
Commercial	577,602
Class 3	106,479
Class 8	2,803,810
Class 9	4,449,105
Other	1,892,878
<b>Total</b>	<b>(\$10,181,889)</b>





Examining selected counties shows that the impact of SB184 varied. In McCone County, 92% of class 4 residences were expected to receive a property tax decrease. The rate was lower in Park County where only 42% of residences were expected to receive a tax decrease. In Sweet Grass County, it was estimated that only 22% of the residences would receive a property tax decrease, meaning 78% would receive a property tax increase.

### Additional Tax Policy Issues

The solutions used by the prior policy makers result in two additional policy issues.

1. What is fair tax policy when discussing the effective tax rate between classes of property?
2. Is there an appropriate portion of the property tax burden that should be paid by class 4 residential and commercial property?

### Effective Property Tax Rate

The effective property tax rates for 1996 and 2002 are shown in Table 13.

The effective tax rate is measured by dividing the total property taxes paid by the total market value for each class of property. In tax year 2002, the statewide average effective tax rate is 1.20%. The effective tax rates in tax year 2002 vary across property classes, ranging from a high of 40% to a low of 0.14%.

Table 13 Tax Year 1996 and 2002 Market Value and Estimated Tax Liability with a Mill Levy of 400							
Tax Class	Description	Tax Year 1996			Tax Year 2002		
		Market Value	Est. Tax Liability <sup>1</sup>	Effective Tax Rate	Market Value	Est. Tax Liability <sup>1</sup>	Effective Tax Rate
1	Mine Net Proceeds	4,558,295	1,823,318	40.00%	8,691,402	3,476,561	40.00%
2	Gross Proceeds Metal Mines	406,479,575	4,877,755	1.20%	355,644,076	4,267,729	1.20%
3	Agricultural Land	3,620,132,022	55,894,838	1.54%	3,845,087,046	53,216,005	1.38%
4	Residential	17,141,708,241	264,667,975	1.54%	30,906,164,239	295,141,506	0.95%
4	Commercial	6,008,487,890	92,771,053	1.54%	9,110,810,891	109,701,452	1.20%
	<i>Subtotal Class 4</i>	<i>23,150,196,131</i>	<i>357,439,028</i>	<i>1.54%</i>	<i>40,016,975,130</i>	<i>404,842,958</i>	<i>1.01%</i>
5	Pollution Control Equipment	1,080,500,187	12,966,002	1.20%	1,180,181,662	14,162,180	1.20%
6	Livestock	612,827,809	9,805,245	1.60%	616,075,480	2,464,302	0.40%
7	Non-Centrally Assessed Public Util.	21,885,241	700,328	3.20%	2,705,175	86,566	3.20%
8	Business Personal Property	3,157,874,527	101,051,985	3.20%	4,012,212,828	48,146,554	1.20%
9	Non-Elec. Gen. Prop. of Electric Util.	3,720,837,580	178,600,204	4.80%	1,719,851,111	82,552,853	4.80%
10	Forest Land	922,876,362	2,916,289	0.32%	2,048,625,084	2,868,075	0.14%
12	Railroad and Airline Property	1,022,487,417	27,648,060	2.70%	1,161,404,952	18,675,392	1.61%
13	Telecomm. & Electric Property	-	-	0.00%	2,286,414,106	54,873,939	2.40%
	<b>Totals</b>	<b>37,720,655,146</b>	<b>753,723,052</b>	<b>2.00%</b>	<b>57,253,868,052</b>	<b>689,633,112</b>	<b>1.20%</b>

<sup>1</sup>Tax Liability is Estimated using a constant mill levy of 400.

### Portion of Property Tax Allocated to Class

From Table 13, it can be seen that the market value of class 4 property increased from \$23,150,196,131 in 1996 to \$40,016,975,130 in 2002. This is an increase of 73%. In the same time frame, the estimated taxes paid by class 4 property increased from \$ 357,439,028 to \$404,842,958. This is an increase of 13%. While the market value of class 4 property has increased significantly, the actions by past Legislatures in addressing reappraisal have resulted in mitigating the increase in property taxes paid for class 4 property.

# History of Agricultural Land Taxation in Montana

As of July 1, 1973, the Department of Revenue was delegated the responsibility for classifying all agricultural lands. Previously, that was the duty of the county commissioners under Chapter 191, Laws of 1957. As with the previous law, the values determined by the department were to be based on the productive capacity of the land, i.e., the ability of the land to produce income from a cash crop (wheat, hay, forage for grazing, etc.).

Standardized agricultural land valuation schedules were developed in the early 1960s. The standardized values were based on a capitalization of net operating income (gross income less operating expenses). Data sources for income, expense and production information included the USDA Crop and Livestock Reporting Service, Montana Department of Agriculture Statistics, the Farm Services Administration, BIA, BLM and other government agencies.

The department updated and revised the agricultural land valuation schedules for the reappraisal cycle which concluded on December 31, 1985. Again, the primary source of the data was the various government agencies listed above. A concerted effort was made to include individual operations and agriculturally related associations to help refine the figures.

After developing the new valuation schedules, public comment was solicited through the administrative rules process. Agriculturalists expressed their lack of support of the new valuation schedules because the new schedules would have increased the valuation of some types of agricultural land. To address their concerns, former Governor Ted Schwinden suspended the rules hearing process. Governor Schwinden directed the department to assemble an advisory committee to review the data and procedures and make changes if necessary.

The advisory committee had difficulty arriving at a consensus on the agricultural land valuation schedules. The 1985 Legislature froze the agricultural land valuation schedules that were in effect, specified the approach for developing future agricultural land valuation schedules and required the formation of an agricultural advisory committee.

In September 1990, the Department of Revenue Agricultural Advisory Committee was appointed. The committee reviewed, evaluated and recommended changes to the valuation and taxation of agricultural land. It presented its recommendations at public meetings held throughout the state. The recommendations of that committee were presented in legislation that was passed by the 1993 Legislature as Senate Bill 168. It required specific methodology, formula, and data sources in the calculation of the new agricultural land valuation schedules. While the appraised value of agricultural land increased significantly, the statewide impact of the new schedules was taxable value neutral. There were shifts in value, however, within the various classes of agricultural land (i.e. grazing, non-irrigated farm land, continuously cropped hay land, non-irrigated continuously cropped farm land, and tillable irrigated land). The tax rate for agricultural land was reduced from 30% to 3.86%. That was the same tax rate used for residential and commercial property.

To mitigate the impact on agricultural taxpayers, the bill provided a phase-in of the change in taxable values over a four-year period. Both increases and decreases in value were phased in over the four year period.

Finally, Senate Bill 168 established another interim agricultural land advisory committee to review water costs and other issues applicable to the valuation and assessment of agricultural land. That committee was appointed in November 1993. It made recommendations to the Department of Revenue. Committee recommendations adopted by the 1995 Legislature in Senate Bill 198 included:

- Allowing a base water cost of \$ 5.50 per irrigated acre.
- Establishing an energy cost base year for irrigated land.
- Limiting allowable water costs to a maximum of \$35 per acre of irrigated land.
- Continuing the phase-in of the taxable value of agricultural land.

In May 1996, another agricultural land valuation advisory committee was appointed as required by law. The committee reaffirmed the specific methodology, formula and data source requirements in current law, updated those requirements using current data, and recommended new agricultural land valuation schedules to the department. In accordance with the provisions of SB184, passed by the 1999 Legislature, the new schedules were phased-in. For those agricultural land types that had a decrease in valuation, the decrease in the valuation was not phased-in but was realized immediately. For those agricultural land types that had an increase in valuation, the increase is phased-in over a four year period, beginning in 1999.

In May 2001, the fourth agricultural land valuation committee met to evaluate and propose valuation schedules that will be implemented January 1, 2003 and remain in effect until December 31, 2008. Due to the phase-in of property values, the 2003 agricultural valuation schedules will not be fully implemented until 2008. Any decrease in land valuation will be fully implemented in 2003, and these values will not change from 2004 through 2008.

In 2001, the legislature passed HB609. This bill allowed current and future agricultural advisory committees wider flexibility to recommend some methodology changes through Administrative Rule rather than requesting the changes directly through the legislature. The 2002 agricultural advisory committee chose to exercise this option in several areas as they made their final recommendations.

The committee recommended that the midpoint for the productivity range that represents continuously cropped hay land grade H1 change from 3.0 to 3.2 tons per acre.

The committee recommended six methodology changes in the valuation of irrigated land.

1. Elimination of irrigated rotations.
2. Increasing the base water cost from \$5.50 to \$10.00 per acre.
3. Changing the alternative minimum value for irrigated land from summer fallow land to 0.9 tons production of continuously cropped hay land.
4. Reducing the water cost categories from seven to five.
5. Eliminating the two lowest irrigated production grades.
6. Changing the midpoint for the production range that represents irrigated grade I-6 to 0.9 tons per acre.

The committee recommended the creation of an interim committee that is composed of representatives from agricultural organizations in the state to study the irrigated land valuation system and the implementation of the irrigated land valuation system.

The committee endorsed a change to administrative rule 42.20.147 that will further define agricultural eligibility for landowners who produce and raise livestock. They are:

1. The land must produce and the taxpayer must market, not less than \$1,500 in annual gross agricultural income.
2. The land's carrying capacity must support not less than 30 animal unit months per year (AUM's/year).

### **Valuation Formula for Agricultural Land** (MCA 15-7-201)

Statutory formula for determining productive capacity value:

The formula for valuation of agricultural land is:  $V = I/R$

**V** – is the value of each type of agricultural land.

**I** – is the net income of each type of agricultural land.

**R** – is the capitalization rate.

The box shows an example of how the capitalization rate is applied to the income of agricultural land to get a productive value per acre. If the capitalization rate decreases, the productive value and property tax on the land increases. If the capitalization rate increases, the productive value and property tax on the land decreases.

Income per acre	=	\$ 50
Capitalization rate	=	6.4%
Value	=	\$781.25 per acre
		(\$ 50 / 6.4% = \$781.25 per acre)

### Classification of Agricultural Land

More than 50 million privately owned acres are classified as agricultural land in Montana.

Classification is the determination of the agricultural use and the productive capability of that use for each acre of taxable agricultural land.

#### The Criteria for Classifying Property as Agricultural are:

1. Parcels of land 160 acres or more under one ownership are classified and taxed as agricultural land. These lands are taxed at 3.46% in tax year 2002.
2. Parcels of land containing 20 acres or more but less than 160 acres under one ownership are classified and taxed as agricultural land if the land is used primarily for raising and marketing agricultural products. The agricultural use test presumes the land is agricultural if \$1,500 in annual gross income is produced and marketed from the land by the owner, owner's immediate family, agent, employee or lessee. The tax rate for these parcels is 3.46%. Parcels of land containing 20 acres or more but less than 160 acres, which do not qualify under these criteria, are considered non-qualified agricultural land. These non-qualifying parcels are valued as average (Grade 3) grazing land. The taxable value of the non-qualifying land is then computed by multiplying that value by seven times the tax rate for agricultural land. Since the current rate for agricultural land is 3.46%, the tax rate for non-qualified agricultural land is 24.22%.
3. Parcels of land less than 20 acres under one ownership are taxed as agricultural land if the land produces and the owner markets \$1,500 in annual gross income from the raising of livestock, poultry, field crops, fruit, and other animal or vegetable matter for food or fiber.
4. Land is not valued as agricultural if it is subdivided with stated restrictions prohibiting its use for agricultural purposes. The land may not be devoted to a residential, commercial or industrial purpose.

### Agricultural Classes of Land

#### Grazing Land

Those lands, either native range or domestic range, which are used to support agricultural livestock. Grazing land is graded on the basis of the soils capacity to produce palatable forage for livestock without causing injurious effect to the vegetative cover of the land. Carrying capacity is measured in Animal Unit Months per acre (AUM/AC) or acres per Animal Unit Month (AC/AUM). Grazing land which is irrigated a majority of the time and has a reliable source of water will be classified as irrigated land. Dryland alfalfa or grazing land, which is not irrigated or hayed a majority of the time, is classified as grazing.

## **Tillable Irrigated Land**

All hayland and cropland that is irrigated a majority of the time (2 out of 3 years, 3 out of 5 years, etc.). All agricultural land, including grazing land, in a specified irrigation district where the land is designated as irrigable, with shares of water appurtenant to such land, shall be classified as irrigated, regardless of whether the water is actually applied or not applied to the land.

Land that has water for irrigation most years shall be classified as irrigated if the water is used. Those lands with water available most years but the water is not used will be classified according to current use.

Land that is irrigated only during high water may be classified according to use, but it should carry a higher grade to reflect the occasional extra water and increased production.

Irrigated schedules are based on tons of alfalfa per acre. Alfalfa is the predominant crop grown on irrigated fields. Adjustments can be made for other cash crops using a conversion guide.

There are three rotations; each indicative of the cash value achieved from the production of generally accepted irrigated crops grown in a particular area. As shown below, these rotations are generally differentiated by the variety of crops, which can be grown in a particular area (i.e., the options a grower has in rotating various crops on his/her irrigated cropland acreage). The number of frost-free days may influence the extent of options available. However, available cropping options are not limited exclusively by frost-free days.

- **Minimum Rotation:** 90 or fewer frost-free days. Production from this land would be limited to alfalfa hay and small grains. Growers would not have the option to profitably produce any other crops over a sustained period of years.
- **Medium Rotation:** 91 to 110 frost-free days. Lands are placed in this rotation when the grower has the option of producing a greater variety of crops than listed in the minimum rotation. Growers should be able to produce alfalfa hay, alfalfa seed, small grains, edible beans, sunflowers, safflowers and potatoes.
- **Maximum Rotation:** 111 or more frost-free days. These lands are capable of producing any crop which can typically be grown in Montana. Examples are all crops grown in minimum and medium rotations including corn for silage, corn for grain and sugar beets.

Climatologically data should be utilized to assist appraisers in placing irrigated land into the proper rotation.

## **Continuously Cropped Non-Irrigated Hayland**

Lands on which the native vegetation, non-irrigated alfalfa or other domestic varieties are cut for hay yearly or a majority of the time over a period of years. Hayland which is irrigated less than a majority of the time or that does not have a reliable source of water is classified as continuously cropped non-irrigated hayland. It should carry a higher grade to reflect the occasional irrigation.

## **Non-Irrigated Farmland: Summer Fallow and Continuously Cropped**

Typical dryland farming found in the majority of Montana. Strip farming or "block farming" are the most common forms of non-irrigated farmland.

Summer fallow: Typically, crops are produced every other year or every third year and the land is left idle in the off years.

Continuously cropped lands. Found primarily in northwestern Montana. Normally, crops are grown 3 out of 4 years and it must be an accepted practice for the area.

Grading is based on bushels of wheat per acre. Conversions are made for barley production.

## 2003 Reappraisal Impact on Class 3 Agricultural Land

There are approximately 50.1 million acres of privately owned agricultural land in Montana. In 2003, agricultural land will be revalued for the purpose of property taxation. Agricultural land is classified based on its agricultural use and graded based on its productive capability for that use. The five agricultural uses are shown in Table 1. Table 1 also shows all categories of agricultural land average value increases about the same as the statewide average value increase of 15.24%. These values are from the June 2002 Agricultural Land Reappraisal Report.

<u>Use</u>	<u>TY 1996</u>	<u>TY 2002</u>	<u>% Chg</u>	<u>TY 2002</u>	<u>TY 2008</u>	<u>% Chg</u>
CC Farmland	\$ 21,304,507	\$ 18,697,877	-12%	\$ 18,697,877	\$ 21,519,296	15%
SF Farmland	\$ 1,918,324,635	\$ 1,846,963,492	-4%	\$ 1,846,963,492	\$ 2,125,661,038	15%
CC Hay Land	\$ 189,054,582	\$ 192,877,560	2%	\$ 192,877,560	\$ 219,890,952	14%
Irrigated Land	\$ 451,097,902	\$ 496,069,509	10%	\$ 496,069,509	\$ 567,125,357	14%
<u>Grazing Land</u>	<u>\$ 1,020,890,409</u>	<u>\$ 1,266,810,542</u>	<u>24%</u>	<u>\$ 1,266,810,542</u>	<u>\$ 1,469,729,515</u>	<u>16%</u>
<b>Total</b>	<b><u>\$ 3,600,672,035</u></b>	<b><u>\$ 3,821,418,980</u></b>	<b><u>6%</u></b>	<b><u>\$ 3,821,418,980</u></b>	<b><u>\$ 4,403,926,158</u></b>	<b><u>15%</u></b>

Table 2 shows that the agricultural land values by county ranged from a 18% increase in Flathead County to 11% increase in Yellowstone County with the statewide average being a 13% increase. These numbers were taken from actual data in CAMA, the state property tax computer system. The numbers are based on existing water cost information.

**Table 2**  
**Change in Agricultural Land Appraised Values By County**  
**Tax Years 1996 to 2008**  
**Sorted by Percent Change**

County Number	County Name	TY 96	TY 02	% Chg	TY 02	TY 08	% Chg
7	Flathead	\$ 32,695,992	\$ 30,046,506	-8%	\$ 30,046,506	\$ 35,453,541	18%
56	Lincoln	\$ 3,095,277	\$ 3,135,011	1%	\$ 3,135,011	\$ 3,698,371	18%
31	Teton	\$ 124,211,007	\$ 124,835,666	1%	\$ 124,835,666	\$ 146,930,626	18%
25	Madison	\$ 56,523,958	\$ 64,240,974	14%	\$ 64,240,974	\$ 75,434,371	17%
13	Ravalli	\$ 23,586,044	\$ 24,666,754	5%	\$ 24,666,754	\$ 28,918,304	17%
4	Missoula	\$ 11,065,206	\$ 12,127,414	10%	\$ 12,127,414	\$ 14,181,384	17%
11	Phillips	\$ 98,207,288	\$ 106,250,293	8%	\$ 106,250,293	\$ 124,202,087	17%
28	Powell	\$ 27,276,377	\$ 30,813,958	13%	\$ 30,813,958	\$ 35,975,493	17%
47	Meagher	\$ 38,607,266	\$ 45,217,401	17%	\$ 45,217,401	\$ 52,755,425	17%
49	Park	\$ 37,189,552	\$ 41,388,814	11%	\$ 41,388,814	\$ 48,155,168	16%
26	Pondera	\$ 112,906,533	\$ 110,802,910	-2%	\$ 110,802,910	\$ 128,916,525	16%
51	Jefferson	\$ 15,870,295	\$ 18,139,203	14%	\$ 18,139,203	\$ 21,095,579	16%
46	Granite	\$ 15,978,234	\$ 17,934,667	12%	\$ 17,934,667	\$ 20,847,829	16%
40	Sweet Grass	\$ 36,089,737	\$ 42,566,529	18%	\$ 42,566,529	\$ 49,476,392	16%
20	Valley	\$ 123,330,926	\$ 129,582,600	5%	\$ 129,582,600	\$ 150,496,421	16%
30	Deer Lodge	\$ 7,758,745	\$ 8,643,888	11%	\$ 8,643,888	\$ 10,036,744	16%
2	Cascade	\$ 125,105,183	\$ 126,741,936	1%	\$ 126,741,936	\$ 146,903,293	16%
44	Wheatland	\$ 36,738,632	\$ 41,297,285	12%	\$ 41,297,285	\$ 47,864,627	16%
38	Glacier	\$ 71,535,365	\$ 72,900,841	2%	\$ 72,900,841	\$ 84,407,177	16%
9	Powder River	\$ 50,514,462	\$ 58,363,289	16%	\$ 58,363,289	\$ 67,522,850	16%
50	Garfield	\$ 81,504,426	\$ 95,050,620	17%	\$ 95,050,620	\$ 109,920,578	16%
42	Carter	\$ 53,183,706	\$ 63,245,044	19%	\$ 63,245,044	\$ 73,138,524	16%
36	Judith Basin	\$ 77,798,711	\$ 80,792,889	4%	\$ 80,792,889	\$ 93,422,428	16%
6	Gallatin	\$ 65,441,123	\$ 66,372,728	1%	\$ 66,372,728	\$ 76,726,646	16%
52	Wibaux	\$ 30,523,461	\$ 31,815,138	4%	\$ 31,815,138	\$ 36,745,452	15%
39	Fallon	\$ 37,210,883	\$ 41,722,802	12%	\$ 41,722,802	\$ 48,175,453	15%
22	Big Horn	\$ 91,005,720	\$ 103,536,553	14%	\$ 103,536,553	\$ 119,536,741	15%
8	Fergus	\$ 150,820,470	\$ 157,837,110	5%	\$ 157,837,110	\$ 182,104,692	15%
5	Lewis And Clark	\$ 37,930,136	\$ 43,265,032	14%	\$ 43,265,032	\$ 49,915,126	15%
55	Petroleum	\$ 24,357,480	\$ 28,280,399	16%	\$ 28,280,399	\$ 32,620,549	15%
53	Golden Valley	\$ 30,802,475	\$ 34,538,217	12%	\$ 34,538,217	\$ 39,831,116	15%
18	Beaverhead	\$ 70,488,750	\$ 79,893,894	13%	\$ 79,893,894	\$ 92,073,367	15%
21	Toole	\$ 120,479,250	\$ 120,060,304	0%	\$ 120,060,304	\$ 138,343,313	15%
12	Hill	\$ 171,178,452	\$ 172,537,206	1%	\$ 172,537,206	\$ 198,729,636	15%
37	Daniels	\$ 62,403,532	\$ 64,159,313	3%	\$ 64,159,313	\$ 73,898,177	15%
19	Chouteau	\$ 269,487,970	\$ 255,609,500	-5%	\$ 255,609,500	\$ 294,277,678	15%
24	Blaine	\$ 104,493,025	\$ 114,920,051	10%	\$ 114,920,051	\$ 132,222,114	15%
23	Musselshell	\$ 40,235,036	\$ 45,001,378	12%	\$ 45,001,378	\$ 51,774,441	15%
41	McCone	\$ 91,343,540	\$ 97,578,125	7%	\$ 97,578,125	\$ 112,258,742	15%
32	Stillwater	\$ 59,656,537	\$ 63,024,240	6%	\$ 63,024,240	\$ 72,503,477	15%
1	Silver Bow	\$ 5,307,849	\$ 5,981,955	13%	\$ 5,981,955	\$ 6,880,813	15%
34	Sheridan	\$ 91,130,051	\$ 93,481,735	3%	\$ 93,481,735	\$ 107,507,737	15%
48	Liberty	\$ 90,539,893	\$ 91,022,128	1%	\$ 91,022,128	\$ 104,622,161	15%
15	Lake	\$ 31,294,355	\$ 33,751,260	8%	\$ 33,751,260	\$ 38,749,253	15%
29	Rosebud	\$ 81,323,316	\$ 94,271,565	16%	\$ 94,271,565	\$ 108,227,552	15%
54	Mineral	\$ 1,351,731	\$ 1,399,514	4%	\$ 1,399,514	\$ 1,606,068	15%
16	Dawson	\$ 84,369,006	\$ 90,009,089	7%	\$ 90,009,089	\$ 103,219,630	15%
14	Custer	\$ 62,062,803	\$ 73,041,954	18%	\$ 73,041,954	\$ 83,749,210	15%
17	Roosevelt	\$ 93,939,126	\$ 97,227,125	4%	\$ 97,227,125	\$ 111,156,799	14%
45	Prairie	\$ 31,359,567	\$ 33,888,155	8%	\$ 33,888,155	\$ 38,614,960	14%
35	Sanders	\$ 12,894,690	\$ 14,451,623	12%	\$ 14,451,623	\$ 16,463,715	14%
27	Richland	\$ 98,256,412	\$ 102,588,599	4%	\$ 102,588,599	\$ 115,979,696	13%
33	Treasure	\$ 22,591,763	\$ 26,108,207	16%	\$ 26,108,207	\$ 29,215,334	12%
43	Broadwater	\$ 27,358,328	\$ 29,651,207	8%	\$ 29,651,207	\$ 33,157,550	12%
10	Carbon	\$ 56,235,878	\$ 61,896,605	10%	\$ 61,896,605	\$ 69,106,050	12%
3	Yellowstone	\$ 92,026,505	\$ 98,593,442	7%	\$ 98,593,442	\$ 109,821,365	11%
	<b>Grand Total</b>	<b>\$ 3,600,672,035</b>	<b>\$ 3,816,300,645</b>	<b>6%</b>	<b>\$ 3,816,300,645</b>	<b>\$ 4,399,568,349</b>	<b>15%</b>

Table 3 contains the same information as Table 2 except that the information is sorted alphabetically by county. This table is included to enable easier location of data about a particular county.

**Table 3**  
**Change in Agricultural Land Appraised Values By County**  
**Tax Years 1996 to 2008**  
**Sorted by County**

County Number	County Name	TY 96	TY 02	% Chg	TY 02	TY 08	% Chg
18	Beaverhead	\$ 70,488,750	\$ 79,893,894	13%	\$ 79,893,894	\$ 92,073,367	15%
22	Big Horn	\$ 91,005,720	\$ 103,536,553	14%	\$ 103,536,553	\$ 119,536,741	15%
24	Blaine	\$ 104,493,025	\$ 114,920,051	10%	\$ 114,920,051	\$ 132,222,114	15%
43	Broadwater	\$ 27,358,328	\$ 29,651,207	8%	\$ 29,651,207	\$ 33,157,550	12%
10	Carbon	\$ 56,235,878	\$ 61,896,605	10%	\$ 61,896,605	\$ 69,106,050	12%
42	Carter	\$ 53,183,706	\$ 63,245,044	19%	\$ 63,245,044	\$ 73,138,524	16%
2	Cascade	\$ 125,105,183	\$ 126,741,936	1%	\$ 126,741,936	\$ 146,903,293	16%
19	Chouteau	\$ 269,487,970	\$ 255,609,500	-5%	\$ 255,609,500	\$ 294,277,678	15%
14	Custer	\$ 62,062,803	\$ 73,041,954	18%	\$ 73,041,954	\$ 83,749,210	15%
37	Daniels	\$ 62,403,532	\$ 64,159,313	3%	\$ 64,159,313	\$ 73,898,177	15%
16	Dawson	\$ 84,369,006	\$ 90,009,089	7%	\$ 90,009,089	\$ 103,219,630	15%
30	Deer Lodge	\$ 7,758,745	\$ 8,643,888	11%	\$ 8,643,888	\$ 10,036,744	16%
39	Fallon	\$ 37,210,883	\$ 41,722,802	12%	\$ 41,722,802	\$ 48,175,453	15%
8	Fergus	\$ 150,820,470	\$ 157,837,110	5%	\$ 157,837,110	\$ 182,104,692	15%
7	Flathead	\$ 32,695,992	\$ 30,046,506	-8%	\$ 30,046,506	\$ 35,453,541	18%
6	Gallatin	\$ 65,441,123	\$ 66,372,728	1%	\$ 66,372,728	\$ 76,726,646	16%
50	Garfield	\$ 81,504,426	\$ 95,050,620	17%	\$ 95,050,620	\$ 109,920,578	16%
38	Glacier	\$ 71,535,365	\$ 72,900,841	2%	\$ 72,900,841	\$ 84,407,177	16%
53	Golden Valley	\$ 30,802,475	\$ 34,538,217	12%	\$ 34,538,217	\$ 39,831,116	15%
46	Granite	\$ 15,978,234	\$ 17,934,667	12%	\$ 17,934,667	\$ 20,847,829	16%
12	Hill	\$ 171,178,452	\$ 172,537,206	1%	\$ 172,537,206	\$ 198,729,636	15%
51	Jefferson	\$ 15,870,295	\$ 18,139,203	14%	\$ 18,139,203	\$ 21,095,579	16%
36	Judith Basin	\$ 77,798,711	\$ 80,792,889	4%	\$ 80,792,889	\$ 93,422,428	16%
15	Lake	\$ 31,294,355	\$ 33,751,260	8%	\$ 33,751,260	\$ 38,749,253	15%
5	Lewis And Clark	\$ 37,930,136	\$ 43,265,032	14%	\$ 43,265,032	\$ 49,915,126	15%
48	Liberty	\$ 90,539,893	\$ 91,022,128	1%	\$ 91,022,128	\$ 104,622,161	15%
56	Lincoln	\$ 3,095,277	\$ 3,135,011	1%	\$ 3,135,011	\$ 3,698,371	18%
25	Madison	\$ 56,523,958	\$ 64,240,974	14%	\$ 64,240,974	\$ 75,434,371	17%
41	McCone	\$ 91,343,540	\$ 97,578,125	7%	\$ 97,578,125	\$ 112,258,742	15%
47	Meagher	\$ 38,607,266	\$ 45,217,401	17%	\$ 45,217,401	\$ 52,755,425	17%
54	Mineral	\$ 1,351,731	\$ 1,399,514	4%	\$ 1,399,514	\$ 1,606,068	15%
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28	Powell	\$ 27,276,377	\$ 30,813,958	13%	\$ 30,813,958	\$ 35,975,493	17%
45	Prairie	\$ 31,359,567	\$ 33,888,155	8%	\$ 33,888,155	\$ 38,614,960	14%
13	Ravalli	\$ 23,586,044	\$ 24,666,754	5%	\$ 24,666,754	\$ 28,918,304	17%
27	Richland	\$ 98,256,412	\$ 102,588,599	4%	\$ 102,588,599	\$ 115,979,696	13%
17	Roosevelt	\$ 93,939,126	\$ 97,227,125	4%	\$ 97,227,125	\$ 111,156,799	14%
29	Rosebud	\$ 81,323,316	\$ 94,271,565	16%	\$ 94,271,565	\$ 108,227,552	15%
35	Sanders	\$ 12,894,690	\$ 14,451,623	12%	\$ 14,451,623	\$ 16,463,715	14%
34	Sheridan	\$ 91,130,051	\$ 93,481,735	3%	\$ 93,481,735	\$ 107,507,737	15%
1	Silver Bow	\$ 5,307,849	\$ 5,981,955	13%	\$ 5,981,955	\$ 6,880,813	15%
32	Stillwater	\$ 59,656,537	\$ 63,024,240	6%	\$ 63,024,240	\$ 72,503,477	15%
40	Sweet Grass	\$ 36,089,737	\$ 42,566,529	18%	\$ 42,566,529	\$ 49,476,392	16%
31	Teton	\$ 124,211,007	\$ 124,835,666	1%	\$ 124,835,666	\$ 146,930,626	18%
21	Toole	\$ 120,479,250	\$ 120,060,304	0%	\$ 120,060,304	\$ 138,343,313	15%
33	Treasure	\$ 22,591,763	\$ 26,108,207	16%	\$ 26,108,207	\$ 29,215,334	12%
20	Valley	\$ 123,330,926	\$ 129,582,600	5%	\$ 129,582,600	\$ 150,496,421	16%
44	Wheatland	\$ 36,738,632	\$ 41,297,285	12%	\$ 41,297,285	\$ 47,864,627	16%
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3	Yellowstone	\$ 92,026,505	\$ 98,593,442	7%	\$ 98,593,442	\$ 109,821,365	11%
	<b>Grand Total</b>	<b>\$ 3,600,672,035</b>	<b>\$ 3,816,300,645</b>	<b>6%</b>	<b>\$ 3,816,300,645</b>	<b>\$ 4,399,568,349</b>	<b>15%</b>



# Forestland in Montana

## How Forestland is Valued

The Montana Legislature passed the Forestlands Tax Act in 1991. This law requires the Department of Revenue to value forestland based on land productivity.

The legislature defined the productivity formula and each component of that formula. It also provided for specific forest valuation zones, with each zone designated to recognize the uniqueness of marketing areas, timber types, growth rates, access, operability, and other factors important to the valuation of the forestland in that geographic area.

The potential productivity system was supported by the forest products industry, the Montana Tree Farmer's Association and other forestry landowners.

## How the Forestland Productivity Classification System Works

Forested land must be at least 15 contiguous acres or larger in size and in the same ownership to be classified as commercial forestland. Forested land less than 15 contiguous acres in size is classified as nonforestland.

Potential forest growth is estimated for each acre of forested land, including "clearcuts." That growth is measured in cubic feet per acre per year. The estimated potential forest growth is placed in one of four productivity classes.

Forested land which does not meet the minimum growth requirement is classified as noncommercial forestland. This minimum growth requirement is 25 cubic feet per acre per year at the peak biological age of a stand (the technical forestry term for peak biological age is "culmination of mean annual increment"). Noncommercial forestland is not valued as forestland for property tax purposes. Nonforest and noncommercial forestland may be valued as tract land, agricultural land or "Nonqualifying" agricultural land.

### Montana Forestland Classifications

Class IV	poor productivity	(25 to 44.9 cu.ft./ac.yr.)
Class III	fair productivity	(45 to 64.9 cu.ft./ac.yr.)
Class II	good productivity	(65 to 84.9 cu.ft./ac.yr.)

## Standing Timber Exemption

Standing timber is exempt from property taxation. Only the land, not the standing timber, is eligible for property taxation. If a landowner deeds his timber to another party, the landowner, not the timber owner is responsible for the forestland property tax.

## Property Taxes Impacts on Timber Harvest

On any given commercial forestland site, a clear-cut would receive the same value as an old growth stand (standing timber is not taxed). Forest management practices will not influence the forest assessment. Knowledgeable forestlandowners will realize that they can practice intensive forest management to optimize wood production and enhance other nontimber elements, without the penalty of higher forestland property taxes.

## Productivity Formula

Appraised Value	=	$\frac{\text{Net Forest Income} + \text{Net Grazing Income}}{\text{Capitalization Rate}}$
Net Forest Income	=	Gross Forest Income - Forest Costs
Net Grazing Income	=	Gross Grazing Income - Grazing Costs
Capitalization rate	=	This rate is used to convert a net income stream into an estimate of present value.

## Source of Valuation Information used in Productivity Formula

Many people are instrumental in compiling the valuation information. The Montana Department of Revenue hires a nationally recognized forest economist from the University of Montana, School of Forestry, to develop the forest and average stumpage value in each valuation zone. The Department of Revenue compiles the forest costs and the capitalization rate.

Representatives from the forest products industry and Montana Tree Farmer's Association review the data and provide their input.

## How the Valuation System Works

Forestland appraisal uses five valuation schedules in the state. The forestland classification system contains four productivity grades. Therefore, there are 20 different per acre forestland values in the state.

Each value in a schedule represents a range of productivity, income, costs, and interest rates. Income and expense data represent averages for a base period of time. The forestland schedules which were implemented in 1997, use data compiled from 1991-1995. The values associated with the new schedules were phased-in in accordance with SB184. The next appraisal cycle will be implemented in 2003. The forestland schedules, which will be implemented in 2003, used data compiled from fiscal 1997 to fiscal 2001.

## Forestland Tax Rate

The legislature assigns all taxable property to individual tax classes. There are currently 12 property tax classes. Forestland is in property tax class 10. The legislature specifies the tax class percentages that are applied against the value of the property within each tax class to calculate the taxable value.

A parcel of land may have several classes of property. The most common property classes for rural land are forestland, agricultural land, "non-qualifying" agricultural land, and a one-acre homesite. Each property class has a different tax class percentage. The tax class percentages for 2001 and 2002 are listed above.

Land Property Type and Tax Rate		
Type of Land Parcel	--- Tax Rate ---	
	TY2001	TY2002
Agricultural Land	3.54%	3.46%
Forestland	0.46%	0.35%
Nonqualifying Agricultural Land	24.80%	24.22%
One Acre Home Site	3.54%	3.46%

The forestland tax rate is 0.35% in tax year 2002. It requires \$10,000 in forestland appraised value to produce \$35 in taxable value. In contrast, \$10,000 in agricultural appraised value will produce \$346 in taxable value.

## Calculate The Tax on Forestland

Assume that in 2002 you own a 130-acre parcel of land in Missoula County. This county is located in forest valuation zone two. The parcel has 30 acres of forestland and 100 acres of non-forestland. The forestland has 20 acres of fair productivity and 10 acres of poor productivity. The 100 acres of non-forestland does not meet agricultural eligibility requirements and is classified as non-qualified agricultural land. In 2002, the fair forestland productivity (grade III) is valued at \$647 per acre. The poor forestland productivity (grade IV) is \$393.16. The statewide 2002 non-qualified agricultural value is \$39.84 per acre. For this tax calculation example, we assume the mill levy for 2002 is 390 mills.

### 2002 Forestland Tax Calculation

20 acres x \$647/acre	= \$12,940 (appraised value - forestland)
10 acres x \$393.16/acre	= \$ 3,931 (appraised value - forestland)
100 acres x \$39.84/acre	= \$ 3,984 (appraised value - non-qualified agricultural land)
Total Forestland Appraised Value	= \$16,871
Total Nonqualified Agricultural Appraised Value	= \$ 3,984
\$16,871 x 0.35% (tax class 10)	= \$ 59 (taxable value)
\$3,984 x 24.22% (tax class 3)	= \$965 (taxable value)
\$59 + \$965	= \$1,024 (total taxable value)
\$1,024 X .390 (mill levy)	= \$399.36 (tax)

Note: The decimal point in a mill levy is moved three places to the left to calculate the tax, so 390 mills equals .390.

## Average Tax on Forestland in Montana

The weighted average forestland tax in tax year 2001 was \$0.86 per acre. The weighted average taxable value in tax year 2001 was \$2.02 per acre.

## New Forestland Values

When there is a change in valuation or ownership, the Department of Revenue mails property assessment notices, to the owner of record, that reflect the value of the property as of January 1 of that year. All forestland owners will receive a new assessment notice in the spring of 2003 showing the change in appraised and taxable values that resulted from implementation of the new forestland valuation schedules.

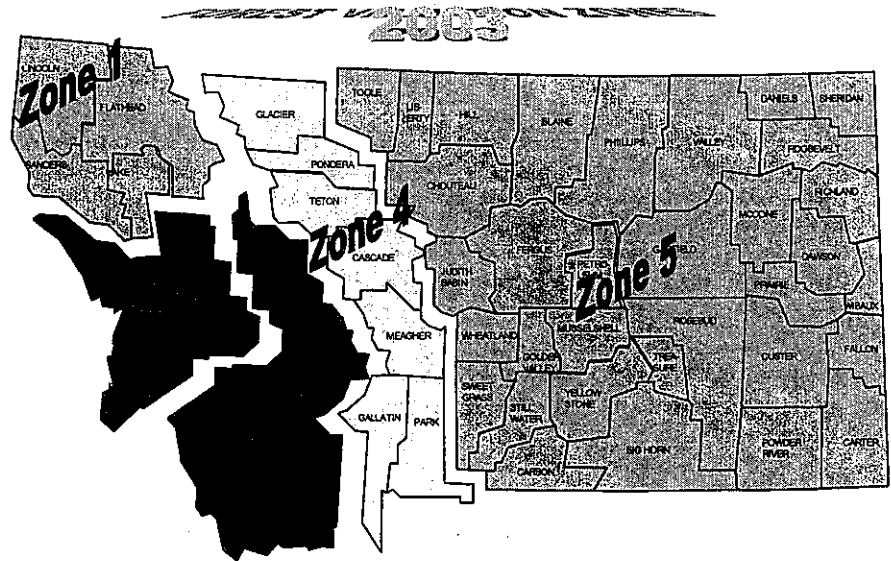
# 2003 Reappraisal Impact on Class 10 - Forestland

There are approximately 3.95 million acres of privately owned forestland in Montana. In tax year 2003, forestland reappraisal values will be used for the purpose of property taxation. The reappraisal values for forestland are based on the land's ability to produce timber. Productivity values represent the capitalization of net timber and agricultural (grazing) income. Each valuation zone has four productivity classes (grades) as shown in the adjacent chart.

Forestland Productivity Classes		
Class I (excellent productivity)	85+	cuft/acre/year
Class II (good productivity)	65 - 84.99	cuft/acre/year
Class III (fair productivity)	45 - 64.99	cuft/acre/year
Class IV (poor productivity)	25 - 44.99	cuft/acre/year
Noncommercial	< 25	cuft/acre/year

## FOREST VALUATION ZONES

There are five forestland valuation zones in the state with each zone designated to recognize the uniqueness of marketing areas, timber types, growth rates, access, operability and other factors important to the valuation of forestland in that geographic area.



The table below shows the forestland valuation change by valuation zone from tax year 1996 to tax year 2002, and from tax year 2002 to tax year 2008. Statewide, there is no significant change in value. However, there are considerable valuation changes among the five valuation zones. Zone 3 has a 28% increase while Zone 1 has an 8% decrease.

Reappraisal Impacts by Forestland Valuation Zones						
Zone	TY1996	TY2002	Percent Change	TY2002	TY2008	Percent Change
1	\$459,557,015	\$ 976,732,202	113%	\$ 976,732,202	\$ 897,878,847	-8%
2	\$264,137,638	\$ 610,056,354	131%	\$ 610,056,354	\$ 576,600,741	-5%
3	\$ 70,805,908	\$ 143,883,553	103%	\$ 143,883,553	\$ 183,621,717	28%
4	\$ 93,048,454	\$ 216,002,877	132%	\$ 216,002,877	\$ 261,163,342	21%
5	\$ 35,327,347	\$ 139,873,285	296%	\$ 139,873,285	\$ 158,621,648	13%
<b>Total</b>	<b>\$922,876,362</b>	<b>\$2,086,548,271</b>		<b>\$2,086,548,271</b>	<b>\$2,077,886,295</b>	

## Change in Forestland Appraised Values By County Tax Years 1996 to 2008

County Code	County Name	TY 96	TY 02	Percent Change	TY 02	TY 08	Percent Change
18	Beaverhead	\$ 3,675,620	\$ 8,050,725	119%	\$ 8,050,725	\$ 10,263,297	27%
22	Big Horn	\$ 3,446,589	\$ 13,805,321	301%	\$ 13,805,321	\$ 15,628,787	13%
24	Blaine	\$ 136,742	\$ 541,987	296%	\$ 541,987	\$ 613,076	13%
43	Broadwater	\$ 4,907,503	\$ 11,473,643	134%	\$ 11,473,643	\$ 13,918,896	21%
10	Carbon	\$ 609,677	\$ 2,372,259	289%	\$ 2,372,259	\$ 2,710,519	14%
42	Carter	\$ 992,614	\$ 3,933,599	296%	\$ 3,933,599	\$ 4,449,550	13%
2	Cascade	\$ 6,657,319	\$ 16,222,228	144%	\$ 16,222,228	\$ 19,670,959	21%
19	Chouteau	\$ 779,011	\$ 3,020,202	288%	\$ 3,020,202	\$ 3,456,575	14%
14	Custer	\$ 1,736,455	\$ 6,875,407	296%	\$ 6,875,407	\$ 7,777,220	13%
37	Daniels	-	-	-	-	-	-
16	Dawson	-	-	-	-	-	-
30	Deer Lodge	\$ 14,175,756	\$ 29,307,234	107%	\$ 29,307,234	\$ 37,508,259	28%
39	Fallon	\$ 27,565	\$ 109,258	296%	\$ 109,258	\$ 123,589	13%
8	Fergus	\$ 5,917,625	\$ 23,325,478	294%	\$ 23,325,478	\$ 26,436,192	13%
7	Flathead	\$ 172,260,762	\$ 358,112,064	108%	\$ 358,112,064	\$ 329,406,747	-8%
6	Gallatin	\$ 37,363,480	\$ 77,490,867	107%	\$ 77,490,867	\$ 93,558,885	21%
50	Garfield	\$ 20,948	\$ 83,036	296%	\$ 83,036	\$ 93,927	13%
38	Glacier	\$ 456,390	\$ 1,090,261	139%	\$ 1,090,261	\$ 1,310,888	20%
53	Golden Valley	\$ 534,577	\$ 2,101,924	293%	\$ 2,101,924	\$ 2,382,192	13%
46	Granite	\$ 33,111,447	\$ 77,868,736	135%	\$ 77,868,736	\$ 73,794,648	-5%
12	Hill	\$ 288,300	\$ 1,144,409	297%	\$ 1,144,409	\$ 1,296,268	13%
51	Jefferson	\$ 4,955,710	\$ 11,360,635	129%	\$ 11,360,635	\$ 14,449,455	27%
36	Judith Basin	\$ 747,857	\$ 2,936,326	293%	\$ 2,936,326	\$ 3,331,268	13%
15	Lake	\$ 29,559,361	\$ 79,115,462	168%	\$ 79,115,462	\$ 72,817,325	-8%
5	Lewis And Clark	\$ 26,304,504	\$ 57,858,697	120%	\$ 57,858,697	\$ 73,842,815	28%
48	Liberty	-	-	-	-	-	-
56	Lincoln	\$ 155,280,003	\$ 326,465,785	110%	\$ 326,465,785	\$ 300,104,278	-8%
25	Madison	\$ 13,939,216	\$ 31,022,579	123%	\$ 31,022,579	\$ 39,571,244	28%
41	McCone	-	-	-	-	-	-
47	Meagher	\$ 18,849,135	\$ 44,026,856	134%	\$ 44,026,856	\$ 53,381,549	21%
54	Mineral	\$ 24,785,055	\$ 56,797,934	129%	\$ 56,797,934	\$ 54,254,156	-4%
4	Missoula	\$ 132,033,453	\$ 301,935,573	129%	\$ 301,935,573	\$ 285,638,587	-5%
23	Musselshell	\$ 7,106,028	\$ 28,474,207	301%	\$ 28,474,207	\$ 32,209,030	13%
49	Park	\$ 27,290,981	\$ 59,573,867	118%	\$ 59,573,867	\$ 71,943,586	21%
55	Petroleum	\$ 101,809	\$ 390,601	284%	\$ 390,601	\$ 441,835	13%
11	Phillips	\$ 59,748	\$ 236,817	296%	\$ 236,817	\$ 267,879	13%
26	Pondera	\$ 206,915	\$ 477,027	131%	\$ 477,027	\$ 574,820	21%
9	Powder River	\$ 801,485	\$ 3,574,551	346%	\$ 3,574,551	\$ 4,043,407	13%
28	Powell	\$ 52,889,773	\$ 124,977,385	136%	\$ 124,977,385	\$ 117,910,786	-6%
45	Prairie	\$ 20,030	\$ 79,394	296%	\$ 79,394	\$ 89,808	13%
13	Ravalli	\$ 21,317,910	\$ 48,476,726	127%	\$ 48,476,726	\$ 45,002,565	-7%
27	Richland	-	-	-	-	-	-
17	Roosevelt	-	-	-	-	-	-
29	Rosebud	\$ 2,083,486	\$ 8,241,699	296%	\$ 8,241,699	\$ 9,330,670	13%
35	Sanders	\$ 102,456,889	\$ 213,038,891	108%	\$ 213,038,891	\$ 195,550,497	-8%
34	Sheridan	-	-	-	-	-	-
1	Silver Bow	\$ 2,847,599	\$ 6,283,684	121%	\$ 6,283,684	\$ 7,986,647	27%
32	Stillwater	\$ 3,112,120	\$ 12,081,807	288%	\$ 12,081,807	\$ 13,684,731	13%
40	Sweet Grass	\$ 4,010,450	\$ 15,542,772	288%	\$ 15,542,772	\$ 17,800,927	15%
31	Teton	\$ 2,224,234	\$ 5,648,128	154%	\$ 5,648,128	\$ 6,803,759	20%
21	Toole	-	-	-	-	-	-
33	Treasure	\$ 647,834	\$ 2,570,470	297%	\$ 2,570,470	\$ 2,907,626	13%
20	Valley	-	-	-	-	-	-
44	Wheatland	\$ 629,138	\$ 2,480,035	294%	\$ 2,480,035	\$ 2,814,186	13%
52	Wibaux	-	-	-	-	-	-
3	Yellowstone	\$ 1,517,259	\$ 5,951,726	292%	\$ 5,951,726	\$ 6,732,385	13%
<b>Grand Total</b>		<b>\$922,876,362</b>	<b>\$2,086,548,271</b>	<b>126%</b>	<b>\$2,086,548,271</b>	<b>\$2,077,886,295</b>	<b>-0.42%</b>

## Explanation of the "Land Cap"

There was concern in the 1999 legislative session about the impact of rapidly rising property tax values in recreation locations. It has been expressed by many property owners that land values were increasing significantly due to purchases of the surrounding land by people, primarily from out of state, who paid much higher prices for the land than Montana residents had paid, or were financially capable of paying. SB184, passed by the 1999 legislature, created what is referred to as the 'land cap'. The purpose was to allow taxpayers, who years ago bought land at prices far below the now greatly appreciated values of the land; to continue to be able to afford the property taxes on the land and thus continue to keep their home or family cabin.

SB184 limited, or capped the value of residential land at the greater of 75% of the improvement value situated on the land, or 75% of the statewide average improvement value of \$69,100. Residential land qualified for the land cap if the land value of up to five acres exceeded 75% of the value of the improvements located on the land. Additionally, the five acres had to be contiguous parcels with single ownership, and the improvements on the property had to include a dwelling or mobile/manufactured home.

If the value of the improvement situated on qualified land was less than the statewide average improvement value of \$69,100, then the capped value of the land was calculated on \$69,100. For instance, if a property had a land value of \$100,000 and an improvement value of \$50,000, then the capped value of the land would be calculated using the statewide average improvement value of \$69,100. In this example, the capped value of the land would be 75% of the \$69,100: which is \$51,825.

Under a scenario where the improvement value on qualifying land is greater than the statewide average improvement value, then the capped value of the land is simply 75% of the improvement value. For example, if a property had a land value of \$100,000 and an improvement value of \$100,000, then the land cap value would be \$75,000 (\$100,000 x 75%).

Table 1 shows three examples to illustrate the 'land cap' calculation:

1. Land value is less than the improvement value.
2. Land value is more than 75% of the improvement value, and the improvement value is greater than \$69,100.
3. Land value is more than 75% of the improvement value, and the improvement value is less than \$69,100.

The top portion of Table 1 lists the assessed values of the three hypothetical properties without any adjustments. Before adjustments are made, it first must be determined if a property qualifies for the land cap. To qualify for the cap, the land must be valued at 75% or higher of the improvement value.

Under the heading Land Adjustment Tests in Table 1, we see that the first example's land is only 50% (\$100,000 / \$200,000) of the improvement value, so it is not eligible for the land cap. The second and third examples with land to improvement value ratios of 100% (\$200,000 / \$200,000), and 400% (\$200,000 / \$50,000) respectively are eligible for the land cap.

<b>Table 1</b>			
<b>Simplified Example of Land Cap - Change in Value</b>			
<b>Assessed Value</b>	<b>Example 1 Land Value Less than Imp</b>	<b>Example 2 Land Value 75% of Imp.</b>	<b>Example 3 Land Value 75% of State Ave.</b>
Improvement Value	\$200,000	\$200,000	\$50,000
Land Value	\$100,000	\$200,000	\$200,000
Total Property Value	\$300,000	\$400,000	\$250,000
<hr/>			
<b>Land Adjustment Tests</b>			
- Land / Improvement > 75%	No	Yes	Yes
- Improvement < \$69,100	No	No	Yes
<b>Land Adjustments</b>			
Improvement Value	NA	\$200,000	\$69,100
Land Cap Percentage	NA	x 75%	x 75%
Adjusted Land Value		\$150,000	\$51,825
<hr/>			
<b>Value to be Taxed</b>			
Improvement Value	\$200,000	\$200,000	\$50,000
Land Value	\$100,000	\$150,000	\$51,825
Adjusted Property Value	\$300,000	\$350,000	\$101,825

Before the land cap adjustment is made on qualified land, it must be determined whether the improvement value is greater than the statewide average improvement value of \$69,100. If the improvement value is greater than the \$69,100, as it is for example 2, then the adjusted land value is 75% of the improvement value situated on the land. As shown in Table 1, since the improvement value in example 2 is greater than the statewide average, the adjusted land value is 75% of the improvement value of \$200,000, which is \$150,000. Because the improvement value in example 3 is less than the statewide average of \$69,100; the adjusted land value is 75% of \$69,100, or \$51,825.

Table 2 shows the tax liability implications with and without a land cap on the same three hypothetical properties. The assessed value to be taxed for example 1 is unaffected by a land cap; while example 2's is decreased by \$50,000 (\$400,000 - \$350,000); and example 3's is decreased by \$148,175 (\$250,000 - \$101,825).

Table 2 Simplified Example of Land Cap - Tax Liability <sup>1</sup>						
Description	Example 1		Example 2		Example 3	
	Without Cap	With Cap	Without Cap	With Cap	Without Cap	With Cap
Assessed Value	\$300,000	\$300,000	\$400,000	\$350,000	\$250,000	\$101,825
Homestead Exemption <sup>2</sup>	x 69%	x 69%	x 69%	x 69%	x 69%	x 69%
<b>Taxable Market Value</b>	<b>\$207,000</b>	<b>\$207,000</b>	<b>\$276,000</b>	<b>\$241,500</b>	<b>\$172,500</b>	<b>\$70,259</b>
Tax Rate	x 3.46%	x 3.46%	x 3.46%	x 3.46%	x 3.46%	x 3.46%
<b>Taxable Value</b>	<b>\$7,162</b>	<b>\$7,162</b>	<b>\$9,550</b>	<b>\$8,356</b>	<b>\$5,969</b>	<b>\$2,431</b>
Average Mill Levy	x 500 mills	x 500 mills	x 500 mills	x 500 mills	x 500 mills	x 500 mills
<b>Estimated Tax Liability</b>	<b>\$3,581</b>	<b>\$3,581</b>	<b>\$4,775</b>	<b>\$4,178</b>	<b>\$2,984</b>	<b>\$1,215</b>
<b>Tax Liability Difference</b>		<b>\$0</b>		<b>(\$597)</b>		<b>(\$1,769)</b>

<sup>1</sup>Examples use tax year 2002 tax rate and exemption.  
<sup>2</sup>Homestead Exemption is 31% (100% - 31% = 69%).

Table 2 displays the tax liability calculation for the three examples with, and without the land cap. After assessed value is reduced by the homestead exemption, and the tax rate of 3.46% is applied to arrive at a taxable value, we see that the taxable value of example 1 remains unchanged, while the land cap would decrease examples 2 and 3's taxable value by \$1,194 (\$9,550 - \$8,356), and \$3,538 correspondingly. If these three properties were located in a taxing jurisdiction with a consolidated mill levy of 500, this would decrease example 2's tax liability by \$597, or 12.5%; and decrease example 3's tax liability by \$1,769, or 59.3%.

At this point, it is important to point out that the examples above show a savings to the taxpayer: when the land cap sunsets the inverse is true. When eliminated, taxpayers who had the benefit of the land cap would see an increase in tax liability from the prior year. For instance, instead of example 3's tax liability being reduced by \$1,769, that taxpayer would see a tax increase over the prior year of \$1,769 when the land cap sunsets.

## Financial Savings to the Taxpayers Who Received the Land Cap

The land cap was in effect from tax year 1999 to 2001; HB 4 of the 2000 special session eliminated it. Approximately 5,850 properties in 23 counties were capped under the provisions of SB 184. Table 3 shows the reduction in taxable value by county.

Statewide reductions in taxable value were approximately \$2.4 million in tax year 1999, \$3.9 million in 2000, and \$5.3 million in 2001. The far right hand column of Table 3 shows the percent of total taxable value that was capped in tax year 2001. In 2001 0.3% of total taxable value statewide was reduced due to the land cap. Lake County had the highest concentration of capped residential land with over 23% of taxable value (of residential land) in the county being capped: as shown in Table 3, this amounted to 8.1% of all taxable value in the county being capped.

Table 4 shows the estimated tax liability savings in tax year 2001 due to the land cap. An estimated \$535,608 in state, and \$1.67 million in local property tax savings was received by owners of capped property for tax year 2001. Overall, from 1999 to 2001 owners who received the land cap had savings estimated at \$1.2 million for state and \$3.45 million for local tax purposes.

**Table 3**  
**Land Cap Estimated Change in Taxable Value**

County	Land Cap Taxable Value Change			Tax Year 2001 % of Total Taxable Value
	Tax Year 1999	Tax Year 2000	Tax Year 2001	
Lake	(1,513,350)	(2,518,661)	(3,385,718)	8.1%
Flathead	(476,235)	(792,596)	(1,065,450)	0.8%
Missoula	(198,955)	(331,120)	(445,109)	0.3%
Lincoln	(45,914)	(76,415)	(102,721)	0.4%
Gallatin	(37,753)	(62,832)	(84,461)	0.1%
Ravalli	(24,096)	(40,102)	(53,908)	0.1%
Madison	(15,221)	(25,333)	(34,054)	0.1%
Yellowstone	(14,612)	(24,319)	(32,690)	0.0%
Lewis & Clark	(10,041)	(16,711)	(22,463)	0.0%
Carbon	(9,503)	(15,817)	(21,261)	0.1%
Sanders	(6,408)	(10,665)	(14,337)	0.1%
Cascade	(5,773)	(9,608)	(12,915)	0.0%
Park	(4,337)	(7,217)	(9,702)	0.0%
Granite	(1,550)	(2,580)	(3,468)	0.0%
Mineral	(823)	(1,370)	(1,842)	0.0%
Deer Lodge	(802)	(1,335)	(1,795)	0.0%
Custer	(344)	(573)	(770)	0.0%
Powell	(311)	(517)	(695)	0.0%
Beaverhead	(272)	(453)	(609)	0.0%
Silver Bow	(272)	(441)	(588)	0.0%
Stillwater	(200)	(334)	(448)	0.0%
Fergus	(126)	(209)	(281)	0.0%
Sweet Grass	(61)	(102)	(136)	0.0%
<b>Grand Total</b>	<b>(2,366,960)</b>	<b>(3,939,309)</b>	<b>(5,295,424)</b>	<b>0.3%</b>

**Table 4**  
**Tax Year 2001 Estimated Land Cap Change in Tax Liability**

County	2001	State Mill Levy	2001 Local Mill Levy*	STATE Land Cap Impact	LOCAL Land Cap Impact
	Taxable Value TV Change				
Lake	\$(3,385,718)	101.0	296.97	\$ (341,958)	\$(1,005,457)
Flathead	(1,065,450)	101.0	343.78	(107,610)	(366,281)
Missoula	(445,109)	102.5	405.68	(45,624)	(180,572)
Lincoln	(102,721)	101.0	278.59	(10,375)	(28,617)
Gallatin	(84,461)	101.0	290.19	(8,531)	(24,510)
Ravalli	(53,908)	101.0	285.76	(5,445)	(15,405)
Yellowstone	(32,690)	102.5	311.32	(3,351)	(10,177)
Madison	(34,054)	101.0	280.7	(3,439)	(9,559)
Lewis & Clark	(22,463)	102.5	423.17	(2,302)	(9,506)
Carbon	(21,261)	101.0	267.93	(2,147)	(5,697)
Cascade	(12,915)	102.5	350.61	(1,324)	(4,528)
Sanders	(14,337)	101.0	234.53	(1,448)	(3,362)
Park	(9,702)	101.0	271.4	(980)	(2,633)
Granite	(3,468)	101.0	300.17	(350)	(1,041)
Deer Lodge	(1,795)	101.0	522.11	(181)	(937)
Mineral	(1,842)	101.0	362.22	(186)	(667)
Custer	(770)	101.0	406.36	(78)	(313)
Silver Bow	(588)	102.5	419.37	(60)	(246)
Powell	(695)	101.0	306.63	(70)	(213)
Beaverhead	(609)	101.0	327.68	(62)	(200)
Fergus	(281)	101.0	333.85	(28)	(94)
Stillwater	(448)	101.0	207.78	(45)	(93)
Sweet Grass	(136)	101.0	268.22	(14)	(37)
<b>Grand Total</b>	<b>\$(5,295,424)</b>			<b>\$ (535,608)</b>	<b>\$(1,670,144)</b>

\* Adjusted for Non-City Mills (Road Fund, etc.) and includes a County Average School Levy.



## Cost to Other Taxpayers to Fund the Land Cap

15-10-420, MCA, allows local governments to float their mill levies to remain at the prior years revenue level (plus one-half of inflation). Under 15-10-420, MCA, if one class, or group of property owner's local property tax is reduced, then other owners of property will see an increase in local property taxes.

If a local taxing entity's taxable value is reduced in one year, that entity may increase its mill levy as allowed under 15-10-420, MCA. When local mill levies are increased due to the lost revenue under the land cap, this keeps local property tax revenues on a whole constant, but the burden is shifted to other property taxpayers via the increase in mills. In other words, the \$3.47 million in local property tax savings received by owners of capped property from 1999 to 2001 is achieved at a cost to other property taxpayers.

Table 5 illustrates how taxes can shift in a taxing jurisdiction. For simplification, assume that a local taxing jurisdiction is made of two property owners. One owns a property that is eligible for a land cap; one owns a property that is not. The jurisdiction collected \$10,000 in revenue last year, and will collect the same amount this year. Without a land cap, each property has a taxable value of \$10,000, for a total taxable value in the jurisdiction of \$20,000. With a taxable value of \$20,000, the jurisdiction will set its mill levy at 500 to collect revenues of \$10,000. Each property owner's tax liability is \$5,000.

	Cap Eligible-Taxpayer		Non Eligible-Taxpayer		Local Government	
	Without Cap	With Cap	Without Cap	With Cap	Without Cap	With Cap
Taxable Value	\$10,000	\$5,000	\$10,000	\$10,000	\$20,000	\$15,000
Mill Levy	500	667	500	667	500	667
Tax Liability	\$5,000	\$3,333	\$5,000	\$6,667	\$10,000	\$10,000
Change in Tax Liability		(\$1,667)		\$1,667		\$0

If a land cap reduces the taxable value of the cap eligible taxpayer from \$10,000 to \$5,000, then the total taxable value in the jurisdiction is reduced from \$20,000 to \$15,000. The taxing jurisdiction will now have to increase its mill levies from 500 to 667 to generate the same \$10,000 in revenue. As shown in Table 5, the revenue collected is still \$10,000, but now the burden is shifted from an even split of \$5,000 each, to \$3,333 for the capped property and \$6,667 to the non capped property. This shift in burden equates to an effective increase in the non-capped owner's tax liability of \$1,667.

As shown in Table 5, under a land cap local government mill levies increase to offset a decrease in taxable value. In Lake County, where total taxable value was 8.1% lower due to the land cap, local government mill levies would have had to increase by 7.5% to offset the decrease in taxable value.

## Impact of Eliminating the Land Cap

When the land cap was eliminated for tax year 2002, those property owners who received tax savings from the cap, saw their taxable values and tax liabilities increase by the amount that they had saved (on both state and local mill levies) the prior year due to the cap. Overall statewide, those who received the cap would have seen an increase in their tax liabilities of \$2.2 million (\$1.670 million + \$535,000 (see Table 4)). That is an average increase of \$375 to those taxpayers who received a tax savings because of the land cap. Meanwhile, taxpayers who paid additional tax because of the land cap saw a decrease of \$1.67 million in what they would have paid in 2002 local property taxes had the land cap not been eliminated.

## **State Cost of The Land Cap**

Unlike local governments, state mill levies cannot increase to recoup lost revenue under 15-10-420, MCA. Due to the land cap, the state general fund lost an estimated \$1.129 million in revenue from 1999 to 2001. During the same period, the special revenue account for the university 6 mill lost an additional \$71,000 due to the land cap. These tax reductions are paid for by other state general fund revenues, or reduced programs.

## **Residential Land Ownership and the Land Cap**

As mentioned in the introduction, a key element in having a land cap was to avoid having Montanans be "taxed" out of their home. As more and more of the recreation property is bought at ever increasing prices, the effectiveness of a land cap to help Montana resident property taxpayers may be diminishing.

The Department of Revenue does not have statistics on resident versus nonresident land ownership. However, the department does have a mailing or billing address in the property database. The mailing or billing address does not necessarily denote whether an individual is a resident or non-resident, but rather it is an indication of where the property tax bill is mailed. Although this variable is not a perfect indication of residency, it does give some insight into the relationship between residency and ownership of land that received the benefit of the land cap.

The land cap benefits out-of-state owners more than in-state owners in two ways:

In tax year 2001, the department's property records show that 10% of all residential landowners in Montana list an out-of-state address, and their share of total residential land taxable value represents 14% of the total statewide class 4 residential land value. Thus, the out-of-state parcels have a higher market value on average than in-state parcels. This results in a higher percentage of the land cap per parcel being utilized by out-of-state class 4 residential property owners.

In tax year 2001, although only 10% of the parcels have an out-of-state mailing address, 21% (double the percentage of their total parcel ownership) of the parcels receiving a 'land cap' savings had an out-of-state mailing address. Thus, in proportion to the number of parcels owned by in-state and out-of-state people, the 'land cap' disproportionately reduces the taxes for parcels with an out-of-state mailing address. Owners with an out-of-state mailing address in 2001 received nearly 26% of the property tax savings due to the 'land cap' while having 14% of the taxable value.

In summary, parcels with an out-of-state mailing address comprise 10% of the total class 4 residential parcels, but received nearly 26% of the tax benefit related to the 'land cap.'

# Residential Property Tax Relief Programs

There are four programs to help property owners with residential property taxes. They are elderly homeowner/renter credit, property tax assistance program, disabled American veterans (DAV) exemption, and reverse annuity mortgage loan program. This report will discuss each of these programs and the current expenditure levels.

## Montana's Elderly Homeowner/Renter Credit

In Montana, qualifying persons are eligible to receive relief from property taxes through the elderly homeowner/renter credit program (Sections 15-30-171 through 179, MCA). Individuals may qualify if they are homeowners who have paid property taxes on their dwelling, or if they are renters, in which case the credit is calculated based on a "rent equivalency" amount of property tax paid.

The form of the relief is a refundable credit against individual income tax liability. The refundable nature of the credit means that if the amount of the credit exceeds the taxpayers income tax liability, then the amount of any excess is to be refunded to the claimant. Indeed, receiving a refund of the credit claimed does not even require the filing of an income tax return. Claimants may file a separate form 2EC claiming the credit even though no income tax return is filed.

CY	Filed With Tax Returns			Filed 2EC Only			All Returns			Growth Rate
	Number	Total	Average	Number	Total	Average	Number	Total	Average	
1990	8,258	1,992,956	241.34	7,231	1,539,634	212.92	15,489	3,532,590	228.07	
1991	9,768	2,436,829	249.47	7,526	1,654,836	219.88	17,294	4,091,665	236.59	15.83%
1992	10,316	2,692,694	261.02	7,788	1,830,120	234.99	18,104	4,522,814	249.82	10.54%
1993	10,860	2,990,307	275.35	8,173	2,077,872	254.24	19,033	5,068,179	266.28	12.06%
1994	12,784	3,616,785	282.91	8,487	2,202,628	259.53	21,271	5,819,413	273.58	14.82%
1995	13,589	5,277,519	388.37	8,139	2,693,878	330.98	21,728	7,971,397	366.87	36.98%
1996	13,715	5,444,804	397.00	8,272	2,755,602	333.12	21,987	8,200,406	372.97	2.87%
1997	11,849	5,247,856	442.89	8,298	3,370,720	406.21	20,147	8,618,576	427.78	5.10%
1998	11,849	5,408,152	456.42	8,332	3,408,190	409.05	20,181	8,816,342	436.86	2.29%
1999	12,305	5,192,588	421.99	9,151	3,683,172	402.49	21,456	8,875,760	413.67	0.67%
2000	11,903	5,060,344	425.13	8,981	3,677,127	409.43	20,884	8,737,471	418.38	-1.56%
2001	12,850	5,835,561	454.13	8,778	3,708,791	422.51	21,628	9,544,352	441.30	9.23%

### History

Table 1 provides a history of the number and type of forms used to claim the credit, and the total credit claimed, over tax years 1990 to 2001.

Over this time period about 40% of the number and total amount of credits claimed was from claimants who filed just a form 2EC; taxpayers who also filed an income tax form claimed the other 60%.

The total amount of the credit claimed increased 36.98% in 1995 when the legislature increased the maximum credit that could be claimed from \$400 to \$1,000. The total amount of credit claimed was very stable at around \$8.8 million per year over 1997 to 2000, and then increased by more than 9% to \$9.5 million in tax year 2001.

### Eligibility

As its name implies, the credit currently is available only to elderly taxpayers. This and other specific eligibility requirements of the program are:

- Claimant must have reached age 62 or older during the claim period for which relief is sought;
- Claimant must have resided in Montana for at least 9 months of the claim period;
- Claimant must have occupied one (or more) dwelling in Montana as an owner, renter, or lessee for at least 6 months of the claim period; and
- Claimant must have less than \$45,000 of gross household income during the claim period.

In addition, only claimants with gross household incomes of \$35,000 or less are entitled to the full credit amount. Claimants with incomes between \$35,000 and \$45,000 are eligible to receive a reduced credit, with the percentage of the credit allowed phased out under the following schedule:

<u>Gross Household Income</u>	<u>Percent of Credit Allowed</u>
\$35,000 - \$37,500	40%
\$37,501 - \$40,000	30%
\$40,001 - \$42,500	20%
\$42,501 - \$44,999	10%
\$45,000 or more	0%

Further stipulations provide that a claim for relief is not allowed for any portion of property taxes billed or rent-equivalent taxes paid that is derived from a public rent or tax subsidy program. Also, except for a dwelling rented from a county or municipal housing authority, a claim is not allowed on rented lands or dwellings that are not subject to Montana property taxes during the claim period.

#### **Program Definitions**

The elderly homeowner/renter credit program is based on tax laws that provide a number of specific definitions under which the program operates. Developing a complete understanding of the program requires an understanding of the following definitional provisions:

1. **Income.** Income is defined as the taxpayers total federal adjusted gross income (FAGI) without regard to any capital, net operating or other losses; and includes all forms of nontaxable income including nontaxable social security and other pension income, alimony, cash public assistance and other support money, all forms of nontaxable interest income, and nontaxable strike benefits.
2. **Gross Household Income.** Gross household income means all income received by all individuals of a household while they are members of the household. Eligibility for the credit is based on household income, not on the income of any single taxpayer within the household.
3. **Household Income.** Household income is equal to gross household income less a standard exclusion of \$6,300. The standard exclusion acts similarly to the standard deduction used for income tax purposes, sheltering a minimum amount of income from making participants otherwise ineligible for the program.
4. **Property Tax Billed.** Property tax billed includes not only taxes levied against the claimant's property through mill levies, but also any special assessments and fees (excluding penalties and interest) levied during the claim period.
5. **Gross Rent.** Gross rent means the total rent actually paid in cash or its equivalent during the claim period under an arm's length rental agreement.
6. **Rent-Equivalent Tax Paid.** Rent-equivalent tax paid means 15% of gross rent paid. Under this definition, renters are assumed to have paid property taxes equivalent to 15% of any gross rent paid during the claim period.

## Calculation of Credit

The elderly homeowner/renter credit is equal to property taxes billed (or rent-equivalent tax paid) less a deduction determined by household income and a reduction multiplier as provided for in law. The deduction is equal to household income multiplied by the reduction multiplier as provided for in law under the following schedule:

<u>Household Income</u>	<u>Deduction Amount</u>
\$ 0 - \$ 999	\$0
\$ 1,000 - \$ 1,999	\$0
\$ 2,000 - \$ 2,999	Household Income X 0.006
\$ 3,000 - \$ 3,999	Household Income X 0.016
\$ 4,000 - \$ 4,999	Household Income X 0.024
\$ 5,000 - \$ 5,999	Household Income X 0.028
\$ 6,000 - \$ 6,999	Household Income X 0.032
\$ 7,000 - \$ 7,999	Household Income X 0.035
\$ 8,000 - \$ 8,999	Household Income X 0.039
\$ 9,000 - \$ 9,999	Household Income X 0.042
\$10,000 - \$10,999	Household Income X 0.045
\$11,000 - \$11,999	Household Income X 0.048
\$12,000 and over	Household Income X 0.050

Once the claimant's total property tax, or rent-equivalent tax, is known, there are essentially six steps to determining the homeowner/renter credit:

1. Determine gross household income.
2. Subtract \$6,300 from gross household income to determine household income.
3. Based on household income, determine the deduction multiplier and multiply it by household income to determine the deduction amount.
4. Subtract the deduction amount from total property taxes paid to determine net credit before phase-out.
5. Apply the percentage allowable under the phase-out provisions of law (if necessary) to determine net credit after phase-out.
6. Limit the maximum credit, not to exceed \$1,000.

Tables 2 and 3 provide examples of how the credit is calculated for specific taxpayer circumstances. In Table 2, property taxes are held constant as income increases.

As Table 2 shows, the net credit allowed decreases from \$1,000 to \$0 as income increases from \$10,000 to \$35,000. This is because as incomes increase the deduction multiplier also increases, increasing the deduction amount until the credit reaches zero.

The credit acts to reduce the net property tax paid by the household with just \$10,000 of gross household income from \$1,334 to \$334, which represents a 75% reduction in the homeowner's property tax bill. Property taxes are cut in half for the homeowner with gross household income of \$20,000 and the percentage reduction is zero at the gross household income level of \$35,000.

Table 2 Taxpayer Examples of Total Property Taxes Paid and Elderly Homeowner/Renter Credit Constant Property Tax, Increasing Incomes, Tax Year 2002						
<b>Calculation Of Property Tax Paid</b>						
Assessed Value of Home	100,000	100,000	100,000	100,000	100,000	100,000
Homestead Exemption (31%)	31,000	31,000	31,000	31,000	31,000	31,000
Net Assessed Value	69,000	69,000	69,000	69,000	69,000	69,000
Taxable Valuation Rate	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
Taxable Value	2,387	2,387	2,387	2,387	2,387	2,387
Mill Levy (475 mills)	0.475	0.475	0.475	0.475	0.475	0.475
Property Tax	1,134	1,134	1,134	1,134	1,134	1,134
Special Assessments/Fees	200	200	200	200	200	200
Total Property Tax	1,334	1,334	1,334	1,334	1,334	1,334
<b>Calculation of Homeowner/Renter Credit</b>						
Gross Household Income	10,000	15,000	20,000	25,000	30,000	35,000
Standard Exclusion	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)
Household Income	3,700	8,700	13,700	18,700	23,700	28,700
Deduction Multiplier	0.016	0.039	0.050	0.050	0.050	0.050
Deduction Amount	59	339	685	935	1,185	1,435
Property Tax Paid	1,334	1,334	1,334	1,334	1,334	1,334
Deduction Amount	59	339	685	935	1,185	1,435
<b>Net Credit Allowed</b>	<b>1,000</b>	<b>995</b>	<b>649</b>	<b>399</b>	<b>149</b>	<b>0</b>
<b>Net Property Tax Paid</b>	<b>334</b>	<b>339</b>	<b>685</b>	<b>935</b>	<b>1,185</b>	<b>1,334</b>
<b>Percent Reduction in Tax</b>	<b>75%</b>	<b>75%</b>	<b>49%</b>	<b>30%</b>	<b>11%</b>	<b>0%</b>

Table 3 repeats Table 2 except that property taxes are increasing while incomes are held constant at \$25,000. As Table 3 shows, the net credit allowed increases from \$0 to \$1,000 as property taxes increase from \$597 to \$2,468. This is because the deduction amount of \$935 exceeds the property taxes paid on homes with assessed values of \$35,000 and \$50,000; resulting in net credit of \$0 for these homeowners. Property taxes begin to exceed the deduction amount by \$116 when the assessed value of the home reaches \$75,000. The allowable credit continues to grow as assessed values increase above this level until the maximum credit of \$1,000 is reached.

For the homeowner with assessed value of \$35,000, there is no reduction in property tax. Once the assessed value reaches \$75,000 property taxes are reduced from \$1,051 to \$935, a reduction of 11%. At assessed value of \$150,000 property taxes are reduced from \$1,901 to \$935, a reduction of 51%. For the homeowner with assessed value of \$200,000 property taxes are reduced from \$2,468 to \$1,468, which represents a reduction of 41%. This percentage reduction is less than the percentage reduction for the homeowner with assessed value of \$150,000 because in the example where assessed value is \$200,000 the homeowner has reached the maximum credit allowed by law of \$1,000.

In general, the amount of homeowner/renter credit allowed depends on the relationship between household income and property taxes paid. If income is held constant, the amount of the homeowner/renter credit increases as property taxes increase; if property taxes are held constant, the credit decreases as incomes rise.

**Table 3**  
**Taxpayer Examples of Total Property Taxes Paid and Elderly Homeowner/Renter Credit**  
**Constant Income, Increasing Property Tax: Tax Year 2002**

Calculation Of Property Tax Paid						
Assessed Value of Home	35,000	50,000	75,000	100,000	150,000	200,000
Homestead Exemption (31%)	10,850	15,500	23,250	31,000	46,500	62,000
Net Assessed Value	24,150	34,500	51,750	69,000	103,500	138,000
Taxable Valuation Rate	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
Taxable Value	836	1,194	1,791	2,387	3,581	4,775
Mill Levy (475 mills)	0.475	0.475	0.475	0.475	0.475	0.475
Property Tax	397	567	851	1,134	1,701	2,268
Special Assessments/Fees	200	200	200	200	200	200
Total Property Tax	597	767	1,051	1,334	1,901	2,468

Calculation of Homeowner/Renter Credit						
Gross Household Income	25,000	25,000	25,000	25,000	25,000	25,000
Standard Exclusion	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)
Household Income	18,700	18,700	18,700	18,700	18,700	18,700
Deduction Multiplier	0.05	0.05	0.05	0.05	0.05	0.05
Deduction Amount	935	935	935	935	935	935
Property Tax Paid	597	767	1,051	1,334	1,901	2,468
Deduction Amount	935	935	935	935	935	935
Net Credit Allowed	0	0	116	399	966	1,000
Net Property Tax Paid	597	767	935	935	935	1,468
Percent Reduction in Tax	0%	0%	11%	30%	51%	41%

### Property Tax Assistance Program

The property tax assistance program (PTAP) is established in 15-6-134, MCA, to provide property tax relief to low income homeowners. The PTAP applies to a residential real property and to mobile home owners. The taxpayers must reside in the residential dwelling for at least seven months of a year.

The program works by reducing the normal tax rate applied to the property. The reduction applies to the first \$100,000 of market value after applying the 31% homestead exemption. Included in this value are the eligible improvements and up to five acres of appurtenant land. Improvements can include mobile homes and manufactured housing.

#### Income Eligibility and Tax Rate Reduction

The reduction in tax rate is based on the income of the individual. Depending on the married status and income of the homeowner, the tax rate is reduced to 20%, 50% or 70% of the normal rate. The base year (1995) income ranges are established in 15-6-134-2(b), MCA and are updated each year for inflation. Table 4 shows the 2002 inflation adjusted income ranges and property tax rate reduction.

Table 4						
2002 Income Schedules for the Property Tax Assistance Program						
Single Person	Married Couple	% Multiplier	Tax Rate		Class 4	PTAP
\$0 - \$6,730	\$0 - \$8,973	20% x	3.46%	=		0.69%
\$ 6,731 - \$10,319	\$ 8,974 - \$15,702	50% x	3.46%	=		1.73%
\$10,320 - \$16,824	\$15,703 - \$22,432	70% x	3.46%	=		2.42%

To be eligible to receive property tax assistance, the income used in the calculation includes most normal sources of income. Those sources include wages, bonuses, capital gains, ordinary income, interest and dividends, business and partnership income, rents, royalties, pensions and annuities, alimony and public assistance, unemployment, and tax refunds.

### Effect on Property Taxes

Property taxes are calculated in a multiple step process. The assessed value of a property is reduced by a "homestead" exemption established in 15-6-201, MCA. The homestead exemption on residential property is equal to 31% of its assessed value in 2002. After deducting the homestead amount, the net assessed value of the property is multiplied by a tax rate yielding the taxable value of the property. The tax rate in 2002 is 3.46%. The taxable value is then multiplied by the mill levy of the taxing jurisdiction where the property is located, yielding the property tax liability.

Under the PTAP, applying a reduced tax rate to the net assessed value of the property reduces the property tax liability. The example in Table 5 demonstrates the effect of the program on tax liability. For this example, market value includes the combined value of the land and improvements. The mill levy used in the example is an estimated 2001 statewide average mill levy. The PTAP tax rate is calculated by multiplying the Class 4 tax rate of 3.46% by the percent multiplier (PTAP factor) as displayed in Table 4.

Table 5 Example of the Effect of the PTAP on Tax Liability (Tax Year 2002)				
	Without PTAP	Property Tax Assistance Program Married Couple		
		\$8,000 income	\$15,000 income	\$20,000 income
Assessed Value	\$100,000	\$100,000	\$100,000	\$100,000
Less Homestead Exemption	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>
Net Assessed Value	\$69,000	\$69,000	\$69,000	\$69,000
Multiply by the Tax Rate	<u>x 3.46%</u>	<u>x 0.69%</u>	<u>x 1.73%</u>	<u>x 2.42%</u>
Taxable Value	2,387	476	1,194	1,670
Multiply by the Mill Levy	<u>x 475</u>	<u>x 475</u>	<u>x 475</u>	<u>x 475</u>
Tax Liability	<u>\$1,134.02</u>	<u>\$226.15</u>	<u>\$567.01</u>	<u>\$793.16</u>
Tax Savings from PTAP	\$0.00	\$907.87	\$567.01	\$340.86
% Reduction in Tax	0%	80%	50%	30%

As is evident by this example, the tax liability increases as the income of the applicant approaches the threshold of \$22,431. It should be noted that even though the property tax portion of a tax bill is reduced through use of the PTAP, the homeowner is still responsible for full payment of any fees or special levies that are due on the property.

### Types of Property Affected

The department identifies the individual components of the property ownership. Typically those components include land and improvements. For purposes of the PTAP, the land component includes all land in the applicants' name, up to the five-acre limit. Any land in excess of the five acres is assessed and taxed at full value. Improvements include the residence and one attached or detached garage. Any additional improvements such as an additional garage or other buildings located on the property are assessed and taxed at full value. Mobile homes can be classified and assessed as either real or personal property. For purposes of the PTAP, they do not have to be classified as real property, that is, permanently affixed to the land with the land and the mobile home having the same owner. Personal property mobile homes also receive the 31% residential homestead exemption.

Because of the variable tax rates based on the income of the applicant, it is also necessary to create three separate categories for each component of the ownership. By creating these separate components and categories, the department can more readily apply the tax reduction in compliance with the law. It also allows the department to track and review the effects of the PTAP. The following table provides a brief description of each component of a property affected by the PTAP and its associated tax rate.



**Table 6**  
**Property Tax Assistance Descriptions**

<u>Description</u>	<u>Tax Rate</u>
Property Tax Assistance, Land, 20% Bracket	0.692%
Property Tax Assistance, Land 50% Bracket	1.730%
Property Tax Assistance, Land 70% Bracket	2.422%
Property Tax Assistance, Improvements, 20% Bracket	0.692%
Property Tax Assistance, Improvements, 50% Bracket	1.730%
Property Tax Assistance, Improvements, 70% Bracket	2.422%
Property Tax Assistance, Mobile Home, 20% Bracket	0.692%
Property Tax Assistance, Mobile Home, 50% Bracket	1.730%
Property Tax Assistance, Mobile Home, 70% Bracket	2.422%

**Statewide Effect on Taxable Value**

Table 7 presents information on the statewide effect of the PTAP in tax year 2002. As can be expected, the change in taxable value for each component receiving the reduced tax rate corresponds to the allowable reduction in tax rate afforded by the PTAP.

**Table 7**  
**Statewide Effect on Taxable Value of the PTAP (Tax Year 2002)**

<u>Description</u>	<u>2002 Assessed Value*</u>	<u>2002 PTAP Taxable Value</u>	<u>2002 Taxable Value w/o PTAP</u>	<u>Taxable Value Difference</u>	<u>Percent Change</u>
PTAP, Land, 20% Bracket	\$8,859,419	\$6 t,279	\$306,536	\$245,257	-80%
PTAP, Land 50% Bracket	22,302,760	385,843	771,675	\$385,832	-50%
PTAP, Land 70% Bracket	38,076,703	922,214	1,317,454	\$395,240	-30%
PTAP, Improvements, 20% Bracket	24,392,222	168,780	843,97 t	\$675,191	-80%
PTAP, Improvements, 50% Bracket	65,981,070	1,141,452	2,282,945	\$1,141,493	-50%
PTAP, Improvements, 70% Bracket	118,700,948	2,874,96 t	4,107,053	\$1,232,092	-30%
PTAP, Mobile Home, 20% Bracket	2,156,276	t4,9 t7	74,607	\$59,690	-80%
PTAP, Mobile Home, 50% Bracket	6,179,355	t06,908	213,806	\$106,898	-50%
PTAP, Mobile Home, 70% Bracket	8,542,448	206,904	295,569	\$88,665	-30%
<b>Statewide Total:</b>	<b>\$295,191,201</b>	<b>\$5,883,258</b>	<b>\$10,2 t3,616</b>	<b>\$4,330,358</b>	<b>-42%</b>

\* The value of the homestead exemption is deducted from the assessed value

On a statewide basis, properties that receive a PTAP reduction have had their taxable value reduced by \$4.3 million in fiscal 2003 (tax year 2002). This is a 42% decrease in taxable value. Of the total \$4.3 million taxable value reduction, the property owners eligible for the 80% tax rate reduction received 22.63% of the taxable value reduction; 37.74% of the homeowners received the 50% reduction and 39.63% received 30% of the taxable value reduction.

**Table 8**  
**Number of Owners Receiving the PTAP**

<u>Year</u>	<u>Participants</u>	<u>% change</u>
1999	10,642	
2000	10,023	-6.18%
2001	9,405	-6.57%
2002	8,900	-5.67%

## **Participation**

Table 8 shows participation in the PTAP since 1999. The figures include all properties that received the PTAP reductions each year. Participation in the program has been in decline for the past four years.

## **Application for the Program**

To receive a reduction to the real property taxes, a person must apply to the department by March 15th of each year.

In January of each year, the department mails a new application form to all homeowners who received the benefit in the prior year. In addition, notices are posted in newspapers and public service announcements are broadcast on local radio stations informing the public of the availability of the program and the need to apply for the benefit.

## **Disabled American Veterans (DAV) Exemption**

An additional property tax exemption is granted for the residence of a disabled or deceased veteran as defined in 15-6-211, MCA. A property owner who qualifies under the statute is entitled to a 100% property tax exemption.

### **Eligibility Requirements**

Eligibility requirements as outlined in statute include:

If the veteran is living, the veteran:

- Was honorably discharged for active service.
- Has been rated 100% disabled because of a service-connected disability by the United States Department of Veterans Affairs (VA).
- Has an annual adjusted gross income of not more than \$30,000 if single or more than \$36,000 if married.
- Owns and occupies the dwelling as a primary residence.

In addition to the veteran being eligible for the exemption, a veteran's surviving spouse can receive the exemption if the veteran was killed while on active duty or died as a result of a service-connected disability. To receive the exemption, the surviving spouse must meet eligibility requirements as outlined below.

- Is the owner/occupant of the home.
- Has an annual adjusted gross income of not more than \$25,000.
- Is unmarried.
- Has obtained a letter from the VA indicating the veteran was 100% disabled at the time of death, died on active duty or as the result of a service-connected disability.

### **Application Requirements**

For veterans who are not rated at "permanent" 100% disabled by the VA, an annual application and letter must be submitted to the department. If a veteran is rated at "permanent" 100% disability, an annual application is still necessary. However, for those veterans that have been rated at permanently 100% disabled by the VA, a copy of the VA letter is kept on file by the department and the application is accepted and approved. In those cases, only the annual application is submitted to the department.

Each January, the department sends a new application to all taxpayers who received the DAV exemption the previous year. The application must be returned to the department by March 15th of each year.

### **Statewide Effect on Taxable Value**

The property owners eligible and approved for the DAV are 100% exempt from property tax. They must continue to pay any fees or special levies that are due on the property.

Table 9 displays the statewide effect on the taxable value of the properties receiving the DAV exemption.

Table 9 Statewide Effect on Taxable Value for DAV Exemptions (Tax Year 2002)			
Description	2002 Assessed Value*	2002 DAV Taxable Value	2002 Taxable Value w/o DAV
DAV Land	\$9,169,839	\$0.00	\$317,276
DAV Improvements	42,222,478	\$0.00	1,460,898
DAV Mobile Homes	1,764,203	\$0.00	61,041
Statewide Total	<u>\$53,156,520</u>	<u>\$0.00</u>	<u>\$1,839,216</u>

\* The value of the homestead exemption is deducted from the assessed value.

When the statewide average mill of 475 mills, used in other examples, is applied to the potential taxable value of these properties, an estimated property tax savings of approximately \$874,000 is realized.

### Program Participation

Table 10 shows the number of DAV properties in the state over the past four years. In these four years, the number of participants has increased by 161 or 19%. There are two possible reasons that would contribute to an increase in the participants.

Table 10 Participants in the DAV		
Year*	Participants	% change
1999	841	
2000	926	9.18%
2001	960	3.54%
2002	1,002	4.19%

First, the 1995 Legislature, through SB213, changed the language related to the 100% disability criteria from "is rated 100% disabled" to "has been rated 100% disabled." As a consequence of the new language in statute, a 2001 district court case in Glacier County (McGhie vs Department of Revenue) resulted in an easing of the 100% disability requirement. In effect, the court ruled that if a veteran was ever considered 100% disabled by the Veterans Administration, they were eligible for the property tax exemption. This ruling has expanded the number of veterans eligible for the exemption.

Second, for a short period of time in the 2000 – 2001 time period some department staff misinterpreted the official letter sent by the Veterans Administration stating that the veteran was "paid" at 100% disability even though they were "rated" at something less than 100% disabled. The Veterans Administration has clarified the letter they send informing the veteran of the disability rating, and the problem has been resolved. A small number of veterans were granted the exemption due to the confusion, but corrections were made on the following year's tax notice.

### Reverse Annuity Mortgage Loan Program

The Montana Board of Housing (MBOH) in the Department of Commerce was authorized by legislation in the 1989 session to establish a Reverse Annuity Mortgage Loan Program (RAM). A reverse annuity mortgage is a loan that allows lower-income elderly Montana citizens to convert the equity in their homes into an additional monthly income source.

The homeowner may receive a loan in an amount up to 80% of the Federal Housing Administration's estimated value of the home. The loan amounts may range from a minimum of \$15,000 to a maximum of \$70,000.

In cooperation with the Office on Aging, the Montana Board of Housing has set aside funds to make reverse annuity mortgage loans. The purpose of the reverse annuity mortgage loan program is to enable senior Montana homeowners to provide more substantially for their own in-home support.

### **Eligible Property**

Property that is eligible for the loan is an owner-occupied single family dwelling, which means a one-to-four-family living unit. Mobile homes are excluded, although some exceptions may apply. The home must be located in Montana.

### **Eligible Applicants**

To be eligible, a homeowner must be 68 years or older, have an annual family income not exceeding the Montana Board of Housing revenue annuity mortgage loan income limits, own a home that is eligible and have completed the reverse annuity mortgage loan program counseling program. Some exceptions may be considered. The homeowner may continue to have full-time or part-time employment as long as he or she does not exceed the income limit at the time of the loan closing. If the homeowner is married, the spouse must also be 68 years old or older, must be a co-applicant on the loan application and be a joint owner of the property with a right of survivorship.

### **Effect of the Program**

The application process requires potential borrowers to first complete a reverse annuity mortgage counseling program. The loan application may be completed during the counseling program, with the assistance of the Montana Aging Services Network counselor.

The annual family income must not exceed the following: \$17,720 for a one person household; \$23,880 for a two person household and \$30,040 for a three or more person household.

Monthly payments are made to the homeowner for a ten-year period. The payments stop when the owner no longer occupies the property or when the loan is paid off. There are no prepayment penalties. Monthly payments received by the homeowner are non-taxable income.

The homeowner may choose to receive an amount up to \$2,500 for purposes such as: paying off liens (small mortgage balances, back taxes, etc.); repairs or improvements to the home; medical expenses; and paying outstanding bills. Some exceptions to the amount may be considered.

In addition to a \$2,500 lump sum advance, the homeowner may elect an advance to cover certain loan closing costs.

Generally, the loan will be repaid from the proceeds of the sale of the home upon the death of the last surviving borrower residing in the home or upon the permanent vacating of the home by the borrower(s). The home is typically construed as being permanently vacated when the owner had not lived in the home for more than 180 consecutive days.

### **Program Participation**

The RAM program began in 1991. There were four loans approved in the first year. In 2001, nine loans were granted. In 2002, nine loans have been granted to date with three pending completion, for a total of 12. A total of 74 loans have been approved since inception of the program with 33 of the loans paid.

# Business Property Tax Incentives

Property tax incentives can generally be divided into two categories: property tax abatements and local option property tax exemptions.

- Property tax abatements result in a reduction in the taxable value of the property. This reduction is accomplished by directly reducing the taxable value of property or by applying a reduced tax rate to the property's assessed value.
- Local option property tax exemptions exclude part or all of the entire value of property from taxation. A type of property tax exemption is the suspension and cancellation of delinquent property taxes to facilitate the purchase and continued operation of a business.

## Property Tax Abatements

### **New or Expanding Industries (Local Option)**

If approved by the local governing body, property of certain new or expanding industries is eligible for reduced taxable valuation (up to 50% of their taxable value for the first five years) during the first nine years after construction or expansion. (MCA 15-24-14)

### **Remodeling/Expansion of Existing Buildings (Local Option)**

If approved by the local governing body, remodeling, reconstruction or expansion of existing buildings or structures may qualify for a reduced tax rate for five years following construction. (MCA 15-24-15)

### **Expanding "Value-Added" Machinery and Equipment (State Determined, Local Option)**

If approved by the local governing bodies, an existing value added industry that expands to include value-added equipment is entitled to receive a decrease in the tax rate on value-added machinery and equipment.

### **Canola Seed Oil Processing Equipment (State Determined)**

Machinery used in canola seed oil processing is eligible for a taxable valuation rate of 2% in tax year 2001, 1% in tax year 2002 and 0.0% thereafter.

## Local Option Property Tax Exemptions

### **Exemption for Business Incubators (Local Option)**

If approved by the local governing body, a business incubator owned or leased and operated by a local economic development organization is eligible for an exemption from property taxes. (MCA 15-24-18)

### **Industrial Parks (Local Option)**

If approved by the local governing body, an industrial park owned and operated by a local economic development organization or port authority is eligible for an exemption from property taxes. (MCA 15-24-19)

### **Suspension/Cancellation of Delinquent Taxes (Local Option)**

If approved by the local governing body, delinquent property taxes on commercial property may be suspended to facilitate the purchase and continued operation of a business utilizing the commercial property. (MCA 15-24-17)

## Business Property Tax Exemptions - Tests to Qualify

<u>Type of Exemption</u>	<u>Test to Qualify for Exemption</u>
- Government (Federal, State, Local, School, etc.)	Ownership
- Irrigation Districts	Nonprofit Ownership
- Religious	Ownership and Use
- Municipal Organizations	Ownership

## Business Property Tax Exemptions *continued*

<u>Type of Exemption</u>	<u>Test to Qualify for Exemption</u>
- Agricultural and Horticultural	Exclusive Use
- Public Libraries	Ownership
- Educational	Exclusive Use
- Rural Fire Districts, etc.	Ownership
- Nonprofit Health Care Facilities	Exclusive Use and Nonprofit and Health Care License
- Space Vehicles	Ownership and Use
- Improvements Made to Remove Barriers to disabled persons.	Purpose and Use of Persons with Disabilities
- 100% Disabled Veteran Residence	Owned and Occupied and Meets Income Requirements
- Personal Property of an Industrial Dairy	Ownership, Use, and Size of Dairy
- Vehicle of Certain Health Care Professionals	Qualifying Under Law
- Intangible Personal Property	Meeting Definition in Law
- Low Income Housing	Meeting Criterion in Law
- Cemeteries	Ownership, Use and Nonprofit
- Institutions of Purely Public Charity	Ownership and Use
- Property Leased from a Federal, State, or Local Government	Lease and Use
- Public Museums	Institutions of Purely Public Used
- Art Galleries	Nonprofit and Use
- Zoos	Nonprofit and Use
- Observatories	Nonprofit and Use
- Household Goods and Furniture	Ownership and Use
- Truck Canopy Cover or Topper	Less Than 300 Lbs and No Accommodations Attached
- Bicycle	Ownership and Use
- Corporation Organized to Furnish Potable Water to its Members (Other Than Ag Irrigation)	Nonprofit and Ownership
- Right of Entry	None
- Corporations Providing Care for the Developmentally Disabled, Mentally Ill, or Vocationally Handicapped	Ownership, Use and Nonprofit
- Corporations Operating Facilities for the Care of the Retired, Aged, or Chronically Ill	Ownership, Use and Nonprofit
- Farm Buildings	Value Less Than \$500
- Agricultural Implements	Value Less Than \$100
- Facilities Used for Training, Practice, or Competition in Int'l. Sports and Athletic Events	Nonprofit, Use and Ownership
- Hand Held Tools	Use and Exempt First \$15,000 Market Value
- Harness, Saddlery, and Tack	None
- Title Plant	Ownership
- Nonfossil Energy Generation of Low Emission	Exempt for Ten Years Following Installation
- Wood or Biomass Combustion Devices	\$100,000 Exempt for Multifamily Residences, \$20,000 Single Family Residence
- Veteran's Clubhouses	Nonprofit, Use and Ownership
- Freeport Merchandise and Business Inventory	Use
- State Water Conservation Projects	Ownership and Use
- Irrigation and Drainage Facilities	Use
- Nonprocessed Agricultural Products	Ownership and Use
- Beet Implements	Use
- Community Services Buildings	Nonprofit, Use, Ownership and Land up to Three Acres-
- Down-hole Equipment in Oil and Gas Wells	None
- Motion Picture and Television Commercial Property	Use and Can Not be in the State for More than 180 Consecutive Days

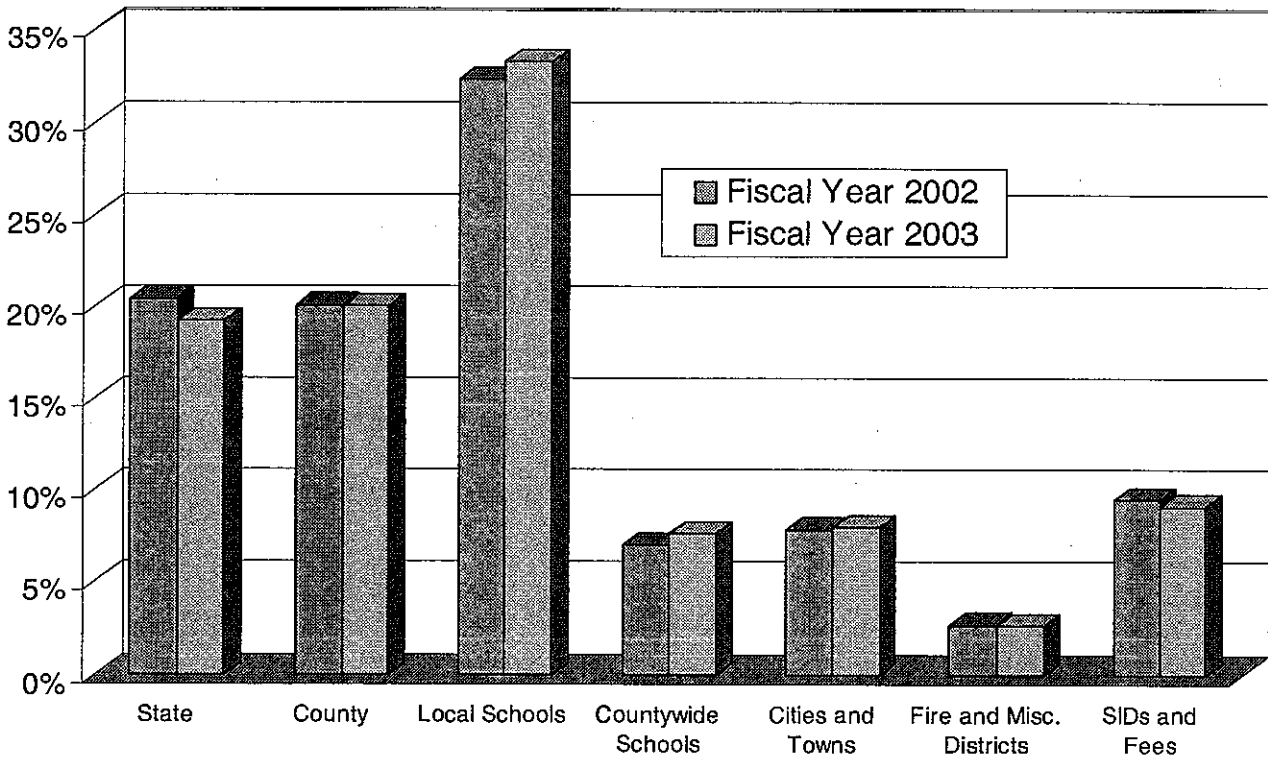
## Taxes Levied on the Montana Property Tax Bill

	Tax Year 2001 (Fiscal Year 2002)	Tax Year 2002 (Fiscal Year 2003)
<b>----- Valuation -----</b>		
Market Valuation	\$ 44,267,268,656	\$ 46,488,551,722
Taxable Valuation Statewide Total	\$ 1,698,203,415	1,718,653,223
Taxable Valuation in Cities / Towns	\$ 615,204,516	623,137,679
<b>----- Taxes Levied -----</b>		
<b>State</b>		
University	\$ 10,193,553	\$ 10,334,649
Vo-Tech (General Fund)	903,354	917,916
State General Fund	161,397,918	163,631,935
State Assumption of Welfare	237,859	-
Subtotal State	\$ 172,732,683	\$ 174,884,499
<b>County</b>		
General	50,327,263	46,771,082
Road	20,274,727	21,505,215
Bridge	6,954,044	7,856,032
Poor	2,137,399	2,935,318
Bond Interest	123,897	289,132
County Fair	2,365,672	2,686,409
Library	6,325,233	6,904,349
Agricultural Extension	2,032,226	2,228,106
Planning	1,045,283	1,277,685
Health and Sanitation	4,129,110	4,232,538
Hospital	1,146,726	1,212,153
Airport	1,056,127	1,302,206
District Court	8,640,446	7,689,863
Weed Control	2,817,859	2,951,038
Senior Citizens	1,313,663	1,447,049
Other	58,966,883	70,960,753
Subtotal County	\$ 169,656,560	\$ 182,248,928
<b>Local Schools</b>		
Elementary	147,669,759	163,427,038
K-12 and High School	121,848,831	136,006,567
Jr. College	3,699,424	3,852,078
Subtotal Local Schools	\$ 273,218,014	\$ 303,285,684
<b>County Wide Schools</b>	59,165,700	69,619,683
<b>Cities and Towns</b>	66,590,272	72,722,870
<b>Fire and Miscellaneous Districts</b>	23,011,161	24,098,969
<b>Total Property Tax</b>	<b>\$ 764,374,391</b>	<b>\$ 826,860,634</b>
<b>SID's and Fees</b>	\$ 80,601,199	\$ 83,033,029
<b>Total Property Taxes, SID's and Fees</b>	<b>\$ 844,975,590</b>	<b>\$ 909,893,663</b>

## Property Taxes Levied by Taxing Jurisdiction

<u>Taxing Jurisdiction</u>	<b>Fiscal Year 2002</b>		<b>Fiscal Year 2003</b>	
	<u>Taxes Levied</u>	<u>% of Total</u>	<u>Taxes Levied</u>	<u>% of Total</u>
State	\$ 172,732,683	20.4%	\$ 174,884,499	19.2%
County	169,656,560	20.1%	182,248,928	20.0%
Local Schools	273,218,014	32.3%	303,285,684	33.3%
Countywide Schools	59,165,700	7.0%	69,619,683	7.7%
Cities and Towns	66,590,272	7.9%	72,722,870	8.0%
Fire and Misc. Districts	23,011,161	2.7%	24,098,969	2.6%
SIDs and Fees	80,601,199	9.5%	83,033,029	9.1%
<b>Total</b>	<b>\$ 844,975,590</b>	<b>100.0%</b>	<b>\$ 909,893,663</b>	<b>100.0%</b>

### Property Taxes Levied by Taxing Jurisdiction





# Property Taxes Levied - Tax Year 2001

County Name	State Assessed Mills and Revenues		County Assessed Mills and Revenue		Local Schools Mill and Revenue		Countywide Schools	
	Mill Levy	Revenue	Mill Levy	Revenue	Mill Levy	Revenue	Mill Levy	Revenue
Beaverhead	101.00	1,612,085	102.04	1,622,409	189.36	3,010,612	27.85	442,846
Big Horn	101.00	1,997,967	53.34	1,055,189	107.30	2,122,514	35.38	699,967
Blaine	101.00	1,191,254	145.79	1,719,503	78.82	929,665	28.54	336,596
Broadwater	101.00	1,006,228	89.11	885,849	125.04	1,243,027	15.00	149,112
Carbon	101.00	2,436,016	85.39	2,059,499	143.19	3,453,617	29.74	717,332
Carter	101.00	952,005	131.75	1,241,848	58.83	554,494	16.69	157,283
Cascade	102.50	11,304,235	105.32	11,511,638	187.84	20,532,433	41.49	4,534,920
Chouteau	101.00	2,140,774	108.51	2,298,870	127.03	2,691,102	34.51	731,039
Custer	101.00	1,431,254	139.69	1,979,135	225.72	3,197,855	37.75	534,899
Daniels	101.00	484,571	122.69	588,643	203.18	974,796	48.79	234,095
Dawson	101.00	1,494,901	140.08	2,058,577	265.44	3,900,794	35.07	515,348
Deer Lodge	101.00	903,082	218.97	1,950,501	206.99	1,843,766	35.93	320,052
Fallon	101.00	1,085,455	75.38	810,071	43.19	464,121	35.40	380,490
Fergus	101.00	2,119,520	97.44	2,044,216	181.73	3,812,407	45.86	962,066
Flathead	101.00	13,910,236	107.15	14,693,950	188.72	25,880,708	38.04	5,216,834
Gallatin	101.00	12,602,566	75.47	9,396,567	161.64	20,124,344	36.74	4,574,553
Garfield	101.00	497,766	172.88	852,004	101.47	500,102	31.35	154,526
Glacier	101.00	1,758,950	123.66	2,147,565	188.36	3,271,146	58.58	1,017,343
Golden Valley	101.00	567,810	62.69	352,426	134.23	754,648	33.46	188,097
Granite	101.00	820,739	120.80	981,403	147.50	1,198,383	23.91	194,296
Hill	101.00	2,808,082	104.23	2,892,815	167.53	4,649,672	33.41	927,330
Jefferson	101.00	2,047,382	83.49	1,691,885	137.68	2,789,917	40.88	828,452
Judith Basin	101.00	1,137,944	98.79	1,113,006	141.09	1,589,666	35.56	400,624
Lake	101.00	4,566,612	98.68	4,435,477	140.88	6,332,419	45.26	2,034,349
Lewis And Clark	102.50	8,593,945	141.21	11,783,377	225.17	18,789,849	46.38	3,869,967
Liberty	101.00	693,050	129.53	888,835	121.24	831,946	26.05	178,733
Lincoln	101.00	2,530,960	76.90	1,910,824	151.97	3,776,428	33.16	824,015
Madison	101.00	2,699,203	98.64	2,636,074	129.46	3,459,820	32.22	861,005
Mccone	101.00	610,585	158.30	956,971	108.15	653,805	25.45	153,846
Meagher	101.00	803,992	113.43	902,946	106.39	846,861	22.41	178,366
Mineral	101.00	804,449	106.00	841,744	205.22	1,629,711	36.36	288,759
Missoula	102.50	15,300,314	133.54	19,844,998	204.20	30,346,937	40.22	5,976,861
Musselshell	101.00	683,363	133.30	901,075	136.15	920,357	35.41	239,356
Park	101.00	2,913,223	78.17	2,244,424	145.76	4,185,175	37.59	1,079,232
Petroleum	101.00	171,529	68.89	117,003	169.22	287,385	30.54	51,866
Phillips	101.00	1,524,222	72.45	1,092,807	123.86	1,868,316	7.82	118,015
Pondera	101.00	1,338,313	127.95	1,693,823	158.26	2,095,181	39.94	528,774
Powder River	101.00	438,641	199.84	867,908	112.22	487,375	31.39	136,341
Powell	101.00	1,147,070	92.89	1,050,941	171.73	1,942,943	37.93	429,137
Prairie	101.00	359,977	154.32	549,190	132.04	469,899	26.42	94,034
Ravalli	101.00	5,208,664	102.34	5,252,364	134.43	6,899,743	28.49	1,462,088
Richland	101.00	1,642,747	126.08	2,023,063	172.72	2,771,509	30.23	485,009
Roosevelt	101.00	2,573,323	94.69	2,409,783	132.27	3,366,005	44.96	1,144,276
Rosebud	101.00	9,990,775	18.47	1,823,195	51.23	5,056,938	12.64	1,248,113
Sanders	101.00	2,719,440	72.19	1,943,702	130.17	3,504,745	15.25	410,506
Sheridan	101.00	849,214	122.63	1,031,119	173.61	1,459,741	24.52	206,188
Silver Bow	102.50	6,140,633	157.88	9,453,331	206.25	12,349,803	32.16	1,925,475
Stillwater	101.00	3,208,873	87.41	2,777,242	86.92	2,761,514	26.18	831,610
Sweet Grass	101.00	1,002,318	105.42	1,044,322	126.56	1,253,786	30.22	299,408
Teton	101.00	1,364,131	112.17	1,511,917	161.27	2,173,826	41.34	557,259
Toole	101.00	1,405,097	110.89	1,539,275	123.43	1,713,399	17.74	246,312
Treasure	101.00	434,848	91.88	395,565	108.73	468,148	30.24	130,187
Valley	101.00	2,645,680	78.76	2,063,163	130.09	3,407,718	34.55	904,970
Wheatland	101.00	1,005,647	95.89	954,813	98.92	984,938	33.25	331,046
Wibaux	101.00	293,495	189.24	549,922	107.16	311,387	5.95	17,278
Yellowstone	102.50	20,757,527	80.69	16,217,800	180.70	36,320,614	38.34	7,705,218
<b>Avg. Mill/Revenue</b>	<b>101.13</b>	<b>\$172,732,683</b>	<b>110.63</b>	<b>\$169,656,560</b>	<b>146.04</b>	<b>\$273,218,014</b>	<b>32.15</b>	<b>\$59,165,700</b>

## Property Taxes Levied - Tax Year 2001

County Name	Miscellaneous and Fire Districts		Average Rural Mill Levy and Revenue		Average City Mill Levy and Revenue		SID's and Fees	Grand Total All Taxes
	Mill Levy	Revenue	Mill Levy	Revenue	Mill Levy	Revenue	Revenue	Revenue
Beaverhead	8.43	133,969	429.24	6,821,921	95.28	393,904	812,845	8,028,669
Big Horn	4.62	91,435	301.65	5,967,073	117.47	307,311	709,357	6,983,740
Blaine	2.85	33,639	357.23	4,210,657	240.84	362,017	887,898	5,460,572
Broadwater	28.98	288,076	358.46	3,572,292	92.10	139,682	388,340	4,100,314
Carbon	9.61	231,709	368.89	8,898,173	109.59	645,559	160,662	9,704,394
Carter	0.48	4,503	211.43	2,910,133	268.64	45,775	110,186	3,066,094
Cascade	15.96	1,744,640	477.87	49,627,866	111.08	7,408,049	5,529,261	62,565,176
Chouteau	26.25	556,073	397.52	8,417,859	155.85	290,974	242,450	8,951,282
Custer	3.20	45,321	507.24	7,188,463	161.68	1,045,212	1,194,313	9,427,989
Daniels	38.27	183,592	514.04	2,465,697	150.97	116,668	252,823	2,835,188
Dawson	6.11	89,775	548.40	8,059,394	176.95	805,702	1,115,812	9,980,908
Deer Lodge	60.22	536,419	623.86	5,553,821	30.57	121,305	1,049,748	6,724,874
Fallon	5.41	58,139	260.33	2,798,275	199.90	237,669	213,085	3,249,029
Fergus	8.82	184,939	434.97	9,123,147	159.61	911,252	477,287	10,511,686
Flathead	9.87	1,354,135	441.84	61,055,863	119.24	4,722,689	7,808,615	73,587,166
Gallatin	16.34	2,034,507	391.22	48,732,537	129.69	7,299,258	1,759,802	57,791,597
Garfield	1.25	6,162	407.82	2,010,559	98.31	21,006	70,620	2,102,185
Glacier	4.74	82,359	475.86	8,277,362	132.57	382,477	570,404	9,230,242
Golden Valley	2.53	14,232	333.91	1,877,214	67.99	18,900	11,410	1,907,525
Granite	7.96	64,657	401.08	3,259,478	99.99	117,200	397,504	3,774,182
Hill	8.32	230,920	414.21	11,508,819	152.22	1,244,040	1,655,887	14,408,746
Jefferson	9.19	186,216	372.18	7,543,852	108.54	185,575	721,817	8,451,244
Judith Basin	4.06	45,754	380.52	4,286,995	81.18	38,938	25,777	4,351,710
Lake	12.15	546,298	398.28	17,915,156	99.99	727,037	4,128,864	22,771,057
Lewis And Clark	10.41	868,985	526.02	43,906,123	97.99	4,503,676	6,508,587	54,918,386
Liberty	9.16	62,887	385.24	2,655,450	109.99	77,137	56,560	2,789,148
Lincoln	16.56	411,486	380.35	9,453,712	96.62	416,889	1,589,995	11,460,596
Madison	20.38	544,733	381.33	10,200,835	80.57	226,923	934,475	11,362,234
McCone	2.47	14,946	395.29	2,390,154	212.37	119,297	16,995	2,526,446
Meagher	7.09	56,434	349.70	2,788,598	115.59	100,208	77,334	2,966,140
Mineral	14.64	116,288	462.72	3,680,951	100.10	121,363	5,652	3,807,966
Missoula	27.72	4,119,116	508.60	75,588,227	150.43	12,222,594	4,089,459	91,900,280
Musselshell	11.78	79,615	417.80	2,823,766	106.46	165,739	218,578	3,208,083
Park	9.88	283,685	372.94	10,705,741	148.09	1,296,576	1,360,565	13,362,882
Petroleum	6.66	11,303	376.29	639,086	136.03	13,562	87,224	739,873
Phillips	5.09	76,788	310.25	4,680,149	142.43	281,193	1,104,184	6,065,526
Pondera	8.11	107,309	435.34	5,763,400	157.73	329,054	636,134	6,728,587
Powder River	2.41	10,471	446.87	1,940,736	137.98	42,802	126,473	2,110,011
Powell	4.08	46,151	408.07	4,616,242	89.17	208,012	383,070	5,207,324
Prairie	3.52	12,540	417.46	1,485,640	162.77	62,271	400,225	1,948,137
Ravalli	20.50	1,052,314	387.24	19,875,173	122.29	1,038,922	1,277,243	22,191,338
Richland	0.95	15,243	433.65	6,937,571	138.16	559,663	2,039,064	9,536,298
Roosevelt	6.13	156,078	379.20	9,649,465	133.12	361,334	235,737	10,246,537
Rosebud	11.62	1,146,779	195.61	19,265,801	17.65	1,394,973	791,344	21,452,117
Sanders	16.92	455,484	335.57	9,033,877	141.72	412,153	1,114,918	10,560,948
Sheridan	12.18	102,400	434.10	3,648,661	167.19	311,647	148,853	4,109,161
Silver Bow	23.08	1,382,014	522.49	31,251,256	0.31	18,600	5,893,098	37,162,954
Stillwater	7.27	230,999	309.71	9,810,239	91.56	563,619	545,853	10,919,711
Sweet Grass	6.02	59,595	369.37	3,659,430	104.95	241,921	22,765	3,924,116
Teton	5.72	77,039	421.59	5,684,173	99.20	270,817	1,686,723	7,641,713
Toole	5.49	76,155	358.74	4,980,239	148.11	521,383	410,146	5,911,768
Treasure	2.62	11,291	334.49	1,440,038	188.81	35,701	172,570	1,648,310
Valley	11.80	309,016	356.19	9,330,548	198.03	680,504	1,604,444	11,615,496
Wheatland	0.96	9,553	330.04	3,285,997	112.91	97,477	31,795	3,415,269
Wibaux	9.79	28,447	413.23	1,200,529	120.00	43,538	13,552	1,257,619
Yellowstone	11.59	2,328,548	409.88	83,329,706	105.64	12,262,522	16,722,820	112,315,049
<b>Avg. Mill/Revenue</b>	<b>10.86</b>	<b>\$23,011,161</b>	<b>399.52</b>	<b>\$697,784,118</b>	<b>98.63</b>	<b>\$66,590,272</b>	<b>\$80,601,199</b>	<b>\$844,975,590</b>

# Property Taxes Levied - Tax Year 2002

County Name	State Assessed Mills and Revenues		County Assessed Mills and Revenue		Local Schools Mill and Revenue		Countywide Schools	
	Mill Levy	Revenue	Mill Levy	Revenue	Mill Levy	Revenue	Mill Levy	Revenue
Beaverhead	101.00	1,623,658	108.87	1,746,166	207.53	3,328,506	53.77	862,325
Big Horn	101.00	1,970,774	64.00	1,248,881	137.46	2,682,257	43.62	851,114
Blaine	101.00	1,160,996	150.18	1,722,045	94.27	1,080,934	46.29	530,841
Broadwater	101.00	967,513	104.02	994,804	124.27	1,188,461	14.51	138,793
Carbon	101.00	2,452,026	87.57	2,125,923	158.28	3,842,611	37.82	918,160
Carter	101.00	1,033,323	122.21	1,250,277	70.59	722,233	18.87	193,092
Cascade	102.50	11,235,355	108.96	11,895,068	201.76	22,024,578	44.81	4,891,819
Chouteau	101.00	2,062,035	115.21	2,351,432	146.26	2,985,199	28.60	583,677
Custer	101.00	1,415,454	147.17	2,062,308	242.66	3,400,409	39.04	547,004
Daniels	101.00	471,601	139.95	653,479	220.29	1,028,587	32.43	151,446
Dawson	101.00	1,479,985	159.67	2,324,312	271.15	3,947,098	43.13	627,778
Deer Lodge	101.00	888,756	232.53	2,046,122	224.94	1,979,382	39.44	347,090
Fallon	101.00	996,069	107.37	1,058,932	22.44	221,287	3.36	33,113
Fergus	101.00	2,164,078	107.94	2,312,259	187.47	4,015,756	48.86	1,046,649
Flathead	101.00	14,709,399	112.82	16,309,485	195.47	28,257,017	39.19	5,665,194
Gallatin	101.00	13,558,785	79.04	10,590,267	170.35	22,825,293	44.06	5,904,136
Garfield	101.00	484,925	181.83	872,994	117.52	564,230	44.51	213,712
Glacier	101.00	1,680,990	132.34	2,202,554	231.83	3,858,441	65.66	1,092,793
Golden Valley	101.00	534,386	65.77	347,984	152.92	809,099	30.45	161,114
Granite	101.00	828,126	122.55	1,004,293	163.21	1,337,446	30.21	247,562
Hill	101.00	2,745,796	112.49	3,052,970	173.93	4,720,378	52.11	1,414,165
Jefferson	101.00	1,986,901	94.80	1,864,160	161.98	3,185,293	34.79	684,186
Judith Basin	101.00	1,048,616	109.26	1,134,417	165.83	1,721,743	24.12	250,405
Lake	101.00	5,034,713	96.90	4,820,201	140.48	6,988,172	45.71	2,274,029
Lewis and Clark	102.50	8,727,031	144.81	12,302,588	233.38	19,827,399	47.51	4,036,237
Liberty	101.00	697,305	142.51	983,924	151.32	1,044,712	22.78	157,267
Lincoln	101.00	2,560,542	79.19	1,999,595	170.86	4,314,161	32.17	812,205
Madison	101.00	2,819,019	98.56	2,750,871	140.77	3,929,108	28.92	807,062
McCone	101.00	597,533	184.04	1,088,810	132.28	782,572	22.52	133,259
Meagher	101.00	776,806	121.98	938,154	117.18	901,250	22.31	171,625
Mineral	101.00	804,746	102.46	815,955	207.66	1,653,656	40.69	324,029
Missoula	102.50	15,854,361	142.24	21,999,961	217.65	33,663,300	44.05	6,812,432
Musselshell	101.00	663,674	143.16	940,288	188.57	1,238,531	46.89	307,955
Park	101.00	3,023,158	79.58	2,378,171	153.39	4,584,047	49.34	1,474,617
Petroleum	101.00	165,312	75.96	124,324	183.51	300,359	49.10	80,364
Phillips	101.00	1,484,001	74.36	1,092,156	139.28	2,045,649	6.98	102,529
Pondera	101.00	1,270,865	148.16	1,864,054	185.00	2,327,535	57.93	728,783
Powder River	101.00	420,771	225.58	939,768	126.43	526,725	60.36	251,480
Powell	101.00	1,131,908	101.09	1,132,875	201.57	2,258,950	37.37	418,766
Prairie	101.00	339,833	178.02	598,057	173.70	583,557	36.83	123,732
Ravalli	101.00	5,492,611	105.99	5,757,854	143.21	7,779,689	34.98	1,900,475
Richland	101.00	1,563,746	132.34	2,029,371	190.51	2,921,371	24.37	373,738
Roosevelt	101.00	2,495,926	104.37	2,576,231	151.68	3,744,118	63.78	1,574,380
Rosebud	101.00	9,372,044	19.15	1,776,904	63.71	5,911,582	15.92	1,476,828
Sanders	101.00	2,765,508	73.41	2,010,107	136.30	3,732,144	24.72	676,775
Sheridan	101.00	825,385	133.78	1,093,172	195.63	1,598,605	38.76	316,700
Silver Bow	102.50	5,850,225	167.59	9,545,782	209.92	11,956,620	52.09	2,966,763
Stillwater	101.00	3,275,788	92.72	3,007,307	119.78	3,884,819	27.98	907,432
Sweet Grass	101.00	1,182,533	114.93	1,344,130	126.51	1,479,461	35.58	416,152
Teton	101.00	1,346,330	125.12	1,659,218	202.32	2,682,831	42.51	563,764
Toole	101.00	1,405,604	120.19	1,669,996	156.51	2,174,655	47.96	666,374
Treasure	101.00	409,181	100.03	405,257	129.78	525,793	31.97	129,521
Valley	101.00	2,584,945	82.79	2,118,836	145.04	3,711,962	36.81	942,150
Wheatland	101.00	929,979	105.26	969,219	123.52	1,137,366	32.57	299,859
Wibaux	101.00	282,371	190.37	532,225	148.56	415,335	0.19	536
Yellowstone	102.50	21,231,199	86.39	17,812,433	208.22	42,933,411	48.67	10,035,696
<b>Avg Mill/Revenue</b>	<b>101.13</b>	<b>\$174,884,499</b>	<b>118.92</b>	<b>\$182,248,928</b>	<b>163.51</b>	<b>\$303,285,684</b>	<b>36.96</b>	<b>\$69,619,683</b>

# Property Taxes Levied - Tax Year 2002

County Name	Miscellaneous and Fire Districts		Average Rural Mill Levy and Revenue		Average City Mill Levy and Revenue		SID's and Fees	Grand Total All Taxes
	Mill Levy	Revenue	Mill Levy	Revenue	Mill Levy	Revenue	Revenue	Revenue
Beaverhead	8.03	128,796	479.24	7,689,451	96.55	410,602	829,094	8,929,147
Big Horn	4.78	93,248	350.86	6,846,275	121.47	312,796	716,091	7,875,161
Blaine	4.53	51,918	396.52	4,546,734	283.98	415,241	965,937	5,927,911
Broadwater	14.69	140,463	359.05	3,430,035	92.59	139,958	398,855	3,968,849
Carbon	10.09	245,027	395.01	9,583,747	122.89	747,388	202,564	10,533,699
Carter	0.44	4,536	313.11	3,203,460	296.35	50,135	98,168	3,351,763
Cascade	15.98	1,204,657	474.26	51,791,290	118.50	7,837,215	5,293,724	64,922,229
Chouteau	26.36	538,016	417.47	8,520,359	168.30	310,759	251,592	9,082,710
Custer	3.26	45,630	532.77	7,470,805	175.34	1,113,155	1,239,434	9,823,394
Daniels	31.57	74,449	525.31	2,452,541	160.80	119,994	263,786	2,836,320
Dawson	6.39	92,975	582.01	8,472,148	188.65	843,523	1,188,143	10,503,814
Deer Lodge	62.19	547,275	661.02	5,808,625	30.11	119,947	981,926	6,910,498
Fallon	5.82	57,384	239.88	2,366,784	210.69	248,687	216,627	2,832,098
Fergus	9.52	203,961	454.79	9,742,703	164.85	971,034	453,460	11,167,197
Flathead	10.35	1,495,617	458.78	66,436,712	142.53	5,942,916	8,108,236	80,487,864
Gallatin	18.00	2,411,670	412.68	55,290,151	134.95	8,202,692	1,861,500	65,354,343
Garfield	1.31	6,275	446.12	2,142,136	105.33	22,571	69,121	2,233,827
Glacier	5.07	84,440	535.79	8,919,218	134.60	382,249	571,909	9,873,376
Golden Valley	2.75	14,547	352.89	1,867,130	70.32	19,348	10,497	1,896,975
Granite	8.22	67,390	425.21	3,484,816	112.12	132,205	406,855	4,023,876
Hill	8.51	230,983	448.23	12,164,293	158.47	1,270,236	1,700,831	15,135,360
Jefferson	10.30	202,508	402.94	7,923,048	111.55	192,268	777,721	8,893,037
Judith Basin	4.48	46,509	404.70	4,201,690	84.12	40,406	28,146	4,270,242
Lake	11.59	576,546	396.04	19,693,662	102.95	797,278	4,171,513	24,662,453
Lewis and Clark	11.41	969,398	539.85	45,862,653	107.93	5,050,271	6,917,849	57,830,772
Liberty	9.22	63,645	426.83	2,946,852	110.00	76,827	55,818	3,079,497
Lincoln	16.69	421,324	400.34	10,107,827	103.88	435,912	1,627,359	12,171,099
Madison	20.99	585,928	390.28	10,891,989	91.48	266,812	949,811	12,108,612
McCone	2.57	15,193	442.41	2,617,367	210.10	118,469	21,012	2,756,847
Meagher	7.90	60,725	367.46	2,848,560	123.60	106,898	77,835	3,033,293
Mineral	15.11	120,325	467.53	3,718,712	104.99	125,062	71,252	3,915,026
Missoula	27.59	4,267,428	534.04	82,597,482	150.10	12,703,226	4,269,434	99,570,142
Musselshell	11.05	72,587	490.72	3,223,036	110.70	171,550	209,808	3,604,394
Park	9.97	297,829	393.49	11,757,822	147.82	1,316,194	1,427,900	14,501,916
Petroleum	6.11	10,002	415.68	680,360	139.88	14,224	59,572	754,157
Phillips	5.68	46,790	327.34	4,807,724	159.12	306,839	1,104,564	6,219,127
Pondera	11.12	139,845	503.12	6,331,082	164.95	333,692	627,987	7,292,760
Powder River	2.29	9,555	515.65	2,148,299	148.52	44,442	130,649	2,323,390
Powell	4.35	48,701	445.20	4,991,200	92.45	214,506	384,285	5,589,990
Prairie	3.81	12,805	493.54	1,657,985	175.30	64,351	408,523	2,130,860
Ravalli	20.97	1,139,052	406.29	22,069,681	110.97	973,428	1,411,658	24,454,767
Richland	1.95	29,845	451.26	6,918,070	140.62	551,310	1,968,130	9,437,510
Roosevelt	6.43	158,646	427.39	10,549,301	143.76	372,629	231,997	11,153,927
Rosebud	11.74	1,089,288	211.52	19,626,647	18.09	1,343,920	873,009	21,843,576
Sanders	17.45	464,995	352.83	9,662,292	125.25	359,016	1,133,726	11,155,034
Sheridan	14.09	115,113	483.30	3,948,976	175.99	320,584	159,014	4,428,574
Silver Bow	24.14	1,374,972	556.48	31,694,362	58.52	19,743	5,934,278	37,648,383
Stillwater	9.44	306,237	351.19	11,381,584	125.08	847,639	509,996	12,739,218
Sweet Grass	7.29	85,234	385.43	4,507,510	92.72	250,979	24,059	4,782,548
Teton	5.67	75,243	477.17	6,327,386	96.73	257,498	1,730,125	8,315,008
Toole	4.28	59,431	430.13	5,976,062	153.06	536,374	412,026	6,924,462
Treasure	2.84	11,487	365.62	1,481,239	199.34	39,064	186,892	1,707,195
Valley	5.57	142,596	371.21	9,500,489	200.92	679,095	1,652,774	11,832,358
Wheatland	1.04	9,546	363.39	3,345,970	116.94	98,975	31,292	3,476,237
Wibaux	10.79	30,160	450.91	1,260,626	120.00	41,001	13,366	1,314,993
Yellowstone	12.79	1,702,069	459.31	94,650,807	119.83	14,039,739	17,611,300	126,301,846

**Avg Mill/Revenue    10.83    \$22,500,816    431.46    \$754,137,763    107.71    \$72,722,870    \$83,033,029    \$909,893,663**

# Property Taxes Paid by Property Class

## Estimated Property Taxes Paid By Property Class Tax Year 2001 (Fiscal Year 2002)

Class	Description	Assessed Value <sup>1</sup>	Taxes Paid	Percent of Total Taxes	Effective Tax Rate <sup>2</sup>
1	Mine Net Proceeds	\$ 7,842,501	\$ 2,618,325	0.3%	33.4%
2	Gross Proceeds Metal Mines	367,167,353	4,055,232	0.5%	1.1%
3	Agricultural Land	3,768,410,515	55,245,257	7.2%	1.5%
4	Residential Land and Improvements	25,464,708,914	332,476,547	43.4%	1.3%
4	Commercial Land and Improvements	8,369,805,854	136,651,764	17.8%	1.6%
<i>Subtotal Class 4</i>		<i>33,834,514,767</i>	<i>469,128,311</i>	<i>61.2%</i>	<i>1.4%</i>
5	Co-ops, Pollution Control Equipment	1,190,985,469	13,581,857	1.8%	1.1%
6	Livestock	623,039,787	4,891,816	0.6%	0.8%
7	Non-Centrally Assessed Public Util.	2,363,014	100,643	0.0%	4.3%
8	Business Equipment	3,943,691,027	52,107,577	6.8%	1.3%
9	Public Utilities not elsewhere listed	1,833,281,826	92,014,678	12.0%	5.0%
10	Forest Land	1,782,294,827	3,435,066	0.4%	0.2%
12	Railroads and Airlines	1,155,780,944	20,642,673	2.7%	1.8%
13	Telecomm. and Electric Generation Util	2,408,134,775	48,807,208	6.4%	2.0%
		<u>\$ 50,917,506,805</u>	<u>\$ 766,628,644</u>	<u>100.0%</u>	<u>1.5%</u>

<sup>1</sup> Assessed value for class 4 is prior to application of exemptions of 27.5% for residential and 11% for commercial.

<sup>1</sup> Assessed value for property in classes 3, 4, and 10 is 76% phased-up from the 1993 reappraisal value to the 1997 reappraisal value.

<sup>1</sup> Assessed value for classes 3 and 10 are based on productive capacity.

<sup>2</sup> Effective tax rate = (Taxes Paid) / (Assessed Value).

## Estimated Property Taxes Paid By Property Class Tax Year 2002 (Fiscal Year 2003)

Class	Description	Assessed Value <sup>1</sup>	Taxes Paid	Percent of Total Taxes	Effective Tax Rate <sup>2</sup>
1	Mine Net Proceeds	\$ 8,691,402	\$ 2,926,723	0.4%	33.7%
2	Gross Proceeds Metal Mines	355,644,076	4,073,178	0.5%	1.1%
3	Agricultural Land	3,845,087,046	59,701,015	7.8%	1.6%
4	Residential Land and Improvements	30,906,164,239	369,678,764	48.2%	1.2%
4	Commercial Land and Improvements	9,110,810,891	150,364,069	19.6%	1.7%
<i>Subtotal Class 4</i>		<i>40,016,975,130</i>	<i>520,042,833</i>	<i>67.8%</i>	<i>1.3%</i>
5	Co-ops, Pollution Control Equipment	1,180,181,662	14,470,597	1.9%	1.2%
6	Livestock	616,075,480	2,608,870	0.3%	0.4%
7	Non-Centrally Assessed Public Util.	2,705,175	121,112	0.0%	4.5%
8	Business Equipment	4,012,212,828	56,720,962	7.4%	1.4%
9	Public Utilities not elsewhere listed	1,719,851,111	92,403,791	12.1%	5.4%
10	Forest Land	2,048,625,084	3,150,842	0.4%	0.2%
12	Railroads and Airlines	1,161,404,952	21,226,957	2.8%	1.8%
13	Telecomm. and Electric Generation Util	2,286,414,106	49,393,358	6.4%	2.2%
		<u>\$ 57,253,868,052</u>	<u>\$ 826,840,237</u>	<u>107.9%</u>	<u>1.4%</u>

<sup>1</sup> Assessed value for class 4 is prior to application of exemptions of 31% for residential and 13% for commercial.

<sup>1</sup> Assessed value for property in classes 3, 4, and 10 is the 1997 reappraisal value.

<sup>1</sup> Assessed value for classes 3 and 10 are based on productive capacity.

<sup>2</sup> Effective tax rate = (Taxes Paid) / (Assessed Value).

# Summary of Property Valuation and Taxes Levied

The data table on pages 112 through 117 present summary data regarding property valuation and estimated property taxes paid. The data is presented by property type.

## Column Headings:

- Property Type** - A small description of the type of property included in the grouping.
- Class** - The legal property classification of the property type.
- 2002 Tax Rate** - The tax rate applied to the taxable property of the property type in tax year 2002.

## **Market and Taxable Values for Tax Year 2002**

The tax year 2002 assessed values are listed after application of the homestead and comstead exemptions to class 4 property. Taxable value is the assessed value times the tax rate.

- Estimated Taxes Levied** - An estimate of the property taxes paid by the property type to the listed taxing jurisdictions.
- Effective Tax Rate** - The percentage the total taxes paid represents of the total assessed value.  $\text{Effective Tax Rate} = (\text{Total Taxes Paid} / \text{Total Assessed Value})$ .
- Average Mill Levy** - The average mill levy applied to the taxable value of the property type.  $\text{Average Mill Levy} = (\text{Total Taxes Paid} / \text{Total Taxable Value})$ .

## Row Headings:

**Subtotal Percent of Column Statewide** - This value represents the subtotal percent of the statewide total for the column data. For example, the total taxable value of residential improvements represents 32.8% of all taxable value.

**Subtotal Average Mill Levy** - The average mill levy applied to the taxable value of the property sub group. For example, the average mill levy applied to residential improvements is 507.19.

# Summary of Property Valuation and Taxes Levied

Tax Year 2002			Market and Taxable Values for Tax Year 2002 By Property Type			
Property Type	Class	2002 Tax Rate	2002 Total Assessed Value	2002 Total Taxable Value	Assessed Value Cities/Towns	Taxable Value Cities/Towns
<b>Personal Property</b>						
Furniture and Fixtures	8	3.00%	805,981,667	24,179,745	565,033,497	16,951,197
Locally Assessed Co-op Pers. Prop.	5	3.00%	42,119	1,263	42,119	1,263
Machin. other than Farm, Min., Manuf.	8	3.00%	558,171,154	16,745,692	109,567,493	3,287,232
Repair Tools	8	3.00%	985,467	29,564	702,367	21,071
Manufacturing Machinery	8	3.00%	1,435,615,376	43,068,444	195,610,106	5,868,291
Mining Machinery	8	3.00%	9,857	295	2,399	70
Ski Lifts	8	3.00%	19,094,948	572,850	0	0
Supplies and Materials	8	3.00%	101,759,004	3,054,360	19,525,352	586,816
All Other Property	8	3.00%	127,574	3,828	67,954	2,039
Rural Telephone Property	7	8.00%	2,705,175	216,414	1,945,016	155,601
Air and H2O Pollution Control	5	3.00%	216,322,517	6,489,674	11,573,655	347,210
New & Expanding Ind- Air & H2O P C	5	Varies	5,992,972	159,463	5,601,822	151,249
All Gasohol Related Property	5	3.00%	0	0	0	0
R & D Personal Property	5	3.00%	187,832	5,635	187,832	5,635
New & Expanding R & D Pers Prop	5	Varies	0	0	0	0
Aluminum Electrolytic Equipment	5	3.00%	34,628,034	1,038,841	0	0
Mattng Barley Processing Equipment	6	1.00%	0	0	0	0
Canola Seed Processing Equipment	6	1.00%	0	0	0	0
Cable TV Systems	8	3.00%	39,565,280	1,186,988	20,471,076	614,138
Theatre and Sound Equipment	8	3.00%	1,597,303	47,920	1,393,396	41,801
Radio and TV Broadcasting Equip.	8	3.00%	11,881,933	356,465	5,883,069	176,498
CB's and Mobile Phones	8	3.00%	2,548,365	76,479	787,291	23,628
Rental Equipment (Less Than \$5,000)	6	1.00%	10,083,762	100,839	5,792,539	57,927
Rental Equipment	8	3.00%	5,146,190	154,396	2,112,462	63,371
New & Expanding Ind- Mach & Eq	8	Varies	166,913,955	2,987,191	30,406,191	500,267
New Industry - Personal Property	5	3.00%	0	0	0	0
Oil & Gas Field Equipment	8	3.00%	73,968,116	2,219,154	1,002,794	30,084
Oil & Gas Flow Lines	8	3.00%	32,693,425	980,801	72,969	2,189
Ag Implements	8	3.00%	715,689,923	21,470,829	3,648,953	109,481
Loc Assd Util Infra-Co Lines	8	3.00%	740,364	22,210	419,861	12,595
Value Added Machinery (15-24-2403)	8	3.00%	0	0	0	0
Failure to Report Penalty	6	1.00%	6,934,106	69,731	116,634	1,190
Exemption-1st \$100,000 NFEF	8	0.00%	0	0	0	0
Failure to Report Penalty	7	8.00%	0	0	0	217,156
Failure to Report Penalty	8	3.00%	19,911,065	597,357	7,238,159	0
Penalty Class 2	2	30.00%	0	0	0	0
- Subtotal			4,269,297,483	125,836,428	989,204,946	29,227,999
- Subtotal Percent of Column Statewide Total			9.2%	7.3%	5.9%	4.7%
- Subtotal Average Mill Levy						
<b>Proceeds</b>						
Net Proceeds	1	100.00%	8,691,402	8,691,402	0	0
Gross Proceeds of Metal Mines	2	3.00%	355,644,076	10,669,321	52,069,709	1,562,091
- Subtotal			364,335,478	19,360,723	52,069,709	1,562,091
- Subtotal Percent of Column Statewide Total			0.8%	1.1%	0.3%	0.3%
- Subtotal Average Mill Levy						
<b>Livestock</b>						
Horses	6	1.00%	55,549,050	560,611	795,500	8,061
Cattle	6	1.00%	525,840,901	5,258,914	1,012,116	10,121
Sheep	6	1.00%	8,637,976	86,773	7,229	73
Swine	6	1.00%	1,566,018	15,648	503	5
Other Livestock	6	1.00%	7,463,667	74,721	29,366	296
- Subtotal			599,057,612	5,996,667	1,844,714	18,556
- Subtotal Percent of Column Statewide Total			1.3%	0.3%	0.0%	0.0%
- Subtotal Average Mill Levy						
<b>Vehicles</b>						
Coal and Ore Haulers	8	3.00%	19,811,862	594,358	184,518	5,536
- Subtotal			19,811,862	594,358	184,518	5,536
- Subtotal Percent of Column Statewide Total			0.0%	0.0%	0.0%	0.0%
- Subtotal Average Mill Levy						

# Summary of Property Valuation and Taxes Levied

Estimated Taxes Levied for Tax Year 2002 By Property Type								Total Estimated 2002 Taxes Levied	Effective Tax Rate	Average Mill Levy for Property Type
2002 Taxes Levied by:										
University (6mills)	State General Fund (95 mills)	County	Misc. & Fire	County Wide Ref. / Trans.	Local Schools	Cities/ Towns				
145,078	2,317,973	2,705,584	381,477	1,068,379	4,745,163	2,237,931	13,601,585	1.69%	562.52	
8	120	178	15	24	202	203	751	1.78%	594.25	
100,474	1,598,684	1,675,866	224,020	658,250	2,863,197	427,359	7,547,851	1.35%	450.73	
177	2,840	3,327	549	1,326	5,972	3,132	17,323	1.76%	585.95	
258,411	4,129,547	4,981,260	697,030	1,858,796	7,856,771	710,185	20,491,999	1.43%	475.80	
2	28	32	7	10	47	12	137	1.39%	464.90	
3,437	54,448	57,604	10,319	19,134	90,160	-	235,102	1.23%	410.41	
18,326	292,046	302,944	42,897	122,923	537,529	74,827	1,391,491	1.37%	455.58	
23	364	370	44	174	538	188	1,701	1.33%	444.23	
1,298	20,873	23,755	3,377	9,853	43,888	18,067	121,112	4.48%	559.63	
38,938	624,594	614,799	88,067	297,009	1,288,263	36,720	2,988,391	1.38%	460.48	
957	15,376	17,131	2,554	7,042	31,919	17,999	92,977	1.55%	583.06	
0	0	0	0	0	0	0	0	0.00%	0.00	
34	535	445	101	248	960	858	3,182	1.69%	564.66	
0	0	0	0	0	0	0	0	0.00%	0.00	
6,233	98,690	117,202	10,752	40,712	203,062	-	476,651	1.38%	458.83	
0	0	0	0	0	0	0	0	0.00%	0.00	
0	0	0	0	0	0	0	0	0.00%	0.00	
7,122	113,581	136,410	17,225	51,054	228,951	80,580	634,924	1.60%	534.90	
288	4,602	4,511	691	2,240	9,562	4,537	26,432	1.65%	551.59	
2,139	34,264	42,180	5,809	16,133	72,672	24,054	197,250	1.66%	553.35	
459	7,306	8,008	1,065	3,254	13,840	3,218	37,151	1.46%	485.76	
605	9,637	11,134	1,477	4,281	19,255	7,708	54,097	0.54%	536.47	
926	14,733	16,124	1,945	6,553	28,110	7,944	76,335	1.48%	494.41	
17,923	285,803	298,683	36,820	129,888	581,137	60,262	1,410,516	0.85%	472.19	
0	0	0	0	0	0	0	0	0.00%	0.00	
13,315	210,937	271,356	16,424	59,739	284,540	4,439	860,750	1.16%	387.87	
5,885	93,177	117,561	6,788	30,970	126,431	342	381,153	1.17%	388.61	
128,825	2,041,843	2,542,570	215,005	826,469	3,521,768	12,136	9,288,614	1.30%	432.62	
133	2,110	2,291	232	1,093	3,477	1,336	10,672	1.44%	480.50	
0	0	0	0	0	0	0	0	0.00%	0.00	
418	6,645	7,727	844	2,821	11,943	145	30,544	0.44%	438.02	
0	0	0	0	0	0	0	0	0.00%	0.00	
0	0	0	0	0	0	0	0	0.00%	0.00	
3,584	57,094	66,762	8,770	25,750	111,118	28,296	301,375	1.51%	504.51	
0	0	0	0	0	0	0	0	0.00%	0.00	
755,019	12,037,851	14,025,816	1,774,305	5,244,126	22,680,473	3,762,477	60,280,066	1.41%		
7.3%	7.3%	7.7%	7.4%	7.5%	7.5%	5.2%	7.3%			
6.00	95.66	111.46	14.10	41.67	180.24	128.73	479.04			
52,148	825,683	996,424	55,894	191,463	805,110	0	2,926,723	33.67%	336.74	
64,016	1,013,586	1,000,495	102,509	317,764	1,388,842	185,967	4,073,178	1.15%	381.77	
116,164	1,839,269	1,996,918	158,404	509,227	2,193,951	185,967	6,999,901	1.92%		
1.1%	1.1%	1.1%	0.7%	0.7%	0.7%	0.3%	0.8%			
6.00	95.00	103.14	8.18	26.30	113.32	119.05	361.55			
3,364	53,403	61,538	6,847	21,979	93,321	941	241,392	0.43%	430.59	
31,553	500,148	607,027	45,547	195,080	827,154	1,312	2,207,821	0.42%	419.82	
521	8,251	11,393	504	3,168	12,223	9	36,068	0.42%	415.66	
94	1,489	1,744	128	653	2,572	0	6,681	0.43%	426.94	
448	7,108	8,569	887	2,868	12,344	41	32,266	0.43%	431.82	
35,980	570,400	690,270	53,913	223,749	947,614	2,303	2,524,229	0.42%		
0.3%	0.3%	0.4%	0.2%	0.3%	0.3%	0.0%	0.3%			
6.00	95.12	115.11	8.99	37.31	158.02	124.09	420.94			
3,566	56,544	43,374	6,375	20,366	77,804	572	208,601	1.05%	350.97	
3,566	56,544	43,374	6,375	20,366	77,804	572	208,601	1.05%		
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
6.00	95.14	72.98	10.73	34.27	130.90	103.34	350.97			



# Summary of Property Valuation and Taxes Levied

Tax Year 2002			Market and Taxable Values for Tax Year 2002 By Property Type			
Property Type	Class	2002 Tax Rate	2002 Total Assessed Value	2002 Total Taxable Value	Assessed Value Cities/Towns	Taxable Value Cities/Towns
<b>Utilities Real</b>						
Rural Co-op companies Real	5	3.00%	106,383,999	3,191,525	18,109,442	543,284
Indep. Tele. Companies Real	5	3.00%	1,588,333	47,650	196,305	5,889
Electric Companies Real	9	12.00%	27,952,904	3,354,350	4,302,487	516,298
Gas & Electric Companies Real	9	12.00%	182,101,056	21,852,122	35,251,218	4,230,144
Pipelines Real	9	12.00%	34,497,420	4,139,691	1,358,979	163,078
Telecomm. Companies Real	13	6.00%	53,163,048	3,189,779	32,568,397	1,954,104
Centrally Assessed New & Exp Situs	9	Varies	535,384	44,972	535,384	44,972
Railroads Real	12	4.02%	35,772,414	1,438,046	14,470,066	581,693
Airlines Real	12	4.02%	2,212,580	88,947	1,925,248	77,395
Electric Generation Real Property	13	6.00%	1,145,025,908	68,701,557	794,907,193	47,694,432
Cellular Telephone Real Prop	4	3.46%	0	0	0	0
- Subtotal			1,589,233,046	106,048,639	903,624,719	55,811,289
- Subtotal Percent of Column Statewide Total			3.4%	6.2%	5.4%	9.0%
- Subtotal Average Mill Levy						
<b>Utilities Personal</b>						
Rural Co-op companies Personal	5	3.00%	169,925,784	5,097,785	49,624,910	1,488,750
Indep. Tele. Companies Personal	5	3.00%	7,841,971	235,261	880,115	26,404
Electric Companies Personal	9	12.00%	10,649,005	1,277,881	9,431,005	1,131,721
Gas & Electric Companies Personal	9	12.00%	416,958,900	50,035,069	185,646,160	22,277,544
Pipelines Personal	9	12.00%	156,991,193	18,838,943	5,760,548	691,266
Telecomm. Companies Personal	13	6.00%	305,650,332	18,339,020	214,506,025	12,870,355
Centrally Assessed New & Exp Personal	9	Varies	76,040	6,387	76,040	6,387
Railroads Personal	12	4.02%	45,904,286	1,845,351	3,809,500	153,140
Airlines Personal	12	4.02%	11,211,951	450,721	8,225,475	330,664
Electric Generation Personal Prop	13	6.00%	463,608,535	27,816,512	270,714,011	16,242,841
Cellular Telephone Personal Prop	8	3.00%	0	0	0	0
Centrally Assessed Pollution Control	5	3.00%	259,735,946	7,792,078	190,823,073	5,724,692
- Subtotal			1,848,553,943	131,735,008	939,496,862	60,943,764
- Subtotal Percent of Column Statewide Total			4.0%	7.7%	5.6%	9.8%
- Subtotal Average Mill Levy						
<b>Utilities Mileage</b>						
Rural Co-op companies Mileage	5	3.00%	352,239,431	10,567,176	17,911,519	537,347
Indep. Tele. Companies Mileage	5	3.00%	10,639,765	319,193	109,726	3,291
Electric Companies Mileage	9	12.00%	198,375,086	23,805,014	671,641	80,597
Gas & Electric Companies Mileage	9	12.00%	225,857,643	27,102,920	4,888,015	586,562
Pipelines Personal	9	12.00%	465,856,480	55,902,774	2,085,260	250,231
Telecomm. Companies Mileage	13	6.00%	318,966,283	19,137,979	98,346,575	5,900,796
Centrally Assessed New & Exp Mileage	9	Varies	0	0	0	0
Railroads Mileage	12	4.02%	961,423,207	38,649,216	66,836,045	2,686,808
Airlines Flight Property Mileage	12	4.02%	104,880,514	4,216,198	57,771,082	2,322,398
- Subtotal			2,638,238,409	179,700,470	248,619,863	12,368,030
- Subtotal Percent of Column Statewide Total			5.7%	10.5%	1.5%	2.0%
- Subtotal Average Mill Levy						
<b>Agricultural Land</b>						
Tillable Irrigated	3	3.46%	495,217,139	17,134,474	962,872	33,311
Tillable Non-Irrigated	3	3.46%	1,862,730,977	64,450,452	535,318	18,523
Grazing Land	3	3.46%	1,266,041,708	43,807,235	2,260,181	78,202
Wild Hay	3	3.46%	192,455,319	6,659,116	573,419	19,840
Timber Land	10	0.35%	2,048,625,084	7,170,239	4,393,593	15,380
- Subtotal			5,865,070,227	139,221,516	8,725,383	165,256
- Subtotal Percent of Column Statewide Total			12.6%	8.1%	0.1%	0.0%
- Subtotal Average Mill Levy						
<b>Statewide Total</b>			46,488,551,722	1,718,653,223	16,633,205,669	623,137,679
- Statewide Average Mill Levy						

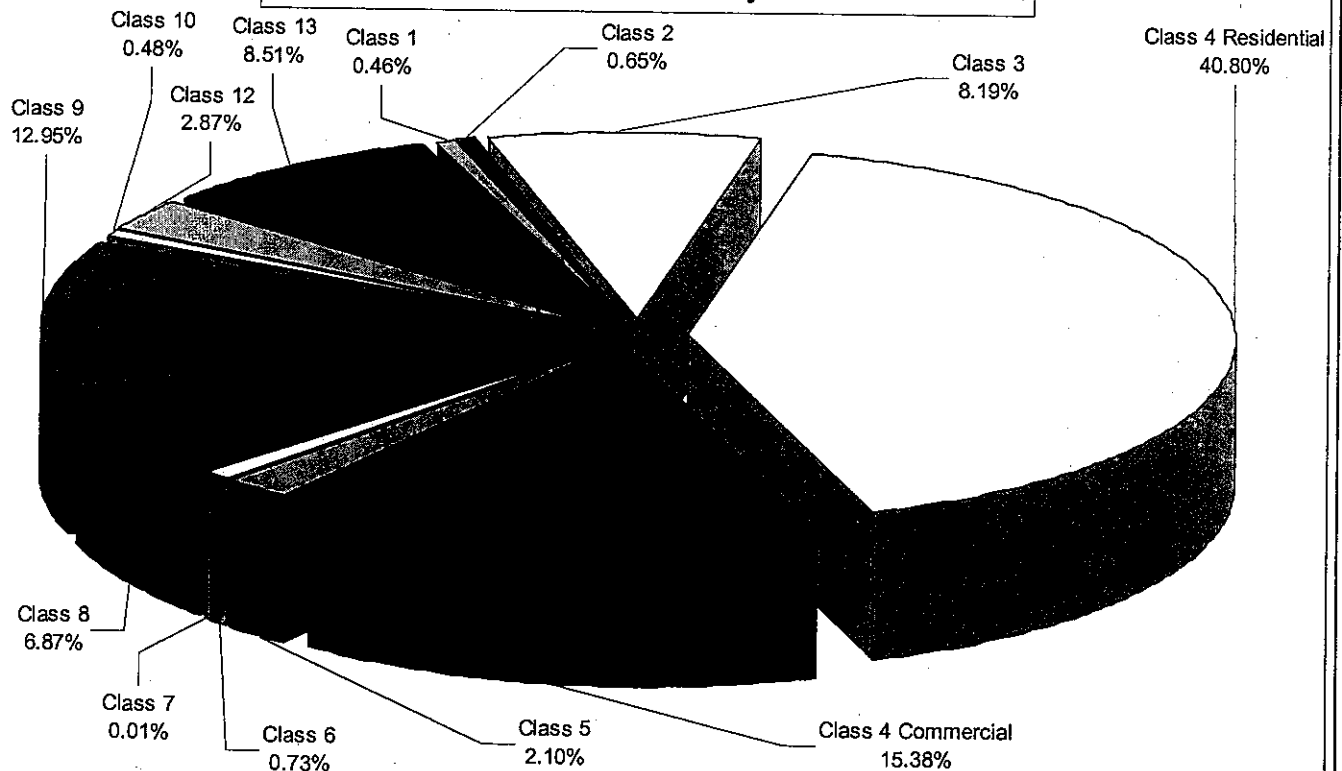
# Summary of Property Valuation and Taxes Levied

Estimated Taxes Levied for Tax Year 2002 By Property Type							Total Estimated 2002 Taxes Levied	Effective Tax Rate	Average Mill Levy for Property Type
2002 Taxes Levied by:									
State									
University (6mills)	General Fund (95 mills)	County	Misc. & Fire	County Wide Ret. / Trans.	Local Schools	Cities/ Towns			
19,149	303,596	348,671	38,224	124,212	578,881	77,176	1,489,909	1.40%	466.83
286	4,553	4,934	630	2,066	8,545	827	21,840	1.38%	458.34
20,126	321,379	250,508	42,654	123,867	531,312	9,109	1,298,954	4.65%	387.24
131,113	2,091,831	2,467,135	330,610	947,767	4,011,107	439,933	10,419,496	5.72%	476.82
24,838	393,433	434,505	43,562	157,208	653,678	28,308	1,735,531	5.03%	419.24
19,139	305,472	375,828	50,197	137,185	628,680	254,304	1,770,805	3.33%	555.15
270	4,272	7,181	287	1,940	12,194	8,632	34,776	6.50%	773.28
8,628	137,380	158,894	16,494	66,870	279,753	89,724	757,743	2.12%	526.93
534	8,576	8,933	1,343	4,138	18,274	8,822	50,620	2.29%	569.10
412,209	6,542,547	2,834,678	872,069	1,533,324	6,523,016	715,528	19,433,371	1.70%	282.87
0	0	0	0	0	0	0	0	0.00%	0.00
636,292	10,113,037	6,891,266	1,396,069	3,098,577	13,245,440	1,632,363	37,013,045	2.33%	
6.2%	6.2%	3.8%	5.8%	4.5%	4.4%	2.2%	4.5%		
6.00	95.36	64.98	13.16	29.22	124.90	29.25	349.02		
30,587	485,750	578,246	57,955	208,440	908,778	193,518	2,463,273	1.45%	483.20
1,412	22,475	22,058	2,381	10,058	41,069	3,627	103,080	1.31%	438.15
7,667	121,463	137,957	12,663	51,055	242,299	162,310	735,414	6.91%	575.50
300,210	4,793,275	5,884,455	805,523	2,204,321	9,630,046	2,840,164	26,457,995	6.35%	528.79
113,034	1,792,115	2,042,797	128,257	738,456	2,847,950	127,308	7,789,916	4.96%	413.50
110,034	1,756,635	2,045,926	270,761	792,748	3,555,698	1,687,654	10,219,456	3.34%	557.25
38	607	1,020	41	275	1,732	1,226	4,939	6.50%	773.28
11,072	177,327	180,834	22,089	90,295	377,578	27,765	886,960	1.93%	480.65
2,704	43,385	45,467	6,968	20,934	91,584	37,441	248,482	2.22%	551.30
166,899	2,651,755	1,382,939	357,480	694,339	3,067,383	243,643	8,564,438	1.85%	307.89
0	0	0	0	0	0	0	0	0.00%	0.00
46,752	740,247	149,218	91,479	124,050	496,433	85,870	1,734,051	0.67%	222.54
790,410	12,585,033	12,470,919	1,755,597	4,934,971	21,260,549	5,410,526	59,208,005	3.20%	
7.7%	7.7%	6.8%	7.3%	7.1%	7.0%	7.4%	7.2%		
6.00	95.53	94.67	13.33	37.46	161.39	88.78	449.45		
63,403	1,006,078	1,223,215	116,302	424,472	1,825,571	77,111	4,736,154	1.34%	448.19
1,915	30,468	31,131	3,488	13,876	55,920	382	137,182	1.29%	429.78
142,830	2,269,191	2,293,972	265,070	799,821	3,785,563	7,195	9,563,642	4.82%	401.75
162,618	2,584,358	2,895,257	330,459	1,076,852	4,596,751	64,134	11,710,430	5.18%	432.07
335,417	5,315,150	5,751,462	433,902	2,207,004	8,574,621	35,143	22,652,698	4.86%	405.22
114,828	1,828,981	2,090,158	276,120	783,987	3,525,592	785,622	9,405,288	2.95%	491.45
0	0	0	0	0	0	0	0	0.00%	0.00
231,895	3,680,764	4,162,395	415,005	1,513,182	6,637,219	365,072	17,005,532	1.77%	440.00
25,297	405,385	461,489	68,838	195,653	859,836	261,122	2,277,620	2.17%	540.21
1,078,203	17,120,375	18,909,080	1,909,185	7,014,848	29,861,073	1,595,781	77,488,544	2.94%	
10.5%	10.4%	10.4%	7.9%	10.1%	9.8%	2.2%	9.4%		
6.00	95.27	105.23	10.62	39.04	166.17	129.02	431.21		
102,807	1,630,902	1,829,915	178,237	671,403	2,890,755	3,830	7,307,850	1.48%	426.50
386,703	6,128,251	7,825,124	672,808	2,507,023	10,690,557	3,068	28,213,534	1.51%	437.76
262,843	4,166,761	5,120,066	364,835	1,616,048	6,808,550	10,402	18,349,506	1.45%	418.87
39,955	633,828	740,448	65,053	253,728	1,065,407	2,913	2,801,332	1.46%	420.68
43,021	683,196	761,791	111,129	267,212	1,282,555	1,938	3,150,842	0.15%	439.43
835,329	13,242,939	16,277,343	1,392,062	5,315,414	22,737,824	22,152	59,823,063	1.02%	
8.1%	8.1%	8.9%	5.8%	7.6%	7.5%	0.0%	7.2%		
6.00	95.12	116.92	10.00	38.18	163.32	134.05	429.70		
10,311,919	164,189,834	182,268,144	24,099,326	69,623,769	303,311,154	73,036,090	826,840,237	1.78%	481.10
6.00	95.53	106.05	14.02	40.51	176.48	117.21	481.10		

## Market and Taxable Value of Property in Montana Tax Year 2001

<u>Tax Class</u>	<u>Description</u>	<u>Market Value</u>	<u>Taxable Value</u>
1	Mine Net Proceeds	\$ 7,842,501	\$ 7,842,501
2	Gross Proceeds Metal Mines	367,167,352	11,015,353
3	Agricultural Land	3,768,410,515	139,057,406
4 Res	Residential Improvements	15,359,023,425	539,242,583
4 Res	Residential Land	4,376,125,983	153,706,288
4 Com	Commercial Improvements	5,803,400,679	203,251,414
4 Com	Commercial Land	1,645,726,529	57,902,058
Sub 4	<i>Subtotal Class 4</i>	27,184,276,616	954,102,343
5	Pollution Control Equipment	1,190,985,469	35,631,826
6	Livestock	623,039,787	12,459,077
7	Non-Centrally Assessed Public Utilities	2,363,014	189,041
8	Business Personal Property	3,943,691,021	116,604,838
9	Non-Elec. Gen. Prop. of Electrical Utilities	1,833,281,826	219,955,767
10	Forest Land	1,782,294,827	8,198,788
12	Railroad and Airline Property	1,155,780,944	48,658,380
13	Telecommunication & Electric Property	2,408,134,775	144,488,095
<b>Totals</b>		<b>\$ 44,267,268,647</b>	<b>\$ 1,698,203,415</b>

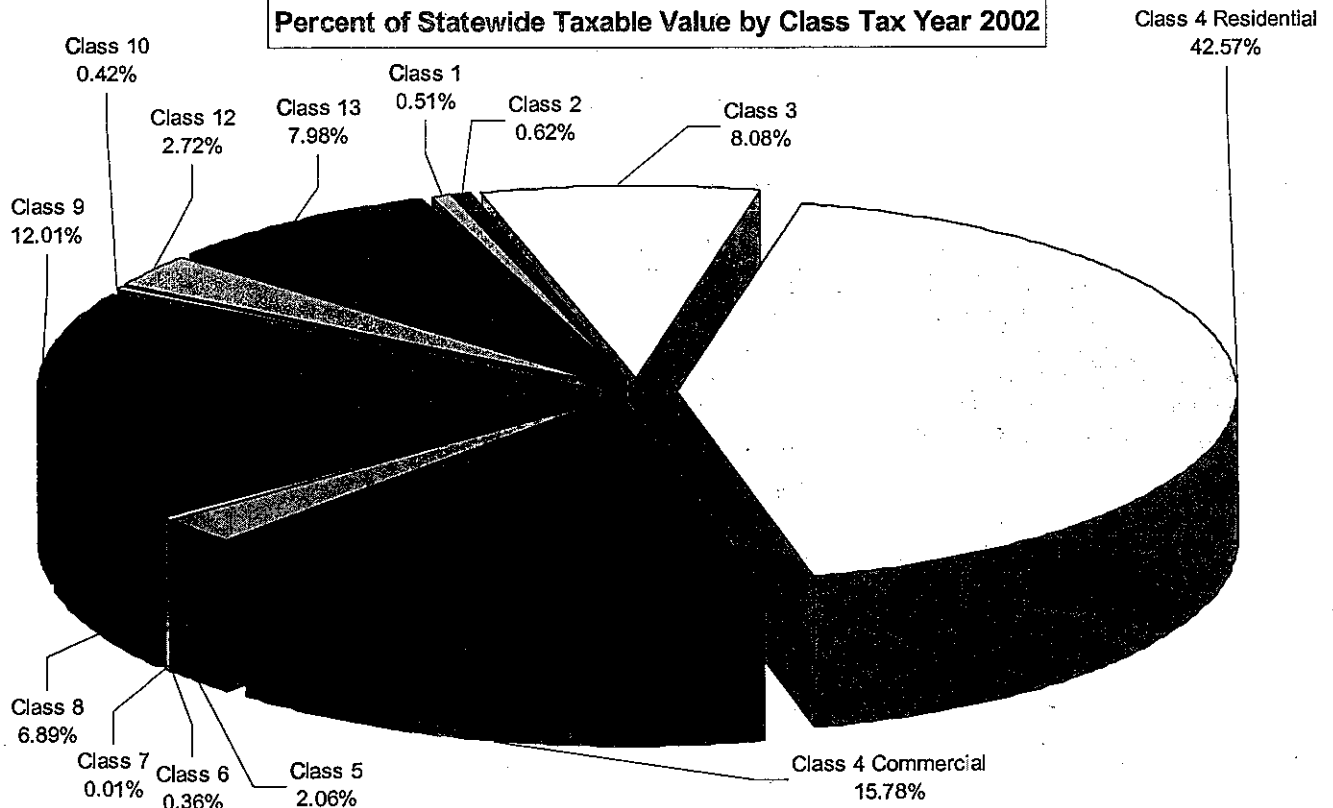
**Percent of Statewide Taxable Value by Class Tax Year 2001**



## Market and Taxable Value of Property in Montana Tax Year 2002

<u>Tax Class</u>	<u>Description</u>	<u>Market Value</u>	<u>Taxable Value</u>
1	Mine Net Proceeds	\$ 8,691,402	\$ 8,691,402
2	Gross Proceeds Metal Mines	355,644,076	10,669,321
3	Agricultural Land	3,845,087,046	138,900,095
4 Res	Residential Improvements	16,413,103,786	563,054,927
4 Res	Residential Land	4,912,149,539	168,616,564
4 Com	Commercial Improvements	6,164,872,962	210,675,755
4 Com	Commercial Land	1,761,532,513	60,526,696
Sub 4	<i>Subtotal Class 4</i>	29,251,658,800	1,002,873,942
5	Pollution Control Equipment	1,180,181,662	35,382,198
6	Livestock	616,075,480	6,167,237
7	Non-Centrally Assessed Public Utilities	2,705,175	216,414
8	Business Personal Property	4,012,212,828	118,348,926
9	Non-Elec. Gen. Prop. of Electrical Utilities	1,719,851,111	206,360,123
10	Forest Land	2,048,625,084	7,170,239
12	Railroad and Airline Property	1,161,404,952	46,688,479
13	Telecommunication & Electric Property	2,286,414,106	137,184,847
<b>Totals</b>		<b>\$ 46,488,551,722</b>	<b>\$ 1,718,653,223</b>

**Percent of Statewide Taxable Value by Class Tax Year 2002**



## Taxable Value of Incorporated Cities and Towns

City/Town	Tax Year 2001	Tax Year 2002	City/Town	Tax Year 2001	Tax Year 2002
Alberton	\$ 295,852	\$ 288,729	Joliet	\$ 450,580	\$ 455,483
Anaconda	3,968,129	3,983,420	Jordan	213,660	214,285
Bainville	99,724	94,231	Judith Gap	102,150	102,848
Baker	1,115,666	1,109,889	Kalispell	23,554,701	24,426,507
Bearcreek	73,475	79,642	Kevin	87,031	79,733
Belgrade	5,971,013	6,427,559	Laurel	6,064,266	5,815,575
Belt	538,309	452,896	Lavina	138,134	136,298
Big Sandy	540,973	535,414	Lewistown	5,142,410	5,309,461
Big Timber	2,305,086	2,706,808	Libby	2,554,644	2,529,771
Billings	109,805,911	111,140,714	Lima	165,808	183,608
Boulder	762,641	777,255	Livingston	8,477,029	8,608,480
Bozeman	42,767,799	46,473,541	Lodge Grass	130,982	129,278
Bridger	609,482	610,777	Malta	1,709,581	1,650,863
Broadus	310,201	299,228	Manhattan	1,606,797	1,708,805
Broadview	212,754	206,450	Medicine Lake	129,275	122,521
Brockton	61,764	59,126	Melstone	93,911	93,746
Browning	435,259	424,776	Miles City	6,424,406	6,312,801
Cascade	612,730	636,258	Missoula	81,249,121	84,631,778
Chester	701,289	698,424	Moore	181,016	182,094
Chinook	995,960	972,066	Nashua	201,175	198,020
Choteau	1,412,174	1,413,032	Neihart	251,629	254,335
Circle	561,738	563,861	Opheim	76,521	75,421
Clyde Park	278,227	295,795	Outlook	43,394	40,767
Colstrip	77,539,535	72,841,196	Philipsburg	794,308	810,204
Columbia Falls	4,112,292	4,132,921	Pinesdale	165,978	222,581
Columbus	6,155,660	6,776,733	Plains	1,122,148	1,102,394
Conrad	1,570,874	1,501,614	Plentywood	1,615,730	1,587,377
Culbertson	434,713	423,595	Plevna	73,274	70,454
Cut Bank	2,449,732	2,415,167	Polson	5,240,287	5,626,883
Darby	685,221	704,268	Poplar	465,882	442,497
Deer Lodge	2,332,685	2,320,293	Red Lodge	4,495,351	4,671,252
Denton	205,922	209,173	Richey	139,835	138,655
Dillon	3,968,343	4,068,918	Ronan	1,578,841	1,641,330
Dodson	64,715	61,571	Roundup	1,462,925	1,455,901
Drummond	377,767	368,937	Ryegate	139,874	138,827
Dutton	373,865	309,154	Saco	199,993	215,919
East Helena	2,955,064	2,544,693	Scobey	728,399	704,969
Ekalaka	170,399	169,176	Shelby	3,179,657	3,152,882
Ennis	1,442,792	1,493,227	Sheridan	680,694	701,062
Eureka	905,096	943,338	Sidney	3,661,334	3,543,790
Fairfield	943,941	939,778	Stanford	327,806	325,406
Fairview	389,472	376,882	Stevensville	1,740,875	1,868,133
Flaxville	44,366	41,251	St. Ignatius	451,727	475,939
Forsyth	1,510,483	1,454,537	Sunburst	253,499	271,749
Fort Benton	1,091,740	1,083,499	Superior	916,598	902,463
Fort Peck	188,833	187,288	Terry	382,572	367,091
Froid	106,024	98,622	Thompson Falls	1,435,081	1,372,212
Fromberg	261,680	264,366	Three Forks	1,684,746	1,757,350
Geraldine	234,252	227,572	Townsend	1,516,676	1,511,619
Glasgow	2,969,760	2,919,137	Troy	715,171	723,332
Glendive	4,413,472	4,332,673	Twin Bridges	404,455	416,070
Grass Range	78,477	81,414	Valier	515,328	521,325
Great Falls	65,285,986	64,793,086	Virginia City	288,671	306,123
Hamilton	5,903,291	5,976,972	Walkerville	318,184	337,373
Hardin	2,485,195	2,445,769	West Yellowstone	4,252,967	4,414,709
Harlem	507,192	490,144	Westby	75,625	70,964
Harlowton	761,178	743,494	White Sulphur	866,915	864,841
Have	8,012,762	7,861,254	Whitefish	11,939,093	13,136,848
Helena	43,007,534	44,248,162	Whitehall	947,101	946,343
Hingham	160,021	154,484	Wibaux	362,816	341,677
Hobson	151,845	154,936	Winifred	101,324	108,136
Hot Springs	350,984	391,753	Winnett	99,704	101,688
Hysham	189,086	195,970	Wolf Point	1,546,305	1,474,033
Ismay	40,141	35,892	<b>Total</b>	<b>\$ 615,204,516</b>	<b>\$ 623,137,679</b>

# Statewide Property Values

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1 Net Proceeds</b>		\$ 7,842,501	\$ 7,842,501		\$ 8,691,402	\$ 8,691,402
<b>CLASS 2 Gross Proceeds</b>		\$ 367,167,353	\$ 11,015,353		\$ 355,644,076	\$ 10,669,321
<b>CLASS 3 Agricultural Land:</b>						
Tillable Irrigated (3.543%, 3.46%)	1,650,644	\$ 483,518,313	\$ 17,131,111	1,648,093	\$ 495,217,139	\$ 17,134,474
Tillable Non-Irrigated (3.543%, 3.46%)	12,287,929	1,862,145,225	65,975,665	12,271,274	1,862,730,977	64,450,452
Grazing (3.543%, 3.46%)	34,956,184	1,207,422,564	42,781,640	34,940,394	1,266,041,708	43,807,235
Wild Hay (3.543%, 3.46%)	852,251	188,860,967	6,691,526	849,306	192,455,319	6,659,116
Non-Qual Ag Land (24.801%, 24.22%)	686,212	26,063,227	6,463,275	702,007	28,220,490	6,834,231
Eligible Mining Claims (3.543%, 3.46%)	8,932	400,219	14,189	8,560	421,413	14,587
Class 3 Subtotal	50,442,153	\$ 3,768,410,515	\$ 139,057,406	50,419,633	\$ 3,845,087,046	\$ 138,900,095
<b>CLASS 4 Land &amp; Improvements:</b>						
Residential (3.543%, 3.46%)		\$ 18,856,854,194	\$ 668,107,703		\$ 20,429,252,689	\$ 706,852,170
Residential Low Income (varies)		333,387,607	5,848,730		331,151,171	5,592,165
Mobile Homes (3.543%, 3.46%)		526,378,367	18,649,339		546,207,183	18,898,427
Mobile Homes Low Income (varies)		18,529,240	343,099		18,642,282	328,729
Commercial (3.543%, 3.46%)		6,505,511,649	230,490,123		6,936,762,684	240,011,773
Industrial (3.543%, 3.46%)		763,976,099	27,067,679		788,581,413	27,284,889
New Manufacturing (varies)		95,603,824	2,108,161		109,346,251	2,315,784
Qualified Golf Courses (1.855, 1.814%)		69,397,915	1,227,471		72,262,923	1,247,467
Remodeled Commercial (varies)		14,637,723	260,037		19,452,204	342,538
Class 4 Subtotal		\$ 27,184,276,618	\$ 954,102,342		\$ 29,251,658,800	\$ 1,002,873,942
<b>CLASS 5</b>						
Rural Elec and Telephone Co-Op (3%)		\$ 638,087,370	\$ 19,142,633		\$ 648,832,961	\$ 19,464,999
Qualified New Industrial (3%)		24,000	720		-	-
Pollution Control (3%)		517,817,538	15,439,711		496,337,235	14,869,789
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		1,222,013	33,726		383,432	8,569
Aluminum Electrolytic Equip (3%)		33,834,548	1,015,036		34,628,034	1,038,841
Class 5 Subtotal		\$ 1,190,985,469	\$ 35,631,826		\$ 1,180,181,662	\$ 35,382,198
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 614,254,570	\$ 12,283,372		\$ 605,991,718	\$ 6,066,398
Lease and Rental Equip (2%, 1%)		8,785,217	175,705		10,083,762	100,839
Canola Processing Equip (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 623,039,787	\$ 12,459,077		\$ 616,075,480	\$ 6,167,237
<b>CLASS 7</b>						
Non-Cent Assess Public Util. (8%)		\$ 2,363,014	\$ 189,041		\$ 2,705,175	\$ 216,414
<b>CLASS 8</b>						
Machinery (3%)		\$ 2,168,192,398	\$ 63,337,711		\$ 2,160,710,342	\$ 62,801,622
Farm Implements (3%)		700,489,758	21,014,802		715,689,923	21,470,829
Furniture and Fixtures (3%)		746,256,257	22,388,006		805,981,667	24,179,745
Other Business Equip		328,752,614	9,864,320		329,830,896	9,896,730
Class 8 Subtotal		\$ 3,943,691,027	\$ 116,604,839		\$ 4,012,212,828	\$ 118,348,926
<b>CLASS 9</b>						
Utilities (12%)		\$ 1,833,281,826	\$ 219,955,767		\$ 1,719,851,111	\$ 206,360,123
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	4,039,894	\$ 1,782,294,827	\$ 8,198,788	4,011,964	\$ 2,048,625,084	\$ 7,170,239
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 1,031,857,955	\$ 43,441,221		\$ 1,043,099,907	\$ 41,932,613
Airlines (4.21%, 4.02%)		123,922,989	5,217,159		118,305,045	4,755,866
Class 12 Subtotal		\$ 1,155,780,944	\$ 48,658,380		\$ 1,161,404,952	\$ 46,688,479
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 1,683,523,247	\$ 101,011,395		\$ 1,608,634,443	\$ 96,518,069
Telecommunication Property (6%)		724,611,528	43,476,700		677,779,663	40,666,778
Class 13 Subtotal		\$ 2,408,134,775	\$ 144,488,095		\$ 2,286,414,106	\$ 137,184,847
<b>TOTAL</b>		<u>\$ 44,267,268,656</u>	<u>\$ 1,698,203,415</u>		<u>\$ 46,488,551,722</u>	<u>\$ 1,718,653,223</u>

# Beaverhead County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	127,437	\$ 29,720,294	\$ 1,052,997	126,191	\$ 30,283,149	\$ 1,047,796
Tillable Non-Irrigated (3.543%, 3.46%)	9,049	1,265,406	44,834	9,033	1,265,173	43,774
Grazing (3.543%, 3.46%)	888,235	41,740,110	1,478,888	891,028	43,730,696	1,513,132
Wild Hay (3.543%, 3.46%)	23,167	4,511,587	159,853	23,103	4,600,195	159,170
Non-Qual Ag Land (24.801%, 24.22%)	11,941	454,596	112,737	12,812	565,273	136,896
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>1,059,828</b>	<b>\$ 77,691,993</b>	<b>\$ 2,849,309</b>	<b>1,062,165</b>	<b>\$ 80,444,486</b>	<b>\$ 2,900,768</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 179,538,910	\$ 6,361,236		\$ 193,308,061	\$ 6,688,422
Residential Low Income (varies)		3,751,237	65,446		3,865,737	65,487
Mobile Homes (3.543%, 3.46%)		6,875,340	243,595		7,066,066	244,499
Mobile Homes Low Income (varies)		226,851	4,610		151,357	2,609
Commercial (3.543%, 3.46%)		53,627,817	1,900,028		59,109,526	2,045,192
Industrial (3.543%, 3.46%)		6,152,534	217,983		6,360,844	220,084
New Manufacturing (varies)		2,002,767	43,240		2,166,561	53,124
Qualified Golf Courses (1.855, 1.814%)		53,143	941		54,810	948
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 252,228,599</b>	<b>\$ 8,837,079</b>		<b>\$ 272,082,962</b>	<b>\$ 9,320,365</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 15,126,057	\$ 453,779		\$ 15,125,495	\$ 453,764
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		139,836	4,195		130,481	3,914
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 15,265,893</b>	<b>\$ 457,974</b>		<b>\$ 15,255,976</b>	<b>\$ 457,678</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 29,385,011	\$ 587,701		\$ 29,140,144	\$ 291,517
Lease and Rental Equipment (2%, 1%)		232,179	4,643		192,035	1,919
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 29,617,190</b>	<b>\$ 592,344</b>		<b>\$ 29,332,179</b>	<b>\$ 293,436</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 26,726,810	\$ 779,901		\$ 26,446,418	\$ 777,725
Farm Implements (3%)		11,845,236	355,358		12,170,983	365,136
Furniture and Fixtures (3%)		6,260,899	187,823		6,801,881	204,051
Other Business Equipment		4,076,176	122,308		3,814,407	114,455
<b>Class 8 Subtotal</b>		<b>\$ 48,909,121</b>	<b>\$ 1,445,390</b>		<b>\$ 49,233,689</b>	<b>\$ 1,461,367</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 10,115,363	\$ 1,213,844		\$ 9,347,448	\$ 1,121,695
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	25,893	\$ 6,969,271	\$ 32,059	25,920	\$ 8,016,460	\$ 28,056
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 6,163,301	\$ 259,475		\$ 6,751,867	\$ 271,424
Airlines (4.21%, 4.02%)		-	-		1,406	57
<b>Class 12 Subtotal</b>		<b>\$ 6,163,301</b>	<b>\$ 259,475</b>		<b>\$ 6,753,273</b>	<b>\$ 271,481</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		3,422,896	205,374		3,169,730	190,184
<b>Class 13 Subtotal</b>		<b>\$ 3,422,896</b>	<b>\$ 205,374</b>		<b>\$ 3,169,730</b>	<b>\$ 190,184</b>
<b>TOTAL</b>		<b>\$ 450,383,627</b>	<b>\$ 15,892,848</b>		<b>\$ 473,636,203</b>	<b>\$ 16,045,030</b>

# Big Horn County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	43,707	\$ 18,396,649	\$ 651,808	43,659	\$ 18,825,129	\$ 651,374
Tillable Non-Irrigated (3.543%, 3.46%)	140,943	24,882,343	881,596	141,350	24,854,724	859,945
Grazing (3.543%, 3.46%)	1,332,912	51,239,115	1,815,605	1,333,942	53,676,117	1,857,355
Wild Hay (3.543%, 3.46%)	23,895	6,219,544	220,378	23,775	6,297,924	217,917
Non-Qual Ag Land (24.801%, 24.22%)	7,140	265,875	65,944	7,348	286,574	69,407
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	1,548,598	\$ 101,003,526	\$ 3,635,331	1,550,075	\$ 103,940,468	\$ 3,655,998
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 83,334,228	\$ 2,952,831		\$ 86,401,629	\$ 2,989,703
Residential Low Income (varies)		1,670,065	31,535		1,531,474	27,545
Mobile Homes (3.543%, 3.46%)		6,475,649	229,447		7,055,837	244,134
Mobile Homes Low Income (varies)		67,840	959		53,528	613
Commercial (3.543%, 3.46%)		30,909,561	1,095,130		32,680,306	1,130,737
Industrial (3.543%, 3.46%)		72,891,854	2,582,558		73,018,231	2,526,432
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		465,617	8,245		472,000	8,166
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 195,814,814	\$ 6,900,705		\$ 201,213,005	\$ 6,927,330
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 20,155,586	\$ 604,673		\$ 19,261,421	\$ 577,840
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		3,803,076	114,092		3,867,761	116,033
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 23,958,662	\$ 718,765		\$ 23,129,182	\$ 693,873
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 22,941,603	\$ 458,791		\$ 24,005,263	\$ 240,181
Lease and Rental Equipment (2%, 1%)		27,351	547		15,868	158
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 22,968,954	\$ 459,338		\$ 24,021,131	\$ 240,339
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 83,005,021	\$ 2,490,160		\$ 78,613,466	\$ 2,358,407
Farm Implements (3%)		17,026,524	510,806		17,895,787	536,882
Furniture and Fixtures (3%)		4,097,563	122,958		4,664,163	139,939
Other Business Equipment		13,325,160	399,783		12,625,626	378,794
Class 8 Subtotal		\$ 117,454,268	\$ 3,523,707		\$ 113,799,042	\$ 3,414,022
<b>CLASS 9</b>						
Utilities (12%)		\$ 28,476,792	\$ 3,417,213		\$ 29,043,889	\$ 3,485,269
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	76,815	\$ 11,319,068	\$ 52,049	76,885	\$ 13,815,457	\$ 48,357
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 22,124,642	\$ 931,447		\$ 22,400,006	\$ 900,479
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 22,124,642	\$ 931,447		\$ 22,400,006	\$ 900,479
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		2,378,811	142,727		2,449,179	146,951
Class 13 Subtotal		\$ 2,378,811	\$ 142,727		\$ 2,449,179	\$ 146,951
<b>TOTAL</b>		<u>\$ 525,499,537</u>	<u>\$ 19,781,282</u>		<u>\$ 533,811,359</u>	<u>\$ 19,512,618</u>



# Blaine County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	46,220	\$ 11,708,448	\$ 414,822	46,179	\$ 11,996,682	\$ 415,081
Tillable Non-Irrigated (3.543%, 3.46%)	357,067	49,382,086	1,749,590	357,141	49,463,770	1,711,456
Grazing (3.543%, 3.46%)	1,117,737	44,433,202	1,574,370	1,118,532	46,585,365	1,611,831
Wild Hay (3.543%, 3.46%)	23,497	6,784,010	240,350	23,497	6,920,165	239,460
Non-Qual Ag Land (24.801%, 24.22%)	3,140	110,283	27,357	3,075	116,857	28,300
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>1,547,661</b>	<b>\$ 112,418,029</b>	<b>\$ 4,006,489</b>	<b>1,548,423</b>	<b>\$ 115,082,839</b>	<b>\$ 4,006,128</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 53,703,679	\$ 1,903,001		\$ 53,234,762	\$ 1,841,916
Residential Low Income (varies)		541,723	9,205		644,705	12,196
Mobile Homes (3.543%, 3.46%)		2,112,994	74,868		2,146,020	74,244
Mobile Homes Low Income (varies)		39,961	950		38,726	891
Commercial (3.543%, 3.46%)		12,182,300	431,633		11,898,360	411,678
Industrial (3.543%, 3.46%)		1,759,085	62,324		1,647,797	57,016
New Manufacturing (varies)		-	-		1,647,432	28,501
Qualified Golf Courses (1.855, 1.814%)		324,053	5,740		360,097	6,230
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 70,663,795</b>	<b>\$ 2,487,721</b>		<b>\$ 71,617,899</b>	<b>\$ 2,432,672</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 8,516,285	\$ 255,489		\$ 9,276,593	\$ 278,301
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 8,516,285</b>	<b>\$ 255,489</b>		<b>\$ 9,276,593</b>	<b>\$ 278,301</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 18,105,312	\$ 362,073		\$ 16,241,216	\$ 162,492
Lease and Rental Equipment (2%, 1%)		8,428	169		7,061	71
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 18,113,740</b>	<b>\$ 362,242</b>		<b>\$ 16,248,277</b>	<b>\$ 162,563</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 6,636,490	\$ 199,116		\$ 6,409,116	\$ 192,303
Farm Implements (3%)		20,729,894	621,895		20,320,499	609,620
Furniture and Fixtures (3%)		1,641,155	49,240		1,461,509	43,845
Other Business Equipment		5,344,954	160,370		4,882,764	146,491
<b>Class 8 Subtotal</b>		<b>\$ 34,352,493</b>	<b>\$ 1,030,621</b>		<b>\$ 33,073,888</b>	<b>\$ 992,259</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 21,697,972	\$ 2,603,755		\$ 21,599,451	\$ 2,591,933
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	3,017	\$ 444,598	\$ 2,037	3,017	\$ 542,000	\$ 1,894
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 21,307,991	\$ 897,066		\$ 21,573,191	\$ 867,242
Airlines (4.21%, 4.02%)		24,812	1,045		101,364	4,075
<b>Class 12 Subtotal</b>		<b>\$ 21,332,803</b>	<b>\$ 898,111</b>		<b>\$ 21,674,555</b>	<b>\$ 871,317</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		2,343,916	140,635		2,158,129	129,485
<b>Class 13 Subtotal</b>		<b>\$ 2,343,916</b>	<b>\$ 140,635</b>		<b>\$ 2,158,129</b>	<b>\$ 129,485</b>
<b>TOTAL</b>		<b>\$ 289,883,631</b>	<b>\$ 11,787,100</b>		<b>\$ 291,273,631</b>	<b>\$ 11,466,552</b>

# Broadwater County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ 129,959	\$ 129,959		\$ 123,996	\$ 123,996
<b>CLASS 2</b>		\$ 7,872,178	\$ 236,185		\$ 710,897	\$ 21,327
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	44,803	\$ 11,320,385	\$ 401,083	44,700	\$ 11,551,365	\$ 399,675
Tillable Non-Irrigated (3.543%, 3.46%)	66,290	8,999,229	318,845	66,183	9,008,397	311,695
Grazing (3.543%, 3.46%)	309,091	7,062,684	250,239	308,661	7,405,999	256,268
Wild Hay (3.543%, 3.46%)	7,001	1,640,070	58,110	6,955	1,658,031	57,376
Non-Qual Ag Land (24.801%, 24.22%)	10,466	399,816	99,152	10,614	422,894	102,418
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>437,651</b>	<b>\$ 29,422,184</b>	<b>\$ 1,127,429</b>	<b>437,114</b>	<b>\$ 30,046,686</b>	<b>\$ 1,127,432</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 71,864,680	\$ 2,546,228		\$ 78,098,925	\$ 2,702,177
Residential Low Income (varies)		2,135,250	38,353		2,126,512	33,017
Mobile Homes (3.543%, 3.46%)		8,628,865	305,724		9,180,265	317,643
Mobile Homes Low Income (varies)		288,499	4,695		375,425	6,256
Commercial (3.543%, 3.46%)		12,710,550	450,333		13,088,021	452,859
Industrial (3.543%, 3.46%)		4,564,235	161,714		4,595,197	158,993
New Manufacturing (varies)		886,010	15,691		907,845	15,706
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 101,078,089</b>	<b>\$ 3,522,738</b>		<b>\$ 108,372,190</b>	<b>\$ 3,686,651</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 2,306,700	\$ 69,201		\$ 2,636,424	\$ 79,093
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		382,945	11,489		350,796	10,524
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 2,689,645</b>	<b>\$ 80,690</b>		<b>\$ 2,987,220</b>	<b>\$ 89,617</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 5,862,391	\$ 117,226		\$ 6,032,535	\$ 60,382
Lease and Rental Equipment (2%, 1%)		25,884	518		83,468	835
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 5,888,275</b>	<b>\$ 117,744</b>		<b>\$ 6,116,003</b>	<b>\$ 61,217</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 17,290,695	\$ 518,728		\$ 13,700,925	\$ 411,037
Farm Implements (3%)		7,790,561	233,718		8,150,613	244,525
Furniture and Fixtures (3%)		1,723,564	51,713		2,489,260	74,677
Other Business Equipment		519,014	15,578		981,678	29,453
<b>Class 8 Subtotal</b>		<b>\$ 27,323,834</b>	<b>\$ 819,737</b>		<b>\$ 25,322,476</b>	<b>\$ 759,692</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 23,918,693	\$ 2,870,241		\$ 22,933,685	\$ 2,752,041
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	33,133	\$ 8,452,884	\$ 38,871	33,133	\$ 9,776,994	\$ 34,223
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 12,965,038	\$ 545,828		\$ 13,295,903	\$ 534,495
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 12,965,038</b>	<b>\$ 545,828</b>		<b>\$ 13,295,903</b>	<b>\$ 534,495</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		7,937,873	476,273		6,038,880	362,334
<b>Class 13 Subtotal</b>		<b>\$ 7,937,873</b>	<b>\$ 476,273</b>		<b>\$ 6,038,880</b>	<b>\$ 362,334</b>
<b>TOTAL</b>		<b>\$ 227,678,652</b>	<b>\$ 9,965,675</b>		<b>\$ 225,724,930</b>	<b>\$ 9,553,025</b>

# Carbon County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ 331,549	\$ 331,549		\$ 234,785	\$ 234,785
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	70,203	\$ 29,199,899	\$ 1,034,571	70,035	\$ 29,734,759	\$ 1,028,820
Tillable Non-Irrigated (3.543%, 3.46%)	41,110	6,736,988	238,688	38,496	6,289,773	217,615
Grazing (3.543%, 3.46%)	524,260	21,338,620	756,035	525,527	22,370,918	774,099
Wild Hay (3.543%, 3.46%)	13,317	3,184,864	112,852	13,341	3,261,707	112,864
Non-Qual Ag Land (24.801%, 24.22%)	16,719	638,249	158,262	17,747	766,249	185,552
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>665,609</b>	<b>\$ 61,098,620</b>	<b>\$ 2,300,408</b>	<b>665,146</b>	<b>\$ 62,423,406</b>	<b>\$ 2,318,950</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 304,094,323	\$ 10,774,348		\$ 330,768,513	\$ 11,444,703
Residential Low Income (varies)		4,771,619	78,122		6,030,013	100,205
Mobile Homes (3.543%, 3.46%)		6,808,736	234,150		7,557,460	261,479
Mobile Homes Low Income (varies)		158,037	2,403		205,675	3,349
Commercial (3.543%, 3.46%)		51,959,786	1,840,908		54,831,102	1,897,126
Industrial (3.543%, 3.46%)		2,411,422	85,435		2,410,868	83,413
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		1,488,132	26,356		1,524,228	26,369
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 371,492,055</b>	<b>\$ 13,041,722</b>		<b>\$ 403,327,859</b>	<b>\$ 13,816,644</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 6,699,311	\$ 200,981		\$ 6,648,690	\$ 199,462
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 6,699,311</b>	<b>\$ 200,981</b>		<b>\$ 6,648,690</b>	<b>\$ 199,462</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 12,451,761	\$ 248,971		\$ 12,241,404	\$ 122,579
Lease and Rental Equipment (2%, 1%)		69,968	1,399		66,428	665
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 12,521,729</b>	<b>\$ 250,370</b>		<b>\$ 12,307,832</b>	<b>\$ 123,244</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 7,019,718	\$ 210,609		\$ 6,279,710	\$ 188,401
Farm Implements (3%)		11,262,283	337,876		11,598,175	347,946
Furniture and Fixtures (3%)		4,208,128	126,243		4,001,422	120,041
Other Business Equipment		1,766,488	53,025		2,850,046	85,519
<b>Class 8 Subtotal</b>		<b>\$ 24,256,617</b>	<b>\$ 727,753</b>		<b>\$ 24,729,353</b>	<b>\$ 741,907</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 51,232,926	\$ 6,147,951		\$ 48,797,697	\$ 5,855,726
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	11,322	\$ 1,944,391	\$ 8,946	11,392	\$ 2,379,009	\$ 8,324
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 11,410,232	\$ 480,370		\$ 11,552,246	\$ 464,401
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 11,410,232</b>	<b>\$ 480,370</b>		<b>\$ 11,552,246</b>	<b>\$ 464,401</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		10,527,120	631,625		8,307,216	498,432
<b>Class 13 Subtotal</b>		<b>\$ 10,527,120</b>	<b>\$ 631,625</b>		<b>\$ 8,307,216</b>	<b>\$ 498,432</b>
<b>TOTAL</b>		<b>\$ 551,514,550</b>	<b>\$ 24,121,675</b>		<b>\$ 580,708,093</b>	<b>\$ 24,261,875</b>

# Carter County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ 5,044,216	\$ 5,044,216		\$ 5,992,443	\$ 5,992,443
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	-	\$ -	\$ -	-	\$ -	\$ -
Tillable Non-Irrigated (3.543%, 3.46%)	97,267	11,325,849	401,267	97,252	11,390,399	394,121
Grazing (3.543%, 3.46%)	1,228,941	42,991,196	1,523,221	1,228,754	45,137,177	1,561,761
Wild Hay (3.543%, 3.46%)	42,823	6,562,974	232,512	42,799	6,717,468	232,431
Non-Qual Ag Land (24.801%, 24.22%)	912	34,802	8,634	1,011	40,275	9,755
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>1,369,943</b>	<b>\$ 60,914,821</b>	<b>\$ 2,165,634</b>	<b>1,369,816</b>	<b>\$ 63,285,319</b>	<b>\$ 2,198,068</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 14,187,327	\$ 502,809		\$ 13,788,421	\$ 477,091
Residential Low Income (varies)		187,619	3,324		145,427	2,289
Mobile Homes (3.543%, 3.46%)		1,191,042	42,199		1,347,027	46,610
Mobile Homes Low Income (varies)		8,119	194		6,658	161
Commercial (3.543%, 3.46%)		1,643,660	58,236		1,659,143	57,402
Industrial (3.543%, 3.46%)		11,356	402		11,397	394
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 17,229,123</b>	<b>\$ 607,164</b>		<b>\$ 16,958,073</b>	<b>\$ 583,947</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 2,705,526	\$ 81,166		\$ 2,820,757	\$ 84,622
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 2,705,526</b>	<b>\$ 81,166</b>		<b>\$ 2,820,757</b>	<b>\$ 84,622</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 17,901,748	\$ 358,006		\$ 18,585,649	\$ 185,947
Lease and Rental Equipment (2%, 1%)		67,233	1,344		75,240	752
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 17,968,981</b>	<b>\$ 359,350</b>		<b>\$ 18,660,889</b>	<b>\$ 186,699</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 3,062,009	\$ 91,929		\$ 5,254,877	\$ 157,653
Farm Implements (3%)		10,559,997	316,800		12,062,450	361,874
Furniture and Fixtures (3%)		125,753	3,776		108,727	3,265
Other Business Equipment		108,588	3,256		110,056	3,301
<b>Class 8 Subtotal</b>		<b>\$ 13,856,347</b>	<b>\$ 415,761</b>		<b>\$ 17,536,110</b>	<b>\$ 526,093</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 6,147,527	\$ 737,701		\$ 5,377,834	\$ 645,340
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	21,602	\$ 3,227,832	\$ 14,849	21,602	\$ 3,933,700	\$ 13,764
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ -	\$ -		\$ -	\$ -
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		-	-		-	-
<b>Class 13 Subtotal</b>		<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL</b>		<b>\$ 127,094,373</b>	<b>\$ 9,425,841</b>		<b>\$ 134,565,125</b>	<b>\$ 10,230,976</b>

# Cascade County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	42,365	\$ 10,984,120	\$ 389,166	42,388	\$ 11,329,801	\$ 391,997
Tillable Non-Irrigated (3.543%, 3.46%)	353,519	66,629,643	2,360,677	353,288	66,614,405	2,304,850
Grazing (3.543%, 3.46%)	816,779	32,197,181	1,140,805	816,377	33,684,378	1,165,534
Wild Hay (3.543%, 3.46%)	57,377	14,881,723	527,289	57,111	15,138,014	523,786
Non-Qual Ag Land (24.801%, 24.22%)	32,887	1,255,162	311,288	33,329	1,326,736	321,302
Eligible Mining Claims (3.543%, 3.46%)	304	15,277	541	304	16,043	556
<b>Class 3 Subtotal</b>	<b>1,303,230</b>	<b>\$ 125,963,106</b>	<b>\$ 4,729,766</b>	<b>1,302,796</b>	<b>\$ 128,109,377</b>	<b>\$ 4,708,025</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 1,374,552,787	\$ 48,700,848		\$ 1,427,647,765	\$ 49,397,895
Residential Low Income (varies)		26,597,863	409,340		26,511,647	387,599
Mobile Homes (3.543%, 3.46%)		30,630,369	1,084,915		31,653,566	1,094,906
Mobile Homes Low Income (varies)		1,631,601	28,986		1,645,559	29,399
Commercial (3.543%, 3.46%)		620,024,762	21,967,479		648,808,970	22,448,881
Industrial (3.543%, 3.46%)		32,045,823	1,135,388		33,775,277	1,168,630
New Manufacturing (varies)		10,062,028	194,417		10,208,129	220,008
Qualified Golf Courses (1.855, 1.814%)		2,530,940	44,823		2,920,466	48,872
Remodeled Commercial (varies)		1,394,029	35,549		1,566,374	39,076
<b>Class 4 Subtotal</b>		<b>\$ 2,099,470,202</b>	<b>\$ 73,601,745</b>		<b>\$ 2,184,737,753</b>	<b>\$ 74,835,266</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 10,607,016	\$ 318,211		\$ 10,337,603	\$ 310,127
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		6,439,636	156,726		5,939,426	161,377
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 17,046,652</b>	<b>\$ 474,937</b>		<b>\$ 16,277,029</b>	<b>\$ 471,504</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 18,134,642	\$ 362,604		\$ 16,614,592	\$ 166,445
Lease and Rental Equipment (2%, 1%)		362,127	7,243		272,555	2,726
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 18,496,769</b>	<b>\$ 369,847</b>		<b>\$ 16,887,147</b>	<b>\$ 169,171</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ 2,268,419	\$ 181,473		\$ 2,611,729	\$ 208,938
<b>CLASS 8</b>						
Machinery (3%)		\$ 82,969,616	\$ 2,170,480		\$ 78,833,664	\$ 2,074,943
Farm Implements (3%)		15,663,803	469,922		16,194,783	485,847
Furniture and Fixtures (3%)		79,603,231	2,388,119		87,582,802	2,627,502
Other Business Equipment		10,323,817	309,840		10,507,327	315,346
<b>Class 8 Subtotal</b>		<b>\$ 188,560,467</b>	<b>\$ 5,338,361</b>		<b>\$ 193,118,576</b>	<b>\$ 5,503,638</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 70,283,732	\$ 8,434,044		\$ 64,104,653	\$ 7,692,557
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	46,546	\$ 14,022,176	\$ 64,492	46,550	\$ 16,216,156	\$ 56,756
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 35,316,457	\$ 1,486,824		\$ 35,756,007	\$ 1,437,393
Airlines (4.21%, 4.02%)		18,052,294	760,002		18,607,428	748,019
<b>Class 12 Subtotal</b>		<b>\$ 53,368,751</b>	<b>\$ 2,246,826</b>		<b>\$ 54,363,435</b>	<b>\$ 2,185,412</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 177,558,554	\$ 10,653,513		\$ 176,539,204	\$ 10,592,352
Telecommunication Property (6%)		54,934,801	3,296,088		46,343,992	2,780,640
<b>Class 13 Subtotal</b>		<b>\$ 232,493,355</b>	<b>\$ 13,949,601</b>		<b>\$ 222,883,196</b>	<b>\$ 13,372,992</b>
<b>TOTAL</b>		<b>\$ 2,821,973,629</b>	<b>\$ 109,391,092</b>		<b>\$ 2,899,309,051</b>	<b>\$ 109,204,259</b>

# Chouteau County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
CLASS 1		\$ -	\$ -		\$ -	\$ -
CLASS 2		\$ -	\$ -		\$ -	\$ -
CLASS 3						
Tillable Irrigated (3.543%, 3.46%)	7,289	\$ 1,619,533	\$ 57,384	7,271	\$ 1,663,414	\$ 57,548
Tillable Non-Irrigated (3.543%, 3.46%)	1,098,364	213,539,714	7,565,721	1,098,518	213,639,500	7,391,899
Grazing (3.543%, 3.46%)	913,126	33,289,613	1,179,627	914,882	34,991,003	1,210,730
Wild Hay (3.543%, 3.46%)	21,505	5,228,217	185,243	21,506	5,341,268	184,815
Non-Qual Ag Land (24.801%, 24.22%)	3,834	146,876	36,432	3,743	149,116	36,114
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	2,044,119	\$ 253,823,953	\$ 9,024,407	2,045,919	\$ 255,784,301	\$ 8,881,106
CLASS 4						
Residential (3.543%, 3.46%)		\$ 95,265,401	\$ 3,375,531		\$ 98,276,173	\$ 3,400,458
Residential Low Income (varies)		1,292,787	21,569		1,270,732	18,303
Mobile Homes (3.543%, 3.46%)		1,429,257	50,641		1,493,630	51,676
Mobile Homes Low Income (varies)		2,254	40		2,145	37
Commercial (3.543%, 3.46%)		10,119,577	358,537		9,964,411	344,765
Industrial (3.543%, 3.46%)		7,026,455	248,948		7,029,297	243,216
New Manufacturing (varies)		114,215	3,237		115,710	3,603
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		444,956	6,305		438,219	9,097
Class 4 Subtotal		\$ 115,694,902	\$ 4,064,808		\$ 118,590,317	\$ 4,071,155
CLASS 5						
Rural Electric and Telephone Co-Op (3%)		\$ 9,827,620	\$ 294,831		\$ 10,293,501	\$ 308,808
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 9,827,620	\$ 294,831		\$ 10,293,501	\$ 308,808
CLASS 6						
Livestock (2%, 1%)		\$ 11,263,718	\$ 225,246		\$ 10,611,015	\$ 106,193
Lease and Rental Equipment (2%, 1%)		24,782	495		26,413	264
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 11,288,500	\$ 225,741		\$ 10,637,428	\$ 106,457
CLASS 7						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
CLASS 8						
Machinery (3%)		\$ 4,537,203	\$ 135,838		\$ 3,743,206	\$ 112,208
Farm Implements (3%)		45,500,358	1,365,018		44,667,506	1,340,041
Furniture and Fixtures (3%)		1,711,351	51,339		1,660,687	49,818
Other Business Equipment		1,789,416	53,684		1,593,519	47,817
Class 8 Subtotal		\$ 53,538,328	\$ 1,605,879		\$ 51,664,918	\$ 1,549,884
CLASS 9						
Utilities (12%)		\$ 43,974,215	\$ 5,276,904		\$ 40,154,110	\$ 4,818,490
CLASS 10						
Timber Land (0.46%, 0.35%)	14,054	\$ 2,485,149	\$ 11,430	14,054	\$ 3,020,263	\$ 10,578
CLASS 12						
Railroads (4.21%, 4.02%)		\$ 8,585,538	\$ 361,450		\$ 8,652,888	\$ 347,845
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 8,585,538	\$ 361,450		\$ 8,652,888	\$ 347,845
CLASS 13						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		5,177,082	310,625		5,251,353	315,081
Class 13 Subtotal		\$ 5,177,082	\$ 310,625		\$ 5,251,353	\$ 315,081
<b>TOTAL</b>		<b>\$ 504,395,287</b>	<b>\$ 21,176,075</b>		<b>\$ 504,049,079</b>	<b>\$ 20,409,404</b>

# Custer County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	26,206	\$ 11,012,014	\$ 390,159	26,167	\$ 11,167,378	\$ 386,394
Tillable Non-Irrigated (3.543%, 3.46%)	67,453	8,570,506	303,630	67,453	8,602,398	297,648
Grazing (3.543%, 3.46%)	1,682,922	46,902,076	1,661,751	1,682,900	49,291,462	1,705,524
Wild Hay (3.543%, 3.46%)	20,437	3,899,918	138,172	20,423	3,980,716	137,739
Non-Qual Ag Land (24.801%, 24.22%)	15,663	597,817	148,277	15,722	626,445	151,711
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>1,812,682</b>	<b>\$ 70,982,331</b>	<b>\$ 2,641,989</b>	<b>1,812,665</b>	<b>\$ 73,668,399</b>	<b>\$ 2,679,016</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 138,916,914	\$ 4,922,050		\$ 143,503,939	\$ 4,965,204
Residential Low Income (varies)		4,234,299	75,346		3,884,481	64,777
Mobile Homes (3.543%, 3.46%)		6,164,157	218,404		6,601,128	228,407
Mobile Homes Low Income (varies)		210,843	4,547		279,883	5,005
Commercial (3.543%, 3.46%)		55,136,090	1,953,485		56,216,406	1,945,074
Industrial (3.543%, 3.46%)		7,512,116	266,156		7,512,265	259,925
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		528,669	9,363		534,963	9,255
Remodeled Commercial (varies)		456,394	12,983		262,457	7,768
<b>Class 4 Subtotal</b>		<b>\$ 213,159,482</b>	<b>\$ 7,462,334</b>		<b>\$ 218,795,522</b>	<b>\$ 7,485,415</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 4,622,148	\$ 138,662		\$ 5,729,960	\$ 171,898
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 4,622,148</b>	<b>\$ 138,662</b>		<b>\$ 5,729,960</b>	<b>\$ 171,898</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 16,969,422	\$ 339,358		\$ 18,242,425	\$ 182,529
Lease and Rental Equipment (2%, 1%)		219,683	4,393		193,757	1,938
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 17,189,105</b>	<b>\$ 343,751</b>		<b>\$ 18,436,182</b>	<b>\$ 184,467</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 6,933,835	\$ 208,024		\$ 7,070,281	\$ 212,115
Farm Implements (3%)		9,273,355	278,201		9,814,477	294,433
Furniture and Fixtures (3%)		9,297,408	278,928		8,420,111	252,610
Other Business Equipment		1,792,020	53,779		1,603,763	48,133
<b>Class 8 Subtotal</b>		<b>\$ 27,296,618</b>	<b>\$ 818,932</b>		<b>\$ 26,908,632</b>	<b>\$ 807,291</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 10,976,553	\$ 1,317,186		\$ 10,968,602	\$ 1,316,233
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	37,757	\$ 5,641,518	\$ 25,940	37,664	\$ 6,858,646	\$ 24,004
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 18,249,627	\$ 768,310		\$ 18,476,762	\$ 742,767
Airlines (4.21%, 4.02%)		529,795	22,304		403,237	16,211
<b>Class 12 Subtotal</b>		<b>\$ 18,779,422</b>	<b>\$ 790,614</b>		<b>\$ 18,879,999</b>	<b>\$ 758,978</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 1,243,415	\$ 74,605		\$ 958,362	\$ 57,502
Telecommunication Property (6%)		9,295,505	557,731		8,963,715	537,824
<b>Class 13 Subtotal</b>		<b>\$ 10,538,920</b>	<b>\$ 632,336</b>		<b>\$ 9,922,077</b>	<b>\$ 595,326</b>
<b>TOTAL</b>		<b>\$ 379,186,097</b>	<b>\$ 14,171,744</b>		<b>\$ 390,168,019</b>	<b>\$ 14,022,628</b>

# Daniels County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	841	\$ 207,711	\$ 7,359	862	\$ 218,963	\$ 7,576
Tillable Non-Irrigated (3.543%, 3.46%)	441,825	55,311,849	1,959,717	441,836	55,540,929	1,921,693
Grazing (3.543%, 3.46%)	203,299	7,380,617	261,511	203,337	7,753,813	268,285
Wild Hay (3.543%, 3.46%)	4,244	643,641	22,805	4,141	639,542	22,126
Non-Qual Ag Land (24.801%, 24.22%)	791	30,361	7,532	791	31,521	7,635
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	651,000	\$ 63,574,179	\$ 2,258,924	650,966	\$ 64,184,768	\$ 2,227,315
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 27,041,856	\$ 958,090	\$ 26,721,986	\$ 924,608	
Residential Low Income (varies)		330,107	6,111	404,720	7,348	
Mobile Homes (3.543%, 3.46%)		418,202	14,817	481,733	16,668	
Mobile Homes Low Income (varies)		-	-	-	-	
Commercial (3.543%, 3.46%)		4,829,604	171,113	4,753,426	164,476	
Industrial (3.543%, 3.46%)		1,294,270	45,858	1,903,735	65,870	
New Manufacturing (varies)		-	-	-	-	
Qualified Golf Courses (1.855, 1.814%)		69,327	1,228	68,208	1,180	
Remodeled Commercial (varies)		-	-	-	-	
Class 4 Subtotal		\$ 33,983,366	\$ 1,197,217	\$ 34,333,808	\$ 1,180,150	
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 4,451,893	\$ 133,556	\$ 4,159,636	\$ 124,790	
Qualified New Industrial (3%)		-	-	-	-	
Pollution Control (3%)		-	-	-	-	
Gasohol Related (3%)		-	-	-	-	
Research and Development (0% to 3%)		-	-	-	-	
Aluminum Electrolytic Equipment (3%)		-	-	-	-	
Class 5 Subtotal		\$ 4,451,893	\$ 133,556	\$ 4,159,636	\$ 124,790	
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 4,971,023	\$ 99,417	\$ 5,161,710	\$ 51,652	
Lease and Rental Equipment (2%, 1%)		15,694	313	5,500	55	
Canola Processing Equipment (2%, 1%)		-	-	-	-	
Class 6 Subtotal		\$ 4,986,717	\$ 99,730	\$ 5,167,210	\$ 51,707	
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -	\$ -	\$ -	
<b>CLASS 8</b>						
Machinery (3%)		\$ 502,235	\$ 15,068	\$ 716,497	\$ 21,498	
Farm Implements (3%)		15,991,381	479,746	16,479,155	494,371	
Furniture and Fixtures (3%)		603,340	18,101	627,909	18,841	
Other Business Equipment		355,477	10,670	431,533	12,954	
Class 8 Subtotal		\$ 17,452,433	\$ 523,585	\$ 18,255,094	\$ 547,664	
<b>CLASS 9</b>						
Utilities (12%)		\$ 759,969	\$ 91,197	\$ 596,487	\$ 71,578	
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	0	\$ -	\$ -	\$ -	\$ -	
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 4,965,860	\$ 209,063	\$ 5,086,517	\$ 204,479	
Airlines (4.21%, 4.02%)		-	-	-	-	
Class 12 Subtotal		\$ 4,965,860	\$ 209,063	\$ 5,086,517	\$ 204,479	
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -	\$ -	\$ -	
Telecommunication Property (6%)		4,723,663	283,419	4,350,806	261,048	
Class 13 Subtotal		\$ 4,723,663	\$ 283,419	\$ 4,350,806	\$ 261,048	
<b>TOTAL</b>		<u>\$ 134,898,080</u>	<u>\$ 4,796,691</u>	<u>\$ 136,134,326</u>	<u>\$ 4,668,731</u>	



# Dawson County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	18,551	\$ 7,491,927	\$ 265,448	18,553	\$ 7,617,038	\$ 263,552
Tillable Non-Irrigated (3.543%, 3.46%)	412,362	51,797,150	1,835,180	412,153	51,960,425	1,797,840
Grazing (3.543%, 3.46%)	897,108	28,848,861	1,022,160	897,117	30,290,945	1,048,090
Wild Hay (3.543%, 3.46%)	945	136,739	4,845	945	140,681	4,866
Non-Qual Ag Land (24.801%, 24.22%)	3,090	117,728	29,197	3,175	126,293	30,585
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>1,332,056</b>	<b>\$ 88,392,405</b>	<b>\$ 3,156,830</b>	<b>1,331,942</b>	<b>\$ 90,135,382</b>	<b>\$ 3,144,933</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 103,475,494	\$ 3,666,402		\$ 106,004,968	\$ 3,667,824
Residential Low Income (varies)		1,447,093	29,642		1,626,901	32,615
Mobile Homes (3.543%, 3.46%)		3,424,893	121,339		3,508,042	121,368
Mobile Homes Low Income (varies)		170,376	3,620		140,637	2,778
Commercial (3.543%, 3.46%)		26,646,848	944,112		27,813,920	962,382
Industrial (3.543%, 3.46%)		2,878,885	102,005		2,893,529	100,100
New Manufacturing (varies)		3,644,404	64,589		4,246,122	73,458
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		1,134,544	38,015		165,315	4,597
<b>Class 4 Subtotal</b>		<b>\$ 142,822,537</b>	<b>\$ 4,969,724</b>		<b>\$ 146,399,434</b>	<b>\$ 4,965,122</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 15,936,298	\$ 478,089		\$ 16,702,913	\$ 501,087
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 15,936,298</b>	<b>\$ 478,089</b>		<b>\$ 16,702,913</b>	<b>\$ 501,087</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 10,381,217	\$ 207,589		\$ 11,058,032	\$ 110,653
Lease and Rental Equipment (2%, 1%)		58,549	1,172		42,026	420
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 10,439,766</b>	<b>\$ 208,761</b>		<b>\$ 11,100,058</b>	<b>\$ 111,073</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 5,784,209	\$ 173,283		\$ 5,572,742	\$ 167,189
Farm Implements (3%)		17,141,469	514,255		18,207,207	546,218
Furniture and Fixtures (3%)		4,685,753	140,574		4,658,140	139,754
Other Business Equipment		3,842,154	115,281		4,363,869	130,939
<b>Class 8 Subtotal</b>		<b>\$ 31,453,585</b>	<b>\$ 943,393</b>		<b>\$ 32,801,958</b>	<b>\$ 984,100</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 21,869,642	\$ 2,586,333		\$ 21,857,141	\$ 2,600,844
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	0	\$ -	\$ -		\$ -	\$ -
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 38,664,921	\$ 1,627,793		\$ 39,150,332	\$ 1,573,843
Airlines (4.21%, 4.02%)		172,208	7,250		188,616	7,583
<b>Class 12 Subtotal</b>		<b>\$ 38,837,129</b>	<b>\$ 1,635,043</b>		<b>\$ 39,338,948</b>	<b>\$ 1,581,426</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 2,945,248	\$ 176,715		\$ 2,272,755	\$ 136,365
Telecommunication Property (6%)		9,022,990	541,379		8,863,020	531,781
<b>Class 13 Subtotal</b>		<b>\$ 11,968,238</b>	<b>\$ 718,094</b>		<b>\$ 11,135,775</b>	<b>\$ 668,146</b>
<b>TOTAL</b>		<b>\$ 361,719,600</b>	<b>\$ 14,696,267</b>		<b>\$ 369,471,609</b>	<b>\$ 14,556,731</b>

# Deer Lodge County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	8,379	\$ 2,583,521	\$ 91,534	8,379	\$ 2,651,624	\$ 91,747
Tillable Non-Irrigated (3.543%, 3.46%)	33	3,103	110	33	3,150	109
Grazing (3.543%, 3.46%)	146,457	4,615,045	163,520	145,274	4,813,428	166,542
Wild Hay (3.543%, 3.46%)	5,675	1,132,884	40,146	5,673	1,160,140	40,141
Non-Qual Ag Land (24.801%, 24.22%)	11,103	424,930	105,374	11,363	452,729	109,647
Eligible Mining Claims (3.543%, 3.46%)	301	5,087	181	284	4,326	152
<b>Class 3 Subtotal</b>	<b>171,948</b>	<b>\$ 8,764,570</b>	<b>\$ 400,865</b>	<b>171,006</b>	<b>\$ 9,085,397</b>	<b>\$ 408,338</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 131,040,511	\$ 4,642,806		\$ 138,059,369	\$ 4,776,618
Residential Low Income (varies)		4,697,377	92,337		4,164,500	78,040
Mobile Homes (3.543%, 3.46%)		2,511,088	88,975		2,324,647	80,434
Mobile Homes Low Income (varies)		32,420	664		68,141	1,440
Commercial (3.543%, 3.46%)		31,592,851	1,119,353		32,343,759	1,119,085
Industrial (3.543%, 3.46%)		613,617	21,740		715,879	24,788
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		409,405	7,251		410,539	7,102
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 170,897,269</b>	<b>\$ 5,973,126</b>		<b>\$ 178,086,834</b>	<b>\$ 6,087,487</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 556,914	\$ 16,706		\$ 582,922	\$ 17,489
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		3,626,750	108,803		2,213,500	66,405
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 4,183,664</b>	<b>\$ 125,509</b>		<b>\$ 2,796,422</b>	<b>\$ 83,894</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 1,797,385	\$ 35,938		\$ 1,705,064	\$ 17,102
Lease and Rental Equipment (2%, 1%)		54,408	1,089		55,587	557
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 1,851,793</b>	<b>\$ 37,027</b>		<b>\$ 1,760,651</b>	<b>\$ 17,659</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 3,597,304	\$ 107,925		\$ 3,420,044	\$ 102,608
Farm Implements (3%)		832,589	24,978		771,628	23,148
Furniture and Fixtures (3%)		4,164,165	124,917		4,866,337	145,991
Other Business Equipment		807,055	24,222		828,046	24,849
<b>Class 8 Subtotal</b>		<b>\$ 9,401,113</b>	<b>\$ 282,042</b>		<b>\$ 9,886,055</b>	<b>\$ 296,596</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 13,383,840	\$ 1,606,060		\$ 12,408,511	\$ 1,489,023
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	69,929	\$ 24,454,953	\$ 112,504	61,025	\$ 23,651,602	\$ 82,771
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 436,203	\$ 18,365		\$ 399,002	\$ 16,040
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 436,203</b>	<b>\$ 18,365</b>		<b>\$ 399,002</b>	<b>\$ 16,040</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		5,780,887	346,856		5,093,373	305,601
<b>Class 13 Subtotal</b>		<b>\$ 5,780,887</b>	<b>\$ 346,856</b>		<b>\$ 5,093,373</b>	<b>\$ 305,601</b>
<b>TOTAL</b>		<b>\$ 239,154,292</b>	<b>\$ 8,902,354</b>		<b>\$ 243,167,847</b>	<b>\$ 8,787,409</b>

# Fallon County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
CLASS 1		\$ -	\$ -		\$ -	\$ -
CLASS 2		\$ -	\$ -		\$ -	\$ -
CLASS 3						
Tillable Irrigated (3.543%, 3.46%)		\$ -	\$ -		\$ -	\$ -
Tillable Non-Irrigated (3.543%, 3.46%)	153,398	17,097,397	605,751	153,623	17,222,572	595,892
Grazing (3.543%, 3.46%)	653,310	20,155,386	714,135	653,673	21,193,876	733,333
Wild Hay (3.543%, 3.46%)	27,109	3,452,081	122,305	26,492	3,404,159	117,784
Non-Qual Ag Land (24.801%, 24.22%)	1,442	55,092	13,661	1,421	56,621	13,712
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	835,260	\$ 40,759,956	\$ 1,455,852	835,209	\$ 41,877,228	\$ 1,460,721
CLASS 4						
Residential (3.543%, 3.46%)		\$ 28,484,181	\$ 1,009,300		\$ 27,758,630	\$ 960,575
Residential Low Income (varies)		316,896	6,799		340,463	6,673
Mobile Homes (3.543%, 3.46%)		2,768,312	98,078		2,670,031	92,372
Mobile Homes Low Income (varies)		48,783	1,120		2,807	51
Commercial (3.543%, 3.46%)		9,332,848	330,650		9,668,921	334,541
Industrial (3.543%, 3.46%)		1,548,093	54,851		1,527,169	52,840
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 42,499,113	\$ 1,500,798		\$ 41,968,021	\$ 1,447,052
CLASS 5						
Rural Electric and Telephone Co-Op (3%)		\$ 5,658,729	\$ 169,763		\$ 5,669,907	\$ 170,096
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 5,658,729	\$ 169,763		\$ 5,669,907	\$ 170,096
CLASS 6						
Livestock (2%, 1%)		\$ 10,184,480	\$ 203,666		\$ 11,208,412	\$ 112,158
Lease and Rental Equipment (2%, 1%)		29,011	581		33,154	332
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 10,213,491	\$ 204,247		\$ 11,241,566	\$ 112,490
CLASS 7						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
CLASS 8						
Machinery (3%)		\$ 7,384,999	\$ 221,560		\$ 8,809,650	\$ 264,296
Farm Implements (3%)		10,123,926	303,724		10,511,415	315,344
Furniture and Fixtures (3%)		1,511,660	45,348		1,385,917	41,577
Other Business Equipment		30,407,359	912,225		32,618,759	978,583
Class 8 Subtotal		\$ 49,427,944	\$ 1,482,857		\$ 53,325,741	\$ 1,599,800
CLASS 9						
Utilities (12%)		\$ 46,487,851	\$ 5,578,541		\$ 39,325,831	\$ 4,719,101
CLASS 10						
Timber Land (0.46%; 0.35%)	600	\$ 89,648	\$ 412	600	\$ 109,261	\$ 384
CLASS 12						
Railroads (4.21%, 4.02%)		\$ 8,470,906	\$ 356,625		\$ 8,576,332	\$ 344,768
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 8,470,906	\$ 356,625		\$ 8,576,332	\$ 344,768
CLASS 13						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		-	-		205,050	12,303
Class 13 Subtotal		\$ -	\$ -		\$ 205,050	\$ 12,303
<b>TOTAL</b>		<b>\$ 203,607,638</b>	<b>\$ 10,749,095</b>		<b>\$ 202,298,937</b>	<b>\$ 9,866,715</b>

# Fergus County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	8,832	\$ 2,434,729	\$ 86,265	8,832	\$ 2,499,173	\$ 86,473
Tillable Non-Irrigated (3.543%, 3.46%)	424,968	74,919,796	2,654,388	424,606	74,898,633	2,591,480
Grazing (3.543%, 3.46%)	1,402,197	52,590,990	1,863,330	1,402,023	55,036,896	1,904,370
Wild Hay (3.543%, 3.46%)	115,449	24,991,659	885,492	115,088	25,426,002	879,769
Non-Qual Ag Land (24.801%, 24.22%)	10,447	398,971	98,945	11,829	471,318	114,136
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	1,961,893	\$ 155,336,145	\$ 5,588,420	1,962,379	\$ 158,332,022	\$ 5,576,228
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 187,845,614	\$ 6,655,769		\$ 201,036,143	\$ 6,955,533
Residential Low Income (varies)		3,950,376	71,521		3,541,104	63,454
Mobile Homes (3.543%, 3.46%)		10,675,271	378,230		11,286,967	390,535
Mobile Homes Low Income (varies)		308,033	5,852		345,411	6,292
Commercial (3.543%, 3.46%)		42,765,577	1,515,185		43,776,978	1,514,667
Industrial (3.543%, 3.46%)		6,408,753	227,063		6,553,159	226,738
New Manufacturing (varies)		272,739	4,830		256,476	4,570
Qualified Golf Courses (1.855, 1.814%)		785,212	12,342		800,695	12,825
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 253,011,575	\$ 8,870,792		\$ 267,596,933	\$ 9,174,614
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 11,170,874	\$ 335,128		\$ 12,190,595	\$ 365,721
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		155,158	4,655		144,319	4,330
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 11,326,032	\$ 339,783		\$ 12,334,914	\$ 370,051
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 27,666,938	\$ 553,226		\$ 26,476,246	\$ 264,938
Lease and Rental Equipment (2%, 1%)		87,635	1,752		182,893	1,830
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 27,754,573	\$ 554,978		\$ 26,659,139	\$ 266,768
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 13,658,610	\$ 409,797		\$ 14,064,355	\$ 421,961
Farm Implements (3%)		26,893,378	806,795		27,549,528	826,482
Furniture and Fixtures (3%)		6,218,972	186,581		6,516,443	195,493
Other Business Equipment		1,179,137	35,404		1,074,301	32,262
Class 8 Subtotal		\$ 47,950,097	\$ 1,438,577		\$ 49,204,627	\$ 1,476,198
<b>CLASS 9</b>						
Utilities (12%)		\$ 27,501,414	\$ 3,300,168		\$ 31,098,122	\$ 3,731,774
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	124,871	\$ 19,144,696	\$ 87,993	124,798	\$ 23,313,590	\$ 81,580
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 7,010,516	\$ 295,144		\$ 6,940,190	\$ 278,996
Airlines (4.21%, 4.02%)		165,210	6,955		187,240	7,527
Class 12 Subtotal		\$ 7,175,726	\$ 302,099		\$ 7,127,430	\$ 286,523
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		8,193,390	491,602		7,641,518	458,492
Class 13 Subtotal		\$ 8,193,390	\$ 491,602		\$ 7,641,518	\$ 458,492
<b>TOTAL</b>		<u>\$ 557,393,648</u>	<u>\$ 20,974,412</u>		<u>\$ 583,308,295</u>	<u>\$ 21,422,228</u>

# Flathead County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	22,729	\$ 7,353,702	\$ 260,544	22,214	\$ 7,404,122	\$ 256,180
Tillable Non-Irrigated (3.543%, 3.46%)	38,322	16,684,153	591,123	37,348	16,416,556	568,028
Grazing (3.543%, 3.46%)	40,658	2,197,320	77,865	40,485	2,263,272	78,339
Wild Hay (3.543%, 3.46%)	12,679	3,757,462	133,125	12,987	3,982,411	137,799
Non-Qual Ag Land (24.801%, 24.22%)	41,980	1,600,950	397,025	42,084	1,676,684	406,069
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>156,349</b>	<b>\$ 31,593,587</b>	<b>\$ 1,459,682</b>	<b>155,119</b>	<b>\$ 31,743,045</b>	<b>\$ 1,446,415</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 2,394,276,863	\$ 84,829,794		\$ 2,640,187,221	\$ 91,350,033
Residential Low Income (varies)		34,597,705	622,400		33,122,546	572,260
Mobile Homes (3.543%, 3.46%)		54,413,147	1,927,835		56,323,088	1,948,760
Mobile Homes Low Income (varies)		1,673,183	30,405		1,628,410	29,522
Commercial (3.543%, 3.46%)		641,502,179	22,728,377		681,667,326	23,585,653
Industrial (3.543%, 3.46%)		107,003,901	3,791,147		107,218,935	3,709,768
New Manufacturing (varies)		7,937,164	193,447		13,458,465	307,056
Qualified Golf Courses (1.855, 1.814%)		16,908,337	299,446		17,487,371	302,531
Remodeled Commercial (varies)		590,302	20,123		661,287	20,216
<b>Class 4 Subtotal</b>		<b>\$ 3,258,902,781</b>	<b>\$ 114,442,974</b>		<b>\$ 3,551,754,649</b>	<b>\$ 121,825,799</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 73,655,081	\$ 2,209,650		\$ 68,200,915	\$ 2,046,029
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		12,110,661	363,319		11,396,051	341,882
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		195,600	2,934		195,600	2,934
Aluminum Electrolytic Equipment (3%)		33,834,548	1,015,036		34,628,034	1,038,841
<b>Class 5 Subtotal</b>		<b>\$ 119,795,890</b>	<b>\$ 3,590,939</b>		<b>\$ 114,420,600</b>	<b>\$ 3,429,686</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 6,088,543	\$ 121,724		\$ 5,234,840	\$ 52,627
Lease and Rental Equipment (2%, 1%)		1,684,846	33,700		2,289,913	22,898
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 7,773,389</b>	<b>\$ 155,424</b>		<b>\$ 7,524,753</b>	<b>\$ 75,525</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 124,878,148	\$ 3,707,961		\$ 172,231,934	\$ 4,252,340
Farm Implements (3%)		8,830,905	264,929		9,145,318	274,372
Furniture and Fixtures (3%)		74,147,645	2,224,455		80,137,850	2,404,163
Other Business Equipment		22,794,629	683,964		24,456,575	733,870
<b>Class 8 Subtotal</b>		<b>\$ 230,651,327</b>	<b>\$ 6,881,309</b>		<b>\$ 285,971,677</b>	<b>\$ 7,664,745</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 35,062,111	\$ 4,207,454		\$ 27,794,565	\$ 3,335,347
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	460,239	\$ 312,892,376	\$ 1,439,461	459,298	\$ 356,716,263	\$ 1,248,497
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 45,955,209	\$ 1,934,715		\$ 46,520,216	\$ 1,870,113
Airlines (4.21%, 4.02%)		9,034,244	380,341		9,245,394	371,665
<b>Class 12 Subtotal</b>		<b>\$ 54,989,453</b>	<b>\$ 2,315,056</b>		<b>\$ 55,765,610</b>	<b>\$ 2,241,778</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 4,520,448	\$ 271,226		\$ 5,582,474	\$ 334,949
Telecommunication Property (6%)		57,056,250	3,423,380		53,489,501	3,209,367
<b>Class 13 Subtotal</b>		<b>\$ 61,576,698</b>	<b>\$ 3,694,606</b>		<b>\$ 59,071,975</b>	<b>\$ 3,544,316</b>
<b>TOTAL</b>		<b>\$ 4,113,237,612</b>	<b>\$ 138,186,905</b>		<b>\$ 4,490,763,137</b>	<b>\$ 144,812,108</b>

# Gallatin County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ 15,805	\$ 15,805		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	81,854	\$ 22,323,454	\$ 790,930	81,136	\$ 22,771,692	\$ 787,911
Tillable Non-Irrigated (3.543%, 3.46%)	98,771	20,101,337	712,202	97,439	19,836,922	686,361
Grazing (3.543%, 3.46%)	425,330	18,091,217	641,018	422,921	18,632,853	644,757
Wild Hay (3.543%, 3.46%)	16,647	5,147,345	182,377	16,255	5,143,170	177,955
Non-Qual Ag Land (24.801%, 24.22%)	49,602	2,040,191	505,921	53,177	2,477,978	600,060
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>672,204</b>	<b>\$ 67,703,544</b>	<b>\$ 2,832,448</b>	<b>670,927</b>	<b>\$ 68,862,615</b>	<b>\$ 2,897,044</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 2,041,575,983	\$ 72,333,194		\$ 2,301,080,276	\$ 79,617,339
Residential Low Income (varies)		10,976,643	164,692		10,754,694	158,870
Mobile Homes (3.543%, 3.46%)		35,508,354	1,258,082		36,491,330	1,262,644
Mobile Homes Low Income (varies)		355,077	6,550		448,790	6,888
Commercial (3.543%, 3.46%)		762,483,784	27,014,798		863,366,597	29,872,449
Industrial (3.543%, 3.46%)		23,367,415	827,907		23,994,637	830,214
New Manufacturing (varies)		4,835,491	94,924		6,055,904	125,189
Qualified Golf Courses (1.855, 1.814%)		12,598,059	223,111		13,884,505	240,202
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 2,891,700,806</b>	<b>\$ 101,923,258</b>		<b>\$ 3,256,076,733</b>	<b>\$ 112,113,795</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 10,524,970	\$ 315,749		\$ 10,500,986	\$ 315,029
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		2,475,644	74,269		2,071,911	62,157
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		207,814	6,234		187,832	5,635
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 13,208,428</b>	<b>\$ 396,252</b>		<b>\$ 12,760,729</b>	<b>\$ 382,821</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 14,151,858	\$ 282,968		\$ 13,879,090	\$ 139,100
Lease and Rental Equipment (2%, 1%)		913,868	18,278		1,413,253	14,130
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 15,065,726</b>	<b>\$ 301,246</b>		<b>\$ 15,292,343</b>	<b>\$ 153,230</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 96,374,376	\$ 2,690,657		\$ 102,541,335	\$ 2,905,307
Farm Implements (3%)		19,351,729	580,543		20,108,912	603,268
Furniture and Fixtures (3%)		73,720,444	2,211,649		78,727,273	2,361,859
Other Business Equipment		13,137,760	394,320		13,598,613	408,152
<b>Class 8 Subtotal</b>		<b>\$ 202,584,309</b>	<b>\$ 5,877,169</b>		<b>\$ 214,976,133</b>	<b>\$ 6,278,586</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 66,539,258	\$ 7,984,713		\$ 58,733,704	\$ 7,048,045
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	145,388	\$ 56,442,358	\$ 259,711	144,665	\$ 64,622,519	\$ 226,118
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 26,058,056	\$ 1,097,046		\$ 26,435,207	\$ 1,062,693
Airlines (4.21%, 4.02%)		15,880,533	668,572		14,273,573	573,797
<b>Class 12 Subtotal</b>		<b>\$ 41,938,589</b>	<b>\$ 1,765,618</b>		<b>\$ 40,708,780</b>	<b>\$ 1,636,490</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 4,053,553	\$ 243,213		\$ 4,018,575	\$ 241,115
Telecommunication Property (6%)		49,439,814	2,966,388		50,022,232	3,001,331
<b>Class 13 Subtotal</b>		<b>\$ 53,493,367</b>	<b>\$ 3,209,601</b>		<b>\$ 54,040,807</b>	<b>\$ 3,242,446</b>
<b>TOTAL</b>		<b>\$ 3,408,692,190</b>	<b>\$ 124,565,821</b>		<b>\$ 3,786,074,363</b>	<b>\$ 133,978,575</b>

# Garfield County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	540	\$ 106,215	\$ 3,762	540	\$ 109,280	\$ 3,780
Tillable Non-Irrigated (3.543%, 3.46%)	343,867	37,781,264	1,338,606	343,867	38,124,441	1,319,112
Grazing (3.543%, 3.46%)	1,769,514	54,047,528	1,914,970	1,769,589	56,818,194	1,965,939
Wild Hay (3.543%, 3.46%)	-	-	-	-	-	-
Non-Qual Ag Land (24.801%, 24.22%)	3,275	124,990	31,001	3,275	130,463	31,600
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>2,117,195</b>	<b>\$ 92,059,997</b>	<b>\$ 3,288,339</b>	<b>2,117,271</b>	<b>\$ 95,182,378</b>	<b>\$ 3,320,431</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 17,475,158	\$ 619,270		\$ 17,285,256	\$ 598,060
Residential Low Income (varies)		49,033	599		47,553	568
Mobile Homes (3.543%, 3.46%)		2,147,809	76,101		2,306,905	79,823
Mobile Homes Low Income (varies)		10,360	165		5,064	123
Commercial (3.543%, 3.46%)		1,879,985	66,609		1,894,805	65,562
Industrial (3.543%, 3.46%)		205,889	7,295		202,142	6,994
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 21,768,234</b>	<b>\$ 770,039</b>		<b>\$ 21,741,725</b>	<b>\$ 751,130</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 6,413,691	\$ 192,410		\$ 6,684,624	\$ 200,541
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 6,413,691</b>	<b>\$ 192,410</b>		<b>\$ 6,684,624</b>	<b>\$ 200,541</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 16,871,599	\$ 337,400		\$ 17,173,751	\$ 171,838
Lease and Rental Equipment (2%, 1%)		3,149	63		10,895	109
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 16,874,748</b>	<b>\$ 337,463</b>		<b>\$ 17,184,646</b>	<b>\$ 171,947</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 638,034	\$ 19,151		\$ 654,275	\$ 19,633
Farm Implements (3%)		10,074,804	302,250		10,440,269	313,217
Furniture and Fixtures (3%)		395,341	11,863		366,690	11,002
Other Business Equipment		274,515	8,236		450,018	13,502
<b>Class 8 Subtotal</b>		<b>\$ 11,382,694</b>	<b>\$ 341,500</b>		<b>\$ 11,911,252</b>	<b>\$ 357,354</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	477	\$ 68,128	\$ 314	477	\$ 83,038	\$ 292
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ -	\$ -		\$ -	\$ -
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		-	-		-	-
<b>Class 13 Subtotal</b>		<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL</b>		<b>\$ 148,567,492</b>	<b>\$ 4,930,065</b>		<b>\$ 152,787,663</b>	<b>\$ 4,801,695</b>

# Glacier County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	8,542	\$ 2,275,290	\$ 80,615	8,521	\$ 2,350,976	\$ 81,343
Tillable Non-Irrigated (3.543%, 3.46%)	297,614	49,484,016	1,753,200	295,085	49,485,086	1,712,208
Grazing (3.543%, 3.46%)	486,210	18,101,126	641,598	485,158	18,978,709	656,860
Wild Hay (3.543%, 3.46%)	12,881	2,123,191	75,249	12,942	2,188,808	75,744
Non-Qual Ag Land (24.801%, 24.22%)	9,380	264,739	65,658	9,235	265,621	64,336
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>814,626</b>	<b>\$ 72,248,362</b>	<b>\$ 2,616,320</b>	<b>810,941</b>	<b>\$ 73,269,200</b>	<b>\$ 2,590,491</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 87,157,937	\$ 3,088,021		\$ 90,304,169	\$ 3,124,508
Residential Low Income (varies)		2,249,216	43,724		1,898,694	36,899
Mobile Homes (3.543%, 3.46%)		2,894,122	102,537		3,055,917	105,734
Mobile Homes Low Income (varies)		52,304	916		58,032	639
Commercial (3.543%, 3.46%)		41,962,194	1,486,722		43,277,102	1,497,382
Industrial (3.543%, 3.46%)		5,259,495	186,345		5,274,984	182,512
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		480,352	8,506		470,438	8,140
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 140,055,620</b>	<b>\$ 4,916,771</b>		<b>\$ 144,339,336</b>	<b>\$ 4,955,814</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 27,934,034	\$ 838,022		\$ 27,340,921	\$ 820,227
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 27,934,034</b>	<b>\$ 838,022</b>		<b>\$ 27,340,921</b>	<b>\$ 820,227</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 7,324,121	\$ 146,476		\$ 7,224,750	\$ 72,303
Lease and Rental Equipment (2%, 1%)		7,417	149		7,605	77
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 7,331,538</b>	<b>\$ 146,625</b>		<b>\$ 7,232,355</b>	<b>\$ 72,380</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ 94,595	\$ 7,568		\$ 93,446	\$ 7,476
<b>CLASS 8</b>						
Machinery (3%)		\$ 3,901,249	\$ 117,053		\$ 3,592,471	\$ 107,782
Farm Implements (3%)		16,517,885	495,541		13,850,863	415,525
Furniture and Fixtures (3%)		6,579,194	197,381		6,440,982	193,239
Other Business Equipment		4,566,313	137,014		4,329,736	129,926
<b>Class 8 Subtotal</b>		<b>\$ 31,564,641</b>	<b>\$ 946,989</b>		<b>\$ 28,214,052</b>	<b>\$ 846,472</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 50,044,068	\$ 6,005,286		\$ 49,215,454	\$ 5,905,856
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	2,352	\$ 945,142	\$ 4,355	2,408	\$ 1,132,915	\$ 3,976
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 26,349,860	\$ 1,109,329		\$ 26,677,809	\$ 1,072,447
Airlines (4.21%, 4.02%)		158,034	6,653		297,843	11,973
<b>Class 12 Subtotal</b>		<b>\$ 26,507,894</b>	<b>\$ 1,115,982</b>		<b>\$ 26,975,652</b>	<b>\$ 1,084,420</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		13,277,285	796,636		5,997,063	359,824
<b>Class 13 Subtotal</b>		<b>\$ 13,277,285</b>	<b>\$ 796,636</b>		<b>\$ 5,997,063</b>	<b>\$ 359,824</b>
<b>TOTAL</b>		<b>\$ 370,003,179</b>	<b>\$ 17,394,554</b>		<b>\$ 363,810,394</b>	<b>\$ 16,646,936</b>



# Golden Valley County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	10,265	\$ 2,516,704	\$ 89,165	10,271	\$ 2,585,623	\$ 89,459
Tillable Non-Irrigated (3.543%, 3.46%)	99,122	13,847,499	490,631	99,015	13,863,382	479,683
Grazing (3.543%, 3.46%)	533,081	15,248,027	540,254	532,787	16,017,394	554,229
Wild Hay (3.543%, 3.46%)	11,594	2,026,117	71,794	11,568	2,071,818	71,688
Non-Qual Ag Land (24.801%, 24.22%)	2,246	85,748	21,265	2,232	88,545	21,439
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	656,308	\$ 33,724,095	\$ 1,213,109	655,874	\$ 34,626,762	\$ 1,216,498
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 14,707,204	\$ 521,142		\$ 15,188,675	\$ 525,519
Residential Low Income (varies)		398,344	6,770		384,305	5,904
Mobile Homes (3.543%, 3.46%)		398,857	14,128		403,558	13,961
Mobile Homes Low Income (varies)		15,812	280		16,359	283
Commercial (3.543%, 3.46%)		1,134,654	40,207		1,110,597	38,429
Industrial (3.543%, 3.46%)		535,469	18,970		525,770	18,191
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 17,190,340	\$ 601,497		\$ 17,629,264	\$ 602,287
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 3,098,238	\$ 92,947		\$ 3,185,448	\$ 95,565
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 3,098,238	\$ 92,947		\$ 3,185,448	\$ 95,565
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 4,543,382	\$ 90,851		\$ 4,257,941	\$ 42,617
Lease and Rental Equipment (2%, 1%)		742	15		745	7
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 4,544,124	\$ 90,866		\$ 4,258,686	\$ 42,624
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 588,013	\$ 17,645		\$ 442,999	\$ 13,287
Farm Implements (3%)		3,446,696	103,404		3,536,554	106,098
Furniture and Fixtures (3%)		209,181	6,274		205,570	6,168
Other Business Equipment		95,803	2,877		91,047	2,731
Class 8 Subtotal		\$ 4,339,693	\$ 130,200		\$ 4,276,170	\$ 128,284
<b>CLASS 9</b>						
Utilities (12%)		\$ 25,496,463	\$ 3,059,577		\$ 23,387,421	\$ 2,806,491
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	11,301	\$ 1,725,130	\$ 7,933	11,255	\$ 2,087,591	\$ 7,309
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 7,994,157	\$ 336,554		\$ 8,093,653	\$ 325,365
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 7,994,157	\$ 336,554		\$ 8,093,653	\$ 325,365
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		1,486,685	89,202		1,108,822	66,529
Class 13 Subtotal		\$ 1,486,685	\$ 89,202		\$ 1,108,822	\$ 66,529
<b>TOTAL</b>		\$ 99,598,925	\$ 5,621,885		\$ 98,653,817	\$ 5,290,952

# Granite County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	24,866	\$ 7,242,179	\$ 256,586	24,637	\$ 7,469,888	\$ 258,462
Tillable Non-Irrigated (3.543%, 3.46%)	967	170,231	6,032	966	170,615	5,904
Grazing (3.543%, 3.46%)	199,775	6,931,338	245,595	192,009	7,233,430	250,272
Wild Hay (3.543%, 3.46%)	9,538	2,999,045	106,256	8,883	3,060,398	105,895
Non-Qual Ag Land (24.801%, 24.22%)	8,573	321,047	79,620	8,494	338,407	81,946
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>243,720</b>	<b>\$ 17,663,840</b>	<b>\$ 694,089</b>	<b>234,988</b>	<b>\$ 18,272,738</b>	<b>\$ 702,479</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 77,836,576	\$ 2,757,836		\$ 85,715,824	\$ 2,965,746
Residential Low Income (varies)		1,419,172	21,349		1,500,367	24,220
Mobile Homes (3.543%, 3.46%)		2,731,943	96,781		2,739,550	94,791
Mobile Homes Low Income (varies)		68,104	1,200		69,073	1,229
Commercial (3.543%, 3.46%)		9,840,479	348,654		10,329,682	357,406
Industrial (3.543%, 3.46%)		2,074,167	73,486		2,120,914	73,383
New Manufacturing (varies)		-	-		224,112	3,877
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 93,970,441</b>	<b>\$ 3,299,306</b>		<b>\$ 102,699,522</b>	<b>\$ 3,520,652</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 790,928	\$ 23,728		\$ 835,358	\$ 25,060
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 790,928</b>	<b>\$ 23,728</b>		<b>\$ 835,358</b>	<b>\$ 25,060</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 6,400,444	\$ 127,997		\$ 6,666,861	\$ 66,718
Lease and Rental Equipment (2%, 1%)		-	-		-	-
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 6,400,444</b>	<b>\$ 127,997</b>		<b>\$ 6,666,861</b>	<b>\$ 66,718</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 7,739,815	\$ 231,573		\$ 7,667,826	\$ 229,422
Farm Implements (3%)		2,742,381	82,273		2,846,751	85,401
Furniture and Fixtures (3%)		1,994,266	59,827		1,651,870	49,556
Other Business Equipment		734,670	22,049		538,318	16,155
<b>Class 8 Subtotal</b>		<b>\$ 13,211,132</b>	<b>\$ 395,722</b>		<b>\$ 12,704,765</b>	<b>\$ 380,534</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 18,570,099	\$ 2,228,414		\$ 17,775,934	\$ 2,133,112
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	143,318	\$ 64,703,554	\$ 297,691	136,055	\$ 74,958,700	\$ 262,368
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 16,613,599	\$ 699,433		\$ 16,915,484	\$ 680,003
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 16,613,599</b>	<b>\$ 699,433</b>		<b>\$ 16,915,484</b>	<b>\$ 680,003</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		6,006,359	360,381		7,077,516	424,651
<b>Class 13 Subtotal</b>		<b>\$ 6,006,359</b>	<b>\$ 360,381</b>		<b>\$ 7,077,516</b>	<b>\$ 424,651</b>
<b>TOTAL</b>		<b>\$ 237,930,396</b>	<b>\$ 8,126,761</b>		<b>\$ 257,906,878</b>	<b>\$ 8,195,577</b>

# Hill County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
CLASS 1		\$ -	\$ -		\$ -	\$ -
CLASS 2		\$ -	\$ -		\$ -	\$ -
CLASS 3						
Tillable Irrigated (3.543%, 3.46%)	1,863	\$ 363,179	\$ 12,868	1,865	\$ 374,128	\$ 12,947
Tillable Non-Irrigated (3.543%, 3.46%)	1,126,728	156,765,638	5,554,208	1,126,669	156,973,016	5,431,214
Grazing (3.543%, 3.46%)	402,239	13,759,848	487,505	402,210	14,441,268	499,706
Wild Hay (3.543%, 3.46%)	4,009	732,170	25,941	4,009	748,724	25,912
Non-Qual Ag Land (24.801%, 24.22%)	5,439	207,642	51,498	5,462	217,635	52,704
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	1,540,278	\$ 171,828,477	\$ 6,132,020	1,540,215	\$ 172,754,771	\$ 6,022,483
CLASS 4						
Residential (3.543%, 3.46%)		\$ 226,673,125	\$ 8,031,151		\$ 230,813,747	\$ 7,986,174
Residential Low Income (varies)		5,481,739	105,675		5,045,181	92,394
Mobile Homes (3.543%, 3.46%)		6,365,953	225,549		6,651,774	230,160
Mobile Homes Low Income (varies)		238,110	3,289		205,472	3,477
Commercial (3.543%, 3.46%)		75,343,356	2,669,385		75,184,867	2,601,409
Industrial (3.543%, 3.46%)		9,247,658	327,641		10,493,206	363,065
New Manufacturing (varies)		1,183,214	20,955		1,819,344	31,476
Qualified Golf Courses (1.855, 1.814%)		467,058	8,272		493,011	8,529
Remodeled Commercial (varies)		2,281,907	49,442		2,232,333	61,714
Class 4 Subtotal		\$ 327,282,120	\$ 11,441,359		\$ 332,938,935	\$ 11,378,398
CLASS 5						
Rural Electric and Telephone Co-Op (3%)		\$ 17,536,716	\$ 526,100		\$ 21,629,548	\$ 648,887
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 17,536,716	\$ 526,100		\$ 21,629,548	\$ 648,887
CLASS 6						
Livestock (2%, 1%)		\$ 7,560,009	\$ 151,176		\$ 6,212,379	\$ 62,212
Lease and Rental Equipment (2%, 1%)		136,570	2,731		119,180	1,191
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 7,696,579	\$ 153,907		\$ 6,331,559	\$ 63,403
CLASS 7						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
CLASS 8						
Machinery (3%)		\$ 6,017,432	\$ 180,536		\$ 5,895,635	\$ 176,871
Farm Implements (3%)		38,356,854	1,150,702		37,461,115	1,123,838
Furniture and Fixtures (3%)		8,561,072	256,829		9,072,174	272,158
Other Business Equipment		3,879,786	116,416		5,693,684	170,855
Class 8 Subtotal		\$ 56,815,144	\$ 1,704,483		\$ 58,122,608	\$ 1,743,722
CLASS 9						
Utilities (12%)		\$ 41,665,526	\$ 4,999,863		\$ 38,073,802	\$ 4,568,853
CLASS 10						
Timber Land (0.46%, 0.35%)	6,174	\$ 939,610	\$ 4,317	6,174	\$ 1,144,439	\$ 4,005
CLASS 12						
Railroads (4.21%, 4.02%)		\$ 58,800,469	\$ 2,475,500		\$ 59,532,346	\$ 2,393,201
Airlines (4.21%, 4.02%)		296,307	12,475		459,301	18,464
Class 12 Subtotal		\$ 59,096,776	\$ 2,487,975		\$ 59,991,647	\$ 2,411,665
CLASS 13						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		5,579,500	334,770		4,952,931	297,176
Class 13 Subtotal		\$ 5,579,500	\$ 334,770		\$ 4,952,931	\$ 297,176
<b>TOTAL</b>		<b>\$ 688,440,448</b>	<b>\$ 27,784,794</b>		<b>\$ 695,940,240</b>	<b>\$ 27,138,592</b>

# Jefferson County

	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ 17,447	\$ 17,447		\$ 4,981	\$ 4,981
<b>CLASS 2</b>		\$ 87,422,202	\$ 2,622,666		\$ 86,153,612	\$ 2,584,608
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	19,230	\$ 4,519,101	\$ 160,103	18,952	\$ 4,586,909	\$ 158,711
Tillable Non-Irrigated (3.543%, 3.46%)	24,684	3,123,836	110,679	24,676	3,134,492	108,457
Grazing (3.543%, 3.46%)	321,336	8,772,199	310,868	322,077	9,225,573	319,246
Wild Hay (3.543%, 3.46%)	5,200	1,188,657	42,119	5,152	1,202,142	41,594
Non-Qual Ag Land (24.801%, 24.22%)	30,671	1,171,226	290,410	31,054	1,237,291	299,635
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	401,122	\$ 18,775,019	\$ 914,179	401,911	\$ 19,386,407	\$ 927,643
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 219,769,600	\$ 7,786,531		\$ 239,177,533	\$ 8,275,530
Residential Low Income (varies)		2,952,947	44,076		3,040,447	40,667
Mobile Homes (3.543%, 3.46%)		10,221,023	362,143		10,606,025	366,959
Mobile Homes Low Income (varies)		515,947	8,621		394,635	6,587
Commercial (3.543%, 3.46%)		21,949,481	777,665		24,021,789	831,151
Industrial (3.543%, 3.46%)		20,486,670	725,850		21,272,390	736,030
New Manufacturing (varies)		332,304	5,885		333,732	5,774
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 276,227,972	\$ 9,710,771		\$ 298,846,551	\$ 10,262,698
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 1,522,893	\$ 45,688		\$ 1,740,761	\$ 52,224
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		14,564,307	436,929		6,820,138	204,604
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 16,087,200	\$ 482,617		\$ 8,560,899	\$ 256,828
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 6,093,907	\$ 121,876		\$ 5,922,349	\$ 59,310
Lease and Rental Equipment (2%, 1%)		7,614	152		15,883	157
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 6,101,521	\$ 122,028		\$ 5,938,032	\$ 59,467
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 42,117,581	\$ 1,261,521		\$ 28,892,563	\$ 864,592
Farm Implements (3%)		3,189,834	95,696		3,484,437	104,533
Furniture and Fixtures (3%)		4,318,726	129,564		4,483,571	134,512
Other Business Equipment		8,448,080	253,449		7,662,659	229,886
Class 8 Subtotal		\$ 58,074,221	\$ 1,740,230		\$ 44,523,230	\$ 1,333,523
<b>CLASS 9</b>						
Utilities (12%)		\$ 27,612,643	\$ 3,313,514		\$ 26,547,311	\$ 3,185,676
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	41,277	\$ 9,696,936	\$ 44,601	41,255	\$ 11,139,333	\$ 38,984
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 15,532,903	\$ 653,935		\$ 15,764,139	\$ 633,719
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 15,532,903	\$ 653,935		\$ 15,764,139	\$ 633,719
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		10,786,693	647,204		6,246,706	374,802
Class 13 Subtotal		\$ 10,786,693	\$ 647,204		\$ 6,246,706	\$ 374,802
<b>TOTAL:</b>		<u>\$ 526,334,757</u>	<u>\$ 20,269,192</u>		<u>\$ 523,111,201</u>	<u>\$ 19,662,929</u>

# Judith Basin County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	3,129	\$ 1,201,834	\$ 42,583	3,057	\$ 1,178,467	\$ 40,775
Tillable Non-Irrigated (3.543%, 3.46%)	202,090	35,738,896	1,266,238	199,842	35,347,806	1,223,024
Grazing (3.543%, 3.46%)	500,187	27,826,687	985,913	500,666	29,155,853	1,008,762
Wild Hay (3.543%, 3.46%)	53,671	14,840,146	525,802	53,600	15,110,335	522,811
Non-Qual Ag Land (24.801%, 24.22%)	1,905	72,578	18,000	1,925	76,708	18,577
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	760,982	\$ 79,680,141	\$ 2,838,536	759,090	\$ 80,869,169	\$ 2,813,949
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 38,762,807	\$ 1,373,687		\$ 40,098,169	\$ 1,387,439
Residential Low Income (varies)		297,668	4,818		392,710	5,667
Mobile Homes (3.543%, 3.46%)		1,469,143	52,048		1,534,370	53,086
Mobile Homes Low Income (varies)		3,366	-		23,362	484
Commercial (3.543%, 3.46%)		3,780,050	133,939		3,717,324	128,613
Industrial (3.543%, 3.46%)		5,628,825	199,430		4,995,131	172,832
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 49,941,859	\$ 1,763,922		\$ 50,761,066	\$ 1,748,121
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 2,691,765	\$ 80,752		\$ 2,722,614	\$ 81,679
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 2,691,765	\$ 80,752		\$ 2,722,614	\$ 81,679
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 14,755,425	\$ 295,075		\$ 13,540,783	\$ 135,471
Lease and Rental Equipment (2%, 1%)		9,388	186		8,457	85
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 14,764,813	\$ 295,261		\$ 13,549,240	\$ 135,556
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		-	-		-	-
<b>CLASS 8</b>						
Machinery (3%)		\$ 1,064,335	\$ 31,931		\$ 1,096,361	\$ 32,885
Farm Implements (3%)		13,156,461	394,699		13,931,375	417,944
Furniture and Fixtures (3%)		474,177	14,219		577,025	17,303
Other Business Equipment		487,716	14,632		143,927	4,321
Class 8 Subtotal		\$ 15,182,689	\$ 455,481		\$ 15,748,688	\$ 472,453
<b>CLASS 9</b>						
Utilities (12%)		\$ 37,326,570	\$ 4,479,187		\$ 33,510,704	\$ 4,021,284
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	16,284	\$ 2,411,755	\$ 11,097	16,268	\$ 2,933,643	\$ 10,265
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 16,699,411	\$ 703,044		\$ 18,805,177	\$ 755,968
Airlines (4.21%, 4.02%)		1,905,762	80,233		-	-
Class 12 Subtotal		\$ 18,605,173	\$ 783,277		\$ 18,805,177	\$ 755,968
<b>CLASS 13</b>						
Electrical Generation Property (6%)		-	-		-	-
Telecommunication Property (6%)		9,310,907	558,653		5,715,717	342,946
Class 13 Subtotal		\$ 9,310,907	\$ 558,653		\$ 5,715,717	\$ 342,946
<b>TOTAL</b>		<u>\$ 229,915,672</u>	<u>\$ 11,266,166</u>		<u>\$ 224,616,018</u>	<u>\$ 10,382,221</u>

# Lake County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	87,626	\$ 20,455,868	\$ 724,746	87,172	\$ 20,828,909	\$ 720,673
Tillable Non-Irrigated (3.543%, 3.46%)	11,805	3,528,415	124,988	11,820	3,537,118	122,375
Grazing (3.543%, 3.46%)	149,436	7,011,923	248,475	149,086	7,297,433	252,495
Wild Hay (3.543%, 3.46%)	9,715	2,072,660	73,430	9,644	2,099,417	72,644
Non-Qual Ag Land (24.801%, 24.22%)	27,010	1,027,331	254,772	27,513	1,090,146	264,010
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>285,591</b>	<b>\$ 34,096,197</b>	<b>\$ 1,426,411</b>	<b>285,234</b>	<b>\$ 34,853,023</b>	<b>\$ 1,432,197</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 833,393,130	\$ 29,527,482		\$ 1,009,037,512	\$ 34,912,648
Residential Low Income (varies)		15,463,819	291,891		16,413,498	306,635
Mobile Homes (3.543%, 3.46%)		17,754,931	629,075		18,228,017	630,691
Mobile Homes Low Income (varies)		979,816	19,483		1,125,209	22,138
Commercial (3.543%, 3.46%)		113,868,918	4,034,383		120,565,999	4,171,582
Industrial (3.543%, 3.46%)		16,101,285	570,466		17,087,298	591,221
New Manufacturing (varies)		1,069,728	24,715		1,123,692	28,457
Qualified Golf Courses (1.855, 1.814%)		933,379	16,531		920,548	15,926
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 999,565,006</b>	<b>\$ 35,114,026</b>		<b>\$ 1,184,501,773</b>	<b>\$ 40,679,298</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 14,043,230	\$ 421,298		\$ 13,940,762	\$ 418,223
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		325,876	9,776		308,240	9,247
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 14,369,106</b>	<b>\$ 431,074</b>		<b>\$ 14,249,002</b>	<b>\$ 427,470</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 13,031,955	\$ 260,601		\$ 12,521,347	\$ 125,450
Lease and Rental Equipment (2%, 1%)		136,968	2,738		136,023	1,359
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 13,168,923</b>	<b>\$ 263,339</b>		<b>\$ 12,657,370</b>	<b>\$ 126,809</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 72,934,462	\$ 2,076,853		\$ 56,081,378	\$ 1,587,880
Farm Implements (3%)		9,752,260	292,561		9,570,194	287,113
Furniture and Fixtures (3%)		15,664,672	469,946		15,112,564	453,374
Other Business Equipment		5,205,534	156,215		4,642,576	139,329
<b>Class 8 Subtotal</b>		<b>\$ 103,556,928</b>	<b>\$ 2,995,575</b>		<b>\$ 85,406,712</b>	<b>\$ 2,467,696</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 2,465,086	\$ 295,811		\$ 2,378,089	\$ 285,371
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	100,868	\$ 67,347,998	\$ 309,786	100,044	\$ 78,500,164	\$ 274,744
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 12,776,318	\$ 537,884		\$ 12,970,909	\$ 521,432
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 12,776,318</b>	<b>\$ 537,884</b>		<b>\$ 12,970,909</b>	<b>\$ 521,432</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 48,041,904	\$ 2,882,514		\$ 47,685,218	\$ 2,861,114
Telecommunication Property (6%)		12,090,098	725,408		10,848,343	650,900
<b>Class 13 Subtotal</b>		<b>\$ 60,132,002</b>	<b>\$ 3,607,922</b>		<b>\$ 58,533,561</b>	<b>\$ 3,512,014</b>
<b>TOTAL</b>		<b>\$ 1,307,477,564</b>	<b>\$ 44,981,828</b>		<b>\$ 1,484,050,603</b>	<b>\$ 49,727,031</b>

# Lewis and Clark County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ 610	\$ 18
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	41,076	\$ 8,455,256	\$ 299,568	40,747	\$ 8,663,373	\$ 299,751
Tillable Non-Irrigated (3.543%, 3.46%)	30,999	4,685,853	166,026	30,878	4,672,056	161,649
Grazing (3.543%, 3.46%)	655,282	24,981,546	885,125	643,688	26,111,752	903,505
Wild Hay (3.543%, 3.46%)	16,177	3,759,631	133,200	15,857	3,832,989	132,624
Non-Qual Ag Land (24.801%, 24.22%)	52,962	1,979,843	490,988	52,135	2,076,460	502,872
Eligible Mining Claims (3.543%, 3.46%)	537	19,682	700	436	22,867	790
<b>Class 3 Subtotal</b>	<b>797,034</b>	<b>\$ 43,881,811</b>	<b>\$ 1,975,607</b>	<b>783,741</b>	<b>\$ 45,379,497</b>	<b>\$ 2,001,191</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 1,148,036,677	\$ 40,675,490		\$ 1,222,104,240	\$ 42,285,004
Residential Low Income (varies)		14,581,837	193,706		15,002,102	192,076
Mobile Homes (3.543%, 3.46%)		37,668,083	1,334,585		38,460,590	1,330,764
Mobile Homes Low Income (varies)		1,162,595	20,473		1,204,821	19,218
Commercial (3.543%, 3.46%)		516,542,360	18,301,084		560,074,942	19,378,583
Industrial (3.543%, 3.46%)		12,532,884	444,036		12,964,835	448,583
New Manufacturing (varies)		2,000,641	35,432		2,039,193	35,278
Qualified Golf Courses (1.855, 1.814%)		2,620,341	46,406		2,797,063	48,389
Remodeled Commercial (varies)		1,827,805	8,662		4,405,439	36,932
<b>Class 4 Subtotal</b>		<b>\$ 1,736,973,223</b>	<b>\$ 61,059,874</b>		<b>\$ 1,859,053,225</b>	<b>\$ 63,774,827</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 6,005,677	\$ 180,170		\$ 5,882,413	\$ 176,474
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		14,481,844	434,456		10,055,326	301,660
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 20,487,521</b>	<b>\$ 614,626</b>		<b>\$ 15,937,739</b>	<b>\$ 478,134</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 9,992,059	\$ 199,793		\$ 10,155,135	\$ 101,761
Lease and Rental Equipment (2%, 1%)		684,732	13,694		737,431	7,374
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 10,676,791</b>	<b>\$ 213,487</b>		<b>\$ 10,892,566</b>	<b>\$ 109,135</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 43,628,886	\$ 1,270,667		\$ 41,093,903	\$ 1,196,745
Farm Implements (3%)		5,375,251	161,259		5,518,211	165,539
Furniture and Fixtures (3%)		52,416,815	1,572,526		60,616,071	1,818,500
Other Business Equipment		13,659,051	409,847		8,159,654	244,883
<b>Class 8 Subtotal</b>		<b>\$ 115,080,003</b>	<b>\$ 3,414,299</b>		<b>\$ 115,387,839</b>	<b>\$ 3,425,667</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 66,462,047	\$ 7,975,444		\$ 62,721,043	\$ 7,526,525
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	175,369	\$ 50,014,007	\$ 230,070	173,632	\$ 57,721,264	\$ 201,995
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 24,493,914	\$ 1,031,193		\$ 24,547,439	\$ 986,806
Airlines (4.21%, 4.02%)		7,283,340	306,629		6,830,998	274,606
<b>Class 12 Subtotal</b>		<b>\$ 31,777,254</b>	<b>\$ 1,337,822</b>		<b>\$ 31,378,437</b>	<b>\$ 1,261,412</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 40,774,319	\$ 2,446,459		\$ 41,487,379	\$ 2,489,242
Telecommunication Property (6%)		70,017,785	4,201,066		61,447,094	3,686,826
<b>Class 13 Subtotal</b>		<b>\$ 110,792,104</b>	<b>\$ 6,647,525</b>		<b>\$ 102,934,473</b>	<b>\$ 6,176,068</b>
<b>TOTAL</b>		<b>\$ 2,186,144,761</b>	<b>\$ 83,468,754</b>		<b>\$ 2,301,406,693</b>	<b>\$ 84,954,972</b>

# Liberty County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	5,563	\$ 1,316,089	\$ 46,628	5,563	\$ 1,350,947	\$ 46,742
Tillable Non-Irrigated (3.543%, 3.46%)	551,097	79,080,695	2,801,836	551,097	79,177,961	2,739,555
Grazing (3.543%, 3.46%)	235,550	9,432,574	334,204	235,550	9,882,753	341,941
Wild Hay (3.543%, 3.46%)	4,167	597,527	21,166	4,167	610,467	21,122
Non-Qual Ag Land (24.801%, 24.22%)	570	21,793	5,406	570	22,721	5,506
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>796,948</b>	<b>\$ 90,448,678</b>	<b>\$ 3,209,240</b>	<b>796,948</b>	<b>\$ 91,044,849</b>	<b>\$ 3,154,866</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 41,185,389	\$ 1,459,291		\$ 41,337,534	\$ 1,430,291
Residential Low Income (varies)		119,969	2,711		94,119	2,111
Mobile Homes (3.543%, 3.46%)		689,919	24,448		763,779	26,428
Mobile Homes Low Income (varies)		8,771	122		5,409	37
Commercial (3.543%, 3.46%)		4,933,670	174,798		4,792,809	165,833
Industrial (3.543%, 3.46%)		2,896,006	102,603		3,024,869	104,663
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 49,833,724</b>	<b>\$ 1,763,973</b>		<b>\$ 50,018,519</b>	<b>\$ 1,729,363</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 5,228,533	\$ 156,856		\$ 5,986,085	\$ 179,581
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 5,228,533</b>	<b>\$ 156,856</b>		<b>\$ 5,986,085</b>	<b>\$ 179,581</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 3,985,058	\$ 79,686		\$ 3,714,630	\$ 37,168
Lease and Rental Equipment (2%, 1%)		2,103	42		1,629	16
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 3,987,161</b>	<b>\$ 79,728</b>		<b>\$ 3,716,259</b>	<b>\$ 37,184</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 1,557,282	\$ 46,726		\$ 1,386,751	\$ 41,614
Farm Implements (3%)		20,185,401	605,564		24,987,525	749,625
Furniture and Fixtures (3%)		516,154	15,482		508,398	15,254
Other Business Equipment		2,563,538	76,896		1,218,322	36,558
<b>Class 8 Subtotal</b>		<b>\$ 24,822,375</b>	<b>\$ 744,668</b>		<b>\$ 28,100,996</b>	<b>\$ 843,051</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 4,218,408	\$ 506,210		\$ 4,502,151	\$ 540,259
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	0	\$ -	\$ -	-	\$ -	\$ -
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 10,241,077	\$ 431,150		\$ 10,368,539	\$ 416,816
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 10,241,077</b>	<b>\$ 431,150</b>		<b>\$ 10,368,539</b>	<b>\$ 416,816</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		18,194	1,092		48,546	2,913
<b>Class 13 Subtotal</b>		<b>\$ 18,194</b>	<b>\$ 1,092</b>		<b>\$ 48,546</b>	<b>\$ 2,913</b>
<b>TOTAL</b>		<b>\$ 188,798,150</b>	<b>\$ 6,892,917</b>		<b>\$ 193,785,944</b>	<b>\$ 6,904,033</b>



# Lincoln County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
CLASS 1		\$ -	\$ -		\$ -	\$ -
CLASS 2		\$ -	\$ -		\$ -	\$ -
CLASS 3						
Tillable Irrigated (3.543%, 3.46%)	4,362	\$ 803,625	\$ 28,478	4,157	\$ 794,090	\$ 27,476
Tillable Non-Irrigated (3.543%, 3.46%)	234	33,613	1,192	226	33,056	1,144
Grazing (3.543%, 3.46%)	28,018	1,001,722	35,485	27,820	1,043,857	36,129
Wild Hay (3.543%, 3.46%)	4,973	1,247,976	44,216	4,908	1,261,821	43,667
Non-Qual Ag Land (24.801%, 24.22%)	16,450	627,729	155,662	16,384	652,748	158,065
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	54,038	\$ 3,714,665	\$ 265,033	53,495	\$ 3,785,572	\$ 266,481
CLASS 4						
Residential (3.543%, 3.46%)		\$ 383,124,694	\$ 13,574,291		\$ 416,741,523	\$ 14,419,392
Residential Low Income (varies)		15,740,020	266,478		16,616,904	274,878
Mobile Homes (3.543%, 3.46%)		14,857,155	526,390		14,798,719	512,023
Mobile Homes Low Income (varies)		1,275,022	26,371		1,198,186	22,932
Commercial (3.543%, 3.46%)		68,294,620	2,419,701		70,865,698	2,451,968
Industrial (3.543%, 3.46%)		17,146,868	607,511		15,791,271	546,376
New Manufacturing (varies)		384,029	8,161		384,366	9,309
Qualified Golf Courses (1.855, 1.814%)		2,100,933	37,209		2,211,826	38,265
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 502,923,341	\$ 17,466,112		\$ 538,608,493	\$ 18,275,143
CLASS 5						
Rural Electric and Telephone Co-Op (3%)		\$ 45,473,239	\$ 1,364,200		\$ 44,405,240	\$ 1,332,159
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		2,622,370	73,174		1,579,284	43,858
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 48,095,609	\$ 1,437,374		\$ 45,984,524	\$ 1,376,017
CLASS 6						
Livestock (2%, 1%)		\$ 2,242,973	\$ 44,844		\$ 2,076,019	\$ 20,898
Lease and Rental Equipment (2%, 1%)		131,507	2,631		118,678	1,187
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 2,374,480	\$ 47,475		\$ 2,194,697	\$ 22,085
CLASS 7						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
CLASS 8						
Machinery (3%)		\$ 39,331,963	\$ 1,116,042		\$ 35,444,354	\$ 1,021,191
Farm Implements (3%)		1,400,834	42,024		1,520,431	45,615
Furniture and Fixtures (3%)		6,834,583	205,038		6,741,996	202,262
Other Business Equipment		5,071,843	152,189		5,034,190	151,051
Class 8 Subtotal		\$ 52,639,223	\$ 1,515,293		\$ 48,740,971	\$ 1,420,119
CLASS 9						
Utilities (12%)		\$ -	\$ -		\$ -	\$ -
CLASS 10						
Timber Land (0.46%, 0.35%)	424,412	\$ 285,723,994	\$ 1,314,514	424,064	\$ 325,975,075	\$ 1,140,918
CLASS 12						
Railroads (4.21%, 4.02%)		\$ 48,028,612	\$ 2,022,005		\$ 48,626,379	\$ 1,954,779
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 48,028,612	\$ 2,022,005		\$ 48,626,379	\$ 1,954,779
CLASS 13						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		13,126,429	787,586		13,204,342	792,262
Class 13 Subtotal		\$ 13,126,429	\$ 787,586		\$ 13,204,342	\$ 792,262
<b>TOTAL</b>		<b>\$ 956,626,353</b>	<b>\$ 24,855,392</b>		<b>\$ 1,027,120,053</b>	<b>\$ 25,247,804</b>

# Madison County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ 2,303,525	\$ 2,303,525		\$ 2,335,197	\$ 2,335,197
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	98,123	\$ 28,505,152	\$ 1,009,937	97,547	\$ 29,154,987	\$ 1,008,749
Tillable Non-Irrigated (3.543%, 3.46%)	18,030	3,002,149	106,373	17,825	2,964,793	102,585
Grazing (3.543%, 3.46%)	807,719	27,344,835	968,921	805,727	28,556,069	988,060
Wild Hay (3.543%, 3.46%)	10,804	3,253,873	115,290	10,789	3,313,492	114,640
Non-Qual Ag Land (24.801%, 24.22%)	35,382	1,324,449	328,405	37,640	1,472,975	356,711
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>970,058</b>	<b>\$ 63,430,458</b>	<b>\$ 2,528,926</b>	<b>969,529</b>	<b>\$ 65,462,316</b>	<b>\$ 2,570,745</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 363,231,684	\$ 12,869,490		\$ 398,617,676	\$ 13,792,214
Residential Low Income (varies)		3,238,998	58,520		2,979,368	52,005
Mobile Homes (3.543%, 3.46%)		4,859,201	172,160		5,021,221	173,745
Mobile Homes Low Income (varies)		65,797	1,240		73,462	1,336
Commercial (3.543%, 3.46%)		77,513,542	2,746,306		90,372,080	3,126,873
Industrial (3.543%, 3.46%)		4,947,928	175,308		4,675,874	161,782
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 453,857,150</b>	<b>\$ 16,023,024</b>		<b>\$ 501,739,681</b>	<b>\$ 17,307,955</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 12,844,026	\$ 385,321		\$ 13,648,533	\$ 409,457
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 12,844,026</b>	<b>\$ 385,321</b>		<b>\$ 13,648,533</b>	<b>\$ 409,457</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 20,796,399	\$ 415,886		\$ 20,777,690	\$ 207,960
Lease and Rental Equipment (2%, 1%)		355,077	7,101		252,350	2,525
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 21,151,476</b>	<b>\$ 422,987</b>		<b>\$ 21,030,040</b>	<b>\$ 210,485</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 23,043,219	\$ 691,305		\$ 24,796,786	\$ 743,912
Farm Implements (3%)		10,247,969	307,446		10,880,982	326,433
Furniture and Fixtures (3%)		5,734,272	172,033		7,354,855	220,653
Other Business Equipment		14,303,356	429,124		15,044,885	451,362
<b>Class 8 Subtotal</b>		<b>\$ 53,328,816</b>	<b>\$ 1,599,908</b>		<b>\$ 58,077,508</b>	<b>\$ 1,742,360</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 20,281,375	\$ 2,433,769		\$ 18,825,137	\$ 2,259,016
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	95,815	\$ 26,625,311	\$ 122,458	93,777	\$ 29,663,160	\$ 103,840
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 11,758,790	\$ 495,044		\$ 11,978,187	\$ 481,522
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 11,758,790</b>	<b>\$ 495,044</b>		<b>\$ 11,978,187</b>	<b>\$ 481,522</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 6,234,685	\$ 374,081		\$ 7,146,582	\$ 428,795
Telecommunication Property (6%)		1,030,645	61,837		976,826	58,609
<b>Class 13 Subtotal</b>		<b>\$ 7,265,330</b>	<b>\$ 435,918</b>		<b>\$ 8,123,408</b>	<b>\$ 487,404</b>
<b>TOTAL</b>		<b>\$ 672,846,257</b>	<b>\$ 26,750,880</b>		<b>\$ 730,883,167</b>	<b>\$ 27,907,981</b>

# McCone County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	6,343	\$ 1,519,786	\$ 53,846	6,444	\$ 1,582,856	\$ 54,769
Tillable Non-Irrigated (3.543%, 3.46%)	540,176	71,556,269	2,535,232	539,430	71,652,500	2,479,177
Grazing (3.543%, 3.46%)	791,157	23,114,045	818,961	791,633	24,332,783	841,915
Wild Hay (3.543%, 3.46%)	-	-	-	-	-	-
Non-Qual Ag Land (24.801%, 24.22%)	191	6,782	1,683	275	10,958	2,653
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>1,337,867</b>	<b>\$ 96,196,882</b>	<b>\$ 3,409,722</b>	<b>1,337,783</b>	<b>\$ 97,579,097</b>	<b>\$ 3,378,514</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 26,143,120	\$ 926,408		\$ 25,698,817	\$ 889,200
Residential Low Income (varies)		70,982	1,460		47,585	1,030
Mobile Homes (3.543%, 3.46%)		1,477,903	52,368		1,465,930	50,720
Mobile Homes Low Income (varies)		-	-		11,440	252
Commercial (3.543%, 3.46%)		3,149,039	111,581		3,247,097	112,352
Industrial (3.543%, 3.46%)		1,853,560	65,874		1,861,388	64,401
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 32,694,604</b>	<b>\$ 1,157,491</b>		<b>\$ 32,332,257</b>	<b>\$ 1,117,955</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 11,723,389	\$ 351,702		\$ 12,590,169	\$ 377,703
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 11,723,389</b>	<b>\$ 351,702</b>		<b>\$ 12,590,169</b>	<b>\$ 377,703</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 9,621,077	\$ 192,405		\$ 10,270,187	\$ 102,766
Lease and Rental Equipment (2%, 1%)		67,288	1,346		62,413	624
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 9,688,365</b>	<b>\$ 193,751</b>		<b>\$ 10,332,600</b>	<b>\$ 103,390</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 1,118,160	\$ 33,547		\$ 1,083,555	\$ 32,506
Farm Implements (3%)		18,811,158	564,335		18,817,943	564,544
Furniture and Fixtures (3%)		760,407	22,816		708,363	21,254
Other Business Equipment		385,641	11,571		502,544	15,080
<b>Class 8 Subtotal</b>		<b>\$ 21,075,366</b>	<b>\$ 632,269</b>		<b>\$ 21,112,405</b>	<b>\$ 633,384</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 1,367,544	\$ 164,106		\$ 1,431,960	\$ 171,833
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	0	\$ -	\$ -		\$ -	\$ -
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 3,108,836	\$ 130,882		\$ 3,147,530	\$ 126,531
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 3,108,836</b>	<b>\$ 130,882</b>		<b>\$ 3,147,530</b>	<b>\$ 126,531</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		110,420	6,626		114,300	6,858
<b>Class 13 Subtotal</b>		<b>\$ 110,420</b>	<b>\$ 6,626</b>		<b>\$ 114,300</b>	<b>\$ 6,858</b>
<b>TOTAL</b>		<b>\$ 175,965,406</b>	<b>\$ 6,046,549</b>		<b>\$ 178,640,318</b>	<b>\$ 5,916,168</b>

# Meagher County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ 84,751	\$ 2,543		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	49,262	\$ 9,969,675	\$ 353,228	49,262	\$ 10,262,359	\$ 355,082
Tillable Non-Irrigated (3.543%, 3.46%)	28,710	4,807,134	170,317	28,712	4,808,913	166,386
Grazing (3.543%, 3.46%)	728,889	26,427,726	936,340	728,937	27,758,793	960,463
Wild Hay (3.543%, 3.46%)	9,737	2,319,727	82,192	9,737	2,382,555	82,440
Non-Qual Ag Land (24.801%, 24.22%)	7,262	278,458	69,052	7,179	285,476	69,143
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	823,860	\$ 43,802,720	\$ 1,611,129	823,828	\$ 45,498,096	\$ 1,633,514
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 42,958,510	\$ 1,522,121		\$ 45,732,904	\$ 1,582,355
Residential Low Income (varies)		576,631	10,860		562,628	9,099
Mobile Homes (3.543%, 3.46%)		2,483,615	87,993		2,644,203	91,483
Mobile Homes Low Income (varies)		112,140	2,169		134,682	2,695
Commercial (3.543%, 3.46%)		8,395,286	297,442		8,441,210	292,060
Industrial (3.543%, 3.46%)		382,047	13,536		331,254	11,461
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 54,908,229	\$ 1,934,121		\$ 57,846,881	\$ 1,989,153
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 412,012	\$ 12,361		\$ 533,170	\$ 15,994
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 412,012	\$ 12,361		\$ 533,170	\$ 15,994
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 11,383,815	\$ 227,671		\$ 11,514,647	\$ 115,193
Lease and Rental Equipment (2%, 1%)		75	2		-	-
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 11,383,890	\$ 227,673		\$ 11,514,647	\$ 115,193
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		-	-		-	-
<b>CLASS 8</b>						
Machinery (3%)		\$ 5,293,889	\$ 158,819		\$ 7,182,907	\$ 215,491
Farm Implements (3%)		6,179,704	185,394		6,235,955	187,080
Furniture and Fixtures (3%)		1,361,249	40,836		796,336	23,897
Other Business Equipment		285,454	8,570		383,786	11,516
Class 8 Subtotal		\$ 13,120,296	\$ 393,619		\$ 14,598,984	\$ 437,984
<b>CLASS 9</b>						
Utilities (12%)		\$ 28,373,745	\$ 3,404,850		\$ 26,744,255	\$ 3,209,311
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	125,579	\$ 38,165,490	\$ 175,552	125,578	\$ 44,011,259	\$ 154,059
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		-	-		-	-
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ -	\$ -		\$ -	\$ -
<b>CLASS 13</b>						
Electrical Generation Property (6%)		-	-		-	-
Telecommunication Property (6%)		3,542,073	212,524		3,281,624	196,896
Class 13 Subtotal		\$ 3,542,073	\$ 212,524		\$ 3,281,624	\$ 196,896
<b>TOTAL</b>		<u>\$ 193,793,206</u>	<u>\$ 7,974,372</u>		<u>\$ 204,028,916</u>	<u>\$ 7,752,104</u>

# Mineral County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	1,343	\$ 372,144	\$ 13,185	1,317	\$ 369,528	\$ 12,785
Tillable Non-Irrigated (3.543%, 3.46%)	542	155,908	5,523	542	156,039	5,398
Grazing (3.543%, 3.46%)	5,114	257,195	9,116	5,095	265,931	9,208
Wild Hay (3.543%, 3.46%)	1,885	606,997	21,505	1,857	608,016	21,036
Non-Qual Ag Land (24.801%, 24.22%)	3,963	151,286	37,518	3,891	155,041	37,553
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	12,847	\$ 1,543,530	\$ 86,847	12,702	\$ 1,554,555	\$ 85,980
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 68,645,753	\$ 2,432,122		\$ 73,692,629	\$ 2,549,712
Residential Low Income (varies)		3,281,653	56,762		3,159,374	55,436
Mobile Homes (3.543%, 3.46%)		4,281,342	151,679		4,014,589	138,902
Mobile Homes Low Income (varies)		366,815	7,442		356,206	6,254
Commercial (3.543%, 3.46%)		20,185,937	715,190		21,416,659	741,016
Industrial (3.543%, 3.46%)		1,857,938	65,828		2,115,208	73,186
New Manufacturing (varies)		237,429	4,205		236,379	4,089
Qualified Golf Courses (1.855, 1.814%)		912,926	16,167		922,482	15,958
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 99,769,793	\$ 3,449,395		\$ 105,913,526	\$ 3,584,553
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 1,211,765	\$ 36,352		\$ 1,221,279	\$ 36,638
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 1,211,765	\$ 36,352		\$ 1,221,279	\$ 36,638
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 463,307	\$ 9,266		\$ 453,884	\$ 4,569
Lease and Rental Equipment (2%, 1%)		65,725	1,314		57,154	572
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 529,032	\$ 10,580		\$ 511,038	\$ 5,141
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 5,933,835	\$ 177,594		\$ 4,374,717	\$ 130,862
Farm Implements (3%)		354,929	10,646		392,827	11,787
Furniture and Fixtures (3%)		3,025,726	90,768		2,831,892	84,962
Other Business Equipment		566,471	17,004		510,371	15,319
Class 8 Subtotal		\$ 9,880,961	\$ 296,012		\$ 8,109,807	\$ 242,930
<b>CLASS 9</b>						
Utilities (12%)		\$ 23,567,935	\$ 2,828,153		\$ 22,736,875	\$ 2,728,425
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	90,805	\$ 48,688,982	\$ 223,971	90,733	\$ 56,280,777	\$ 196,985
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 15,783,937	\$ 664,503		\$ 16,027,524	\$ 644,309
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 15,783,937	\$ 664,503		\$ 16,027,524	\$ 644,309
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		5,987,027	359,222		7,150,052	429,006
Class 13 Subtotal		\$ 5,987,027	\$ 359,222		\$ 7,150,052	\$ 429,006
<b>TOTAL</b>		<u>\$ 206,962,962</u>	<u>\$ 7,955,035</u>		<u>\$ 219,505,433</u>	<u>\$ 7,953,967</u>

# Missoula County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	14,945	\$ 4,338,088	\$ 153,698	14,895	\$ 4,444,247	\$ 153,775
Tillable Non-Irrigated (3.543%, 3.46%)	3,589	678,392	24,030	3,440	648,546	22,442
Grazing (3.543%, 3.46%)	92,470	4,407,267	156,206	92,718	4,575,022	158,286
Wild Hay (3.543%, 3.46%)	7,941	2,457,163	87,066	7,811	2,458,054	85,049
Non-Qual Ag Land (24.801%, 24.22%)	25,091	955,207	236,867	25,318	1,008,737	244,288
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>144,035</b>	<b>\$ 12,836,117</b>	<b>\$ 657,867</b>	<b>144,182</b>	<b>\$ 13,134,606</b>	<b>\$ 663,840</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 2,106,123,028	\$ 74,620,135		\$ 2,298,180,256	\$ 79,516,808
Residential Low Income (varies)		31,832,997	550,761		32,066,185	519,534
Mobile Homes (3.543%, 3.46%)		59,933,709	2,123,459		62,545,271	2,164,040
Mobile Homes Low Income (varies)		2,489,764	44,814		2,438,254	42,020
Commercial (3.543%, 3.46%)		1,084,609,223	38,427,730		1,172,780,913	40,578,154
Industrial (3.543%, 3.46%)		66,454,854	2,354,495		65,298,001	2,259,310
New Manufacturing (varies)		975,121	24,786		428,562	7,414
Qualified Golf Courses (1.855, 1.814%)		4,515,867	79,974		4,552,215	78,752
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 3,356,934,563</b>	<b>\$ 118,226,154</b>		<b>\$ 3,638,289,657</b>	<b>\$ 125,166,032</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 37,992,231	\$ 1,139,771		\$ 41,063,165	\$ 1,231,894
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		4,469,067	134,071		4,232,968	126,989
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		818,599	24,558		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 43,279,897</b>	<b>\$ 1,298,400</b>		<b>\$ 45,296,133</b>	<b>\$ 1,358,883</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 4,651,063	\$ 92,996		\$ 4,497,893	\$ 45,228
Lease and Rental Equipment (2%, 1%)		885,863	17,716		900,320	9,004
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 5,536,926</b>	<b>\$ 110,712</b>		<b>\$ 5,398,213</b>	<b>\$ 54,232</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 191,184,213	\$ 5,730,892		\$ 185,298,007	\$ 5,556,036
Farm Implements (3%)		3,141,042	94,234		3,054,103	91,627
Furniture and Fixtures (3%)		109,429,822	3,282,948		121,753,210	3,652,616
Other Business Equipment		20,641,756	619,451		20,599,392	618,158
<b>Class 8 Subtotal</b>		<b>\$ 324,396,833</b>	<b>\$ 9,727,525</b>		<b>\$ 330,704,712</b>	<b>\$ 9,918,437</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 87,640,319	\$ 10,516,832		\$ 82,399,728	\$ 9,887,964
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	536,442	\$ 258,736,513	\$ 1,190,151	534,991	\$ 299,357,622	\$ 1,047,762
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 41,223,713	\$ 1,735,520		\$ 38,304,051	\$ 1,539,820
Airlines (4.21%, 4.02%)		15,687,578	660,446		15,324,160	616,032
<b>Class 12 Subtotal</b>		<b>\$ 56,911,291</b>	<b>\$ 2,395,966</b>		<b>\$ 53,628,211</b>	<b>\$ 2,155,852</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 5,546,000	\$ 332,760		\$ 5,147,787	\$ 308,867
Telecommunication Property (6%)		69,406,973	4,164,420		68,398,280	4,103,894
<b>Class 13 Subtotal</b>		<b>\$ 74,952,973</b>	<b>\$ 4,497,180</b>		<b>\$ 73,546,067</b>	<b>\$ 4,412,761</b>
<b>TOTAL</b>		<b>\$ 4,221,225,432</b>	<b>\$ 148,620,787</b>		<b>\$ 4,541,754,949</b>	<b>\$ 154,665,763</b>

# Musselshell County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	12,327	\$ 4,422,690	\$ 156,706	12,373	\$ 4,567,201	\$ 158,020
Tillable Non-Irrigated (3.543%, 3.46%)	109,836	15,949,283	565,084	109,908	15,977,040	552,805
Grazing (3.543%, 3.46%)	689,806	21,408,555	758,503	690,027	22,495,098	778,376
Wild Hay (3.543%, 3.46%)	9,458	1,899,394	67,300	9,521	1,958,725	67,775
Non-Qual Ag Land (24.801%, 24.22%)	17,659	673,370	166,939	17,708	704,273	170,554
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	839,085	\$ 44,353,292	\$ 1,714,532	839,536	\$ 45,702,337	\$ 1,727,530
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 55,932,619	\$ 1,981,738		\$ 58,067,250	\$ 2,009,129
Residential Low Income (varies)		1,617,903	26,979		1,832,330	31,976
Mobile Homes (3.543%, 3.46%)		4,440,000	157,313		4,444,297	153,773
Mobile Homes Low Income (varies)		116,457	1,302		157,583	2,383
Commercial (3.543%, 3.46%)		9,734,936	344,902		9,468,935	327,614
Industrial (3.543%, 3.46%)		217,731	7,713		216,242	7,482
New Manufacturing (varies)		384,102	9,526		385,932	10,683
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 72,443,748	\$ 2,529,473		\$ 74,572,569	\$ 2,543,040
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 12,669,144	\$ 380,075		\$ 13,786,103	\$ 413,581
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 12,669,144	\$ 380,075		\$ 13,786,103	\$ 413,581
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 8,523,483	\$ 170,452		\$ 7,925,159	\$ 79,356
Lease and Rental Equipment (2%, 1%)		38,224	763		31,929	319
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 8,561,707	\$ 171,215		\$ 7,957,088	\$ 79,675
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 2,641,727	\$ 78,693		\$ 3,169,135	\$ 94,699
Farm Implements (3%)		5,173,244	155,197		5,299,256	158,974
Furniture and Fixtures (3%)		2,043,664	61,312		1,804,832	54,150
Other Business Equipment		1,819,239	54,588		1,732,915	51,987
Class 8 Subtotal		\$ 11,677,874	\$ 349,790		\$ 12,006,138	\$ 359,810
<b>CLASS 9</b>						
Utilities (12%)		\$ 12,565,977	\$ 1,507,919		\$ 11,217,237	\$ 1,346,070
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	156,330	\$ 22,984,770	\$ 105,697	156,758	\$ 28,082,278	\$ 98,297
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ -	\$ -		\$ -	\$ -
Airines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ -	\$ -		\$ -	\$ -
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		-	-		-	-
Class 13 Subtotal		\$ -	\$ -		\$ -	\$ -
<b>TOTAL</b>		<b>\$ 185,256,512</b>	<b>\$ 6,758,701</b>		<b>\$ 193,323,750</b>	<b>\$ 6,568,003</b>

# Park County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	51,014	\$ 10,792,712	\$ 382,395	50,862	\$ 11,057,592	\$ 382,585
Tillable Non-Irrigated (3.543%, 3.46%)	35,961	6,436,769	228,052	35,794	6,449,788	223,160
Grazing (3.543%, 3.46%)	530,458	20,886,281	740,030	528,931	21,793,479	754,079
Wild Hay (3.543%, 3.46%)	7,525	2,033,097	72,030	7,515	2,071,726	71,679
Non-Qual Ag Land (24.801%, 24.22%)	32,977	1,258,477	312,076	34,882	1,389,865	336,612
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>657,934</b>	<b>\$ 41,407,336</b>	<b>\$ 1,734,583</b>	<b>657,985</b>	<b>\$ 42,762,450</b>	<b>\$ 1,768,115</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 429,201,494	\$ 15,206,821		\$ 481,044,492	\$ 16,644,455
Residential Low Income (varies)		7,100,554	124,827		7,133,720	122,470
Mobile Homes (3.543%, 3.46%)		9,041,009	320,338		9,137,914	316,156
Mobile Homes Low Income (varies)		233,554	3,259		217,137	3,131
Commercial (3.543%, 3.46%)		115,702,795	4,099,352		122,095,055	4,224,494
Industrial (3.543%, 3.46%)		6,893,270	244,227		5,870,034	203,103
New Manufacturing (varies)		2,045,683	41,603		2,119,146	45,289
Qualified Golf Courses (1.855, 1.814%)		676,313	11,978		700,232	12,114
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 570,894,672</b>	<b>\$ 20,052,405</b>		<b>\$ 628,317,730</b>	<b>\$ 21,571,212</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 10,341,318	\$ 310,242		\$ 10,322,927	\$ 309,685
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		258,553	7,757		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 10,599,871</b>	<b>\$ 317,999</b>		<b>\$ 10,322,927</b>	<b>\$ 309,685</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 11,278,935	\$ 225,544		\$ 10,805,498	\$ 108,217
Lease and Rental Equipment (2%, 1%)		48,715	974		58,471	584
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 11,327,650</b>	<b>\$ 226,518</b>		<b>\$ 10,863,969</b>	<b>\$ 108,801</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 14,026,911	\$ 392,204		\$ 13,757,677	\$ 393,698
Farm Implements (3%)		8,271,247	248,136		8,203,981	246,119
Furniture and Fixtures (3%)		9,753,005	292,589		10,526,915	315,808
Other Business Equipment		1,466,548	44,029		1,446,870	43,443
<b>Class 8 Subtotal</b>		<b>\$ 33,517,711</b>	<b>\$ 976,958</b>		<b>\$ 33,935,443</b>	<b>\$ 999,068</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 30,557,550	\$ 3,666,906		\$ 28,535,778	\$ 3,424,295
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	128,967	\$ 51,452,229	\$ 236,689	129,143	\$ 59,647,097	\$ 208,775
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 15,306,471	\$ 644,403		\$ 15,685,061	\$ 630,540
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 15,306,471</b>	<b>\$ 644,403</b>		<b>\$ 15,685,061</b>	<b>\$ 630,540</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		14,160,022	849,606		14,344,700	860,682
<b>Class 13 Subtotal</b>		<b>\$ 14,160,022</b>	<b>\$ 849,606</b>		<b>\$ 14,344,700</b>	<b>\$ 860,682</b>
<b>TOTAL</b>		<b>\$ 779,223,512</b>	<b>\$ 28,706,067</b>		<b>\$ 844,415,155</b>	<b>\$ 29,881,173</b>



# Petroleum County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	7,625	\$ 2,929,513	\$ 103,794	7,625	\$ 3,025,344	\$ 104,674
Tillable Non-Irrigated (3.543%, 3.46%)	58,913	7,546,626	267,386	59,322	7,625,218	263,835
Grazing (3.543%, 3.46%)	527,571	15,458,231	547,706	527,258	16,248,878	562,213
Wild Hay (3.543%, 3.46%)	4,264	1,417,332	50,216	4,210	1,425,111	49,309
Non-Qual Ag Land (24.801%, 24.22%)	3,160	120,521	29,889	3,160	125,904	30,494
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	601,533	\$ 27,472,223	\$ 998,991	601,575	\$ 28,450,455	\$ 1,010,525
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 7,320,925	\$ 259,413		\$ 7,810,250	\$ 270,206
Residential Low Income (varies)		39,108	376		39,364	748
Mobile Homes (3.543%, 3.46%)		875,801	31,029		1,024,228	35,440
Mobile Homes Low Income (varies)		-	-		-	-
Commercial (3.543%, 3.46%)		680,064	24,086		656,163	22,698
Industrial (3.543%, 3.46%)		-	-		-	-
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 8,915,898	\$ 314,904		\$ 9,530,005	\$ 329,092
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 3,682,044	\$ 110,460		\$ 3,793,925	\$ 113,817
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 3,682,044	\$ 110,460		\$ 3,793,925	\$ 113,817
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 7,262,750	\$ 145,255		\$ 6,219,938	\$ 62,215
Lease and Rental Equipment (2%, 1%)		9,367	187		6,664	67
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 7,272,117	\$ 145,442		\$ 6,226,602	\$ 62,282
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 294,692	\$ 8,838		\$ 305,753	\$ 9,175
Farm Implements (3%)		3,567,007	107,012		3,361,629	100,849
Furniture and Fixtures (3%)		81,427	2,444		114,595	3,439
Other Business Equipment		295,626	8,867		207,834	6,234
Class 8 Subtotal		\$ 4,238,752	\$ 127,161		\$ 3,989,811	\$ 119,697
<b>CLASS 9</b>						
Utilities (12%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	2,091	\$ 312,964	\$ 1,436	2,091	\$ 380,776	\$ 1,334
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ -	\$ -		\$ -	\$ -
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ -	\$ -		\$ -	\$ -
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		-	-		-	-
Class 13 Subtotal		\$ -	\$ -		\$ -	\$ -
<b>TOTAL</b>		<u>\$ 51,893,998</u>	<u>\$ 1,698,394</u>		<u>\$ 52,371,574</u>	<u>\$ 1,636,747</u>

# Phillips County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ 155,301	\$ 4,992		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	40,380	\$ 7,839,515	\$ 277,757	40,380	\$ 8,056,995	\$ 278,777
Tillable Non-Irrigated (3.543%, 3.46%)	375,617	53,683,237	1,901,983	375,641	53,721,018	1,858,741
Grazing (3.543%, 3.46%)	1,132,519	37,654,506	1,334,139	1,138,952	39,727,927	1,374,648
Wild Hay (3.543%, 3.46%)	22,111	4,672,143	165,534	22,111	4,772,369	165,113
Non-Qual Ag Land (24.801%, 24.22%)	1,968	75,126	18,633	1,909	76,049	18,417
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	1,572,594	\$ 103,924,527	\$ 3,698,046	1,578,993	\$ 106,354,358	\$ 3,695,696
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 54,259,920	\$ 1,922,570		\$ 54,332,147	\$ 1,879,792
Residential Low Income (varies)		1,824,154	36,245		1,396,054	25,647
Mobile Homes (3.543%, 3.46%)		1,726,508	61,168		1,791,235	61,974
Mobile Homes Low Income (varies)		73,104	1,183		70,870	1,229
Commercial (3.543%, 3.46%)		15,218,832	539,198		15,826,719	547,599
Industrial (3.543%, 3.46%)		2,196,648	77,828		1,512,501	52,332
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		367,130	6,502		376,703	6,517
Remodeled Commercial (varies)		207,482	684		226,548	2,093
Class 4 Subtotal		\$ 75,873,778	\$ 2,645,378		\$ 75,532,777	\$ 2,577,183
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 7,874,175	\$ 236,226		\$ 7,688,685	\$ 230,659
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		216,754	6,503		194,339	5,830
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 8,090,929	\$ 242,729		\$ 7,883,024	\$ 236,489
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 20,815,289	\$ 416,256		\$ 19,722,219	\$ 197,310
Lease and Rental Equipment (2%, 1%)		11,987	240		10,238	102
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 20,827,276	\$ 416,496		\$ 19,732,457	\$ 197,412
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 3,760,656	\$ 112,818		\$ 3,567,664	\$ 107,038
Farm Implements (3%)		16,572,475	497,185		16,891,468	506,748
Furniture and Fixtures (3%)		2,342,287	70,276		2,084,021	62,524
Other Business Equipment		3,474,732	104,303		1,953,782	58,671
Class 8 Subtotal		\$ 26,150,150	\$ 784,582		\$ 24,496,935	\$ 734,981
<b>CLASS 9</b>						
Utilities (12%)		\$ 51,656,358	\$ 6,198,763		\$ 51,624,832	\$ 6,194,979
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	1,301	\$ 194,302	\$ 890	1,613	\$ 293,741	\$ 1,025
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 20,149,215	\$ 848,281		\$ 20,399,993	\$ 820,081
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 20,149,215	\$ 848,281		\$ 20,399,993	\$ 820,081
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		4,078,310	244,700		3,824,730	229,487
Class 13 Subtotal		\$ 4,078,310	\$ 244,700		\$ 3,824,730	\$ 229,487
<b>TOTAL</b>		<u>\$ 311,100,146</u>	<u>\$ 15,084,857</u>		<u>\$ 310,142,847</u>	<u>\$ 14,687,333</u>

# Pondera County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	83,889	\$ 19,513,192	\$ 691,352	83,928	\$ 20,148,722	\$ 697,126
Tillable Non-Irrigated (3.543%, 3.46%)	419,025	79,006,884	2,799,207	419,371	79,080,421	2,736,161
Grazing (3.543%, 3.46%)	247,592	10,165,974	360,404	247,788	10,653,863	368,822
Wild Hay (3.543%, 3.46%)	5,325	903,277	32,006	5,321	924,117	31,973
Non-Qual Ag Land (24.801%, 24.22%)	2,534	88,211	21,879	2,515	91,310	22,114
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	758,364	\$ 109,677,538	\$ 3,904,848	758,923	\$ 110,898,433	\$ 3,856,196
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 91,096,870	\$ 3,227,802		\$ 94,216,516	\$ 3,259,660
Residential Low Income (varies)		1,398,442	25,786		1,605,711	29,082
Mobile Homes (3.543%, 3.46%)		2,109,946	74,759		2,210,202	76,472
Mobile Homes Low Income (varies)		73,460	1,381		119,834	2,719
Commercial (3.543%, 3.46%)		20,219,053	716,347		19,843,334	686,579
Industrial (3.543%, 3.46%)		9,494,440	336,390		9,677,322	334,836
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		250,004	4,427		247,497	4,281
Remodeled Commercial (varies)		626,422	16,751		840,541	19,693
Class 4 Subtotal		\$ 125,268,637	\$ 4,403,643		\$ 128,760,957	\$ 4,413,322
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 11,141,302	\$ 334,239		\$ 11,849,664	\$ 355,489
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 11,141,302	\$ 334,239		\$ 11,849,664	\$ 355,489
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 7,330,072	\$ 146,559		\$ 6,805,236	\$ 68,138
Lease and Rental Equipment (2%, 1%)		14,970	300		21,805	218
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 7,345,042	\$ 146,859		\$ 6,827,041	\$ 68,356
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 5,352,966	\$ 160,598		\$ 5,491,128	\$ 164,731
Farm Implements (3%)		24,440,157	733,201		24,290,178	728,709
Furniture and Fixtures (3%)		2,856,564	85,702		2,946,855	88,417
Other Business Equipment		2,120,629	63,630		2,192,785	65,807
Class 8 Subtotal		\$ 34,770,316	\$ 1,043,131		\$ 34,920,946	\$ 1,047,664
<b>CLASS 9</b>						
Utilities (12%)		\$ 21,165,591	\$ 2,539,868		\$ 18,061,531	\$ 2,167,383
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	853	\$ 412,198	\$ 1,896	853	\$ 477,030	\$ 1,671
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 12,350,279	\$ 519,947		\$ 12,503,989	\$ 502,661
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 12,350,279	\$ 519,947		\$ 12,503,989	\$ 502,661
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		5,741,813	344,508		2,847,929	170,877
Class 13 Subtotal		\$ 5,741,813	\$ 344,508		\$ 2,847,929	\$ 170,877
<b>TOTAL</b>		\$ 327,872,716	\$ 13,238,939		\$ 327,147,520	\$ 12,583,619

# Powder River County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	8,102	\$ 1,591,363	\$ 56,383	8,110	\$ 1,641,222	\$ 56,773
Tillable Non-Irrigated (3.543%, 3.46%)	65,716	10,987,165	389,276	64,750	10,848,716	375,356
Grazing (3.543%, 3.46%)	1,222,886	37,009,581	1,311,285	1,223,428	38,914,308	1,346,479
Wild Hay (3.543%, 3.46%)	44,352	6,736,487	238,660	44,772	6,960,236	240,833
Non-Qual Ag Land (24.801%, 24.22%)	1,056	40,547	10,056	964	38,393	9,293
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	1,342,111	\$ 56,365,143	\$ 2,005,660	1,342,023	\$ 58,402,875	\$ 2,028,734
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 19,622,573	\$ 695,330		\$ 19,243,809	\$ 665,741
Residential Low Income (varies)		96,912	2,114		119,141	2,514
Mobile Homes (3.543%, 3.46%)		3,674,181	130,176		3,877,635	134,159
Mobile Homes Low Income (varies)		72,581	1,617		65,001	1,395
Commercial (3.543%, 3.46%)		3,810,381	135,004		3,842,788	132,959
Industrial (3.543%, 3.46%)		-	-		63,075	2,182
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 27,276,628	\$ 964,241		\$ 27,211,449	\$ 938,950
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 7,837,095	\$ 235,113		\$ 7,519,354	\$ 225,581
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 7,837,095	\$ 235,113		\$ 7,519,354	\$ 225,581
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 19,274,755	\$ 385,478		\$ 19,216,770	\$ 192,284
Lease and Rental Equipment (2%, 1%)		2,000	40		2,866	29
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 19,276,755	\$ 385,518		\$ 19,219,636	\$ 192,313
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 2,159,761	\$ 64,801		\$ 2,739,073	\$ 82,167
Farm Implements (3%)		10,811,321	324,341		11,387,371	341,627
Furniture and Fixtures (3%)		552,916	16,591		649,123	19,472
Other Business Equipment		536,753	16,104		590,958	17,732
Class 8 Subtotal		\$ 14,060,751	\$ 421,837		\$ 15,366,525	\$ 460,998
<b>CLASS 9</b>						
Utilities (12%)		\$ 2,655,428	\$ 318,652		\$ 2,564,472	\$ 307,738
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	17,346	\$ 2,590,036	\$ 11,906	17,346	\$ 3,158,736	\$ 11,058
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ -	\$ -		\$ -	\$ -
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ -	\$ -		\$ -	\$ -
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		1,148	69		13,225	793
Class 13 Subtotal		\$ 1,148	\$ 69		\$ 13,225	\$ 793
<b>TOTAL</b>		<u>\$ 130,062,984</u>	<u>\$ 4,342,996</u>		<u>\$ 133,456,272</u>	<u>\$ 4,166,165</u>

# Powell County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	50,179	\$ 12,264,394	\$ 434,528	50,180	\$ 12,588,510	\$ 435,560
Tillable Non-Irrigated (3.543%, 3.46%)	1,585	438,892	15,549	1,585	438,979	15,188
Grazing (3.543%, 3.46%)	353,361	14,534,338	514,961	351,129	15,207,837	526,228
Wild Hay (3.543%, 3.46%)	9,229	2,510,040	88,921	9,228	2,578,632	89,223
Non-Qual Ag Land (24.801%, 24.22%)	19,038	700,632	173,755	18,315	729,716	176,702
Eligible Mining Claims (3.543%, 3.46%)	555	18,085	640	387	20,478	707
<b>Class 3 Subtotal</b>	<b>433,946</b>	<b>\$ 30,466,381</b>	<b>\$ 1,228,354</b>	<b>430,824</b>	<b>\$ 31,564,152</b>	<b>\$ 1,243,608</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 93,369,815	\$ 3,308,194		\$ 98,176,974	\$ 3,396,836
Residential Low Income (varies)		3,111,643	56,610		3,190,975	49,877
Mobile Homes (3.543%, 3.46%)		5,403,655	191,446		5,412,391	187,269
Mobile Homes Low Income (varies)		214,501	3,738		242,731	4,145
Commercial (3.543%, 3.46%)		20,079,532	711,416		21,603,175	747,474
Industrial (3.543%, 3.46%)		2,562,067	90,772		3,621,981	125,321
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 124,741,213</b>	<b>\$ 4,362,176</b>		<b>\$ 132,248,227</b>	<b>\$ 4,510,922</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 6,686,517	\$ 200,596		\$ 7,292,729	\$ 218,781
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 6,686,517</b>	<b>\$ 200,596</b>		<b>\$ 7,292,729</b>	<b>\$ 218,781</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 10,794,657	\$ 215,876		\$ 10,415,885	\$ 104,240
Lease and Rental Equipment (2%, 1%)		1,128	23		4,365	44
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 10,795,785</b>	<b>\$ 215,899</b>		<b>\$ 10,420,250</b>	<b>\$ 104,284</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 11,414,799	\$ 342,451		\$ 12,263,629	\$ 367,914
Farm Implements (3%)		4,867,158	146,014		4,948,196	148,446
Furniture and Fixtures (3%)		2,648,595	79,457		3,193,506	95,807
Other Business Equipment		270,642	8,126		303,268	9,108
<b>Class 8 Subtotal</b>		<b>\$ 19,201,194</b>	<b>\$ 576,048</b>		<b>\$ 20,708,599</b>	<b>\$ 621,275</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 25,618,069	\$ 3,074,167		\$ 24,253,920	\$ 2,910,470
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	230,302	\$ 108,144,741	\$ 497,432	228,082	\$ 123,989,500	\$ 433,963
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 15,898,905	\$ 669,343		\$ 16,084,295	\$ 646,587
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 15,898,905</b>	<b>\$ 669,343</b>		<b>\$ 16,084,295</b>	<b>\$ 646,587</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		8,138,020	488,283		8,688,495	521,310
<b>Class 13 Subtotal</b>		<b>\$ 8,138,020</b>	<b>\$ 488,283</b>		<b>\$ 8,688,495</b>	<b>\$ 521,310</b>
<b>TOTAL</b>		<b>\$ 349,690,825</b>	<b>\$ 11,312,298</b>		<b>\$ 375,250,167</b>	<b>\$ 11,211,200</b>

# Prairie County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	13,256	\$ 6,397,757	\$ 226,676	13,210	\$ 6,510,703	\$ 225,272
Tillable Non-Irrigated (3.543%, 3.46%)	107,726	13,617,152	482,448	107,534	13,661,709	472,707
Grazing (3.543%, 3.46%)	454,959	13,031,338	461,704	455,180	13,715,743	474,575
Wild Hay (3.543%, 3.46%)	-	-	-	-	-	-
Non-Qual Ag Land (24.801%, 24.22%)	87	3,307	819	87	3,453	836
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	576,028	\$ 33,049,554	\$ 1,171,647	576,010	\$ 33,891,608	\$ 1,173,390
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 11,938,272	\$ 423,067		\$ 11,997,560	\$ 415,096
Residential Low Income (varies)		230,486	4,165		190,011	3,416
Mobile Homes (3.543%, 3.46%)		640,268	22,682		690,800	23,900
Mobile Homes Low Income (varies)		36,076	840		17,459	370
Commercial (3.543%, 3.46%)		1,996,136	70,725		1,961,801	67,871
Industrial (3.543%, 3.46%)		291,688	10,334		300,569	10,398
New Manufacturing (varies)		265,803	4,707		266,742	4,615
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 15,398,729	\$ 536,520		\$ 15,424,942	\$ 525,666
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 3,208,426	\$ 96,254		\$ 3,264,987	\$ 97,952
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 3,208,426	\$ 96,254		\$ 3,264,987	\$ 97,952
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 9,103,877	\$ 182,068		\$ 9,403,358	\$ 94,066
Lease and Rental Equipment (2%, 1%)		2,096	42		2,414	24
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 9,105,973	\$ 182,110		\$ 9,405,772	\$ 94,090
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 1,657,029	\$ 49,110		\$ 990,594	\$ 29,159
Farm Implements (3%)		6,658,403	199,754		6,939,623	208,194
Furniture and Fixtures (3%)		461,513	13,847		1,504,521	45,135
Other Business Equipment		239,883	7,199		418,919	12,568
Class 8 Subtotal		\$ 9,016,828	\$ 269,910		\$ 9,853,657	\$ 295,056
<b>CLASS 9</b>						
Utilities (12%)		\$ 3,160,246	\$ 379,229		\$ 2,547,705	\$ 305,725
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	436	\$ 65,143	\$ 298	436	\$ 79,395	\$ 279
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 18,280,341	\$ 769,601		\$ 18,507,857	\$ 744,016
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 18,280,341	\$ 769,601		\$ 18,507,857	\$ 744,016
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		2,553,714	153,223		2,053,533	123,211
Class 13 Subtotal		\$ 2,553,714	\$ 153,223		\$ 2,053,533	\$ 123,211
<b>TOTAL</b>		<u>\$ 93,838,954</u>	<u>\$ 3,558,792</u>		<u>\$ 95,029,456</u>	<u>\$ 3,359,385</u>

# Ravalli County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	45,873	\$ 14,191,589	\$ 502,780	45,422	\$ 14,450,751	\$ 500,010
Tillable Non-Irrigated (3.543%, 3.46%)	5,501	958,877	33,966	5,446	948,581	32,819
Grazing (3.543%, 3.46%)	136,978	8,709,029	308,678	136,093	8,985,010	310,933
Wild Hay (3.543%, 3.46%)	1,108	291,949	10,344	1,167	305,590	10,575
Non-Qual Ag Land (24.801%, 24.22%)	26,948	1,026,320	254,506	27,282	1,086,988	263,222
Eligible Mining Claims (3.543%, 3.46%)	30	1,416	51	14	725	25
<b>Class 3 Subtotal</b>	<b>216,438</b>	<b>\$ 25,179,180</b>	<b>\$ 1,110,325</b>	<b>215,423</b>	<b>\$ 25,777,645</b>	<b>\$ 1,117,584</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 993,757,387	\$ 35,209,229		\$ 1,103,889,978	\$ 38,194,293
Residential Low Income (varies)		29,840,774	525,995		27,397,592	458,725
Mobile Homes (3.543%, 3.46%)		23,615,605	836,714		25,312,491	875,799
Mobile Homes Low Income (varies)		1,321,020	25,419		1,173,541	21,899
Commercial (3.543%, 3.46%)		184,163,958	6,524,948		195,207,186	6,754,172
Industrial (3.543%, 3.46%)		4,945,559	175,218		5,280,591	182,708
New Manufacturing (varies)		5,848,938	144,795		5,583,660	151,974
Qualified Golf Courses (1.855, 1.814%)		576,534	10,210		640,146	11,074
Remodeled Commercial (varies)		446,976	3,165		682,739	9,449
<b>Class 4 Subtotal</b>		<b>\$ 1,244,516,751</b>	<b>\$ 43,455,693</b>		<b>\$ 1,365,167,924</b>	<b>\$ 46,660,093</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 17,564,247	\$ 526,929		\$ 17,548,151	\$ 526,444
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 17,564,247</b>	<b>\$ 526,929</b>		<b>\$ 17,548,151</b>	<b>\$ 526,444</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 11,472,851	\$ 229,373		\$ 11,186,840	\$ 112,419
Lease and Rental Equipment (2%, 1%)		335,332	6,707		350,262	3,505
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 11,808,183</b>	<b>\$ 236,080</b>		<b>\$ 11,537,102</b>	<b>\$ 115,924</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 23,993,611	\$ 715,425		\$ 31,631,211	\$ 946,611
Farm Implements (3%)		6,622,516	198,689		7,010,547	210,318
Furniture and Fixtures (3%)		18,242,711	547,300		17,522,702	525,689
Other Business Equipment		2,653,780	79,675		3,366,109	101,054
<b>Class 8 Subtotal</b>		<b>\$ 51,512,618</b>	<b>\$ 1,541,089</b>		<b>\$ 59,530,569</b>	<b>\$ 1,783,672</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 20,562,505	\$ 2,467,500		\$ 19,086,076	\$ 2,290,331
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	103,534	\$ 38,577,847	\$ 177,449	103,292	\$ 44,498,298	\$ 155,821
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 13,719,109	\$ 577,574		\$ 13,929,974	\$ 559,985
Airlines (4.21%, 4.02%)		567	24		282	11
<b>Class 12 Subtotal</b>		<b>\$ 13,719,676</b>	<b>\$ 577,598</b>		<b>\$ 13,930,256</b>	<b>\$ 559,996</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		20,550,761	1,233,046		18,495,009	1,109,699
<b>Class 13 Subtotal</b>		<b>\$ 20,550,761</b>	<b>\$ 1,233,046</b>		<b>\$ 18,495,009</b>	<b>\$ 1,109,699</b>
<b>TOTAL</b>		<b>\$ 1,443,991,768</b>	<b>\$ 51,325,709</b>		<b>\$ 1,575,571,030</b>	<b>\$ 54,319,564</b>

# Richland County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	39,633	\$ 21,894,300	\$ 775,714	39,915	\$ 22,412,271	\$ 775,466
Tillable Non-Irrigated (3.543%, 3.46%)	368,087	49,769,270	1,763,308	366,773	49,820,014	1,723,779
Grazing (3.543%, 3.46%)	768,229	28,914,580	1,024,445	767,119	30,326,606	1,049,279
Wild Hay (3.543%, 3.46%)	130	18,873	669	130	19,359	670
Non-Qual Ag Land (24.801%, 24.22%)	4,501	171,624	42,569	4,536	180,787	43,780
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>1,180,580</b>	<b>\$ 100,768,647</b>	<b>\$ 3,606,705</b>	<b>1,178,473</b>	<b>\$ 102,759,037</b>	<b>\$ 3,592,974</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 121,806,719	\$ 4,315,749		\$ 121,905,845	\$ 4,217,953
Residential Low Income (varies)		2,476,264	48,045		2,441,096	44,200
Mobile Homes (3.543%, 3.46%)		2,061,900	73,049		2,446,284	84,634
Mobile Homes Low Income (varies)		57,334	1,422		39,543	862
Commercial (3.543%, 3.46%)		38,606,220	1,367,829		37,678,098	1,303,666
Industrial (3.543%, 3.46%)		9,936,445	352,049		8,812,669	304,916
New Manufacturing (varies)		4,801,055	98,426		4,085,520	92,846
Qualified Golf Courses (1.855, 1.814%)		367,083	6,502		359,879	6,227
Remodeled Commercial (varies)		528,658	13,895		462,057	12,338
<b>Class 4 Subtotal</b>		<b>\$ 180,641,678</b>	<b>\$ 6,276,966</b>		<b>\$ 178,230,991</b>	<b>\$ 6,067,642</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 18,508,356	\$ 555,250		\$ 20,647,153	\$ 619,414
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		1,967,482	59,024		1,770,614	53,118
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 20,475,838</b>	<b>\$ 614,274</b>		<b>\$ 22,417,767</b>	<b>\$ 672,532</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 9,717,302	\$ 194,318		\$ 10,286,762	\$ 102,921
Lease and Rental Equipment (2%, 1%)		26,527	530		52,562	526
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 9,743,829</b>	<b>\$ 194,848</b>		<b>\$ 10,339,324</b>	<b>\$ 103,447</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 28,068,345	\$ 720,764		\$ 24,949,684	\$ 652,807
Farm Implements (3%)		21,448,456	643,449		21,358,441	640,755
Furniture and Fixtures (3%)		3,833,886	115,018		3,393,956	101,822
Other Business Equipment		16,923,342	507,712		16,541,268	496,267
<b>Class 8 Subtotal</b>		<b>\$ 70,274,029</b>	<b>\$ 1,986,943</b>		<b>\$ 66,243,349</b>	<b>\$ 1,891,651</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 15,759,691	\$ 1,891,160		\$ 14,810,939	\$ 1,777,312
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	0	\$ -	\$ -	-	\$ -	\$ -
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 9,906,527	\$ 417,065		\$ 10,029,824	\$ 403,199
Airlines (4.21%, 4.02%)		179,976	7,577		222,710	8,953
<b>Class 12 Subtotal</b>		<b>\$ 10,086,503</b>	<b>\$ 424,642</b>		<b>\$ 10,252,534</b>	<b>\$ 412,152</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 11,223,858	\$ 673,432		\$ 8,829,386	\$ 529,763
Telecommunication Property (6%)		5,483,699	329,022		4,717,005	283,020
<b>Class 13 Subtotal</b>		<b>\$ 16,707,557</b>	<b>\$ 1,002,454</b>		<b>\$ 13,546,391</b>	<b>\$ 812,783</b>
<b>TOTAL</b>		<b>\$ 424,457,772</b>	<b>\$ 15,997,992</b>		<b>\$ 418,600,332</b>	<b>\$ 15,330,493</b>



# Roosevelt County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	10,653	\$ 2,777,146	\$ 98,399	14,244	\$ 3,738,735	\$ 129,356
Tillable Non-Irrigated (3.543%, 3.46%)	559,586	75,917,599	2,689,756	557,310	75,644,409	2,617,361
Grazing (3.543%, 3.46%)	423,629	14,438,987	511,694	424,997	15,152,890	524,413
Wild Hay (3.543%, 3.46%)	15,644	3,046,976	107,954	15,339	3,054,871	105,696
Non-Qual Ag Land (24.801%, 24.22%)	6,797	222,098	55,086	6,632	225,598	54,631
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>1,016,308</b>	<b>\$ 96,402,806</b>	<b>\$ 3,462,889</b>	<b>1,018,522</b>	<b>\$ 97,816,503</b>	<b>\$ 3,431,457</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 59,631,692	\$ 2,112,902		\$ 58,926,845	\$ 2,038,855
Residential Low Income (varies)		876,220	17,289		941,087	17,877
Mobile Homes (3.543%, 3.46%)		4,221,740	149,572		4,009,855	138,743
Mobile Homes Low Income (varies)		101,488	2,170		58,175	994
Commercial (3.543%, 3.46%)		18,912,906	670,100		18,507,904	640,360
Industrial (3.543%, 3.46%)		7,190,374	254,755		8,299,863	287,177
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		80,545	1,426		78,735	1,362
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 91,014,965</b>	<b>\$ 3,208,214</b>		<b>\$ 90,822,464</b>	<b>\$ 3,125,368</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 7,184,345	\$ 215,529		\$ 7,281,591	\$ 218,448
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 7,184,345</b>	<b>\$ 215,529</b>		<b>\$ 7,281,591</b>	<b>\$ 218,448</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 6,160,838	\$ 123,196		\$ 6,950,796	\$ 69,557
Lease and Rental Equipment (2%, 1%)		42,744	853		32,481	325
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 6,203,582</b>	<b>\$ 124,049</b>		<b>\$ 6,983,277</b>	<b>\$ 69,882</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 5,581,749	\$ 137,375		\$ 5,307,208	\$ 130,901
Farm Implements (3%)		21,156,184	634,693		21,655,998	649,674
Furniture and Fixtures (3%)		2,662,419	79,884		2,520,714	75,627
Other Business Equipment		9,133,465	274,018		9,126,294	273,800
<b>Class 8 Subtotal</b>		<b>\$ 38,533,817</b>	<b>\$ 1,125,970</b>		<b>\$ 38,610,214</b>	<b>\$ 1,130,002</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 124,960,437	\$ 14,995,253		\$ 120,171,751	\$ 14,420,610
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	0	\$ -	\$ -	-	\$ -	\$ -
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 41,043,951	\$ 1,727,951		\$ 41,554,788	\$ 1,670,505
Airlines (4.21%, 4.02%)		711,458	29,952		887,914	35,694
<b>Class 12 Subtotal</b>		<b>\$ 41,755,409</b>	<b>\$ 1,757,903</b>		<b>\$ 42,442,702</b>	<b>\$ 1,706,199</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		9,290,188	557,411		9,687,991	581,281
<b>Class 13 Subtotal</b>		<b>\$ 9,290,188</b>	<b>\$ 557,411</b>		<b>\$ 9,687,991</b>	<b>\$ 581,281</b>
<b>TOTAL</b>		<b>\$ 415,345,549</b>	<b>\$ 25,447,218</b>		<b>\$ 413,816,493</b>	<b>\$ 24,683,247</b>

# Rosebud County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	28,395	\$ 11,228,705	\$ 397,837	28,395	\$ 11,434,860	\$ 395,645
Tillable Non-Irrigated (3.543%, 3.46%)	138,919	19,230,875	681,341	138,320	19,170,352	663,287
Grazing (3.543%, 3.46%)	2,186,412	56,095,782	1,987,502	2,189,262	59,048,523	2,043,079
Wild Hay (3.543%, 3.46%)	21,680	4,535,401	160,692	21,680	4,626,796	160,085
Non-Qual Ag Land (24.801%, 24.22%)	5,614	214,344	53,166	5,634	224,480	54,362
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>2,381,020</b>	<b>\$ 91,305,107</b>	<b>\$ 3,280,538</b>	<b>2,383,291</b>	<b>\$ 94,505,011</b>	<b>\$ 3,316,458</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 69,475,370	\$ 2,461,571		\$ 69,452,609	\$ 2,403,084
Residential Low Income (varies)		615,341	10,452		779,457	14,217
Mobile Homes (3.543%, 3.46%)		7,635,024	270,515		7,846,560	271,494
Mobile Homes Low Income (varies)		152,597	2,648		197,617	3,484
Commercial (3.543%, 3.46%)		22,222,076	787,329		20,617,088	713,332
Industrial (3.543%, 3.46%)		32,694,974	1,158,383		37,520,375	1,298,203
New Manufacturing (varies)		5,720,257	182,476		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		9,938	-
<b>Class 4 Subtotal</b>		<b>\$ 138,515,639</b>	<b>\$ 4,873,374</b>		<b>\$ 136,423,644</b>	<b>\$ 4,703,814</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 12,843,058	\$ 385,292		\$ 12,117,420	\$ 363,521
Qualified New Industrial (3%)		24,000	720		-	-
Pollution Control (3%)		260,823,446	7,824,704		269,605,740	8,088,171
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 273,690,504</b>	<b>\$ 8,210,716</b>		<b>\$ 281,723,160</b>	<b>\$ 8,451,692</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 16,835,558	\$ 336,673		\$ 17,494,505	\$ 175,036
Lease and Rental Equipment (2%, 1%)		50,628	1,014		53,560	535
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 16,886,186</b>	<b>\$ 337,687</b>		<b>\$ 17,548,065</b>	<b>\$ 175,571</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 108,509,493	\$ 3,178,253		\$ 88,245,765	\$ 2,647,372
Farm Implements (3%)		8,556,522	256,700		8,702,726	261,090
Furniture and Fixtures (3%)		4,173,387	125,203		4,301,230	129,040
Other Business Equipment		14,835,936	445,092		14,426,558	432,806
<b>Class 8 Subtotal</b>		<b>\$ 136,075,338</b>	<b>\$ 4,005,248</b>		<b>\$ 115,676,279</b>	<b>\$ 3,470,308</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 37,799,644	\$ 4,535,955		\$ 35,823,224	\$ 4,298,788
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	44,761	\$ 6,694,245	\$ 30,758	44,761	\$ 8,153,849	\$ 28,541
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 25,679,004	\$ 1,081,086		\$ 25,998,607	\$ 1,045,144
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 25,679,004</b>	<b>\$ 1,081,086</b>		<b>\$ 25,998,607</b>	<b>\$ 1,045,144</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 1,196,254,000	\$ 71,775,240		\$ 1,115,088,372	\$ 66,905,304
Telecommunication Property (6%)		6,042,770	362,565		6,569,488	394,169
<b>Class 13 Subtotal</b>		<b>\$ 1,202,296,770</b>	<b>\$ 72,137,805</b>		<b>\$ 1,121,657,860</b>	<b>\$ 67,299,473</b>
<b>TOTAL</b>		<b>\$ 1,928,942,437</b>	<b>\$ 98,493,167</b>		<b>\$ 1,837,509,699</b>	<b>\$ 92,789,789</b>

# Sanders County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	15,908	\$ 3,841,452	\$ 136,100	15,848	\$ 3,923,868	\$ 135,765
Tillable Non-Irrigated (3.543%, 3.46%)	8,564	1,516,290	53,726	8,552	1,516,808	52,479
Grazing (3.543%, 3.46%)	146,816	5,007,445	177,424	146,107	5,188,171	179,531
Wild Hay (3.543%, 3.46%)	13,777	3,756,594	133,099	13,686	3,805,602	131,677
Non-Qual Ag Land (24.801%, 24.22%)	17,923	676,311	167,712	18,387	724,458	175,434
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	202,987	\$ 14,798,092	\$ 668,061	202,579	\$ 15,158,907	\$ 674,886
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 216,128,323	\$ 7,657,501		\$ 234,944,642	\$ 8,128,994
Residential Low Income (varies)		9,853,954	170,300		10,456,481	178,232
Mobile Homes (3.543%, 3.46%)		6,473,696	229,354		6,733,407	232,973
Mobile Homes Low Income (varies)		398,142	7,578		411,492	7,536
Commercial (3.543%, 3.46%)		40,190,057	1,423,926		43,922,340	1,519,720
Industrial (3.543%, 3.46%)		4,080,773	144,582		4,155,748	143,789
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 277,124,945	\$ 9,633,241		\$ 300,624,110	\$ 10,211,244
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 6,532,123	\$ 195,965		\$ 6,733,808	\$ 202,014
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 6,532,123	\$ 195,965		\$ 6,733,808	\$ 202,014
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 5,935,874	\$ 118,701		\$ 6,045,468	\$ 60,576
Lease and Rental Equipment (2%, 1%)		13,265	267		8,288	83
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 5,949,139	\$ 118,968		\$ 6,053,756	\$ 60,659
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 14,212,760	\$ 426,392		\$ 12,298,830	\$ 368,982
Farm Implements (3%)		4,096,683	122,908		4,030,729	120,920
Furniture and Fixtures (3%)		3,807,917	114,243		3,727,860	111,841
Other Business Equipment		1,006,769	30,228		1,130,688	33,949
Class 8 Subtotal		\$ 23,124,129	\$ 693,771		\$ 21,188,107	\$ 635,692
<b>CLASS 9</b>						
Utilities (12%)		\$ 28,452,356	\$ 3,414,281		\$ 28,788,521	\$ 3,454,625
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	282,813	\$ 185,950,685	\$ 855,504	282,634	\$ 212,319,353	\$ 743,120
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 43,150,936	\$ 1,816,653		\$ 43,875,065	\$ 1,763,775
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 43,150,936	\$ 1,816,653		\$ 43,875,065	\$ 1,763,775
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 134,714,325	\$ 8,082,860		\$ 134,942,152	\$ 8,096,529
Telecommunication Property (6%)		24,026,422	1,441,583		25,713,887	1,542,831
Class 13 Subtotal		\$ 158,740,747	\$ 9,524,443		\$ 160,656,039	\$ 9,639,360
<b>TOTAL</b>		<u>\$ 743,823,152</u>	<u>\$ 26,920,887</u>		<u>\$ 795,397,666</u>	<u>\$ 27,385,375</u>

# Sheridan County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	3,260	\$ 812,742	\$ 28,795	3,260	\$ 832,252	\$ 28,798
Tillable Non-Irrigated (3.543%, 3.46%)	583,885	77,491,035	2,745,520	583,762	77,702,290	2,688,532
Grazing (3.543%, 3.46%)	355,601	13,141,162	465,619	355,522	13,796,407	477,401
Wild Hay (3.543%, 3.46%)	6,830	1,124,781	39,859	6,830	1,150,786	39,821
Non-Qual Ag Land (24.801%, 24.22%)	606	23,156	5,744	655	26,078	6,317
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	950,182	\$ 92,592,876	\$ 3,285,537	950,029	\$ 93,507,813	\$ 3,240,869
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 50,504,401	\$ 1,789,370		\$ 50,521,339	\$ 1,748,069
Residential Low Income (varies)		734,309	13,046		684,302	11,524
Mobile Homes (3.543%, 3.46%)		2,234,067	79,144		2,290,711	79,250
Mobile Homes Low Income (varies)		27,523	353		32,357	464
Commercial (3.543%, 3.46%)		13,023,935	461,425		12,829,891	443,902
Industrial (3.543%, 3.46%)		3,383,538	119,879		3,371,023	116,640
New Manufacturing (varies)		-	-		42,108	728
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 69,904,773	\$ 2,463,217		\$ 69,771,731	\$ 2,400,577
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 6,028,552	\$ 180,854		\$ 5,925,670	\$ 177,772
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 6,028,552	\$ 180,854		\$ 5,925,670	\$ 177,772
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 5,973,067	\$ 119,434		\$ 6,677,867	\$ 66,813
Lease and Rental Equipment (2%, 1%)		6,405	129		4,463	44
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 5,979,472	\$ 119,563		\$ 6,682,330	\$ 66,857
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 3,090,736	\$ 92,747		\$ 1,884,294	\$ 56,543
Farm Implements (3%)		25,494,461	763,033		26,697,924	800,942
Furniture and Fixtures (3%)		1,529,774	45,893		1,449,726	43,489
Other Business Equipment		13,659,791	409,815		13,000,133	390,022
Class 8 Subtotal		\$ 43,714,762	\$ 1,311,488		\$ 43,032,077	\$ 1,290,996
<b>CLASS 9</b>						
Utilities (12%)		\$ 3,239,878	\$ 388,784		\$ 2,770,853	\$ 332,505
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	0	\$ -	\$ -		\$ -	\$ -
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 12,665,181	\$ 533,203		\$ 13,241,342	\$ 532,301
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 12,665,181	\$ 533,203		\$ 13,241,342	\$ 532,301
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		2,040,129	122,408		2,149,508	128,970
Class 13 Subtotal		\$ 2,040,129	\$ 122,408		\$ 2,149,508	\$ 128,970
<b>TOTAL</b>		<u>\$ 236,165,623</u>	<u>\$ 8,405,054</u>		<u>\$ 237,081,324</u>	<u>\$ 8,170,847</u>

# Silver Bow County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ 50,090,076	\$ 1,502,702		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	3,646	\$ 1,172,673	\$ 41,549	3,631	\$ 1,196,514	\$ 41,400
Tillable Non-Irrigated (3.543%, 3.46%)	-	-	-	-	-	-
Grazing (3.543%, 3.46%)	118,824	3,857,363	136,673	118,356	4,019,829	139,096
Wild Hay (3.543%, 3.46%)	1,887	751,015	26,610	1,887	763,412	26,413
Non-Qual Ag Land (24.801%, 24.22%)	17,496	667,873	165,633	17,537	699,785	169,474
Eligible Mining Claims (3.543%, 3.46%)	7,205	340,672	12,076	7,135	356,974	12,357
Class 3 Subtotal	149,057	\$ 6,789,596	\$ 382,541	148,546	\$ 7,036,514	\$ 388,740
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 527,383,662	\$ 18,685,549		\$ 546,086,669	\$ 18,894,798
Residential Low Income (varies)		23,296,789	455,443		22,315,519	429,829
Mobile Homes (3.543%, 3.46%)		10,951,773	388,016		10,855,579	375,800
Mobile Homes Low Income (varies)		363,095	6,601		426,561	6,751
Commercial (3.543%, 3.46%)		258,663,566	9,164,469		270,283,737	9,351,884
Industrial (3.543%, 3.46%)		85,175,839	3,017,778		86,030,151	2,976,644
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		2,814,850	49,851		2,780,160	48,096
Remodeled Commercial (varies)		2,473,022	17,880		5,170,498	71,678
Class 4 Subtotal		\$ 911,122,596	\$ 31,785,587		\$ 943,948,874	\$ 32,155,280
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 2,234,864	\$ 67,048		\$ 2,185,545	\$ 65,588
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		20,573,187	617,194		19,183,715	575,511
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 22,808,051	\$ 684,242		\$ 21,369,260	\$ 641,079
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 1,569,970	\$ 31,389		\$ 1,563,220	\$ 15,682
Lease and Rental Equipment (2%, 1%)		295,516	5,910		343,687	3,436
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 1,865,486	\$ 37,299		\$ 1,906,907	\$ 19,118
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 398,891,193	\$ 11,966,740		\$ 366,991,519	\$ 11,009,741
Farm Implements (3%)		701,053	21,031		650,130	19,501
Furniture and Fixtures (3%)		27,422,570	822,685		30,527,570	915,834
Other Business Equipment		9,474,004	284,263		10,535,263	316,099
Class 8 Subtotal		\$ 436,488,820	\$ 13,094,719		\$ 408,704,482	\$ 12,261,175
<b>CLASS 9</b>						
Utilities (12%)		\$ 83,961,702	\$ 10,075,405		\$ 77,738,625	\$ 9,328,633
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	23,938	\$ 5,471,604	\$ 25,171	23,721	\$ 6,232,447	\$ 21,817
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 3,464,454	\$ 145,855		\$ 3,576,056	\$ 143,758
Airlines (4.21%, 4.02%)		9,061,779	381,501		8,599,273	345,691
Class 12 Subtotal		\$ 12,526,233	\$ 527,356		\$ 12,175,329	\$ 489,449
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		28,277,650	1,696,659		27,498,243	1,649,896
Class 13 Subtotal		\$ 28,277,650	\$ 1,696,659		\$ 27,498,243	\$ 1,649,896
<b>TOTAL</b>		<u>\$ 1,559,401,814</u>	<u>\$ 59,811,681</u>		<u>\$ 1,506,610,681</u>	<u>\$ 56,955,187</u>

# Stillwater County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ 221,542,845	\$ 6,646,285		\$ 260,348,543	\$ 7,810,456
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	20,087	\$ 7,318,658	\$ 259,311	19,896	\$ 7,497,825	\$ 259,424
Tillable Non-Irrigated (3.543%, 3.46%)	148,728	25,849,664	915,852	148,680	25,847,042	894,310
Grazing (3.543%, 3.46%)	593,880	22,177,861	785,755	592,317	23,201,877	802,815
Wild Hay (3.543%, 3.46%)	30,085	6,342,630	224,728	30,093	6,487,540	224,473
Non-Qual Ag Land (24.801%, 24.22%)	16,549	632,020	156,688	19,202	765,087	185,290
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	809,329	\$ 62,320,833	\$ 2,342,334	810,187	\$ 69,799,371	\$ 2,366,312
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 199,270,261	\$ 7,060,236		\$ 215,650,749	\$ 7,461,563
Residential Low Income (varies)		3,174,962	63,272		3,134,339	56,088
Mobile Homes (3.543%, 3.46%)		5,773,545	204,566		6,367,472	220,313
Mobile Homes Low Income (varies)		123,576	2,461		106,511	1,912
Commercial (3.543%, 3.46%)		25,595,071	906,833		27,990,530	968,463
Industrial (3.543%, 3.46%)		27,096,889	960,042		27,805,908	962,085
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 261,034,304	\$ 9,197,410		\$ 281,055,509	\$ 9,670,424
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 10,657,063	\$ 319,712		\$ 10,823,743	\$ 324,712
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		2,836,867	85,105		2,686,280	80,589
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 13,493,930	\$ 404,817		\$ 13,510,023	\$ 405,301
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 11,990,441	\$ 239,765		\$ 10,790,360	\$ 108,058
Lease and Rental Equipment (2%, 1%)		45,478	911		71,063	711
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 12,035,919	\$ 240,676		\$ 10,861,423	\$ 108,769
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 146,187,881	\$ 4,385,647		\$ 139,659,976	\$ 4,189,807
Farm Implements (3%)		9,198,970	275,969		9,223,926	276,720
Furniture and Fixtures (3%)		4,494,979	134,853		5,215,521	156,470
Other Business Equipment		8,671,276	260,149		8,962,457	268,885
Class 8 Subtotal		\$ 168,553,106	\$ 5,056,618		\$ 163,061,880	\$ 4,891,882
<b>CLASS 9</b>						
Utilities (12%)		\$ 54,775,983	\$ 6,573,114		\$ 50,061,477	\$ 6,007,379
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	65,202	\$ 9,921,916	\$ 45,622	64,162	\$ 11,877,913	\$ 41,583
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 11,665,719	\$ 491,127		\$ 11,845,371	\$ 476,184
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 11,665,719	\$ 491,127		\$ 11,845,371	\$ 476,184
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 3,026,143	\$ 181,568		\$ 3,385,534	\$ 203,132
Telecommunication Property (6%)		8,264,652	495,879		7,123,502	427,410
Class 13 Subtotal		\$ 11,290,795	\$ 677,447		\$ 10,509,036	\$ 630,542
<b>TOTAL</b>		<u>\$ 826,635,350</u>	<u>\$ 31,675,450</u>		<u>\$ 876,930,546</u>	<u>\$ 32,408,832</u>

# Sweet Grass County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ 8,430,414	\$ 252,912
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	31,910	\$ 7,549,547	\$ 267,484	31,904	\$ 7,763,457	\$ 268,614
Tillable Non-Irrigated (3.543%, 3.46%)	18,401	2,854,220	101,122	18,401	2,854,713	98,778
Grazing (3.543%, 3.46%)	687,236	26,716,345	946,594	687,094	27,957,954	967,349
Wild Hay (3.543%, 3.46%)	18,548	3,902,484	138,276	18,548	3,990,405	138,069
Non-Qual Ag Land (24.801%, 24.22%)	6,274	239,864	59,484	6,348	252,938	61,259
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	762,369	\$ 41,262,460	\$ 1,512,960	762,295	\$ 42,819,467	\$ 1,534,069
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 90,547,453	\$ 3,208,053		\$ 103,312,597	\$ 3,574,550
Residential Low Income (varies)		1,868,827	36,811		1,763,529	33,170
Mobile Homes (3.543%, 3.46%)		1,940,980	68,773		2,139,305	74,018
Mobile Homes Low Income (varies)		66,794	1,254		62,588	1,256
Commercial (3.543%, 3.46%)		16,249,138	575,696		17,488,951	605,095
Industrial (3.543%, 3.46%)		8,377,801	296,828		11,516,766	398,482
New Manufacturing (varies)		516,988	11,736		404,463	9,066
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 119,567,981	\$ 4,199,151		\$ 136,688,199	\$ 4,695,637
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 8,817,581	\$ 264,527		\$ 10,198,108	\$ 305,946
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 8,817,581	\$ 264,527		\$ 10,198,108	\$ 305,946
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 11,721,725	\$ 234,410		\$ 10,954,987	\$ 109,643
Lease and Rental Equipment (2%, 1%)		25,898	518		20,242	202
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 11,747,623	\$ 234,928		\$ 10,975,229	\$ 109,845
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 45,281,984	\$ 1,346,867		\$ 79,519,114	\$ 2,377,143
Farm Implements (3%)		7,173,691	215,214		7,319,402	219,582
Furniture and Fixtures (3%)		1,726,296	51,785		3,701,119	111,032
Other Business Equipment		286,051	8,590		2,774,310	83,236
Class 8 Subtotal		\$ 54,468,022	\$ 1,622,456		\$ 93,313,945	\$ 2,790,993
<b>CLASS 9</b>						
Utilities (12%)		\$ 10,473,780	\$ 1,256,854		\$ 9,819,697	\$ 1,178,363
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	71,541	\$ 12,740,418	\$ 58,587	70,966	\$ 15,366,153	\$ 53,772
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 11,524,851	\$ 485,196		\$ 11,701,727	\$ 470,410
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 11,524,851	\$ 485,196		\$ 11,701,727	\$ 470,410
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		4,542,267	272,536		5,048,894	302,935
Class 13 Subtotal		\$ 4,542,267	\$ 272,536		\$ 5,048,894	\$ 302,935
<b>TOTAL</b>		<u>\$ 275,144,983</u>	<u>\$ 9,907,195</u>		<u>\$ 344,361,833</u>	<u>\$ 11,694,882</u>

# Teton County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	104,616	\$ 26,027,439	\$ 922,143	104,623	\$ 26,813,565	\$ 927,738
Tillable Non-Irrigated (3.543%, 3.46%)	417,814	74,441,395	2,637,443	418,148	74,539,664	2,579,088
Grazing (3.543%, 3.46%)	484,184	17,644,672	625,389	484,358	18,513,861	640,802
Wild Hay (3.543%, 3.46%)	23,560	4,851,422	171,882	23,615	4,968,616	171,918
Non-Qual Ag Land (24.801%, 24.22%)	5,852	223,248	55,373	5,834	232,447	56,294
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>1,036,026</b>	<b>\$ 123,188,176</b>	<b>\$ 4,412,230</b>	<b>1,036,577</b>	<b>\$ 125,068,153</b>	<b>\$ 4,375,840</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 106,526,858	\$ 3,774,440		\$ 113,783,892	\$ 3,936,914
Residential Low Income (varies)		1,866,197	34,896		1,834,456	33,846
Mobile Homes (3.543%, 3.46%)		2,207,296	78,195		2,331,910	80,683
Mobile Homes Low Income (varies)		92,728	771		130,220	1,167
Commercial (3.543%, 3.46%)		15,190,555	538,206		15,048,889	520,684
Industrial (3.543%, 3.46%)		6,896,644	244,350		7,028,757	243,195
New Manufacturing (varies)		1,362,830	28,478		4,433,721	85,055
Qualified Golf Courses (1.855, 1.814%)		705,282	12,491		715,587	12,380
Remodeled Commercial (varies)		-	-		-	-
<b>Class 4 Subtotal</b>		<b>\$ 134,848,390</b>	<b>\$ 4,711,827</b>		<b>\$ 145,307,432</b>	<b>\$ 4,913,924</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 22,529,759	\$ 675,892		\$ 21,819,080	\$ 654,574
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 22,529,759</b>	<b>\$ 675,892</b>		<b>\$ 21,819,080</b>	<b>\$ 654,574</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 12,412,845	\$ 248,235		\$ 13,014,403	\$ 130,257
Lease and Rental Equipment (2%, 1%)		10,528	211		12,700	128
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 12,423,373</b>	<b>\$ 248,446</b>		<b>\$ 13,027,103</b>	<b>\$ 130,385</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 3,976,957	\$ 117,938		\$ 5,348,243	\$ 159,387
Farm Implements (3%)		22,503,424	675,104		23,154,063	694,624
Furniture and Fixtures (3%)		2,563,068	76,901		3,103,872	93,116
Other Business Equipment		1,117,934	33,546		1,211,350	36,343
<b>Class 8 Subtotal</b>		<b>\$ 30,161,383</b>	<b>\$ 903,489</b>		<b>\$ 32,817,528</b>	<b>\$ 983,470</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 13,261,153	\$ 1,591,338		\$ 11,503,416	\$ 1,380,409
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	8,942	\$ 4,421,029	\$ 20,338	8,942	\$ 5,115,843	\$ 17,910
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 16,850,816	\$ 709,420		\$ 17,060,540	\$ 685,833
Airlines (4.21%, 4.02%)		-	-		-	-
<b>Class 12 Subtotal</b>		<b>\$ 16,850,816</b>	<b>\$ 709,420</b>		<b>\$ 17,060,540</b>	<b>\$ 685,833</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		3,496,564	209,794		1,964,623	117,878
<b>Class 13 Subtotal</b>		<b>\$ 3,496,564</b>	<b>\$ 209,794</b>		<b>\$ 1,964,623</b>	<b>\$ 117,878</b>
<b>TOTAL</b>		<b>\$ 361,180,643</b>	<b>\$ 13,482,774</b>		<b>\$ 373,683,718</b>	<b>\$ 13,260,223</b>



# Toole County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	1,091	\$ 227,468	\$ 8,057	1,091	\$ 233,907	\$ 8,091
Tillable Non-Irrigated (3.543%, 3.46%)	671,798	101,341,766	3,590,544	670,660	101,491,730	3,511,598
Grazing (3.543%, 3.46%)	396,865	16,124,704	571,334	396,634	16,892,358	584,500
Wild Hay (3.543%, 3.46%)	5,521	1,412,672	50,053	5,521	1,442,309	49,903
Non-Qual Ag Land (24.801%, 24.22%)	4,591	173,010	42,909	4,511	179,714	43,524
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	1,079,866	\$ 119,279,620	\$ 4,262,897	1,078,417	\$ 120,240,018	\$ 4,197,616
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 76,949,518	\$ 2,726,412		\$ 79,397,934	\$ 2,747,175
Residential Low Income (varies)		1,331,581	25,665		1,220,382	21,937
Mobile Homes (3.543%, 3.46%)		1,295,495	45,902		1,311,385	45,374
Mobile Homes Low Income (varies)		15,430	353		28,080	594
Commercial (3.543%, 3.46%)		48,199,886	1,707,738		48,626,517	1,682,465
Industrial (3.543%, 3.46%)		6,482,675	229,679		6,449,847	223,166
New Manufacturing (varies)		670,231	11,870		667,029	11,540
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		844,909	18,811		840,873	18,288
Class 4 Subtotal		\$ 135,789,725	\$ 4,766,430		\$ 138,542,047	\$ 4,750,539
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 10,708,110	\$ 321,241		\$ 9,546,523	\$ 286,394
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 10,708,110	\$ 321,241		\$ 9,546,523	\$ 286,394
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 4,778,675	\$ 95,557		\$ 4,129,446	\$ 41,329
Lease and Rental Equipment (2%, 1%)		4,602	92		5,080	51
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 4,783,277	\$ 95,649		\$ 4,134,526	\$ 41,380
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 5,573,865	\$ 167,233		\$ 4,243,955	\$ 127,332
Farm Implements (3%)		21,098,504	632,954		20,698,255	620,950
Furniture and Fixtures (3%)		3,969,809	119,100		4,221,845	126,661
Other Business Equipment		6,979,068	209,413		6,024,726	180,769
Class 8 Subtotal		\$ 37,621,246	\$ 1,128,700		\$ 35,188,781	\$ 1,055,712
<b>CLASS 9</b>						
Utilities (12%)		\$ 16,073,953	\$ 1,928,874		\$ 18,017,849	\$ 2,162,140
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	0	\$ -	\$ -	-	\$ -	\$ -
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 29,621,898	\$ 1,247,082		\$ 29,990,574	\$ 1,205,621
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 29,621,898	\$ 1,247,082		\$ 29,990,574	\$ 1,205,621
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		2,193,369	131,601		3,235,019	194,102
Class 13 Subtotal		\$ 2,193,369	\$ 131,601		\$ 3,235,019	\$ 194,102
<b>TOTAL</b>		<u>\$ 356,071,198</u>	<u>\$ 13,882,474</u>		<u>\$ 358,895,337</u>	<u>\$ 13,893,504</u>

# Treasure County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	20,554	\$ 10,026,410	\$ 355,231	20,593	\$ 10,200,678	\$ 352,937
Tillable Non-Irrigated (3.543%, 3.46%)	17,059	2,481,714	87,929	17,045	2,484,199	85,947
Grazing (3.543%, 3.46%)	512,961	12,609,828	446,767	513,165	13,261,229	458,844
Wild Hay (3.543%, 3.46%)	456	161,789	5,733	456	164,851	5,702
Non-Qual Ag Land (24.801%, 24.22%)	387	14,791	3,669	387	15,434	3,739
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	551,417	\$ 25,294,532	\$ 899,329	551,647	\$ 26,126,391	\$ 907,169
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 8,913,539	\$ 315,892		\$ 9,135,461	\$ 316,074
Residential Low Income (varies)		133,707	2,443		120,177	2,089
Mobile Homes (3.543%, 3.46%)		950,652	33,685		1,046,399	36,204
Mobile Homes Low Income (varies)		2,353	42		2,504	43
Commercial (3.543%, 3.46%)		1,484,432	52,594		1,602,466	55,445
Industrial (3.543%, 3.46%)		358,743	12,710		350,158	12,115
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 11,843,426	\$ 417,366		\$ 12,257,165	\$ 421,970
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 3,008,042	\$ 90,241		\$ 2,847,433	\$ 85,423
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 3,008,042	\$ 90,241		\$ 2,847,433	\$ 85,423
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 6,248,726	\$ 124,959		\$ 5,965,054	\$ 59,679
Lease and Rental Equipment (2%, 1%)		38,803	776		36,704	367
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 6,287,529	\$ 125,735		\$ 6,001,758	\$ 60,046
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 569,147	\$ 17,080		\$ 607,806	\$ 18,239
Farm Implements (3%)		4,948,816	148,468		4,938,799	148,163
Furniture and Fixtures (3%)		508,886	15,267		460,193	13,807
Other Business Equipment		75,372	2,261		76,512	2,295
Class 8 Subtotal		\$ 6,102,221	\$ 183,076		\$ 6,083,310	\$ 182,504
<b>CLASS 9</b>						
Utilities (12%)		\$ 14,714,841	\$ 1,765,781		\$ 13,254,115	\$ 1,590,494
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	14,116	\$ 2,110,686	\$ 9,709	14,116	\$ 2,570,541	\$ 8,996
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 16,143,274	\$ 679,632		\$ 16,344,196	\$ 657,037
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 16,143,274	\$ 679,632		\$ 16,344,196	\$ 657,037
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		2,238,426	134,305		2,294,262	137,656
Class 13 Subtotal		\$ 2,238,426	\$ 134,305		\$ 2,294,262	\$ 137,656
<b>TOTAL</b>		<u>\$ 87,742,977</u>	<u>\$ 4,305,174</u>		<u>\$ 87,779,171</u>	<u>\$ 4,051,295</u>

# Valley County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	44,273	\$ 12,615,956	\$ 446,983	43,913	\$ 12,909,130	\$ 446,658
Tillable Non-Irrigated (3.543%, 3.46%)	657,918	86,405,736	3,061,282	657,948	86,538,089	2,994,207
Grazing (3.543%, 3.46%)	742,344	27,395,629	970,715	744,600	28,790,644	996,258
Wild Hay (3.543%, 3.46%)	8,342	1,297,729	45,981	8,342	1,326,924	45,917
Non-Qual Ag Land (24.801%, 24.22%)	3,333	123,591	30,651	3,334	129,031	31,247
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	1,456,210	\$ 127,838,641	\$ 4,555,612	1,458,137	\$ 129,693,818	\$ 4,514,287
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 111,345,080	\$ 3,945,260		\$ 112,149,298	\$ 3,880,182
Residential Low Income (varies)		1,106,765	21,310		1,442,064	27,897
Mobile Homes (3.543%, 3.46%)		2,255,476	79,909		2,473,720	85,588
Mobile Homes Low Income (varies)		71,999	1,488		47,663	936
Commercial (3.543%, 3.46%)		38,076,037	1,348,965		37,703,360	1,304,510
Industrial (3.543%, 3.46%)		2,371,067	84,006		2,502,230	86,577
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		266,530	4,721		266,275	4,607
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 155,492,954	\$ 5,485,659		\$ 156,584,610	\$ 5,390,297
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 9,973,243	\$ 299,195		\$ 10,223,371	\$ 306,699
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 9,973,243	\$ 299,195		\$ 10,223,371	\$ 306,699
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 15,685,605	\$ 313,676		\$ 16,309,255	\$ 163,182
Lease and Rental Equipment (2%, 1%)		2,733	55		14,178	142
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 15,688,338	\$ 313,731		\$ 16,323,433	\$ 163,304
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 3,143,004	\$ 94,296		\$ 4,561,115	\$ 136,839
Farm Implements (3%)		21,868,424	656,051		23,302,637	699,086
Furniture and Fixtures (3%)		4,773,504	143,206		4,809,089	144,286
Other Business Equipment		2,389,264	71,688		2,317,831	69,539
Class 8 Subtotal		\$ 32,174,196	\$ 965,241		\$ 34,990,672	\$ 1,049,750
<b>CLASS 9</b>						
Utilities (12%)		\$ 106,230,441	\$ 12,747,656		\$ 102,831,157	\$ 12,339,739
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	0	\$ -	\$ -	-	\$ -	\$ -
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 29,675,420	\$ 1,249,334		\$ 30,044,759	\$ 1,207,799
Airlines (4.21%, 4.02%)		98,354	4,141		183,001	7,357
Class 12 Subtotal		\$ 29,773,774	\$ 1,253,475		\$ 30,227,760	\$ 1,215,156
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		9,585,004	575,102		10,238,286	614,297
Class 13 Subtotal		\$ 9,585,004	\$ 575,102		\$ 10,238,286	\$ 614,297
<b>TOTAL</b>		<u>\$ 486,756,591</u>	<u>\$ 26,195,671</u>		<u>\$ 491,113,107</u>	<u>\$ 25,593,529</u>

# Wheatland County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	18,256	\$ 3,669,106	\$ 129,992	18,256	\$ 3,766,657	\$ 130,328
Tillable Non-Irrigated (3.543%, 3.46%)	97,206	13,224,613	468,547	97,621	13,319,952	460,872
Grazing (3.543%, 3.46%)	607,070	19,500,242	690,899	607,509	20,482,926	708,744
Wild Hay (3.543%, 3.46%)	18,786	3,650,808	129,347	18,756	3,727,750	128,985
Non-Qual Ag Land (24.801%, 24.22%)	4,158	158,755	39,359	4,397	175,207	42,437
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	745,477	\$ 40,203,524	\$ 1,458,144	746,540	\$ 41,472,492	\$ 1,471,366
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 29,802,530	\$ 1,055,951		\$ 31,292,073	\$ 1,082,722
Residential Low Income (varies)		775,292	15,396		696,295	13,525
Mobile Homes (3.543%, 3.46%)		409,219	14,498		459,534	15,899
Mobile Homes Low Income (varies)		23,153	574		55,306	1,339
Commercial (3.543%, 3.46%)		3,742,920	132,607		3,748,259	129,688
Industrial (3.543%, 3.46%)		889,201	31,503		876,467	30,326
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 35,642,315	\$ 1,250,529		\$ 37,127,934	\$ 1,273,499
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 907,116	\$ 27,214		\$ 973,720	\$ 29,213
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 907,116	\$ 27,214		\$ 973,720	\$ 29,213
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 9,358,640	\$ 187,156		\$ 9,002,734	\$ 90,064
Lease and Rental Equipment (2%, 1%)		2,670	53		2,993	30
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 9,361,310	\$ 187,209		\$ 9,005,727	\$ 90,094
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 1,055,026	\$ 31,655		\$ 999,971	\$ 30,004
Farm Implements (3%)		6,875,388	206,262		6,652,594	199,579
Furniture and Fixtures (3%)		898,350	26,951		750,896	22,528
Other Business Equipment		509,942	15,303		415,056	12,456
Class 8 Subtotal		\$ 9,338,706	\$ 280,171		\$ 8,818,517	\$ 264,567
<b>CLASS 9</b>						
Utilities (12%)		\$ 49,576,514	\$ 5,949,182		\$ 45,231,813	\$ 5,427,817
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	13,062	\$ 2,044,298	\$ 9,397	13,062	\$ 2,480,094	\$ 8,678
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 6,147,665	\$ 258,816		\$ 6,224,213	\$ 250,213
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 6,147,665	\$ 258,816		\$ 6,224,213	\$ 250,213
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		8,926,325	535,580		6,537,821	392,268
Class 13 Subtotal		\$ 8,926,325	\$ 535,580		\$ 6,537,821	\$ 392,268
<b>TOTAL</b>		<u>\$ 162,147,773</u>	<u>\$ 9,956,242</u>		<u>\$ 157,872,331</u>	<u>\$ 9,207,715</u>

# Wibaux County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	-	\$ -	\$ -	-	\$ -	\$ -
Tillable Non-Irrigated (3.543%, 3.46%)	129,035	18,037,392	639,072	128,994	18,064,452	625,032
Grazing (3.543%, 3.46%)	374,151	13,103,248	464,244	374,130	13,750,686	475,775
Wild Hay (3.543%, 3.46%)	-	-	-	-	-	-
Non-Qual Ag Land (24.801%, 24.22%)	336	12,892	3,196	395	15,744	3,813
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
Class 3 Subtotal	503,522	\$ 31,153,532	\$ 1,106,512	503,520	\$ 31,830,882	\$ 1,104,620
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 11,694,412	\$ 414,363		\$ 11,475,526	\$ 397,053
Residential Low Income (varies)		72,755	1,640		68,989	1,492
Mobile Homes (3.543%, 3.46%)		648,245	22,965		707,203	24,467
Mobile Homes Low Income (varies)		6,030	126		6,133	126
Commercial (3.543%, 3.46%)		2,157,839	76,451		2,123,322	73,467
Industrial (3.543%, 3.46%)		115,695	4,099		120,951	4,185
New Manufacturing (varies)		-	-		-	-
Qualified Golf Courses (1.855, 1.814%)		-	-		-	-
Remodeled Commercial (varies)		-	-		-	-
Class 4 Subtotal		\$ 14,694,976	\$ 519,644		\$ 14,502,124	\$ 500,790
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 3,731,199	\$ 111,936		\$ 3,632,700	\$ 108,982
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		-	-		-	-
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
Class 5 Subtotal		\$ 3,731,199	\$ 111,936		\$ 3,632,700	\$ 108,982
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 5,344,102	\$ 106,861		\$ 5,511,898	\$ 55,145
Lease and Rental Equipment (2%, 1%)		-	-		-	-
Canola Processing Equipment (2%, 1%)		-	-		-	-
Class 6 Subtotal		\$ 5,344,102	\$ 106,861		\$ 5,511,898	\$ 55,145
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 260,430	\$ 7,807		\$ 319,358	\$ 9,587
Farm Implements (3%)		5,061,151	151,837		5,230,846	156,928
Furniture and Fixtures (3%)		226,690	6,800		221,609	6,648
Other Business Equipment		3,810,634	114,318		3,820,519	114,619
Class 8 Subtotal		\$ 9,358,905	\$ 280,762		\$ 9,592,332	\$ 287,782
<b>CLASS 9</b>						
Utilities (12%)		\$ 3,721,297	\$ 446,555		\$ 3,368,313	\$ 404,198
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	0	\$ -	\$ -		\$ -	\$ -
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 6,391,729	\$ 269,091		\$ 6,471,280	\$ 260,145
Airlines (4.21%, 4.02%)		-	-		-	-
Class 12 Subtotal		\$ 6,391,729	\$ 269,091		\$ 6,471,280	\$ 260,145
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ -	\$ -		\$ -	\$ -
Telecommunication Property (6%)		1,064,620	63,877		1,234,828	74,089
Class 13 Subtotal		\$ 1,064,620	\$ 63,877		\$ 1,234,828	\$ 74,089
<b>TOTAL</b>		<u>\$ 75,460,360</u>	<u>\$ 2,905,238</u>		<u>\$ 76,144,357</u>	<u>\$ 2,795,751</u>

# Yellowstone County

Property Class	2001			2002		
	Acres	Assessed	Taxable	Acres	Assessed	Taxable
<b>CLASS 1</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 2</b>		\$ -	\$ -		\$ -	\$ -
<b>CLASS 3</b>						
Tillable Irrigated (3.543%, 3.46%)	69,222	\$ 34,097,415	\$ 1,208,079	68,924	\$ 34,625,524	\$ 1,198,054
Tillable Non-Irrigated (3.543%, 3.46%)	210,056	33,272,414	1,178,842	209,869	33,228,247	1,149,691
Grazing (3.543%, 3.46%)	973,515	28,098,064	995,560	970,253	29,362,592	1,016,030
Wild Hay (3.543%, 3.46%)	5,574	1,144,476	40,552	5,561	1,168,963	40,443
Non-Qual Ag Land (24.801%, 24.22%)	34,862	1,330,592	329,941	35,574	1,404,256	340,049
Eligible Mining Claims (3.543%, 3.46%)	-	-	-	-	-	-
<b>Class 3 Subtotal</b>	<b>1,293,229</b>	<b>\$ 97,942,961</b>	<b>\$ 3,752,974</b>	<b>1,290,181</b>	<b>\$ 99,789,582</b>	<b>\$ 3,744,267</b>
<b>CLASS 4</b>						
Residential (3.543%, 3.46%)		\$ 2,495,954,358	\$ 88,431,585		\$ 2,626,834,989	\$ 90,888,277
Residential Low Income (varies)		40,690,984	743,723		41,131,424	731,986
Mobile Homes (3.543%, 3.46%)		75,721,902	2,682,828		78,859,411	2,728,556
Mobile Homes Low Income (varies)		2,299,645	44,339		2,260,558	38,999
Commercial (3.543%, 3.46%)		1,170,740,736	41,479,224		1,224,345,431	42,362,292
Industrial (3.543%, 3.46%)		97,222,681	3,444,601		107,995,434	3,736,636
New Manufacturing (varies)		38,050,653	836,030		45,705,906	947,099
Qualified Golf Courses (1.855, 1.814%)		15,101,894	267,452		15,212,244	263,170
Remodeled Commercial (varies)		1,380,317	17,772		1,487,586	29,599
<b>Class 4 Subtotal</b>		<b>\$ 3,937,163,170</b>	<b>\$ 137,947,554</b>		<b>\$ 4,143,832,983</b>	<b>\$ 141,726,614</b>
<b>CLASS 5</b>						
Rural Electric and Telephone Co-Op (3%)		\$ 35,976,316	\$ 1,079,291		\$ 37,262,163	\$ 1,117,868
Qualified New Industrial (3%)		-	-		-	-
Pollution Control (3%)		165,544,079	4,913,470		153,786,346	4,613,590
Gasohol Related (3%)		-	-		-	-
Research and Development (0% to 3%)		-	-		-	-
Aluminum Electrolytic Equipment (3%)		-	-		-	-
<b>Class 5 Subtotal</b>		<b>\$ 201,520,395</b>	<b>\$ 5,992,761</b>		<b>\$ 191,048,509</b>	<b>\$ 5,731,458</b>
<b>CLASS 6</b>						
Livestock (2%, 1%)		\$ 16,690,888	\$ 333,678		\$ 16,176,177	\$ 162,274
Lease and Rental Equipment (2%, 1%)		1,379,737	27,594		1,553,033	15,530
Canola Processing Equipment (2%, 1%)		-	-		-	-
<b>Class 6 Subtotal</b>		<b>\$ 18,070,625</b>	<b>\$ 361,272</b>		<b>\$ 17,729,210</b>	<b>\$ 177,804</b>
<b>CLASS 7</b>						
Non-Centrally Assessed Public Util. (8%)		\$ -	\$ -		\$ -	\$ -
<b>CLASS 8</b>						
Machinery (3%)		\$ 402,034,030	\$ 11,429,088		\$ 413,164,932	\$ 12,101,046
Farm Implements (3%)		21,633,652	649,008		21,563,233	646,905
Furniture and Fixtures (3%)		152,685,352	4,580,585		163,897,399	4,916,967
Other Business Equipment		34,263,205	1,028,154		35,908,498	1,077,491
<b>Class 8 Subtotal</b>		<b>\$ 610,616,239</b>	<b>\$ 17,686,835</b>		<b>\$ 634,534,062</b>	<b>\$ 18,742,409</b>
<b>CLASS 9</b>						
Utilities (12%)		\$ 188,818,746	\$ 22,658,250		\$ 173,376,216	\$ 20,805,148
<b>CLASS 10</b>						
Timber Land (0.46%, 0.35%)	32,720	\$ 4,882,248	\$ 22,445	32,670	\$ 5,941,140	\$ 20,791
<b>CLASS 12</b>						
Railroads (4.21%, 4.02%)		\$ 95,132,117	\$ 4,005,064		\$ 94,704,564	\$ 3,807,123
Airlines (4.21%, 4.02%)		44,680,738	1,881,059		42,491,305	1,708,151
<b>Class 12 Subtotal</b>		<b>\$ 139,812,855</b>	<b>\$ 5,886,123</b>		<b>\$ 137,195,869</b>	<b>\$ 5,515,274</b>
<b>CLASS 13</b>						
Electrical Generation Property (6%)		\$ 47,386,795	\$ 2,843,209		\$ 55,550,663	\$ 3,333,040
Telecommunication Property (6%)		101,903,584	6,114,214		104,582,829	6,274,971
<b>Class 13 Subtotal</b>		<b>\$ 149,290,379</b>	<b>\$ 8,957,423</b>		<b>\$ 160,133,492</b>	<b>\$ 9,608,011</b>
<b>TOTAL</b>		<b>\$ 5,348,117,618</b>	<b>\$ 203,265,637</b>		<b>\$ 5,563,581,063</b>	<b>\$ 206,071,776</b>

### Taxable Value By County, By Property Class - Tax Year 2001

County	Class 1	Class 2	Class 3	Class 4		Subtotal	Class 5
				Residential	Commercial		
Beaverhead	0	0	2,849,309	6,674,887	2,162,192	8,837,079	457,974
Big Horn	0	0	3,635,331	3,214,772	3,685,933	6,900,705	718,765
Blaine	0	0	4,006,489	1,988,024	499,697	2,487,721	255,489
Broadwater	129,959	236,165	1,127,429	2,895,000	627,738	3,522,738	80,690
Carbon	331,549	0	2,300,408	11,089,023	1,952,699	13,041,722	200,981
Carter	5,044,216	0	2,165,634	548,526	58,638	607,164	81,166
Cascade	0	0	4,729,766	50,224,089	23,377,656	73,601,745	474,937
Chouteau	0	0	9,024,407	3,447,781	617,027	4,064,808	294,831
Custer	0	0	2,641,989	5,220,347	2,241,987	7,462,334	138,662
Daniels	0	0	2,258,924	979,018	218,199	1,197,217	133,556
Dawson	0	0	3,156,830	3,821,003	1,148,721	4,969,724	478,089
Deer Lodge	0	0	400,865	4,824,782	1,148,344	5,973,126	125,509
Fallon	0	0	1,455,852	1,115,297	385,501	1,500,798	169,763
Fergus	0	0	5,588,420	7,111,372	1,759,420	8,870,792	339,783
Flathead	0	0	1,459,682	87,410,434	27,032,540	114,442,974	3,590,939
Gallatin	15,805	0	2,832,448	73,762,518	28,160,740	101,923,258	396,252
Garfield	0	0	3,288,339	696,135	73,904	770,039	192,410
Glacier	0	0	2,616,320	3,235,198	1,681,573	4,916,771	838,022
Golden Valley	0	0	1,213,109	542,320	59,177	601,497	92,947
Granite	0	0	694,089	2,877,166	422,140	3,299,306	23,728
Hill	0	0	6,132,020	8,365,664	3,075,695	11,441,359	526,100
Jefferson	17,447	2,622,666	914,179	8,201,371	1,509,400	9,710,771	482,617
Judith Basin	0	0	2,838,536	1,430,553	333,369	1,763,922	80,752
Lake	0	0	1,426,411	30,467,931	4,646,095	35,114,026	431,074
Lewis And Clark	0	0	1,975,607	42,224,254	18,835,620	61,059,874	614,626
Liberty	0	0	3,209,240	1,486,572	277,401	1,763,973	156,856
Lincoln	0	0	265,033	14,393,530	3,072,582	17,466,112	1,437,374
Madison	2,303,525	0	2,528,926	13,101,410	2,921,614	16,023,024	385,321
McCone	0	0	3,409,722	980,236	177,255	1,157,491	351,702
Meagher	0	2,543	1,611,129	1,623,143	310,978	1,934,121	12,361
Mineral	0	0	86,847	2,648,005	801,390	3,449,395	36,352
Missoula	0	0	657,867	77,339,169	40,886,985	118,226,154	1,298,400
Musselshell	0	0	1,714,532	2,167,332	362,141	2,529,473	380,075
Park	0	0	1,734,583	15,655,245	4,397,160	20,052,405	317,999
Petroleum	0	0	998,991	290,818	24,086	314,904	110,460
Phillips	0	4,992	3,698,046	2,021,166	624,212	2,645,378	242,729
Pondera	0	0	3,904,848	3,329,728	1,073,915	4,403,643	334,239
Powder River	0	0	2,005,660	829,237	135,004	964,241	235,113
Powell	0	0	1,228,354	3,559,988	802,188	4,362,176	200,596
Prairie	0	0	1,171,647	450,754	85,766	536,520	96,254
Ravalli	0	0	1,110,325	36,597,357	6,858,336	43,455,693	526,929
Richland	0	0	3,606,705	4,438,265	1,838,701	6,276,966	614,274
Roosevelt	0	0	3,462,889	2,281,933	926,281	3,208,214	215,529
Rosebud	0	0	3,280,538	2,745,186	2,128,188	4,873,374	8,210,716
Sanders	0	0	668,061	8,064,733	1,568,508	9,633,241	195,965
Sheridan	0	0	3,285,537	1,881,913	581,304	2,463,217	180,854
Silver Bow	0	1,502,702	382,541	19,535,609	12,249,978	31,785,587	684,242
Stillwater	0	6,646,285	2,342,334	7,330,535	1,866,875	9,197,410	404,817
Sweet Grass	0	0	1,512,960	3,314,891	884,260	4,199,151	264,527
Teton	0	0	4,412,230	3,888,302	823,525	4,711,827	675,892
Toole	0	0	4,262,897	2,798,332	1,968,098	4,766,430	321,241
Treasure	0	0	899,329	352,062	65,304	417,366	90,241
Valley	0	0	4,555,612	4,047,967	1,437,692	5,485,659	299,195
Wheatland	0	0	1,458,144	1,086,419	164,110	1,250,529	27,214
Wibaux	0	0	1,106,512	439,094	80,550	519,644	111,936
Yellowstone	0	0	3,752,974	91,902,475	46,045,079	137,947,554	5,992,761
<b>Total</b>	<b>7,842,501</b>	<b>11,015,353</b>	<b>139,057,406</b>	<b>692,948,871</b>	<b>261,153,471</b>	<b>954,102,342</b>	<b>35,631,826</b>

**Taxable Value By County, By Property Class - Tax Year 2001** *continued*

<u>County</u>	<u>Class 6</u>	<u>Class 7</u>	<u>Class 8</u>	<u>Class 9</u>	<u>Class 10</u>	<u>Class 12</u>	<u>Class 13</u>	<u>Grand Total</u>
Beaverhead	592,344	0	1,445,390	1,213,844	32,059	259,475	205,374	15,892,848
Big Horn	459,338	0	3,523,707	3,417,213	52,049	931,447	142,727	19,781,282
Blaine	362,242	0	1,030,621	2,603,755	2,037	898,111	140,635	11,787,100
Broadwater	117,744	0	819,737	2,870,241	38,871	545,828	476,273	9,965,675
Carbon	250,370	0	727,753	6,147,951	8,946	480,370	631,625	24,121,675
Carter	359,350	0	415,761	737,701	14,849	0	0	9,425,841
Cascade	369,847	181,473	5,338,361	8,434,044	64,492	2,246,826	13,949,601	109,391,092
Chouteau	225,741	0	1,605,879	5,276,904	11,430	361,450	310,625	21,176,075
Custer	343,751	0	818,932	1,317,186	25,940	790,614	632,336	14,171,744
Daniels	99,730	0	523,585	91,197	0	209,063	283,419	4,796,691
Dawson	208,761	0	943,393	2,586,333	0	1,635,043	718,094	14,696,267
Deer Lodge	37,027	0	282,042	1,606,060	112,504	18,365	346,856	8,902,354
Fallon	204,247	0	1,482,857	5,578,541	412	356,625	0	10,749,095
Fergus	554,978	0	1,438,577	3,300,168	87,993	302,099	491,602	20,974,412
Flathead	155,424	0	6,881,309	4,207,454	1,439,461	2,315,056	3,694,606	138,186,905
Gallatin	301,246	0	5,877,169	7,984,713	259,711	1,765,618	3,209,601	124,565,821
Garfield	337,463	0	341,500	0	314	0	0	4,930,065
Glacier	146,625	7,568	946,989	6,005,286	4,355	1,115,982	796,636	17,394,554
Golden Valley	90,866	0	130,200	3,059,577	7,933	336,554	89,202	5,621,885
Granite	127,997	0	395,722	2,228,414	297,691	699,433	360,381	8,126,761
Hill	153,907	0	1,704,483	4,999,863	4,317	2,487,975	334,770	27,784,794
Jefferson	122,028	0	1,740,230	3,313,514	44,601	653,935	647,204	20,269,192
Judith Basin	295,261	0	455,481	4,479,187	11,097	783,277	558,653	11,266,166
Lake	263,339	0	2,995,575	295,811	309,786	537,884	3,607,922	44,981,828
Lewis And Clark	213,487	0	3,414,299	7,975,444	230,070	1,337,822	6,647,525	83,468,754
Liberty	79,728	0	744,668	506,210	0	431,150	1,092	6,892,917
Lincoln	47,475	0	1,515,293	0	1,314,514	2,022,005	787,586	24,855,392
Madison	422,987	0	1,599,908	2,433,769	122,458	495,044	435,918	26,750,880
McCone	193,751	0	632,269	164,106	0	130,882	6,626	6,046,549
Meagher	227,673	0	393,619	3,404,850	175,552	0	212,524	7,974,372
Mineral	10,580	0	296,012	2,828,153	223,971	664,503	359,222	7,955,035
Missoula	110,712	0	9,727,525	10,516,832	1,190,151	2,395,966	4,497,180	148,620,787
Musselshell	171,215	0	349,790	1,507,919	105,697	0	0	6,758,701
Park	226,518	0	976,958	3,666,906	236,689	644,403	849,606	28,706,067
Petroleum	145,442	0	127,161	0	1,436	0	0	1,698,394
Phillips	416,496	0	784,582	6,198,763	890	848,281	244,700	15,084,857
Pondera	146,859	0	1,043,131	2,539,868	1,896	519,947	344,508	13,238,939
Powder River	385,518	0	421,837	318,652	11,906	0	69	4,342,996
Powell	215,899	0	576,048	3,074,167	497,432	669,343	488,283	11,312,298
Prairie	182,110	0	269,910	379,229	298	769,601	153,223	3,558,792
Ravalli	236,080	0	1,541,089	2,467,500	177,449	577,598	1,233,046	51,325,709
Richland	194,848	0	1,986,943	1,891,160	0	424,642	1,002,454	15,997,992
Roosevelt	124,049	0	1,125,970	14,995,253	0	1,757,903	557,411	25,447,218
Rosebud	337,687	0	4,005,248	4,535,955	30,758	1,081,086	72,137,805	98,493,167
Sanders	118,968	0	693,771	3,414,281	855,504	1,816,653	9,524,443	26,920,887
Sheridan	119,563	0	1,311,488	388,784	0	533,203	122,408	8,405,054
Silver Bow	37,299	0	13,094,719	10,075,405	25,171	527,356	1,696,659	59,811,681
Stillwater	240,676	0	5,056,618	6,573,114	45,622	491,127	677,447	31,675,450
Sweet Grass	234,928	0	1,622,456	1,256,854	58,587	485,196	272,536	9,907,195
Teton	248,446	0	903,489	1,591,338	20,338	709,420	209,794	13,482,774
Toole	95,649	0	1,128,700	1,928,874	0	1,247,082	131,601	13,882,474
Treasure	125,735	0	183,076	1,765,781	9,709	679,632	134,305	4,305,174
Valley	313,731	0	965,241	12,747,656	0	1,253,475	575,102	26,195,671
Wheatland	187,209	0	280,171	5,949,182	9,397	258,816	535,580	9,956,242
Wibaux	106,861	0	280,762	446,555	0	269,091	63,877	2,905,238
Yellowstone	361,272	0	17,686,835	22,658,250	22,445	5,886,123	8,957,423	203,265,637
<b>Total</b>	<b><u>12,459,077</u></b>	<b><u>189,041</u></b>	<b><u>116,604,839</u></b>	<b><u>219,955,767</u></b>	<b><u>8,198,788</u></b>	<b><u>48,658,380</u></b>	<b><u>144,488,095</u></b>	<b><u>1,698,203,415</u></b>



### Taxable Value By County, By Property Class - Tax Year 2002

County	Class 1	Class 2	Class 3	Class 4		Subtotal	Class 5
				Residential	Commercial		
Beaverhead	0	0	2,900,768	7,001,017	2,319,348	9,320,365	457,678
Big Horn	0	0	3,655,998	3,261,995	3,665,335	6,927,330	693,873
Blaine	0	0	4,006,128	1,929,247	503,425	2,432,672	278,301
Broadwater	123,996	21,327	1,127,432	3,059,093	627,558	3,686,651	89,617
Carbon	234,785	0	2,318,950	11,809,736	2,006,908	13,816,644	199,462
Carter	5,992,443	0	2,198,068	526,151	57,796	583,947	84,622
Cascade	0	0	4,708,025	50,909,799	23,925,467	74,835,266	471,504
Chouteau	0	0	8,881,106	3,470,474	600,681	4,071,155	308,808
Custer	0	0	2,679,016	5,263,393	2,222,022	7,485,415	171,898
Daniels	0	0	2,227,315	948,624	231,526	1,180,150	124,790
Dawson	0	0	3,144,933	3,824,585	1,140,537	4,965,122	501,087
Deer Lodge	0	0	408,338	4,936,532	1,150,955	6,087,487	83,894
Fallon	0	0	1,460,721	1,059,671	387,381	1,447,052	170,096
Fergus	0	0	5,576,228	7,415,814	1,758,800	9,174,614	370,051
Fiathead	0	0	1,446,415	93,900,575	27,925,224	121,825,799	3,429,686
Gallatin	0	0	2,897,044	81,045,741	31,068,054	112,113,795	382,821
Garfield	0	0	3,320,431	678,574	72,556	751,130	200,541
Glacier	0	0	2,590,491	3,267,780	1,688,034	4,955,814	820,227
Golden Valley	0	0	1,216,498	545,667	56,620	602,287	95,565
Granite	0	0	702,479	3,085,986	434,666	3,520,652	25,060
Hill	0	0	6,022,483	8,312,205	3,066,193	11,378,398	648,887
Jefferson	4,981	2,584,608	927,643	8,689,743	1,572,955	10,262,698	256,828
Judith Basin	0	0	2,813,949	1,446,676	301,445	1,748,121	81,679
Lake	0	0	1,432,197	35,872,112	4,807,186	40,679,298	427,470
Lewis And Clark	0	18	2,001,191	43,827,062	19,947,765	63,774,827	478,134
Liberty	0	0	3,154,866	1,458,867	270,496	1,729,363	179,581
Lincoln	0	0	266,481	15,229,225	3,045,918	18,275,143	1,376,017
Madison	2,335,197	0	2,570,745	14,019,300	3,288,655	17,307,955	409,457
Mccone	0	0	3,378,514	941,202	176,753	1,117,955	377,703
Meagher	0	0	1,633,514	1,685,632	303,521	1,989,153	15,994
Mineral	0	0	85,980	2,750,304	834,249	3,584,553	36,638
Missoula	0	0	663,840	82,242,402	42,923,630	125,166,032	1,358,883
Musselshell	0	0	1,727,530	2,197,261	345,779	2,543,040	413,581
Park	0	0	1,768,115	17,086,212	4,485,000	21,571,212	309,685
Petroleum	0	0	1,010,525	306,394	22,698	329,092	113,817
Phillips	0	0	3,695,696	1,968,642	608,541	2,577,183	236,489
Pondera	0	0	3,856,196	3,367,933	1,045,389	4,413,322	355,489
Powder River	0	0	2,028,734	803,809	135,141	938,950	225,581
Powell	0	0	1,243,608	3,638,127	872,795	4,510,922	218,781
Prairie	0	0	1,173,390	442,782	82,884	525,666	97,952
Ravalli	0	0	1,117,584	39,550,716	7,109,377	46,660,993	526,444
Richland	0	0	3,592,974	4,347,649	1,719,993	6,067,642	672,532
Roosevelt	0	0	3,431,457	2,196,469	928,899	3,125,368	218,448
Rosebud	0	0	3,316,458	2,692,279	2,011,535	4,703,814	8,451,692
Sanders	0	0	674,886	8,547,735	1,663,509	10,211,244	202,014
Sheridan	0	0	3,240,869	1,839,307	561,270	2,400,577	177,772
Silver Bow	0	0	388,740	19,706,978	12,448,302	32,155,280	641,079
Stillwater	0	7,810,456	2,366,312	7,739,876	1,930,548	9,670,424	405,301
Sweet Grass	0	252,912	1,534,069	3,682,994	1,012,643	4,695,637	305,946
Teton	0	0	4,375,840	4,052,610	861,314	4,913,924	654,574
Toole	0	0	4,197,616	2,815,080	1,935,459	4,750,539	286,394
Treasure	0	0	907,169	354,410	67,560	421,970	85,423
Valley	0	0	4,514,287	3,994,603	1,395,694	5,390,297	306,699
Wheatland	0	0	1,471,366	1,113,485	160,014	1,273,499	29,213
Wibaux	0	0	1,104,620	423,138	77,652	500,790	108,982
Yellowstone	0	0	3,744,267	94,387,818	47,338,796	141,726,614	5,731,458
<b>Total</b>	<b>8,691,402</b>	<b>10,669,321</b>	<b>138,900,095</b>	<b>731,671,491</b>	<b>271,202,451</b>	<b>1,002,873,942</b>	<b>35,382,198</b>

**Taxable Value By County, By Property Class - Tax Year 2002** *continued*

<u>County</u>	<u>Class 6</u>	<u>Class 7</u>	<u>Class 8</u>	<u>Class 9</u>	<u>Class 10</u>	<u>Class 12</u>	<u>Class 13</u>	<u>Grand Total</u>
Beaverhead	293,436	0	1,461,367	1,121,695	28,056	271,481	190,184	16,045,030
Big Horn	240,339	0	3,414,022	3,485,269	48,357	900,479	146,951	19,512,618
Blaine	162,563	0	992,259	2,591,933	1,894	871,317	129,485	11,466,552
Broadwater	61,217	0	759,692	2,752,041	34,223	534,495	362,334	9,553,025
Carbon	123,244	0	741,907	5,855,726	8,324	464,401	498,432	24,261,875
Carter	186,699	0	526,093	645,340	13,764	0	0	10,230,976
Cascade	169,171	208,938	5,503,638	7,692,557	56,756	2,185,412	13,372,992	109,204,259
Chouteau	106,457	0	1,549,884	4,818,490	10,578	347,845	315,081	20,409,404
Custer	184,467	0	807,291	1,316,233	24,004	758,978	595,326	14,022,628
Daniels	51,707	0	547,664	71,578	0	204,479	261,048	4,668,731
Dawson	111,073	0	984,100	2,600,844	0	1,581,426	668,146	14,556,731
Deer Lodge	17,659	0	296,596	1,489,023	82,771	16,040	305,601	8,787,409
Fallon	112,490	0	1,599,800	4,719,101	384	344,768	12,303	9,866,715
Fergus	266,768	0	1,476,198	3,731,774	81,580	286,523	458,492	21,422,228
Flathead	75,525	0	7,664,745	3,335,347	1,248,497	2,241,778	3,544,316	144,812,108
Gallatin	153,230	0	6,278,586	7,048,045	226,118	1,636,490	3,242,446	133,978,575
Garfield	171,947	0	357,354	0	292	0	0	4,801,695
Glacier	72,380	7,476	846,472	5,905,856	3,976	1,084,420	359,824	16,646,936
Golden Valley	42,624	0	128,284	2,806,491	7,309	325,365	66,529	5,290,952
Granite	66,718	0	380,534	2,133,112	262,368	680,003	424,651	8,195,577
Hill	63,403	0	1,743,722	4,568,853	4,005	2,411,665	297,176	27,138,592
Jefferson	59,467	0	1,333,523	3,185,676	38,984	633,719	374,802	19,662,929
Judith Basin	135,556	0	472,453	4,021,284	10,265	755,968	342,946	10,382,221
Lake	126,809	0	2,467,696	285,371	274,744	521,432	3,512,014	49,727,031
Lewis And Clark	109,135	0	3,425,667	7,526,525	201,995	1,261,412	6,176,068	84,954,972
Liberty	37,184	0	843,051	540,259	0	416,816	2,913	6,904,033
Lincoln	22,085	0	1,420,119	0	1,140,918	1,954,779	792,262	25,247,804
Madison	210,485	0	1,742,360	2,259,016	103,840	481,522	487,404	27,907,981
McCone	103,390	0	633,384	171,833	0	126,531	6,858	5,916,168
Meagher	115,193	0	437,984	3,209,311	154,059	0	196,896	7,752,104
Mineral	5,141	0	242,930	2,728,425	196,985	644,309	429,006	7,953,967
Missoula	54,232	0	9,918,437	9,887,964	1,047,762	2,155,852	4,412,761	154,665,763
Musselshell	79,675	0	359,810	1,346,070	98,297	0	0	6,568,003
Park	108,801	0	999,068	3,424,295	208,775	630,540	860,682	29,881,173
Petroleum	62,282	0	119,697	0	1,334	0	0	1,636,747
Phillips	197,412	0	734,981	6,194,979	1,025	820,081	229,487	14,687,333
Pondera	68,356	0	1,047,664	2,167,383	1,671	502,661	170,877	12,583,619
Powder River	192,313	0	460,998	307,738	11,058	0	793	4,166,165
Powell	104,284	0	621,275	2,910,470	433,963	646,587	521,310	11,211,200
Prairie	94,090	0	295,056	305,725	279	744,016	123,211	3,359,385
Ravalli	115,924	0	1,783,672	2,290,331	155,821	559,996	1,109,699	54,319,564
Richland	103,447	0	1,891,651	1,777,312	0	412,152	812,783	15,330,493
Roosevelt	69,882	0	1,130,002	14,420,610	0	1,706,199	581,281	24,683,247
Rosebud	175,571	0	3,470,308	4,298,788	28,541	1,045,144	67,299,473	92,789,789
Sanders	60,659	0	635,692	3,454,625	743,120	1,763,775	9,639,360	27,385,375
Sheridan	66,857	0	1,290,996	332,505	0	532,301	128,970	8,170,847
Silver Bow	19,118	0	12,261,175	9,328,633	21,817	489,449	1,649,896	56,955,187
Stillwater	108,769	0	4,891,882	6,007,379	41,583	476,184	630,542	32,408,832
Sweet Grass	109,845	0	2,790,993	1,178,363	53,772	470,410	302,935	11,694,882
Teton	130,385	0	983,470	1,380,409	17,910	685,833	117,878	13,260,223
Toole	41,380	0	1,055,712	2,162,140	0	1,205,621	194,102	13,893,504
Treasure	60,046	0	182,504	1,590,494	8,996	657,037	137,656	4,051,295
Valley	163,304	0	1,049,750	12,339,739	0	1,215,156	614,297	25,593,529
Wheatland	90,094	0	264,567	5,427,817	8,678	250,213	392,268	9,207,715
Wibaux	55,145	0	287,782	404,198	0	260,145	74,089	2,795,751
Yellowstone	177,804	0	18,742,409	20,805,148	20,791	5,515,274	9,608,011	206,071,776
<b><u>6,167,237</u></b>	<b><u>216,414</u></b>	<b><u>118,348,926</u></b>	<b><u>206,360,123</u></b>	<b><u>7,170,239</u></b>	<b><u>46,688,479</u></b>	<b><u>137,184,847</u></b>	<b><u>1,718,653,223</u></b>	

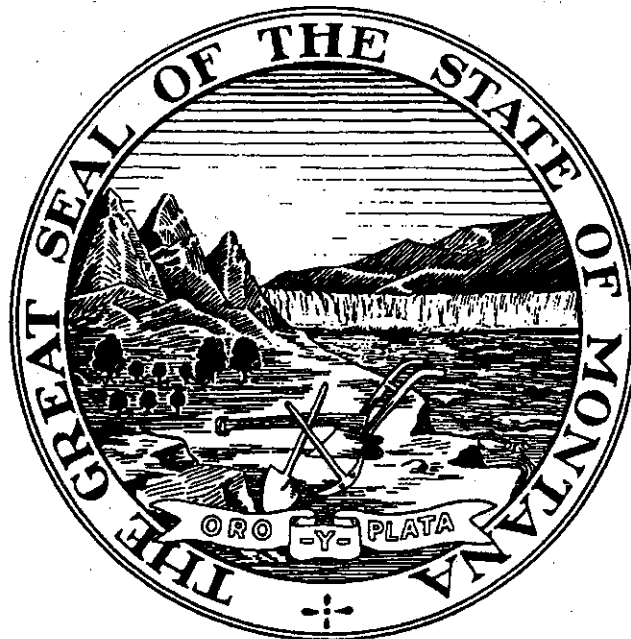


# TAX EXPENDITURE REPORT

of the

## Montana Department of Revenue

July 1, 2000 to June 30, 2002



# Introduction To Tax Expenditures

This introductory section discusses the tax expenditure concept, the purpose of tax expenditure reporting, methods used in measuring tax expenditures, caveats in the use of tax expenditure estimates, and the history of tax expenditure reporting.

House Bill 387, passed by the Fiftieth Legislature (1987), amended MCA 15-1-205 by suggesting that the Department of Revenue supplement its Biennial Report with estimates of revenue losses attributed to certain deductions, exclusions, credits, and other preferential tax treatment of income or property.

## The Tax Expenditure Concept

Tax expenditures are defined as provisions of the tax code that provide for special exclusions, exemptions, deductions, credits, deferrals, or preferential tax rates that result in foregone revenue.

The purpose of tax expenditures is to provide financial assistance to certain groups of taxpayers, or to provide an economic incentive that encourages specific taxpayer behavior. One example of a tax expenditure designed to provide financial assistance is the additional personal exemption allowed the blind and/or elderly. On the other hand, the deduction allowed homeowners for mortgage interest may be viewed as an inducement to encourage home ownership. In both cases, the same objectives could be met through direct government spending programs that subsidize certain individuals on the basis of specific characteristics or behavior.

Generally, state tax expenditure reports do not include provisions of tax law that lie beyond the state's legal jurisdiction. For example, federal statutes and court rulings prohibit states from taxing certain railroad retirement benefits, and income earned by Indians on reservations. Tax law provisions of this nature are not reported here.

At the state level, tax expenditures may be "passive" or "non-passive" in nature. Passive tax expenditures occur when a state ties its tax code to the federal tax code in a manner that allows for the automatic incorporation of federal changes into state law.

For example, for state income tax purposes the starting point for determining Montana taxable income is federal adjusted gross income (FAGI). By starting with FAGI, Montana automatically incorporates the exclusions (e.g., employee fringe benefits) and deductions (e.g., IRAs) used in arriving at FAGI. These exclusions and deductions constitute passive tax expenditures at the state level. For informational purposes, Appendix B provides an estimate of the state tax expenditure for these items.

Tax expenditures arise as a consequence of deviations from the "normal" tax structure. There is no general consensus regarding what constitutes a normal income tax structure. However, there are a few tax provisions that are generally agreed upon to be components of the normal tax structure, and consequently are not considered tax expenditures here as well. These items include:

- 1) the standard deduction,
- 2) the personal exemption allowed each taxpayer and each dependent,
- 3) the progressive rate structure based on ability to pay, and
- 4) the deduction for costs incurred in producing income.

Other provisions which remain the subjects of vigorous debate, but which nevertheless are considered by most to be components of the normal tax structure, include:

- 1) unrealized appreciation in asset values,
- 2) imputed income from homes and other assets, and
- 3) indexing the tax structure for inflation.

In Montana, two-earner married households are allowed the option of filing separate tax returns without having to use a separate tax table for this form of filing. Given the relatively few states that still allow this option, this is now considered to be a tax expenditure item for Montana.

In addition to the rate table advantage, married couples who file separately may allocate certain items of income in a manner advantageous to reducing their tax liability.

The following table shows the estimated revenue loss attributable to this expenditure item for tax years 1996 through 2001, and the projected tax expenditure for fiscal years 2004 and 2005

Married Filing Separately Tax Expenditure	
Year	Tax Expenditure
Tax Year 1996 Actual	\$ 42,000,000
Tax Year 1997 Actual	\$ 43,089,000
Tax Year 1998 Actual	\$ 47,451,000
Tax Year 1999 Actual	\$ 51,830,000
Tax Year 2000 Actual	\$ 58,752,000
Tax Year 2001 Actual	\$ 53,121,000
Tax Year 2004 Projected	\$ 59,074,000
Tax Year 2005 Projected	\$ 61,436,000

### The Purpose of Tax Expenditure Reporting

The objective of tax expenditure reporting is to provide information useful to the Governor and the Legislature for developing tax policy. Clear information on the costs of tax deductions and exemptions is as important as accurate data on costs of government services. Every effort was made to produce as comprehensive, detailed, and accurate a report as possible. The report encompasses changes in tax law through the Fifty-Seventh Montana Legislature (including special sessions).

Once every two years the Montana Legislature convenes in regular session to fulfill its responsibilities in the functioning of state government. Basic responsibilities include the review of past budgets associated with alternative government spending programs, a determination of the appropriateness of continuing these programs, the budgeting of program expenditure levels for coming years, and the appropriation of funds needed to finance continued and additional programs.

In this review process, most state legislatures (Montana's included) often overlook a major component of government finance. This component consists of the reductions in state revenue attributable to deductions, exclusions, credits, and other preferential treatment in the tax code. In effect, the specific deductions, exclusions, credits, and other preferential items currently in tax codes represent indirect government spending programs in the sense that these same preferences result in foregone revenue that otherwise would have been available for direct expenditure programs. Hence, these items are commonly referred to as "tax expenditures."

## Measuring Tax Expenditures

Two methods were used to estimate the value of tax expenditures in this report. The first method, used to estimate passive (federal) provisions of the individual income and corporation license tax, allocates a portion of national estimates to Montana. Every year the federal Joint Committee on Taxation publishes its estimates of federal individual and corporate income tax expenditures for selected fiscal years. These estimates can then be allocated to states on the basis of relative tax base and tax rates at the national and state level.

Although this method is used by most states for deriving at least some of their tax expenditure estimates, it is also recognized as being a relatively crude estimating technique. For the individual income tax, it assumes that Montana's demographic characteristics (e.g., age and income distributions) and mix of industries are the same as those of the nation, and that Montana's consumption and expenditure patterns parallel those nationally. Obviously, this is an oversimplification. This simple approach may result in an understatement of tax expenditures for industries like agriculture and mining, which are more important to Montana's economy than to the U.S. economy.

The second method uses actual data available at the state level together with computer simulation modeling to produce much more reliable estimates of the impacts of certain tax expenditure items. This method was used to derive the estimates for Montana-specific reductions to income, itemized deductions, and credits for the individual income tax; credits for the corporation license tax; and all expenditure items reported for natural resources and property tax.

## Using Tax Expenditures - Some Caveats

In most cases, tax expenditure estimates should be viewed as a measure of the amount of relief, assistance, or subsidy currently being provided through tax codes, and not necessarily as the amount of revenue that would be gained by repealing expenditure provisions of tax law. There are several reasons for this.

First, estimates of tax expenditures are made in the absence of any assumptions regarding policy responses. For example, employer contributions for medical insurance premiums and medical care are currently excluded from the employee's reported income. Some may view the tax expenditure associated with this item as a measure of the revenue that would be gained by requiring employees to include this contribution in their incomes. However, in keeping with current policy, employees who itemize deductions might be allowed to include all or part of this contribution in their personal deduction for medical expense if this exclusion were repealed. A policy response of this nature would reduce the tax expenditure associated with this item considerably.

Second, tax expenditures are not additive. In other words, the revenue effect of rescinding all tax expenditure items cannot be estimated simply by adding the tax expenditures associated with each individual tax expenditure item. This is because many of the tax expenditure items are interrelated, and a simple sum of tax expenditures estimated in isolation does not take into account these interaction effects. Furthermore, because each tax expenditure is measured in isolation, a simple summing of tax expenditures will bias the total effect downwards in the presence of a progressive tax rate schedule, such as the one used in Montana. If all tax expenditures were eliminated simultaneously, taxable incomes would rise much higher than if a single expenditure provision were eliminated, subjecting taxable incomes to higher marginal tax rates.

Third, tax expenditure estimates do not take into consideration taxpayer behavioral responses. For example, it is quite conceivable that eliminating the deduction for charitable contributions would substantially reduce the number and size of these contributions. Taxpayers may funnel these funds into other tax saving devices, thereby reducing the revenue gain estimated in the absence of any behavioral response.

Given these considerations, users should view tax expenditure estimates more as a measure of the amount of relief currently being provided, rather than as a measure of the revenue that could be generated from repealing the associated tax provision.

## **Tax Expenditure Reporting**

Tax expenditure reporting and tax expenditure budgets are a relatively recent phenomenon. The earliest record of reporting government subsidies administered through the tax code is in the Federal Republic of Germany, in 1959.

In the U.S., the pioneering work of Stanley Surrey led to the first federal tax expenditure budget, prepared by the Department of Treasury, in 1967. In 1971, California became the first state to adopt legislation requiring tax expenditure reports. California was followed by Wisconsin in 1973, and by Maryland and North Carolina in 1975. Today, at least half the states regularly publish comprehensive or partial tax expenditure reports.

In almost all cases, tax expenditure reports and budgets are prepared in response to a statutory requirement. Usually, the statutes spell out the type of information the report is to contain, and the time period to be covered.

HB387, passed during the 1987 regular session, provides that the Department of Revenue's Biennial Report *may* include specified information relating to tax expenditures. The bill did not contemplate a specific time period for these expenditures. However, the bill did specify that the report may include tax expenditures attributable to:

1. personal income and corporation license tax exemptions,
2. property tax exemptions for which application to the department or its agent is necessary,
3. deferrals of income,
4. credits allowed against Montana personal income tax or Montana corporation license tax,
5. deductions of income, and
6. any other identifiable preferential treatment of income or property.

In addition, the department was directed to provide:

1. distributions of tax expenditures across age and income brackets, whenever available,
2. any known purpose for the preferential treatment, and an outline of available data necessary to determine the effectiveness of the preference, and
3. similar information from other states, if available.

## **Concluding Remarks**

Although a relatively recent phenomenon, tax expenditure reporting and tax expenditure budgets are becoming more and more prevalent at the state level. As states adopt tax expenditure reporting, legislators and administrators would be well advised to keep the limitations of tax expenditure reports in perspective. Tax expenditure estimates are not estimates of the amount of revenue that would be generated by repealing the associated tax provision, but rather estimates of the amount of relief currently being provided through the tax code. These estimates are subject to several methodological ambiguities, and in some cases severe data limitations.

Tax expenditure reports and budgets are primarily designed to be informational tools. Nothing in these reports is intended to convey a judgment regarding the propriety of various tax provisions. Tax expenditure reporting may encounter widespread resistance if opponents view the process as a means of selecting provisions for repeal in order to enhance revenues. Nevertheless, when used appropriately, the tax expenditure report or budget can be a valuable tool in providing lawmakers with added insight into the extent and distribution of governmental assistance.



## Individual Income Tax Expenditures

The starting point for calculating Montana individual income tax is federal adjusted gross income (FAGI). Montana-specific additions and reductions to income determine the taxpayer's Montana adjusted gross income (MAGI). Either itemized or standard deductions and allowable taxpayer exemptions are subtracted from MAGI to arrive at the tax base, Montana taxable income (MTI).

A single tax table used by all filers is applied to taxable income to arrive at tax before credits. In applicable years this amount is adjusted for any surtax in effect and any tax on lump sum distributions that the taxpayer may have. This amount is then reduced by any income tax credits the taxpayer may have, to arrive at tax after credits. The income tax base, and net tax liability may be summarized as follows:

Summary of Individual Income Tax Calculation	
<b>Start</b>	<b>Income from all sources</b>
Less:	Federal exclusions, and federal deductions
<b>Equals:</b>	<b>Federal Adjusted Gross Income (FAGI)</b>
Plus:	Montana additions
Less:	Montana reductions
<b>Equals:</b>	<b>Montana Adjusted Gross Income (MAGI)</b>
Less:	Deductions (itemized or standard), and exemptions
<b>Equals:</b>	<b>Montana Taxable Income (MTI)</b>
Times:	Tax table
Plus:	Surtax (applicable yrs), and tax on lump sum distributions
<b>Equals:</b>	<b>Tax Before Credits</b>
Less:	Credits
<b>Equals:</b>	<b>Tax After Credits</b>

When computing tax liability, all filers use the same tax table. Montana is one of a few states where married couples may choose to file separate returns if both have income in the same year. The 2002 tax table is shown below:

Tax Year 2002 Individual Income Tax Rate Table				
If Taxable Income is:				
Over	But not over	Then Tax Liability is:		
\$ -	\$ 2,200	2% of taxable income	less	\$ -
\$ 2,200	\$ 4,400	3% of taxable income	less	\$ 22
\$ 4,400	\$ 8,700	4% of taxable income	less	\$ 66
\$ 8,700	\$ 13,100	5% of taxable income	less	\$ 153
\$ 13,100	\$ 17,400	6% of taxable income	less	\$ 284
\$ 17,400	\$ 21,800	7% of taxable income	less	\$ 458
\$ 21,800	\$ 30,500	8% of taxable income	less	\$ 676
\$ 30,500	\$ 43,500	9% of taxable income	less	\$ 981
\$ 43,500	\$ 76,200	10% of taxable income	less	\$ 1,416
\$ 76,200		11% of taxable income	less	\$ 2,178

## Indexing

Montana has provided for full indexation of its income tax since 1981. The effect of indexing has been to reduce both tax liability and tax expenditure amounts. Indexing is considered to be an integral part of the normal tax structure, and hence, is not considered to be a tax expenditure.

### Sources of Tax Expenditures

There are four sources of tax expenditures in Montana's individual income tax.

**First**, because Montana ties to the definition of federal adjusted gross income, all of the federal exclusions and deductions included in FAGI are also included in Montana adjusted gross income.

**Second**, Montana statutes provide for specific exclusions of certain types of income not provided for at the federal level.

The **third** source of tax expenditures includes the deductions for those taxpayers who file itemized returns. Most of these deductions are also tied directly to federal statutes. However, Montana also allows a deduction for federal income taxes paid during the tax year, a deduction for child care expenses incurred by certain families, a deduction for long-term care insurance premiums, and a deduction for medical insurance premiums.

The **fourth** source of tax expenditures includes Montana-specific tax credits.

The tax expenditure data published in this report is divided into two major groups: Montana-specific tax expenditures, and federal (passive) tax expenditures. Montana-specific tax expenditures are discussed in the following sections, while the federal (passive) tax expenditures are listed in Appendix B.

## Montana Exclusions/Exemptions

The following exclusions and exemptions are above and beyond federal exclusions/exemptions. They are specific to Montana and were enacted by various state legislatures.

### **Additional Exemptions for the 65+ Age Group** (and for certain physically challenged persons)

*MCA 15-30-112 and 15-30-114*

Taxpayers and their spouses are both allowed additional exemptions if 65 years of age and over. Certain visually impaired taxpayers and their spouses are also granted additional exemptions. In addition, certain disabled dependent children are eligible for an extra exemption. This provides financial assistance to the age 65 and over and physically challenged groups.

### **Exempt Retirement Income** *MCA 15-30-111 (2)*

Taxpayers are allowed to exclude up to \$3,600 in pension and annuity income. For filers with federal adjusted gross income greater than \$30,000, the \$3,600 exclusion is reduced by \$2 for every \$1 of federal adjusted gross income in excess of \$30,000. The exclusion is zero for taxpayers with federal adjusted gross income over \$31,800. This provides economic relief to retirees.

### **Exempt Unemployment Compensation** *MCA 15-30-101 (7)*

Unemployment compensation is excluded from gross income. The purpose of this exclusion is to provide additional economic assistance to unemployed persons.

### **Elderly Interest Exclusion for 65+ Age Group** *MCA 15-30-111 (2)*

Taxpayers age 65 or older are allowed an exclusion of interest income up to \$800 if filing a single, married-separate, or head-of-household return; and up to \$1,600 if filing a joint return. This tax provision provides economic relief to taxpayers age 65 and over.

### **Medical Savings Account** *MCA 15-61-202*

This account can be administered by an Account Administrator that is registered with the Department of Revenue or self administered by the taxpayer. The maximum deduction allowed per taxpayer from Montana adjusted gross income is \$3,000 plus interest the account accumulates. Eligible medical expenses cannot be deducted elsewhere on the tax form.

### **Family Education Savings Account** *MCA 15-62-204*

Taxpayers may contribute up to \$3,000 per year into an individual trust or savings account to pay qualified higher education expenses for a designated beneficiary. Participants must make contributions in cash and complete an application prescribed by the Montana Board of Regents. Qualified withdrawals may be made only by check payable jointly to the designated beneficiary and a higher education institution. A penalty of 10% is imposed on any non-qualified withdrawal.

### **Capital Gains Exclusion** *MCA 15-30-110*

The Tax Reform Act of 1986 eliminated the 60% exclusion for long-term capital gains, and required 100% of capital gains to be reported as ordinary income. Taxpayers are allowed to exclude from adjusted gross income 40% of the gain from the sale or exchange of capital assets, stemming from agreements entered into before January 1, 1987. The 40% Montana exclusion provides an inflationary hedge for Montana investors who entered into installment sales agreements prior to January 1, 1987. Over time this tax expenditure will erode to zero.

### **First-Time Homebuyers Savings Accounts** *MCA 15-63-202*

Qualifying individuals may exclude from income up to \$3,000 (\$6,000 if filing jointly) contributed to a first-time homebuyers savings account. The account must have been opened for the first time during the tax year for which the deduction was claimed. Interest earned on the account is also excludable from income.

## Montana Exclusions/Exemptions *Continued*

### **Other Montana Exclusions** *MCA 15-30-111 and 80-12-211*

Because these items are all reported on a single line on the tax form, it is not possible to accurately disaggregate the individual impact of each one. Therefore, the total expenditure of all of the below items taken together is reported. Montana and federal statutes provide for the following exclusions from income:

#### **Health Insurance Paid by an S-Corporation**

Shareholders may deduct health insurance premiums paid on their behalf by the S corporation, to the extent the cost is included in the shareholder's federal adjusted gross income.

#### **Child's Income Exclusion**

Taxpayers may exclude income reported on federal Form 8814 (Parents' Election to Report Child's Interest and Dividends). Children must file a Montana return if they otherwise meet the income filing requirements.

#### **Excluded Tip Income**

Income from tips received for services provided in licensed food, beverage, or lodging businesses are excludable. This exclusion gives financial relief to food, beverage, and lodging service workers, as well as provides ease of tax administration.

#### **State Income Tax Refunds**

State individual income tax refunds reported as income for federal purposes may be excluded from income for state tax purposes.

#### **Disability Income Exclusion**

Disability payments of up to \$5,200 per year are excludable. This provides financial assistance to persons receiving disability income.

#### **Deduction for Recyclable Materials**

Taxpayers may take an additional deduction equal to 10% of the business expense related to the purchase of recycled products used in Montana, if the recycled products contain at least 90% reclaimed material.

#### **Wages Covered by Federal Targeted Jobs Credit**

For federal tax purposes, the business deduction for wages and salaries paid to employees must be reduced by any federal targeted jobs credit claimed in relation to those wages. Taxpayers may exclude the amount claimed as a credit for federal purposes to ensure full deduction of these expenses.

#### **Land Sales to Beginning Farmers**

Up to \$50,000 in income or capital gains from the sale of land consisting of more than 80 acres to a beginning farmer at 9% or less interest on a long-term contract is excludable. This provides financial assistance to farmers/ranchers, and is an incentive for land to remain in an agricultural use.

#### **Passive Loss Carryovers**

Under certain circumstances, taxpayers are allowed to deduct prior year disallowed passive activity losses.

#### **Indian Reservation Income**

Income earned by an enrolled member of an American Indian tribe while living and working on a reservation is excludable. This gives financial relief to tribal members, living and working on a reservation.

#### **Exempt Military Pay**

Active duty pay for a member of the regular armed forces is exempt. This exemption grants financial relief to members of the armed forces on active duty.

**Other Montana Exclusions** *continued*

**Social Security Payments**

Certain taxpayers may be allowed a deduction for social security income, if the portion of social security taxable to Montana is less than the federal taxable amount.

**Allocation of Income to Proprietor's Spouse**

Income may be allocated to a spouse who regularly performs substantial personal services in the operation of a business for which he/she is not paid a salary or wage. The allocation must be reported as income on the spouse's return.

<b>Impact Of Individual Income Tax Expenditures Montana Exclusions</b>			
Exclusions	FY2004	FY2005	Biennium
Additional Exemptions for age 65+ and certain physically challenged Persons	\$ 6,126,000	\$ 6,494,000	\$ 12,620,000
Exempt Retirement Income	4,590,000	4,950,000	9,540,000
Exempt Unemployment Compensation	2,890,000	2,860,000	5,750,000
Interest Exclusions for Age 65+	1,560,000	1,670,000	3,230,000
Medical Saving Accounts	840,000	940,000	1,780,000
Family Education Savings Account	440,000	500,000	940,000
Capital Gains Exclusions	80,000	80,000	160,000
Fist-time Home Buyers	70,000	70,000	140,000
Other Montana Exclusions	26,540,000	28,010,000	54,550,000
<b>Total</b>	<b>\$ 43,136,000</b>	<b>\$ 45,574,000</b>	<b>\$ 88,710,000</b>

# Individual Income Tax - Montana Itemized Deductions

Montana's itemized deductions are primarily passive in nature in that most are tied to allowable federal itemized deductions. However, itemized deductions for federal income taxes paid during the tax year, child and dependent care expenses, long-term care insurance premiums, and medical insurance premiums are Montana-specific deductions.

## **Federal Income Tax Paid** *MCA 15-30-121 (2)*

A deduction is allowed for the amount of federal income tax actually paid during the tax year. Taxpayers may claim this deduction even when filing short-form 2S. The form provides financial assistance to those taxpayers using this deduction.

## **Home Mortgage Interest** *MCA 15-30-121 (1)*

Qualified residence interest is deductible to the extent that it represents interest on "acquisition indebtedness" not in excess of \$1,000,000; or "equity indebtedness" not in excess of \$100,000. "Acquisition indebtedness" is debt incurred in acquiring, constructing, or improving the residence; "equity indebtedness" is any indebtedness, other than acquisition indebtedness, to the extent that total indebtedness does not exceed the fair market value of the residence. Qualified residence is the taxpayer's principal residence and/or a second residence selected by the taxpayer, for the tax year. Points paid on a home mortgage loan for the purchase or improvement of a principal residence also are deductible. The deduction for home mortgage provides an incentive for residential development and economic growth.

## **Contributions** *MCA 15-30-121 (1)*

Contributions to organizations that are religious, charitable, educational, scientific, or literary in purpose are deductible. Generally, the deduction for contributions is limited to 50% of an individual's adjusted gross income. This deduction acts to reduce the cost of making charitable contributions, thereby increasing the amount of these types of contributions.

## **Real and Personal Property Taxes** *MCA 15-30-121 (1)*

A deduction is allowed for any taxes paid on real and personal property not associated with the taxpayer's business. Allowing a deduction for property taxes enhances the ability of local governments to raise revenues needed to fund local activities.

## **Medical Insurance Premium Expense** *MCA 15-30-121 (1)*

Montana allows taxpayers to deduct allowable medical insurance premiums. The premiums must be paid by the taxpayer with after-tax dollars. The amounts deducted cannot include amounts deducted for self-employed health insurance premiums deducted in arriving at federal adjusted gross income, or long-term care insurance premiums deducted elsewhere. This deduction encourages insurance coverage and offers financial support to those taxpayers paying out-of-pocket insurance premiums.

## **Miscellaneous Deductions** *MCA 15-30-121 (1)*

The Tax Reform Act of 1986 provided for two types of miscellaneous deductions. The first type, which includes non-reimbursed job related expenses and expenses associated with producing other income, is subject to a 2% of adjusted gross income floor. Other miscellaneous expenses, such as gambling losses, are not subject to the floor. This deduction is allowed on the general understanding that costs associated with the production of income are appropriately deductible.

## **Medical and Dental Expense** *MCA 15-30-121 (1)*

Expenditures for specified medical expenses are deductible to the extent that they exceed 7.5% of the taxpayer's adjusted gross income. The deduction for medical expenses is provided on the grounds that these types of expenditure are largely involuntary, and may be burdensome and substantially reduce tax capacity. The deduction also provides financial relief to those individuals having no health insurance coverage.

**Individual Income Tax - Montana Itemized Deductions** *continued*

**Deductible Investment Interest** *MCA 15-30-121 (1)*

The deduction for investment interest was limited by the Tax Reform Act of 1986. Investment interest is deductible only to the extent of "net investment income"; however, interest that is disallowed due to this limitation may be carried over to subsequent years. Technically, the deduction for interest on investments represents an allowance for costs associated with acquiring specific assets. Failing to allow the deduction would result in an overstatement of net income. Practically speaking, the deduction provides an incentive for savings and investment.

**Other Deductible Taxes** *MCA 15-30-121 (1)*

A deduction is allowed for motor vehicle fees and taxes, and any other deductible taxes paid during the tax year. Allowing a deduction for motor vehicles is consistent with allowing a deduction for other forms of personal property.

**Long-Term Care Insurance Premiums** *MCA 15-30-121 (7)*

Insurance premiums paid for long-term care insurance are deductible in full. In order to qualify for the deduction, the benefits provided by the insurance policy must meet or exceed the minimum standards established by the Montana State Auditor's Office, Insurance Commission Division. This deduction provides an incentive for taxpayers to purchase an alternative means of providing long-term care (e.g., nursing home care). Provision of long-term care through private insurance reduces the reliance on public (Medicaid) payments for these types of services, thereby reducing state obligations and expenditures.

**Gambling Losses** *MCA 15-30-121 (3)*

Taxpayers may deduct gambling losses suffered during the tax year, but only to the extent of gambling gains. Individuals not engaged in the gambling business deduct their gambling losses, again, only to the extent of gambling gains, under miscellaneous deductions not subject to the 2% of AGI floor.

**Casualty and Theft Losses** *MCA 15-30-121 (1)*

A taxpayer may deduct casualty and theft losses on personal property only to the extent that 1) the loss exceeds \$100, and 2) all of the casualty or theft losses for the year exceed 10% of adjusted gross income for the year. With regard to theft losses, the loss amount is equal to the lesser of the property's fair market value or adjusted basis, reduced by any insurance or other compensation received or recoverable. Casualty and theft losses are viewed as "negative" income in the year of loss, and are hence, allowed as a deduction. The validity of this deduction is sometimes called into question on the grounds that almost all such losses are covered by insurance.

**Child/Dependent Care Expense** *MCA 15-30-121 (3)*

This deduction is not provided at the federal level, but is provided specifically through state statutes. Subject to specific rules and limitations, taxpayers are allowed a deduction for employment-related expenses associated with child and/or dependent care. This deduction is intended to provide economic relief to households where the expense of caring for dependents, necessary to allow gainful employment, is detrimentally burdensome.

<b>Impact Of Individual Income Tax Expenditures Montana Deductions</b>			
Deductions	FY2004	FY2005	Biennium
Federal Income Tax Paid	\$ 136,260,000	\$ 142,950,000	\$ 279,210,000
Home Mortgage Interest	59,490,000	64,780,000	124,270,000
Contributions	29,840,000	32,070,000	61,910,000
Real and Personal Property Taxes	18,730,000	19,270,000	38,000,000
Medical Insurance Premium	12,350,000	13,350,000	25,700,000
Miscellaneous Deductions	11,950,000	12,310,000	24,260,000
Medical and Dental Expense	8,620,000	9,560,000	18,180,000
Deductible Investment Interest	3,260,000	3,460,000	6,720,000
Other Deductible Taxes	2,710,000	2,750,000	5,460,000
Long-term Care Insurance	730,000	780,000	1,510,000
Gambling Loss	410,000	410,000	820,000
Casualty/Theft Loss	150,000	160,000	310,000
Child/Dependent Care	30,000	30,000	60,000
<b>Total</b>	<b>\$ 284,530,000</b>	<b>\$ 301,880,000</b>	<b>\$ 586,410,000</b>

## Individual Income Tax - Montana Credits

The following state tax credits are all tax expenditure items at the state level.

### **Other State / Foreign Tax Credit** *MCA 15-30-124*

Residents whose Montana adjusted gross income includes income from a state or country which does not allow a credit for Montana income tax are allowed a credit for income tax paid the other state or country. This prevents the double taxation of income.

### **Elderly Homeowner/Renter Credit** *MCA 15-30-171 through 15-30-179*

Residents age 62 or older who have lived in Montana for at least 9 months during the claim period, are eligible for a refundable property tax credit not to exceed \$1,000. This credit is claimed on the individual income tax form. This provides financial assistance to homeowners/renters, age 62 and over, on fixed incomes.

### **Charitable Endowment (Planned Gift) Credit** *MCA 15-30-165 through 167*

A taxpayer is allowed a nonrefundable tax credit equal to 60% of the present value of a "planned gift" made to any qualifying endowment. The maximum credit that can be claimed for contributions from all sources in a year is \$6,600. The credit may not be carried forward or backwards. The credit cannot be claimed if the taxpayer has included the full amount of the planned gift as a deduction elsewhere on the return. This credit, which provides an incentive to make charitable contributions, is scheduled to terminate June 30, 2004.

### **Mineral Exploration Credit** *MCA 15-32-501, et. seq.*

Taxpayers are allowed a credit not to exceed 50% of the taxpayer's liability for certified mineral exploration expenditures done to determine the existence, location, extent, or quality of a mineral or coal deposit. This credit provides an incentive to conduct mineral exploration activities in Montana.

### **Contractor's Gross Receipts Tax Credit** *MCA 15-50-207*

Contractors are required to pay a license fee equal to 1% of the gross receipts from government contracts during the income year for which the license is issued. This additional fee is allowed as a credit against the contractor's individual income tax liability. This provision of tax law facilitates the taxation of prime and sub-contractors, while protecting the primary contractor from being taxed twice on the same earnings.

### **Rural Physician Tax Credit** *MCA 15-30-188 through 15-30-191*

Physicians who commence practice in a rural area (a place without a hospital of at least 60 beds within a radius of 30 miles) are granted a nonrefundable credit of \$5,000, which may be claimed in four successive years. To qualify for the credit, the physician must maintain a practice for at least 9 months of the taxable year in which the credit is claimed. The purpose of this credit is to encourage the location and relocation of physicians in medically-under-served rural areas.

### **Energy Conservation Credit** *MCA 15-32-109*

A resident taxpayer who makes a capital investment in a building for an energy conservation purpose is allowed a nonrefundable credit equal to 5% of the expenditure up to \$150 for a residential building, and 5% of the expenditure up to \$300 for a building not used as a residence. This provides an economic incentive for energy conservation expenditures and promotes conservation of fossil fuels.

### **Montana Capital Company Credit** *MCA 90-8-202*

Taxpayers are allowed an income tax credit for investing in certified Montana capital companies. The credit is limited to 50% of the investment up to \$150,000 per taxpayer for regular capital companies, and up to an additional \$250,000 for investments in a qualified Montana small business investment capital company. This provides an incentive to encourage the formation of venture and equity capital in Montana. This credit, which may be carried forward for up to 18 years, was available only to taxpayers who invested in a qualified Montana capital company within four years of July 1, 1987; or a qualified small business investment company with four years of July 1, 1991.

### **College Contribution Credit** *MCA 15-30-163*

Taxpayers may claim as a credit against their income tax 10 percent of the amount of their contributions to the general endowment funds of the Montana University System foundations, or to the general endowment fund of a Montana private college or its foundation. The maximum credit that can be claimed is \$500. This credit encourages contributions to Montana colleges and universities.



## **Other Montana Individual Income Credits**

Montana statutes provide for the following additional credits:

### **Recycling Credit** *MCA 15-32-601 through 15-32-611*

Qualifying taxpayers may claim a credit for a portion of the cost of qualifying property used to collect or process "reclaimable material", or to manufacture a product from reclaimed material, in the year in which the property is purchased. The credit is equal to 25% of the cost on the first \$250,000 invested; 15% of the cost on the next \$250,000; and 5% on the next \$500,000 invested. The recycling credit is scheduled to terminate December 31, 2001. The purpose of this credit is to provide an incentive to accumulate and process reclaimable materials, reduce the burden on local landfills, and to enhance the quality of the environment.

### **Employer Disability Insurance Credit** *MCA 15-30-129 and 15-31-132*

Employers with 20 or fewer employees may claim a nonrefundable credit of up to \$3,000 for expenditures on employee health insurance premiums. The credit may not exceed 50 percent of the premium cost for each employee, and may not be claimed for a period of more than three years. The purpose of this credit is to encourage health insurance coverage for uninsured employees.

### **Elderly Care Credit** *MCA 15-30-128*

This credit is available to individuals for a portion of qualifying health expenses incurred in taking care of a family member 65 years of age and over, who is determined disabled by the Social Security Administration, and has gross income of not more than \$15,000 (unmarried members), \$30,000 (married members). The credit, which is limited to \$5,000 per qualifying family member up to a maximum of two members, is equal to 30% of qualifying expenses for taxpayers with up to \$25,000 of income, phased down to 20% of qualifying expenses for taxpayers with incomes over \$45,000. This credit provides financial assistance to those individuals incurring a financial burden due to caring for a disabled family member aged 65 and over, and reduces general fund Medicaid expenditures for nursing home care.

### **Installation of Geothermal Non-Fossil Energy Systems** *MCA 15-32-115 and 15-32-201*

Resident taxpayers who install an energy system using a non-fossil form of energy generation (including geothermal systems and wood stoves) in their principal dwelling, are entitled to a credit of up to \$250 (\$500 for pellet stoves). With the exception of geothermal installations, any excess tax credit may be carried forward for four years. This credit provides an economic incentive for the installation of non-fossil energy systems, and promotes conservation of fossil fuels.

### **Investment Tax Credit** *MCA 15-30-162*

Montana allows an investment credit equal to 5% of the federal investment credit up to a maximum of \$500 in any given taxable year. The federal Tax Reform Act of 1986 repealed the federal investment credit. Consequently, the tax expenditures associated with this credit in future years will reflect only the carry forward amounts allowed under current law. Investment credit provisions are designed to stimulate investment and economic growth.

### **Infrastructure User Fee Credit** *MCA 17-6-316*

The Board of Investments may make loans to local governments for the purpose of building infrastructure to enhance economic development and create jobs if the loan results in creation or expansion of 50 full time jobs. The local government may then charge the new business a user fee for use of the infrastructure. Businesses are allowed to take a tax credit equal to the user fee charged. This credit provides an incentive for local economic development.

### **Historic Building Preservation Credit** *MCA 15-30-180*

Taxpayers are allowed a credit equal to 25% of the federal credit provided for qualifying rehabilitation expenditures with respect to certified historic buildings. The credit may be carried forward for a period of seven years. This credit provides an incentive to preserve Montana's heritage and historic culture.

**Other Montana Individual Income Tax Credits** *continued*

**Dependent Care Assistance Credit** *MCA 15-30-186*

Employers are granted a credit for dependent care assistance provided to employees if the assistance is furnished by a registered or licensed day-care provider. The amount of the credit is 20 percent of expenditures up to a maximum credit of \$1,250. This provides an incentive for employers to fund dependent care assistance programs, thereby granting financial relief to working parents.

**Qualified Research Tax Credit** *MCA 15-30-168*

Taxpayers may receive a credit for increases in qualified research expenses determined in accordance with Section 41 of the IRC, 26, U.S.C. 41. The applicable rate for Montana purposes is 5%. Unused credit may be carried back 2 years and forward 15 years. This credit provides an incentive to produce new research.

**Wind-Powered Generation Equipment Credit** *MCA 15-32-401 through 407*

Taxpayers are allowed a credit of 35% of the eligible costs for investments of \$5,000 or more in commercial wind-generation systems. Eligible costs include certain expenditures for generating equipment, safety devices, or transmission lines. If the investment receives federal wind-generation credits, the state credit must be reduced by the amount of federal credit such that the effective credit does not exceed 60% of the eligible costs. The credit may be carried forward for a period of seven years. This credit encourages the development of a wind energy industry in Montana.

**Alternative Fuels Tax Credit** *MCA 15-30-164*

Qualifying taxpayers may receive a nonrefundable tax credit of up to 50% of the equipment and labor costs incurred to convert a motor vehicle to operate on alternative fuel (natural gas, liquefied natural gas, electricity, etc.). The credit may not exceed \$500 for converting vehicles with gross vehicle weight of 10,000 pounds or less; \$1,000 for vehicles weighing over 10,000 pounds. The credit is allowed only in the year of conversion. The purpose of this credit is to stimulate the use of alternative fuels, thereby providing an incentive for the conservation of petroleum.

<b>Personal Income Tax Credits</b>			
<b>Credits</b>	<b>FY2004</b>	<b>FY2005</b>	<b>Biennium</b>
Other state/foreign tax credit	\$15,127,000	\$16,129,000	\$31,256,000
Elderly homeowner/renter credit	9,736,000	9,834,000	19,570,000
Charitable endowment credit	6,448,000	5,778,000	12,226,000
Mineral exploration credit	617,000	658,000	1,275,000
Contractor's gross receipts credit	449,000	478,000	927,000
Physician credit for rural practice	196,000	209,000	405,000
Energy conservation credit	139,000	148,000	287,000
Montana capital company credit	117,000	125,000	242,000
College contribution credit	114,000	122,000	236,000
All other credits	269,000	287,000	556,000
<b>Total Credits</b>	<b>\$33,212,000</b>	<b>\$33,481,000</b>	<b>\$66,693,000</b>

# Corporation License Tax Expenditures - Montana Credits

The following corporate tax expenditures are state-specific credits designed to encourage specific taxpayer behavior and provide financial relief to certain taxpayers.

## **Contractors' Gross Receipts Tax Credit** MCA 15-50-207

Contractors are required to pay an additional license fee equal to 1% of the gross receipts from government contracts during the income year for which the license is issued. This additional fee is allowed as a credit against the contractor's corporation license tax liability. This provision of tax law facilitates the taxation of prime and sub-contractors, while protecting the primary contractor from being taxed twice on the same earnings.

## **Charitable Endowment Credit** MCA 15-31-161 and 15-31-162

A corporate license tax credit is allowed for 30% of charitable contributions made to qualified endowments. The maximum credit that may be claimed each year is \$6,600. The credit may not be carried back or forward and is nonrefundable. This credit was enacted by the 1997 Legislature and was effective with tax year 1997.

## **Qualified Research Tax Credit** MCA 15-31-150

Taxpayers may receive a credit for increases in qualified research expenses determined in accordance with Section 41 of the IRC, 26, U.S.C. 41. The applicable rate for Montana purposes is 5%. Unused credit may be carried back 2 years and forward 15 years. This credit provides an incentive to produce new research.

## **Recycling Credit** MCA 15-32-601 through 15-32-611

Qualifying taxpayer may claim a credit for investments in depreciable property used to collect or process "reclaimable material", or to manufacture a product from reclaimed material, in the year in which the property is purchased. The amount of the credit is 25% of the first \$250,000 invested; 15% of the next \$250,000 invested; and 5% of the next \$500,000 invested. The purpose of this credit is to provide an incentive to accumulate and process reclaimable materials, reduce the burden on local landfills, and to enhance the quality of the environment.

## Other Montana Corporation License Tax Credits

There are a number of other Corporate License Tax credits whose tax expenditures are estimated to be less than \$10,000 each year. These are:

### **Alternative Fuel Motor Vehicle Conversion Credit** MCA 15-30-164

A corporate license tax credit is allowed for 50% of the equipment and labor costs incurred to convert a motor vehicle licensed in Montana to operate on alternative fuel. The credit may not exceed \$500 for conversion of a motor vehicle with GVW of 10,000 or less; and may not exceed \$1,000 for conversion of a motor vehicle with GVW over 10,000. The credit may not be carried back or forward and is nonrefundable.

### **College Contribution Credit** MCA 15-30-163

Corporations may claim as a credit against their license tax 10 percent of the amount of their contributions to the general endowment funds of the Montana University System foundations, or to the general endowment fund of a Montana private college or its foundation. This credit encourages contributions to Montana colleges and universities.

### **Employer Disability Insurance Credit** MCA 15-31-132

Employers with 20 or fewer employees, may claim a nonrefundable credit of up to \$3,000 for expenditures on employee disability insurance premiums. The credit may not exceed 50 percent of the premium cost for each employee, and may not be claimed for a period of more than three years. The purpose of this credit is to encourage health insurance coverage for uninsured employees.

### **Dependent Care Assistance Credit** MCA 15-31-131

Employers are granted a credit for dependent care assistance actually provided to employees, if the assistance is furnished by a registered or licensed day-care provider. The amount of the credit is 25 percent of expenditures up to a maximum credit of \$1,575 per employee. This provides an incentive for employers to fund dependent care assistance programs, and thus grants financial relief to working parents.

## Other Montana Corporation License Tax Credits *continued*

### **New/Expanded Industry Credit** MCA 15-31-125

New and expanding industries are allowed a tax credit equal to 1% of the total new wages paid in Montana, for the first three years of operation or expansion. Expanding operations must increase total full-time jobs by 30% or more. "New" industry means a corporation engaging in manufacturing for the first time in Montana. This provides an incentive for economic development and job creation.

### **Historic Building Preservation Credit** MCA 15-31-151

Montana allows a credit, up to 25% of the federal amount allowed, against corporate license taxes for qualified rehabilitation expenditures for any certified historic building located in Montana. The credit may be carried forward up to seven years and is nonrefundable. This credit was enacted by the 1997 Legislature and was effective with tax year 1998.

### **Montana Capital Company Credit** MCA 90-8-202

Corporations are allowed an income tax credit for investing in certified Montana capital companies. The credit is limited to 50% of the investment up to \$150,000 per taxpayer for regular capital companies, and up to an additional \$250,000 for the one qualified Montana small business investment capital company. This credit provides an incentive to encourage the formation of venture and equity capital in Montana. This credit, which may be carried forward for up to 18 years, was available only to taxpayers who invested in a qualified Montana capital company within four years of July 1, 1987 or a qualified small business investment company within four years of July 1, 1991.

### **Investment Tax Credit** MCA 15-31-123

Montana allows an investment credit equal to 5% of the federal investment credit up to a maximum of \$500 in any given taxable year. The federal Tax Reform Act of 1986 repealed the federal investment credit. Consequently, the tax expenditures associated with this credit in future years will reflect only the carry forward amounts allowed under current law. Investment credit provisions are designed to stimulate investment and economic growth.

### **Infrastructure User Fee Credit** MCA 17-6-316

The Board of Investments may make loans to local governments for the purpose of building infrastructure to enhance economic development and create jobs if the loan results in creation or expansion of 50 full time jobs. The local government may then charge the new business a user fee for use of the infrastructure. Businesses are allowed to take a tax credit equal to the user fee charged. This credit provides an incentive for local economic development or the expansion of 15 or more full time jobs.

<b>Corporation License Tax Credits</b>			
<b>Credit</b>	<b>FY2004</b>	<b>FY2005</b>	<b>Biennium</b>
Contractor's Gross Receipts Tax Credit	\$877,000	\$877,000	\$1,754,000
Charitable Endowment Contributions Credit	622,000	622,000	1,244,000
Qualified Research Activities	150,000	150,000	300,000
Montana Recycling Credit	99,000	99,000	198,000
All Other Credits	38,000	38,000	76,000
<b>Total Credits</b>	<b>\$1,786,000</b>	<b>\$1,786,000</b>	<b>\$3,572,000</b>

# Natural Resource Tax Expenditures - Oil and Gas Production

## Reduced Rates for "New" Oil and Gas Production MCA 15-36-304

Oil or gas from a well that qualifies as "new" production is taxed at a reduced rate of 0.76% (instead of 12.76% for oil and 15.06% for gas). This reduced rate applies for the first 12 months of production from a conventional well and the first 18 months of production from a horizontally completed well. New production includes production from new wells and from wells that have not produced oil or gas during the previous 60 months. This reduced rate provides an incentive for the exploration, development and production of oil and gas.

## Reduced Rate for Oil and Gas Wells Completed After 1/1/1999 MCA 15-36-304

Oil and gas production from wells completed on or after 1/1/1999 is taxed at a reduced rate of 9.26% (instead of 12.76% for oil and 15.06% for gas). This reduced rate provides an incentive for the exploration, development, and production of oil and gas.

## Reduced Rates for Incremental Oil Production from Enhanced Recovery Projects MCA 15-36-304

In any quarter when the average price of West Texas Intermediate crude oil is less than \$30 per barrel, incremental production from secondary recovery projects is taxed at 8.76% (instead of 12.26%). Incremental production from tertiary recovery projects is taxed at 6.06% (instead of 12.76%). The first 18 months of production from a horizontally recompleted well is taxed at 5.76% (instead of 12.76%) These reduced rates provide incentives for the use of enhanced recovery technologies.

## Reduced Rates for Stripper Oil Wells MCA 15-36-304

In any quarter when the average price of West Texas Intermediate crude oil is less than \$30 per barrel, oil from a well that produces less than three barrels per day is taxed at 0.76% (instead of 12.76%). For a well that produces between 3 and 15 barrels per day, the first 10 barrels per day is taxed at 5.76% and remaining production is taxed at 9.26% (instead of 12.76%) as long as the price of West Texas Intermediate crude oil is less than \$38 per barrel for the quarter. These reduced rates provide an incentive to keep low-volume wells in production.

## Reduced Rate for Horizontally Completed Gas Wells MCA 15-36-304

After the first 18 months of production, production from a horizontally completed gas well is taxed at 9.26% (instead of 15.06%). This reduced rate provides an incentive to use horizontal drilling technology.

## Reduced Rate for Stripper Gas Wells MCA 15-36-304

Gas wells that were completed before 1/1/1999 and produce less than 60 mcf per day are taxed at 11.26% (instead of 15.06%). This reduced rate provides an incentive to keep low-volume wells in production.

Oil and Natural Gas Production Tax Expenditures			
Oil	FY2004	FY2005	Biennium
New Production Reduced Rates	\$ 2,985,000	\$ 2,870,000	\$ 5,855,000
Incremental Production Reduced Rates	69,000	56,000	125,000
Post-99 Reduced Rates	4,461,000	4,820,000	9,281,000
Stripper Well Reduced Rates	2,348,000	2,050,000	4,398,000
<b>Total</b>	<b>\$ 9,863,000</b>	<b>\$ 9,796,000</b>	<b>\$19,659,000</b>
Natural Gas	FY2004	FY2005	Biennium
New Production Reduced Rates	\$ 2,483,000	\$ 2,409,000	\$ 4,892,000
Stripper Well Reduced Rates	7,951,000	8,725,000	16,676,000
Post-99 Reduced Rates	2,101,000	1,830,000	3,931,000
<b>Total</b>	<b>\$12,535,000</b>	<b>\$12,964,000</b>	<b>\$25,499,000</b>

## Other Natural Resource Tax Expenditures

### Coal Severance Tax Exemption MCA 15-35-103 (5)

Coal producers who mine less than 50,000 tons of coal per year are exempt from severance taxes. If production exceeds 50,000 tons, then only the first 20,000 tons (5,000 tons per quarter) are exempt from severance tax. This exemption grants economic relief to small producers.

### Metal Mines License Tax Exemption MCA 15-37-103

The first \$250,000 of production subject to the metal mines license tax is exempt from taxation. This exemption for production below \$250,000 in value represents a tax expenditure. This provides economic assistance to small producers of metals and precious/semi-precious stones, and provides an incentive to produce from small mining claims.

Other Natural Resource Tax Expenditures			
Expenditure	FY2004	FY2005	Biennium
Coal Severance Tax Exemptions	\$198,000	\$196,000	\$394,000
Metal Mines License Tax Exemption	\$ 8,000	\$ 8,000	\$ 16,000
<b>Total</b>	<b>\$206,000</b>	<b>\$204,000</b>	<b>\$410,000</b>

## Property Tax Expenditures

In Montana, the property tax is the primary source of funding for local governments. For any given piece of property the tax base is the product of the market value of the property (less homestead exemption, if any) and its applicable taxable value percentage.

Property tax liability is the product of taxable value (tax base) and the appropriate mill levy in effect for the property. Mills are levied by the state, counties, cities and towns, and school districts. Certain property may be subject to additional mills for special districts (water, sewer, lighting, etc.).

Currently, property may fall into one of 12 classes of property, with taxable value percentages ranging from 0.46 percent to 100 percent. A listing of these property classes and their taxable values can be found on in the property tax section of this report.

Property tax expenditures arise as a consequence of certain property being exempt from tax, or receiving preferential rate treatment. Generally, preferential rate treatment refers to situations where properties within the same class are subject to different taxable value rates.

MCA 15-6-201, and following sections, detail the property exempt from tax. Many types of property are exempt from tax including government property, household goods and furniture, church property, property of certain fraternal organizations and societies, business inventories, certain agricultural commodities, down-hole equipment in oil and gas wells, etc.

Most of these exemptions constitute tax expenditures. However, placing an accurate value on the expenditures associated with these properties is not possible unless the property is appraised. Unfortunately, property not subject to tax is rarely, if ever, appraised. Therefore, tax expenditures associated with most exempt property are not reported here.

### **Property Tax Assistance Program** MCA 15-6-134

Montana property tax statutes provide for a partial abatement, based on total income, that reduces the taxable valuation rate applicable to residential real property. Taxable value rates are reduced according to a three-bracket schedule for single households with less than \$16,457 income (2000 assessment), and married couple households with less than \$21,942 (2000 assessment). The income levels used in the rate reduction table are adjusted annually for inflation.

The reduced taxable value rate applies to the first \$100,000 of the market value of residential land and improvements, including trailers/mobile homes used as residences (Class 4). This provides financial relief to low-income households.

### **Reduced Rate for "New" or "Expanding" Industrial Property (Local Option)** MCA 15-24-1401

After approval by separate resolution for each project, local governments may reduce taxable valuations of "new" or "expanding" industries 50% in each of the first five years following the issuance of a construction permit. After that time, the taxable valuation rises in equal increments each succeeding year until full valuation is reached in the 10th year. This incentive does not apply to mills levied by the state.

"Expansion" means that the industry has added at least \$50,000 worth of qualifying improvements or modernized process; "new" means that the industry is new to the jurisdiction and has added at least \$125,000 worth of qualifying improvements or modernized processes to the jurisdiction. There are no limitations on the type of industry that may qualify for this incentive. This reduced rate provides an economic incentive for the development of new industry in Montana.

**Reduced Rate for Remodeling or Rebuilding of Structures (Local Option) MCA 15-24-1501**

Remodeling, reconstruction, or expansion of existing buildings or structures which increases their taxable value by at least 2.5% may receive a reduced tax rate for five years following construction, through local government approval by separate resolution for each project.

Tax rates are set at zero during construction, at 20% of normal during the first year following construction, and increase by 20% in each succeeding year until full valuation is reached in the fifth year following construction. All existing buildings and structures may apply for this benefit. This abatement provides an incentive to add long-term taxable valuation to local jurisdictions, while allowing the property owner to phase-in the increased tax liability.

<b>Property Tax Expenditure Impacts</b>			
<u>Expenditure</u>	<u>FY2004</u>	<u>FY2005</u>	<u>Biennium</u>
Property Tax Assistance Program	\$ 2,961,380	\$2,961,380	\$ 5,922,761
Reduced Rate For New & Expanding Industrial Property or Remodeling	<u>1,353,965</u>	<u>1,353,965</u>	<u>2,707,930</u>
<b>Total</b>	<b><u>\$ 4,315,345</u></b>	<b><u>\$4,315,345</u></b>	<b><u>\$ 8,630,690</u></b>



# Appendix A

## Individual Income Tax Expenditure Items - By Income Bracket

House Bill 387 (1987), the legislation authorizing the Department of Revenue to produce a tax expenditure report, specifically required that tax expenditures must be related to the income of taxpayers, whenever such information is available.

This information is available for specific individual income tax expenditure items that are captured on department computer files. Specifically, tax expenditures, by income bracket, are available for Montana-specific reductions to income, and itemized deductions.

Totals for the tax expenditures in Appendix A are for full-year residents only, whereas the expenditures in the main body of this report include out-of-state and part-year residents as well.

The following tables show the distributions of tax expenditures across income brackets that represent decile groupings. Each decile group includes one-tenth of all households filing income tax returns. The first decile group includes households with the very lowest incomes, while the tenth decile group includes households having the highest incomes.

The decile groupings are based on actual 2001 incomes, but the tax expenditures are those projected to calendar year 2003. The decile groupings and their associated total income brackets for 2001 are as follows:

### Calendar Year 2001 Decile Group Brackets

<u>Decile Group</u>	<u>Income Bracket</u>		
1	\$ 0	-	\$ 4,298
2	\$ 4,299	-	\$ 8,402
3	\$ 8,403	-	\$ 12,999
4	\$ 13,000	-	\$ 17,846
5	\$ 17,847	-	\$ 23,788
6	\$ 23,789	-	\$ 31,669
7	\$ 31,670	-	\$ 41,809
8	\$ 41,810	-	\$ 54,925
9	\$ 54,926	-	\$ 75,122
10	\$ 75,123	+	

**Tax Expenditures Associated with Montana Reductions to Income  
Full-Year Residents, Tax Year 2003**

**IRAs, Keoghs, Self-Emp. Deduction**

Decile Group	# of hslds	Tax	
		Expenditure	Percent
1	163	2,075	0.01%
2	1,673	31,886	0.20%
3	3,353	103,413	0.66%
4	4,639	215,262	1.37%
5	6,561	430,176	2.73%
6	8,340	749,294	4.76%
7	10,018	1,191,216	7.56%
8	10,846	1,606,699	10.20%
9	11,046	2,205,953	14.01%
<u>10</u>	<u>12,856</u>	<u>9,211,699</u>	<u>58.50%</u>
Total	69,495	15,747,673	100.00%

**Capital Gains Exclusion**

# of hslds	Tax	
	Expenditure	Percent
0	0	0.00%
2	38	0.05%
5	85	0.11%
16	418	0.55%
19	1,053	1.39%
23	1,029	1.36%
37	2,667	3.52%
48	3,639	4.80%
59	9,867	13.01%
<u>88</u>	<u>57,057</u>	<u>75.22%</u>
297	75,853	100.00%

**Elderly Interest Exclusion**

Decile Group	# of hslds	Tax	
		Expenditure	Percent
1	4	65	0.01%
2	251	3,842	0.32%
3	1,274	21,613	1.81%
4	2,463	51,883	4.36%
5	3,218	86,881	7.29%
6	3,664	124,629	10.46%
7	3,872	178,166	14.96%
8	3,874	212,608	17.85%
9	4,163	262,527	22.04%
<u>10</u>	<u>5,410</u>	<u>249,077</u>	<u>20.91%</u>
Total	28,193	1,191,291	100.00%

**Exempt Retirement Income**

# of hslds	Tax	
	Expenditure	Percent
50	1,105	0.03%
1,269	48,026	1.15%
3,254	217,085	5.19%
4,908	477,636	11.43%
5,782	744,244	17.80%
6,096	1,011,175	24.19%
2,745	511,411	12.23%
2,388	492,065	11.77%
2,277	442,832	10.59%
<u>1,073</u>	<u>234,757</u>	<u>5.62%</u>
29,842	4,180,336	100.00%

**Unemployment Compensation**

Decile Group	# of hslds	Tax	
		Expenditure	Percent
1	66	1,011	0.00%
2	757	23,636	0.00%
3	2,013	104,590	0.00%
4	2,601	188,171	0.00%
5	3,137	298,117	0.00%
6	3,603	421,330	0.01%
7	3,650	462,019	17.02%
8	3,415	495,078	18.24%
9	2,686	447,095	16.47%
<u>10</u>	<u>1,326</u>	<u>273,373</u>	<u>10.07%</u>
Total	23,254	2,714,420	100.00%

**Medical Savings Account**

# of hslds	Tax	
	Expenditure	Percent
1	8	0.00%
5	157	0.02%
33	1,500	0.20%
58	4,339	0.58%
127	11,489	1.54%
221	28,912	3.88%
336	60,064	8.07%
480	101,711	13.67%
616	153,186	20.58%
<u>977</u>	<u>382,936</u>	<u>51.45%</u>
2,854	744,302	100.00%

**Tax Expenditures Associated with Montana Reductions to Income**  
**Full-Year Residents, Tax Year 2003** *continued*

**Family Education Savings Account**

**First-Time Homebuyers Savings Account**

Decile Group	Tax			Tax		
	# of hslds	Expenditure	Percent	# of hslds	Expenditure	Percent
1	0	0	0.00%	0	0	0.00%
2	2	28	0.01%	1	44	0.07%
3	2	32	0.01%	5	375	0.57%
4	2	137	0.03%	6	479	0.72%
5	7	351	0.09%	28	3,618	5.46%
6	21	2,218	0.56%	38	6,218	9.39%
7	53	9,421	2.39%	64	13,571	20.49%
8	91	18,126	4.60%	54	12,296	18.57%
9	208	61,041	15.48%	55	14,473	21.85%
<u>10</u>	<u>587</u>	<u>302,987</u>	<u>76.83%</u>	<u>40</u>	<u>15,155</u>	<u>22.88%</u>
Total	973	394,341	100.00%	291	66,229	100.00%

**Other Reductions**

Decile Group	Tax		
	# of hslds	Expenditure	Percent
1	272	5,285	0.02%
2	1,680	79,274	0.33%
3	2,628	249,434	1.03%
4	3,375	534,205	2.20%
5	5,468	821,058	3.38%
6	10,313	1,502,200	6.19%
7	13,660	2,109,197	8.69%
8	16,980	3,227,565	13.29%
9	20,961	4,603,857	18.96%
<u>10</u>	<u>22,141</u>	<u>11,149,280</u>	<u>45.92%</u>
Total	97,478	24,281,355	100.00%

**Tax Expenditures Associated with Itemized Deductions  
Full-Year Residents, Tax Year 2003**

**Medical Insurance Premium**

Decile Group	Tax		
	# of hslds	Expenditure	Percent
1	26	1,244	0.01%
2	515	14,587	0.13%
3	2,278	75,900	0.68%
4	4,678	237,150	2.12%
5	6,899	500,462	4.47%
6	8,680	846,076	7.56%
7	10,438	1,366,990	12.21%
8	12,186	1,903,486	17.00%
9	13,066	2,434,211	21.74%
<u>10</u>	<u>15,147</u>	<u>3,815,987</u>	<u>34.08%</u>
Total	73,913	11,196,093	100.00%

**Medical Deductions**

# of hslds	Tax		Percent
	Expenditure		
31	833	0.01%	
515	14,321	0.18%	
1,873	74,503	0.96%	
3,480	202,760	2.62%	
4,935	400,811	5.17%	
5,892	670,181	8.65%	
7,012	1,035,922	13.37%	
8,259	1,437,601	18.56%	
8,171	1,683,693	21.73%	
<u>6,245</u>	<u>2,226,192</u>	<u>28.74%</u>	
46,413	7,746,817	100.00%	

**Long Term Care**

Decile Group	Tax		
	# of hslds	Expenditure	Percent
1	0	0	0.00%
2	11	329	0.05%
3	78	1,947	0.29%
4	306	11,393	1.72%
5	447	21,747	3.28%
6	656	43,606	6.58%
7	833	79,211	11.94%
8	958	111,439	16.80%
9	1,124	153,150	23.09%
<u>10</u>	<u>1,370</u>	<u>240,313</u>	<u>36.24%</u>
Total	5,783	663,135	100.00%

**Federal Income Taxes Paid**

# of hslds	Tax		Percent
	Expenditure		
14	0	0.00%	
171	573	0.00%	
1,306	18,155	0.01%	
3,904	84,393	0.07%	
8,024	354,122	0.28%	
14,264	1,250,949	1.00%	
22,103	3,534,333	2.83%	
28,232	7,938,140	6.36%	
33,483	16,324,654	13.09%	
<u>35,838</u>	<u>95,248,435</u>	<u>76.35%</u>	
147,339	124,753,754	100.00%	

**Property Taxes Paid**

Decile Group	Tax		
	# of hslds	Expenditure	Percent
1	22	194	0.00%
2	477	7,837	0.05%
3	2,114	46,718	0.27%
4	5,111	156,436	0.90%
5	9,252	384,035	2.22%
6	14,378	815,473	4.71%
7	20,560	1,597,973	9.23%
8	27,188	2,619,949	15.13%
9	32,205	4,055,778	23.42%
<u>10</u>	<u>34,140</u>	<u>7,635,754</u>	<u>44.09%</u>
Total	145,447	17,320,147	100.00%

**Motor Vehicle Taxes**

# of hslds	Tax		Percent
	Expenditure		
6	18	0.00%	
151	1,302	0.05%	
727	5,781	0.23%	
2,062	17,776	0.71%	
4,633	46,924	1.87%	
8,410	110,545	4.40%	
13,261	226,606	9.02%	
18,045	401,125	15.96%	
21,920	643,736	25.62%	
<u>22,547</u>	<u>1,058,779</u>	<u>42.14%</u>	
91,762	2,512,592	100.00%	

**Tax Expenditures Associated with Itemized Deductions**  
**Full-Year Residents, Tax Year 2003** *continued*

**Home Mortgage Interest**

Decile Group	Tax		
	# of hslds	Expenditure	Percent
1	46	1,386	0.00%
2	554	23,321	0.04%
3	1,826	125,354	0.23%
4	3,808	386,037	0.72%
5	6,858	1,022,064	1.91%
6	10,736	2,340,405	4.37%
7	16,059	4,813,946	8.98%
8	22,055	8,613,898	16.08%
9	26,444	13,494,187	25.18%
<u>10</u>	<u>27,064</u>	<u>22,762,322</u>	<u>42.48%</u>
Total	115,450	53,582,920	100.00%

**Deductible Investment Interest**

# of hslds	Tax	
	Expenditure	Percent
2	2,026	0.07%
8	315	0.01%
35	1,116	0.04%
99	4,106	0.14%
172	8,986	0.30%
337	24,086	0.81%
457	38,567	1.30%
753	88,272	2.97%
1,102	179,001	6.03%
<u>3,563</u>	<u>2,621,202</u>	<u>88.33%</u>
6,528	2,967,677	100.00%

**Charitable Contributions**

Decile Group	Tax		
	# of hslds	Expenditure	Percent
1	16	176	0.00%
2	346	5,721	0.02%
3	1,697	37,993	0.14%
4	4,302	129,205	0.48%
5	7,843	319,387	1.18%
6	12,464	727,963	2.68%
7	18,038	1,495,285	5.51%
8	24,272	2,656,207	9.79%
9	29,871	4,330,429	15.96%
<u>10</u>	<u>33,596</u>	<u>17,436,798</u>	<u>64.25%</u>
Total	132,445	27,139,164	100.00%

**Child Care Deductions**

# of hslds	Tax	
	Expenditure	Percent
1	39	0.12%
6	145	0.43%
43	1,090	3.26%
166	6,231	18.64%
183	8,079	24.17%
51	1,622	4.85%
32	1,548	4.63%
41	2,800	8.38%
41	2,526	7.56%
<u>43</u>	<u>9,346</u>	<u>27.96%</u>
607	33,426	100.00%

**Casualty Losses**

Decile Group	Tax		
	# of hslds	Expenditure	Percent
1	1	7	0.01%
2	6	269	0.19%
3	21	1,610	1.16%
4	16	2,026	1.45%
5	44	7,990	5.74%
6	41	7,039	5.05%
7	47	12,625	9.07%
8	38	23,251	16.69%
9	42	22,196	15.94%
<u>10</u>	<u>47</u>	<u>62,258</u>	<u>44.70%</u>
Total	303	139,271	100.00%

**Miscellaneous Deductions**

# of hslds	Tax	
	Expenditure	Percent
16	259	0.00%
128	4,651	0.04%
436	21,363	0.19%
934	66,150	0.60%
1,779	175,143	1.59%
3,590	541,498	4.90%
5,755	1,178,096	10.66%
7,838	1,836,192	16.62%
9,391	2,494,064	22.57%
<u>9,084</u>	<u>4,730,664</u>	<u>42.82%</u>
38,951	11,048,080	100.00%

**Tax Expenditures Associated with Itemized Deductions**  
**Full-Year Residents, Tax Year 2003** *continued*

**Gambling Losses**

Decile Group	Tax		
	# of hlds	Expenditure	Percent
1	0	0	0.00%
2	4	160	0.11%
3	8	522	0.37%
4	14	868	0.62%
5	30	2,688	1.93%
6	67	8,461	6.08%
7	82	10,641	7.64%
8	117	23,852	17.13%
9	136	41,820	30.03%
<u>10</u>	<u>298</u>	<u>295,591</u>	<u>212.24%</u>
Total	756	384,603	276.15%

## Appendix B

### Federal (Passive) Tax Expenditures

#### Impact of Federal (Passive) Individual Income Tax Expenditures

Exclusions from Federal Income	----- Thousands of Dollars -----		
	FY2004	FY2005	Biennium
Pension Contributions and Earnings - Employer Plans	\$ 51,453	\$ 52,371	\$103,824
Employer Contributions for Health Care, Health and LT Care Insurance Premiums	46,616	50,226	96,841
Capital Gains at Death	25,061	26,925	51,986
Untaxed Medicare Benefits	18,241	19,602	37,843
Investment Income on Life Insurance and Annuity Contracts	14,631	15,001	29,632
Untaxed Social Security and Railroad Retirement Benefits	14,261	14,690	28,952
Pension Contributions and Earnings - Individual Retirement Plans and Keogh Plans	12,353	13,255	25,608
Benefits Provided under Cafeteria Plans	7,959	8,595	16,554
Capital Gains on Sales of Principal Residences	8,211	8,270	16,480
Worker's Compensation Benefits	5,637	5,858	11,495
Miscellaneous Fringe Benefits	3,639	3,758	7,397
Employer-Paid Transportation Benefits	2,234	2,249	4,483
Income Earned Abroad by U.S. Citizens	1,864	1,982	3,846
Veterans' Benefits and Services	1,539	1,583	3,122
Employee Benefits - Premiums on Accident and Disability Insurance	1,509	1,583	3,092
Employee Benefits - Premiums on Group Term Life Insurance	1,465	1,524	2,988
Benefits and Allowances to Armed Forces Personnel	1,405	1,420	2,826
Income Earned by Voluntary Employees' Beneficiary Associations	1,006	1,050	2,056
Medical Care and CHAMPUS/TRICARE Insurance for Military Dependents, etc.	888	888	1,775
Scholarship and Fellowship Income	873	888	1,760
Damages on Account of Personal Physical Injuries or Physical Sickness	828	828	1,657
Employee Meals and Lodging (Other Than Military)	533	533	1,065
Employer-Provided Child Care	473	518	991
Spread on Acquisition of Stock under ISOPs and ESOPs	444	518	962
Employer-Provided Education Assistance Benefits	459	473	932
Cash Public Assistance Benefits	414	414	828
Certain Foster Care Payments	340	355	695
Earnings of Trust Accounts for Education ("Coverdell Accounts")	281	340	621
Housing Allowances for Ministers	281	296	577
Special Tax Provisions for Employee Stock Ownership Plans (ESOPs)	163	178	340
Earnings of Qualified Tuition Programs	118	163	281
Other Exclusions from Federal Income	95	95	189
Military Disability Benefits	59	59	118
Expensing of Fertilizer and Soil Conditioner Costs	59	59	118
Employee Awards	59	59	118
Special Benefits for Disabled Coal Miners	59	59	118
<b>Total</b>	<b>\$225,510</b>	<b>\$236,665</b>	<b>\$462,175</b>

## Impact of Federal (Passive) Individual Income Tax Expenditures

<b>Deductions from Federal Income</b>	<b>----- Thousands of Dollars -----</b>		
	<b>FY2004</b>	<b>FY2005</b>	<b>Biennium</b>
Depreciation in Excess of Alternative Depreciation System	\$ 7,042	\$ 7,323	\$ 14,365
Carryover Basis of Capital Gains on Gifts	2,693	2,811	5,503
Higher Education Expenses	1,953	1,834	3,787
Expensing of Depreciable Business Property	592	399	991
Interest on Student Loans	399	459	858
Amortization of Business Startup Costs	296	296	592
Deferral of Gain on Like-Kind Exchanges	296	296	592
Other Deductions from Federal Income	284	284	568
Deferral of Gain on Non-Dealer Installment Sales	237	237	473
Cash Accounting for Agriculture	178	178	355
Permanent Exemption from Imputed Interest Rules	178	178	355
Cash Accounting, Other Than Agriculture	178	178	355
<b>Total</b>	<b>\$14,324</b>	<b>\$14,471</b>	<b>\$ 28,795</b>

## Impact of Federal (Passive) Corporation License Tax Expenditures

<b>Exclusions from Gross Income</b>	<b>----- Thousands of Dollars -----</b>		
	<b>FY2004</b>	<b>FY2005</b>	<b>Biennium</b>
Extraterritorial Income	\$ 2,575	\$ 2,766	\$ 5,342
Deferral Active Income of Controlled Foreign Corporations	2,170	2,313	4,483
Investment Income on Life Insurance and Annuity Contracts	668	692	1,359
Deferral of Gain on Like-Kind Exchanges	668	692	1,359
Deferral of Gain on Non-Dealer Installment Sales	286	310	596
<b>Total</b>	<b>\$ 6,367</b>	<b>\$ 6,773</b>	<b>\$ 13,140</b>

<b>Deductions Towards Federal Adjusted Gross Income</b>	<b>----- Thousands of Dollars -----</b>		
	<b>FY2004</b>	<b>FY2005</b>	<b>Biennium</b>
Depreciation in Excess of Alternative Depreciation System	\$15,906	\$16,526	\$ 32,432
Inventory Property Sales Source Rule Exception	2,575	2,766	5,342
Expensing of Research and Experimental Expenditures	2,242	2,265	4,507
Charitable Contributions	2,003	2,170	4,173
Special Tax Provisions for Employee Stock Ownership Plans (ESOPs)	429	429	858
Expensing of Exploration and Development Costs - Oil, Gas, and Other Fuels	472	258	730
Excess of Percentage Over Cost Depletion - Oil, Gas, and Other Fuels	210	210	420
Expensing of Depreciable Business Property	119	95	215
Expensing of Multiperiod Timber-Growing Costs	95	95	191
Completed Contract Rules	95	95	191
Excess of Percentage Over Cost Depletion - Nonfuel Minerals	48	48	95
<b>Total</b>	<b>\$24,195</b>	<b>\$24,958</b>	<b>\$ 49,154</b>



