TO: Kory Hofland, BIT

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RE: Tax Year 2017 Class 12 Taxable Percentage Rate

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The tax year 2017 taxable percentage rate for class 12 property is estimated to be **3.07%**.

Per 15-6-145, MCA, the Department of Revenue shall calculate the taxable percentage rate for class 12 property annually by:

1. conducting a sales assessment ratio for class 4 commercial and industrial property;
2. adjusting the total class 4 commercial and industrial taxable market value;
3. adding this product to the taxable value of other non-class 12 commercial property; and
4. dividing this adjusted total taxable value by the total statewide adjusted market value of all non-class 12 commercial property.

The tax year 2016 sales assessment ratio of class 4 commercial and industrial property is 82.08%. The actual taxable market value for class 4 commercial and industrial property is divided by the sales assessment ratio to determine an adjusted market value.

In TY 2017 the class 4 rate for commercial and industrial property will remain the same as in TY 2015, so the taxable value for class 4 commercial and industrial property is unmodified.



Because the certification of TY 2017 property values occurs in August of 2017, the information used in this computation is certified TY 2016 values. Once the TY 2017 certification is complete, the department will recalculate the class 12 percentage, and if the recalculated percentage differs from 3.07% by more than 5%, the department will provide notification of the new class twelve percentage by September 1, 2017.

The following table showing the contribution of each class of property to the class 12 taxable percentage rate:



Please contact Eric Dale (444-7925 edale@mt.gov) or Ed Caplis at (444-3531 edcaplis@mt.gov) if you have any questions.