



Montana Department of Revenue

Table 1
Change in Value by Class By Counties - January 1, 2002 - July 1, 2008

County	Class 4 Residential % Increase	Class 4 Commercial % Increase	Class 3 Agricultural % Increase	Class 10 Forestland % Increase
Beaverhead	57%	43%	-2%	37%
Big Horn	41%	45%	3%	-59%
Blaine	38%	32%	53%	330%
Broadwater	61%	55%	52%	43%
Carbon	52%	29%	11%	-37%
Carter	37%	41%	30%	-42%
Cascade	40%	19%	19%	38%
Chouteau	42%	36%	4%	193%
Custer	55%	25%	56%	-15%
Daniels	25%	32%	43%	0%
Dawson	79%	60%	41%	0%
Deer Lodge	49%	41%	24%	11%
Fallon	54%	59%	67%	-78%
Fergus	52%	43%	21%	125%
Flathead	73%	47%	-20%	40%
Gallatin	51%	43%	31%	-39%
Garfield	77%	19%	40%	-100%
Glacier	33%	50%	33%	39%
Golden Valley	38%	7%	26%	88%
Granite	54%	20%	3%	-4%
Hill	41%	37%	32%	200%
Jefferson	50%	57%	30%	120%
Judith Basin	44%	53%	15%	74%
Lake	74%	49%	18%	59%
Lewis And Clark	62%	46%	29%	96%
Liberty	22%	40%	17%	0%
Lincoln	36%	24%	-31%	88%
Madison	37%	35%	23%	23%
McCone	54%	8%	51%	0%
Meagher	48%	29%	23%	28%
Mineral	59%	37%	-44%	84%
Missoula	60%	25%	-28%	60%
Musselshell	36%	29%	6%	66%
Park	65%	50%	41%	-28%
Petroleum	70%	15%	16%	-37%
Phillips	39%	40%	51%	101%
Pondera	25%	35%	26%	-15%
Powder River	42%	40%	26%	160%
Powell	46%	67%	8%	37%
Prairie	35%	12%	23%	-100%
Ravalli	60%	29%	12%	79%
Richland	80%	29%	51%	0%
Roosevelt	26%	25%	43%	0%
Rosebud	60%	58%	35%	17%
Sanders	62%	51%	16%	83%
Sheridan	31%	50%	46%	0%
Silver Bow	62%	47%	-54%	96%
Stillwater	41%	17%	-1%	11%
Sweet Grass	34%	31%	81%	64%
Teton	51%	27%	28%	-41%
Toole	30%	41%	25%	0%
Treasure	29%	14%	51%	-88%
Valley	45%	46%	45%	0%
Wheatland	43%	23%	45%	114%
Wibaux	71%	54%	30%	0%
Yellowstone	49%	22%	41%	29%
Statewide	55%	34%	29%	52%

Note: Class 3 Agricultural values include information received from producers regarding costs of irrigation and availability of water.



OVERALL IMPACT OF REAPPRAISAL

Table 1 shows the overall impact of reappraisal to class 4 residential and commercial property, class 3 agricultural land and class 10 forest land.

Table 1				
Changes In Value Due To Reappraisal to be Mitigated				
----- Full Market Value -----				
Type of Property	2003 Reappraisal	2009 Reappraisal	Difference in Value	% Change in Value
Class 3 Agricultural Land	4,383,310,771	6,232,592,784	1,849,282,014	42%
Class 4 Residential	50,886,118,523	79,127,262,478	28,241,143,955	55%
Class 4 Commercial	11,463,907,618	15,368,908,254	3,905,000,636	34%
Class 10 Forest Land	1,975,410,723	2,997,054,968	1,021,644,245	52%

The percentages listed in Table 1 represent the change from the old 2003 reappraisal values to the new 2009 reappraisal values. If the new 2009 reappraisal values were fully implemented this year the result would be an increase in the total valuation of 42% for class 3 agricultural land, 55% for class 4 residential property, 34% for class 4 commercial property, and 54% for class 10 forestland.

The 2009 reappraisal value of class 3 agricultural land may be adjusted downward after the Property Assessment Division receives final irrigation cost information from producers on March 1, 2009.



Mill Breakout for HB 658				
	2009	2010	2011	2012
Total Mills	538.07	542.92	545.94	551.27
State Mills	101.00	101.00	101.00	101.00
Local Mills	437.07	441.92	444.94	450.27

Mill Breakout for HB 663 / HB 673						
	2009	2010	2011	2012	2013	2014
Total Mills	537.25	551.16	564.70	574.55	579.52	581.22
State Mills	101.00	101.00	101.00	101.00	101.00	101.00
Local Mills	436.25	450.16	463.70	473.55	478.52	480.22

Mill Breakout for HB 666				
	2009	2010	2011	2012
Total Mills	505.68	463.15	408.02	359.16
State Mills	95.83	87.73	76.95	67.71
Local Mills	409.85	375.42	331.07	291.45

Mill Breakout for HB 658 - Amendments				
	2009	2010	2011	2012
Total Mills	462.63	466.68	470.50	473.58
State Mills	62.42	62.99	63.45	64.27
CB Mills	50.00	50.00	50.00	50.00
Local Mills	350.21	353.70	357.05	359.31



House Bill 658.01

House bill 658.01 was introduced by Rep. Mike Jopek at the request of the Senate Joint Select Committee on Reappraisal. This bill is scheduled for hearing before the House Taxation Committee on Monday, March 23, 2009.

▪ **Section One establishes a new, limited circuit breaker**

- Creates an income tax credit for property taxes billed or rent-equivalent tax paid, in excess of 3% of the property owner or renter's federal adjusted gross income
- Applies only to qualified residences
 - Class 4 residential dwellings, including units of a multi-unit dwelling, trailers and manufactured or mobile homes
 - Must be occupied for at least 7 months
 - 7 month period of occupation may be split between up to two class 4 residential dwellings
 - Includes up to 1 acre of land beneath the dwelling
- The income tax credit is capped at \$1,500
- The income tax credit is refundable
- Only one claim may be made with respect to any property
- Disabled veterans are entitled to 135% of the credit
- Unremarried surviving spouses of deceased veterans are entitled to 125% of the credit
- Certain claimants age 62 and older are entitled to 120% of the credit
 - Must have income less than 66% of median federal adjusted gross income (agi)
- Certain claimants age 62 and older are entitled to 115% of the credit
 - Must have income less than 33% of median federal agi

- **Section 5 amend existing section 15-6-133**
 - Amends current class 3 property tax rate
 - Rate decreases from 2.78% to 2.25% over four year reappraisal cycle
- **Section 6 amends existing section 15-6-134**
 - Repeals PTAP
 - Amends current class 4 tax rate to 3%
- **Section 7 amends existing section 15-6-143**
 - Amends current class 10 tax rate
 - Rate decreases from 0.31% to 0.23% over four year reappraisal cycle
- **Section 8 amends existing section 15-6-193**
 - Amends existing extended property tax assistance program (EPTAP)
 - increases household income, increase in the taxable value percentage, and increase in the tax liability requirements
- **Section 9 amends existing section 15-6-222**
 - Establishes a flat 34% homestead exemption for class 4 residential property
 - No effect on current law
 - Increases existing comstead exemption for class 4 commercial property
 - Exemption grow from 22% in 2009 to 37.5% over four year cycle
- **Section 10 amends existing section 15-7-111**
 - Reduces reappraisal cycle from six years to four years
 - Requires phase in of values over four years
 - Requires DOR to provide RATIC with a sales assessment ratio study during the second year of the reappraisal cycle
- **Section 11 amends existing section 15-7-201**
 - Increases base water costs and labor costs associated with ag land irrigation
 - Acknowledge that the base crop for non-irrigated land is spring wheat
- **Section 12 amends existing section 15-16-102**
 - Amendment is necessary to reflect repeal of PTAP
- **Section 13 amends existing section 15-44-103**
 - Creates a forest lands taxation advisory committee
 - establishes terms
 - establishes scope of review



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Discussion of Individual Home Examples

Write HB 658

The following examples are intended to show how individual taxpayers are impacted by the various mitigation bills. These examples are intended to illustrate how effective each bill is at mitigating reappraisal at the individual home level, and are used in the broader analysis of each proposal.

There is a large range of homes in the state of Montana, both in terms of values and the change in value due to reappraisal. Each value of home has a large range of taxpayers, so it is impossible to choose one example that represents the typical taxpayer. Therefore, this analysis uses statistical benchmarks such as median values and percentage deciles to represent a broad range of typical Montana taxpayer illustrations.

The first example shows the average value home and the average income. This is just the sum of all the home values divided by the number of homes. The average income is the sum of all reported income divided by the number of individual income tax returns.

household

Percentile of Home Value, the Median Income

The next five examples were chosen based on the concept of percentiles. The 10th percentile represents the data point where 10% of the observations are below that point and 90% of the observations are above that point. To define the range of home values used as examples the 10th percentile, the 25th percentile, the 50th percentile (or median), the 75th percentile and the 90th percentile were used. This represents the distribution of value of homes that are in the state. In each of these homes, there is a range of taxpayers. The first five examples use the median income for homeowners whose homes are worth within \$1,000 of that percentile value. This shows how the taxpayer with income at the midpoint for each value home is treated under each proposal.

Percentile of Home Value, 10th Percentile of Income

The second 5 examples uses the same values for property value, but shows the homeowner at the 10th percentile of income. This means that 10% of the people in each value of home reported less than this level of income. It is these taxpayers that will benefit most from a circuit breaker.

Change in Value Due to Reappraisal

The next 6 examples reflect the distribution in the change in home value due to reappraisal. Brackets were defined based on the change in value percentile.

HB 658 Individual Home Examples

Assumptions:	Homestead Exemption = 34% Homestead (all years) Phased-in Comstead	Taxable Value Exemption: Variable
	Circuit Breaker illustrations below assume that the circuit breaker component is fully funded, though the bill may not provide full funding as written.	

Example of an Average Value Home

MV Before Reappraisal	\$116,900				
MV After Reappraisal	\$178,920				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$116,900	\$132,405	\$147,910	\$163,415	\$178,920
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$39,746	\$45,018	\$50,289	\$55,561	\$60,833
Taxable Market Value	\$77,154	\$87,387	\$97,621	\$107,854	\$118,087
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$2,322	\$2,622	\$2,929	\$3,236	\$3,543
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$152	\$281	\$434	\$609
Net Taxable Value	\$2,322	\$2,470	\$2,647	\$2,802	\$2,933
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,250	\$1,329	\$1,437	\$1,630	\$1,617
2009 Income (FAGI)	\$74,759	\$74,759	\$74,759	\$74,759	\$74,759
% of Income Paid Before CB	1.67%	1.78%	1.92%	2.05%	2.16%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$1,250	\$1,329	\$1,437	\$1,630	\$1,617
% of Income Paid After CB	1.67%	1.78%	1.92%	2.05%	2.16%

Percentile of Home at Median Income

Example of a Home at the 10th Percentile of Value, Income at the Median Level for this Value Home

MV Before Reappraisal	\$15,890				
MV After Reappraisal	\$19,113				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$15,890	\$16,696	\$17,502	\$18,307	\$19,113
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$5,403	\$5,677	\$5,951	\$6,224	\$6,498
Taxable Market Value	\$10,487	\$11,019	\$11,551	\$12,083	\$12,615
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$316	\$331	\$347	\$362	\$378
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$19	\$33	\$49	\$65
Net Taxable Value	\$316	\$311	\$313	\$314	\$313
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$170	\$168	\$170	\$171	\$173
2009 Income (FAGI)	\$32,180	\$32,180	\$32,180	\$32,180	\$32,180
% of Income Paid Before CB	0.53%	0.52%	0.53%	0.53%	0.54%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$170	\$168	\$170	\$171	\$173
% of Income Paid After CB	0.53%	0.52%	0.53%	0.53%	0.54%

Example of a Home at the 25th Percentile of Value, Income at the Median Level for this Value Home

MV Before Reappraisal	\$51,600				
MV After Reappraisal	\$75,686				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$51,600	\$57,622	\$63,643	\$69,665	\$75,686
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$17,544	\$19,591	\$21,639	\$23,686	\$25,733
Taxable Market Value	\$34,056	\$38,030	\$42,004	\$45,979	\$49,953
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$1,025	\$1,141	\$1,260	\$1,379	\$1,499
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$66	\$121	\$185	\$258
Net Taxable Value	\$1,025	\$1,075	\$1,139	\$1,195	\$1,241
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$552	\$578	\$618	\$652	\$684
2009 Income (FAGI)	\$40,592	\$40,592	\$40,592	\$40,592	\$40,592
% of Income Paid Before CB	1.36%	1.42%	1.52%	1.61%	1.69%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$552	\$578	\$618	\$652	\$684
% of Income Paid After CB	1.36%	1.42%	1.52%	1.61%	1.69%

**Example of a Home at the 10th Percentile of Value,
Income at the 10th Percentile Level for this Value Home**

MV Before Reappraisal	\$15,890				
MV After Reappraisal	\$19,113				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$15,890	\$16,696	\$17,502	\$18,307	\$19,113
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$5,403	\$5,677	\$5,951	\$6,224	\$6,498
Taxable Market Value	\$10,487	\$11,019	\$11,551	\$12,083	\$12,615
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$316	\$331	\$347	\$362	\$378
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$19	\$33	\$49	\$65
Net Taxable Value	\$316	\$311	\$313	\$314	\$313
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$170	\$168	\$170	\$171	\$173
2009 Income (FAGI)	\$7,768	\$7,768	\$7,768	\$7,768	\$7,768
% of Income Paid Before CB	2.19%	2.16%	2.19%	2.21%	2.22%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$170	\$168	\$170	\$171	\$173
% of Income Paid After CB	2.19%	2.16%	2.19%	2.21%	2.22%

**Example of a Home at the 25th Percentile of Value,
Income at the 10th Percentile Level for this Value Home**

MV Before Reappraisal	\$51,600				
MV After Reappraisal	\$75,686				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$51,600	\$57,622	\$63,643	\$69,665	\$75,686
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$17,544	\$19,591	\$21,639	\$23,686	\$25,733
Taxable Market Value	\$34,056	\$38,030	\$42,004	\$45,979	\$49,953
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$1,025	\$1,141	\$1,260	\$1,379	\$1,499
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$66	\$121	\$185	\$258
Net Taxable Value	\$1,025	\$1,075	\$1,139	\$1,195	\$1,241
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$552	\$578	\$618	\$652	\$684
2009 Income (FAGI)	\$10,648	\$10,648	\$10,648	\$10,648	\$10,648
% of Income Paid Before CB	5.18%	5.43%	5.81%	6.12%	6.42%
Circuit Breaker (CB) Credit	\$0	\$259	\$299	\$333	\$365
Final Property Tax	\$552	\$319	\$319	\$319	\$319
% of Income Paid After CB	5.18%	3.00%	3.00%	3.00%	3.00%

**Example of the Median (50th Percentile) Value Home,
Income at the 10th Percentile Level for this Value Home**

MV Before Reappraisal	\$98,400				
MV After Reappraisal	\$156,100				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$98,400	\$112,825	\$127,250	\$141,675	\$156,100
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$33,456	\$38,361	\$43,265	\$48,170	\$53,074
Taxable Market Value	\$64,944	\$74,465	\$83,985	\$93,506	\$103,026
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$1,955	\$2,234	\$2,520	\$2,805	\$3,091
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$130	\$242	\$376	\$532
Net Taxable Value	\$1,955	\$2,104	\$2,278	\$2,429	\$2,559
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,052	\$1,132	\$1,237	\$1,326	\$1,411
2009 Income (FAGI)	\$15,578	\$15,578	\$15,578	\$15,578	\$15,578
% of Income Paid Before CB	6.75%	7.27%	7.94%	8.51%	9.06%
Circuit Breaker (CB) Credit	\$0	\$665	\$769	\$859	\$943
Final Property Tax	\$1,052	\$467	\$467	\$467	\$467
% of Income Paid After CB	6.75%	3.00%	3.00%	3.00%	3.00%

Examples with Different Percent Changes in Value due to Reappraisal

The statistics below refer to the percent change in market value due to reappraisal. For example, the statistic below shows that 10% of properties had a change in market value of less than 6.5%. The example homes refer to the median home in the group of homes that had a change in market value of 6.5% or less.

10th Percentile	6.50%
25th Percentile	30.74%
50th Percentile	52.32%
75th Percentile	73.65%
90th Percentile	95.86%

The Median Home that Appreciated less than 6.50%, Median Income of Homeowners within Bracket

MV Before Reappraisal	\$15,670				
MV After Reappraisal	\$14,396				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$15,670	\$14,396	\$14,396	\$14,396	\$14,396
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$5,328	\$4,895	\$4,895	\$4,895	\$4,895
Taxable Market Value	\$10,342	\$9,502	\$9,502	\$9,502	\$9,502
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$311	\$285	\$285	\$285	\$285
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$17	\$27	\$38	\$49
Net Taxable Value	\$311	\$269	\$258	\$247	\$236
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$168	\$144	\$140	\$135	\$130
2009 Income (FAGI)	\$41,871	\$41,871	\$41,871	\$41,871	\$41,871
% of Income Paid Before CB	0.40%	0.35%	0.33%	0.32%	0.31%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$168	\$144	\$140	\$135	\$130
% of Income Paid After CB	0.40%	0.35%	0.33%	0.32%	0.31%

The Median Home that Appreciated between 6.50% and 30.74%, Median Income of Homeowners within Bracket

MV Before Reappraisal	\$81,510				
MV After Reappraisal	\$73,700				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$81,510	\$64,558	\$67,605	\$70,653	\$73,700
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$20,913	\$21,950	\$22,986	\$24,022	\$25,058
Taxable Market Value	\$40,597	\$42,608	\$44,619	\$46,631	\$48,642
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$1,222	\$1,278	\$1,339	\$1,399	\$1,459
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$74	\$129	\$187	\$251
Net Taxable Value	\$1,222	\$1,204	\$1,210	\$1,211	\$1,208
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$658	\$648	\$657	\$661	\$666
2009 Income (FAGI)	\$48,422	\$48,422	\$48,422	\$48,422	\$48,422
% of Income Paid Before CB	1.36%	1.34%	1.36%	1.37%	1.38%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$658	\$648	\$657	\$661	\$666
% of Income Paid After CB	1.36%	1.34%	1.36%	1.37%	1.38%

The Median Home that Appreciated between 30.74% and 52.32%, Median Income of Homeowners within Bracket

MV Before Reappraisal	\$117,900				
MV After Reappraisal	\$168,700				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$117,900	\$130,600	\$143,300	\$156,000	\$168,700
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$40,086	\$44,404	\$48,722	\$53,040	\$57,358
Taxable Market Value	\$77,814	\$86,196	\$94,578	\$102,960	\$111,342
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$2,342	\$2,586	\$2,837	\$3,089	\$3,340
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$150	\$272	\$414	\$575
Net Taxable Value	\$2,342	\$2,436	\$2,565	\$2,675	\$2,766
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,261	\$1,311	\$1,393	\$1,460	\$1,525
2009 Income (FAGI)	\$58,430	\$58,430	\$58,430	\$58,430	\$58,430
% of Income Paid Before CB	2.16%	2.24%	2.38%	2.50%	2.61%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$1,261	\$1,311	\$1,393	\$1,460	\$1,525
% of Income Paid After CB	2.16%	2.24%	2.38%	2.50%	2.61%

Examples Provided to Joint Select Committee on Reappraisal

Example of a Median Value Home in a Recreation County

MV Before Reappraisal	\$150,450				
MV After Reappraisal	\$326,600				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$150,450	\$194,488	\$238,525	\$282,563	\$326,600
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$51,153	\$86,126	\$81,099	\$96,071	\$111,044
Taxable Market Value	\$99,297	\$128,362	\$157,427	\$186,491	\$215,556
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$2,989	\$3,851	\$4,723	\$5,595	\$6,467
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$223	\$453	\$750	\$1,112
Net Taxable Value	\$2,989	\$3,628	\$4,269	\$4,845	\$5,354
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$1,609	\$1,952	\$2,318	\$2,645	\$2,952
2009 Income (FAGI)	\$59,297	\$59,297	\$59,297	\$59,297	\$59,297
% of Income Paid Before CB	2.71%	3.29%	3.91%	4.46%	4.98%
Circuit Breaker (CB) Credit	\$0	\$173	\$539	\$866	\$1,173
Final Property Tax	\$1,609	\$1,779	\$1,779	\$1,779	\$1,779
% of Income Paid After CB	2.71%	3.00%	3.00%	3.00%	3.00%

Example of a \$500,000 Home

MV Before Reappraisal	\$300,000				
MV After Reappraisal	\$500,000				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$102,000	\$119,000	\$138,000	\$153,000	\$170,000
Taxable Market Value	\$198,000	\$231,000	\$264,000	\$297,000	\$330,000
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$5,980	\$6,930	\$7,920	\$8,910	\$9,900
Taxable Value Exemption	0%	0.0%	0.0%	0.0%	0.0%
Amount Exempt	\$0	\$0	\$0	\$0	\$0
Net Taxable Value	\$5,980	\$6,930	\$7,920	\$8,910	\$9,900
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$3,207	\$3,729	\$4,300	\$4,884	\$5,458
2009 Income (FAGI)	\$200,547	\$200,547	\$200,547	\$200,547	\$200,547
% of Income Paid Before CB	1.60%	1.86%	2.14%	2.43%	2.72%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$3,207	\$3,729	\$4,300	\$4,884	\$5,458
% of Income Paid After CB	1.60%	1.86%	2.14%	2.43%	2.72%

Example of a \$1,000,000 Home

MV Before Reappraisal	\$650,000				
MV After Reappraisal	\$1,000,000				
Tax Year	2008	2009	2010	2011	2012
Market Value (MV)	\$650,000	\$737,500	\$825,000	\$912,500	\$1,000,000
Homestead	34.00%	34.00%	34.00%	34.00%	34.00%
Amount Exempt	\$221,000	\$250,750	\$280,500	\$310,250	\$340,000
Taxable Market Value	\$429,000	\$486,750	\$544,500	\$602,250	\$660,000
Tax Rate	3.01%	3.00%	3.00%	3.00%	3.00%
Gross Taxable Value	\$12,913	\$14,603	\$16,335	\$18,068	\$19,800
Taxable Value Exemption	0%	5.8%	9.6%	13.4%	17.2%
Amount Exempt	\$0	\$847	\$1,568	\$2,421	\$3,406
Net Taxable Value	\$12,913	\$13,756	\$14,767	\$15,646	\$16,394
Average Mills (Local & State)	538.19	538.07	542.92	545.94	551.27
Tax Liability Before Circuit Breaker Credit	\$6,980	\$7,401	\$8,017	\$8,542	\$9,038
2009 Income (FAGI)	\$477,527	\$477,527	\$477,527	\$477,527	\$477,527
% of Income Paid Before CB	1.46%	1.55%	1.68%	1.79%	1.89%
Circuit Breaker (CB) Credit	\$0	\$0	\$0	\$0	\$0
Final Property Tax	\$6,980	\$7,401	\$8,017	\$8,542	\$9,038
% of Income Paid After CB	1.46%	1.55%	1.68%	1.79%	1.89%

HB658 Circuit Breaker Property Tax Credits

	2009	2010	2011	2012
Homeowner Credits	\$82.587	\$93.270	\$101.995	\$108.054
Renter Credits	<u>\$28.002</u>	<u>\$28.537</u>	<u>\$29.082</u>	<u>\$29.637</u>
Total Expenditure Authorized	<u>\$110.588</u>	\$121.806	\$131.077	<u>\$137.691</u>

Funding for HB658 Circuit Breaker Property Tax Credit

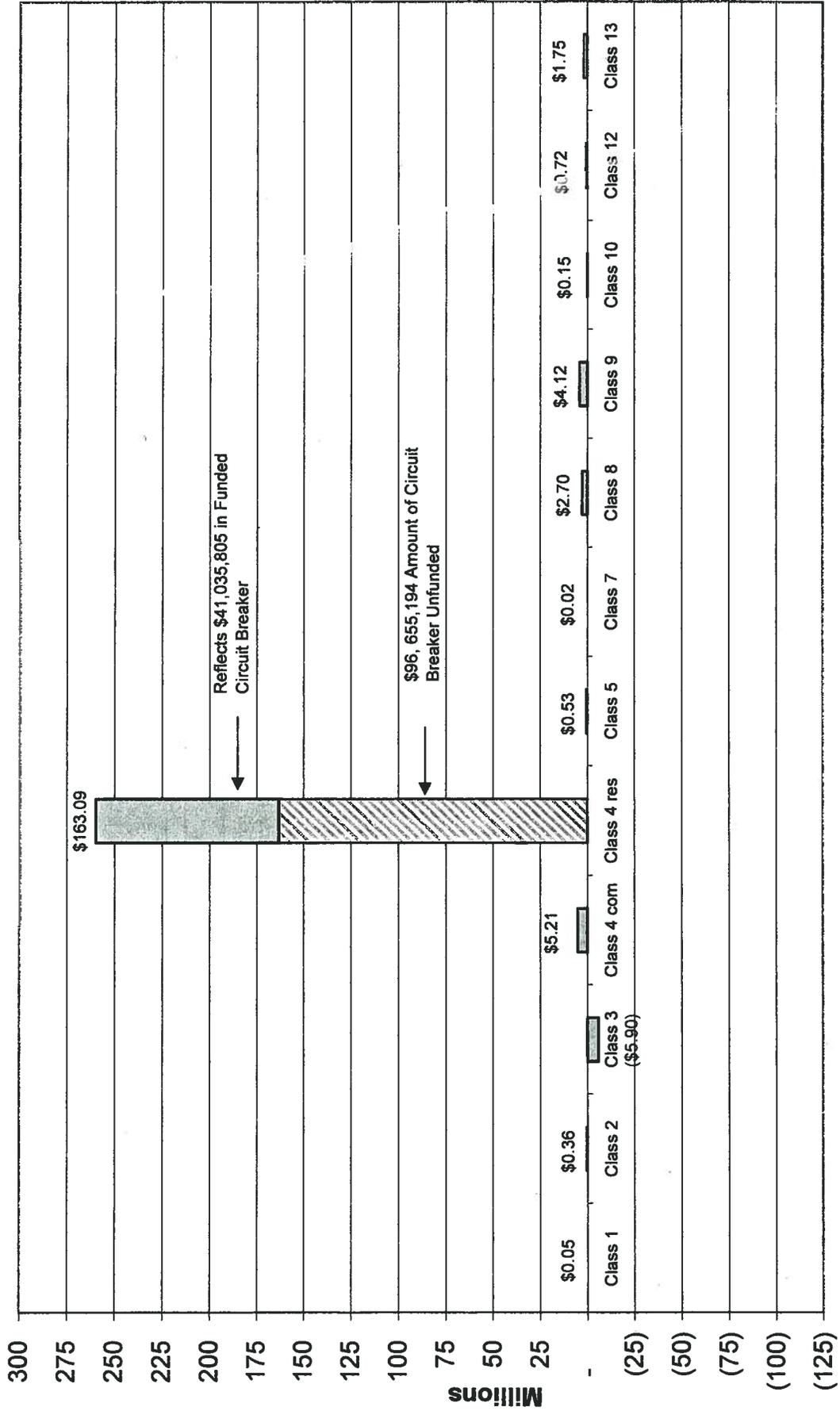
	2009	2010	2011	2012
Additional Revenue From State Mill:	\$7.532	\$16.225	\$24.186	\$31.225
Existing Elderly Credit	<u>\$9.811</u>	<u>\$9.811</u>	<u>\$9.811</u>	<u>\$9.811</u>
Total Funding in HB658	<u>\$17.343</u>	<u>\$26.035</u>	<u>\$33.997</u>	<u>\$41.036</u>

Additional Funding Needed for HB658 Circuit Breaker Property Tax Credit

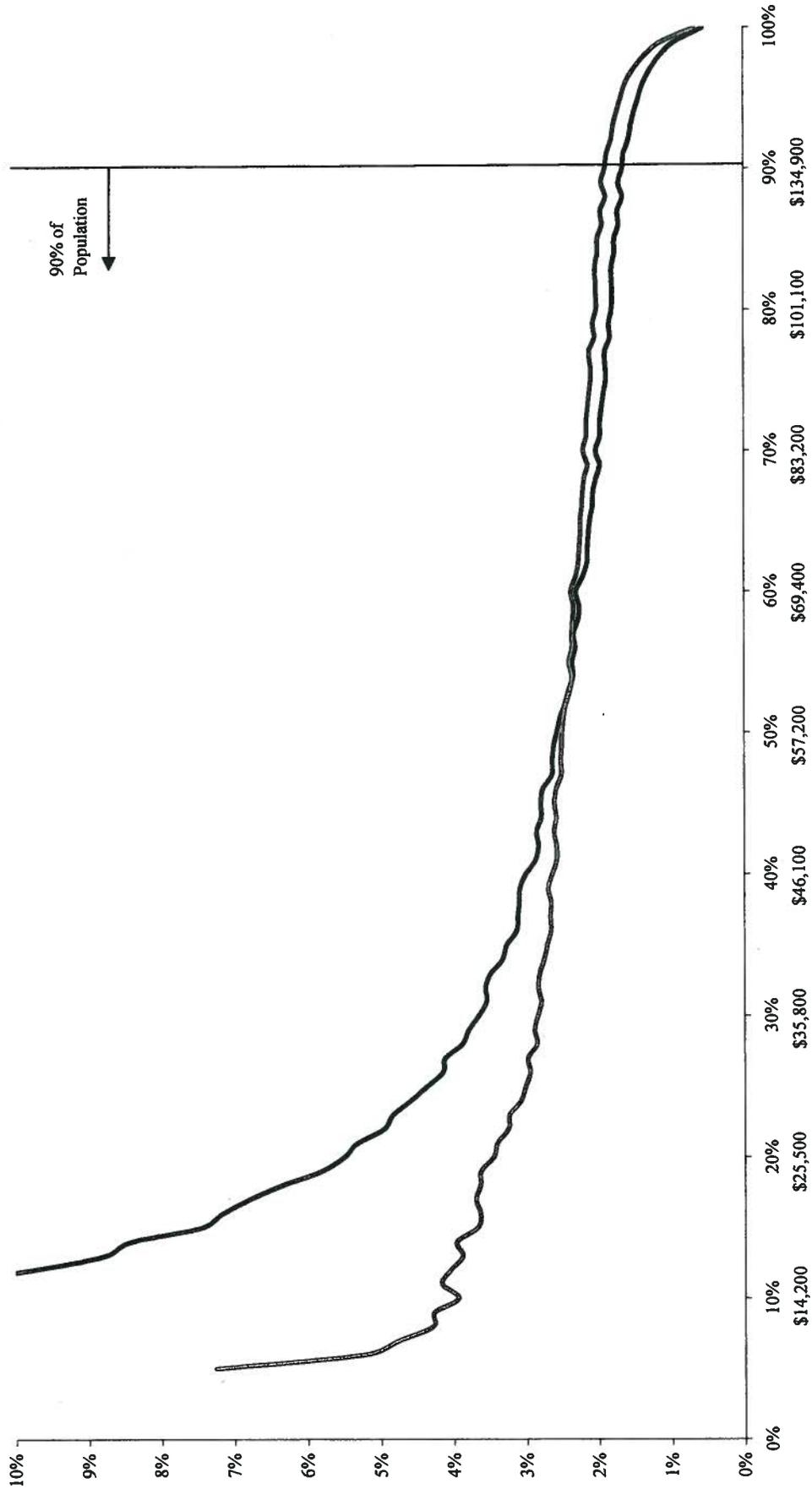
	2009	2010	2011	2012
Total Additional Funded Needed	-\$93.246	-\$95.771	-\$97.080	-\$96.655

HB658

**Difference in Property Taxes Paid by Property Tax Class Existing Properties TY2012
4th Year Phase-In Local Mills Increase, State Mill Constant**



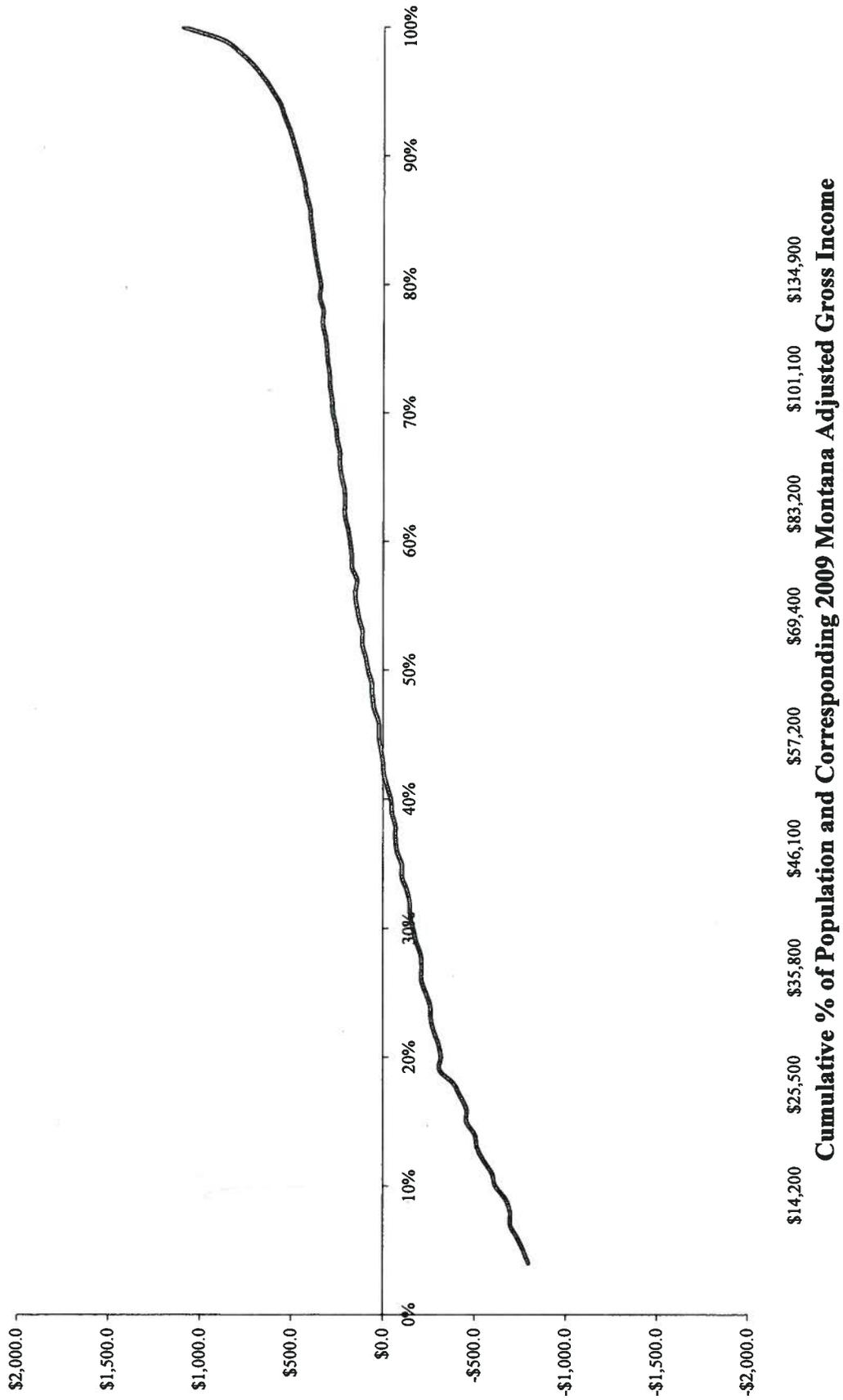
**Average HB 658 Property Taxes After Credit as a Percent of Income
Households Who Claimed the \$400 Property Tax Rebate**



Cumulative % of Population and Corresponding 2009 Montana Adjusted Gross Income

— 2008 - - - 2012

**Average HB658 Property Taxes after Credit, Difference from 2008
Households Who Claimed the \$400 Property Tax Rebate**



— 2012