

Understanding Your Property Assessment Notice

Use this example worksheet to help you better understand the property tax calculations.

The numbers provided do not reflect your property assessment.

How Property Taxes Are Calculated		
Property Value x Tax Rate = Taxable Value x Mill Levy = Tax		
	Calculate an estimate using the information from <i>your</i> property assessment here	Using the example property below
To estimate property tax based on last year's mill levy (each taxing jurisdiction calculates a mill levy annually):		
1. Enter the 2012 mill levy		545.65
2. Multiply the 2012 mill levy by 0.001 (one mill = one-tenth of a cent).....		0.54565
3. Enter the total current year taxable value (total of column O in the sample below)		3,449.00
Multiply line 2 by line 3 to calculate estimated property tax amount.....		\$1,881.95
How Mill Levies Are Calculated		
Taxing Jurisdiction Budget ÷ Total Taxable Value of Taxing Jurisdiction = Mill Levy		
Properties may be subject to locally assessed fees or charges in addition to property tax for such things as solid waste, lighting, and special or rural improvement districts.		

Example of Property Assessment Notice			
A. Owner(s): John Doe	B. 2013 Property Assessment Notice Property Subject to Taxation Example County 100 Main Street Anywhere, MT 59000	C. Date: 3/31/2013	
		D. Assessment Code: 11111	
		E. School District: 111	
		F. 2012 Mill Levy: 545.65	

THIS IS NOT A TAX BILL. For details about your property taxation values, please contact your local Department of Revenue office.

G. Legal Description Geocode	H. Property Classification	I. Taxable Percent	J. Quantity	K. Value Before Reappraisal	L. Market/Productivity Value As of 1/1/2002	M. As of 7/1/2008	N. Taxable Value Previous Year	O. Current Year
Original Townsite Block 1 Lots 2-3 57-1234-30-1-01-01-0000	2201 - Residential City/Town Lot	2.54%	0.5	1,726	1,726	3,334	41	42
	3501 - Improvements on Residential City/Town Lot	2.54%	0	188,270	188,270	257,721	3,454	3,407
Totals				189,996	189,996	261,055	3,495	3,449

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Explanation of Information on Property Assessment Notice

A.	Owner(s) – Lists as many of the owner(s) and contract purchaser(s) as space allows.
B.	Tax Year and County Name – Indicates the year of the assessment notice and the name of the county where the property was assessed.
C.	Date – The date is important because of the statutes regarding the taxpayer’s right to appeal the value. The printed date is at least 7 days later than the day the assessment notices are initially produced to allow for processing and mailing time.
D.	Assessment Code – This is a unique number that identifies one or more properties for the county tax billing process.
E.	School District – This is the county described school district.
F.	Mill Levy – Each taxing jurisdiction calculates a mill levy annually. A consolidated levy is the total levies of taxing authorities that have the right to tax a property within a defined geographic area.
G.	Legal Description/Geocode – The legal description includes subdivision name, lot, block, section, township, range and other information that describes the property for the purpose of legal ownership. The corresponding geocode (geographical identification number) is a unique property identifier used by the property assessment computer program.
H.	Property Classification – A brief description of the type of property being assessed. These may be abbreviated due to limited space. Property Value – If your property was valued using either the sales comparison approach or the income approach, the combined value of your land and improvements will be reported in columns K through O.
I.	Taxable Percent – The tax rate for each type of property is established by the legislature. The tax rate for all class 3 (ag land) and class 4 (residential, commercial and industrial land and buildings) property is 2.54% for tax year 2013. The tax rate for forest land is 0.30%. For class 8 property, if the aggregate market value of all class 8 property owned by an individual or business is \$2 million or less, the property is taxed at 2%. If the aggregate market value of the class 8 property is more than \$2 million, the first \$2 million is taxed at 2% and any market value over \$2 million is taxed at 3%.
J.	Quantity – The number of acres of real property or the quantity of livestock or other personal property. The quantity displayed on the assessment notice is rounded to two decimal places. The actual assessed quantity may be slightly different, and some items will not display a quantity.
K.	Value Before Reappraisal (VBR) – This value only displays for real property. If the property has not had any new construction, destruction, land reclassification, land subdivision, or change in use, etc., this value will reflect the actual 2002 reappraisal value. Properties that have experienced any of the above changes have a calculated value that reflects what the value would have been in 2002 in its current status.
L.	Market/Productivity Value 1/1/2002 – This is the actual 2002 reappraisal value (i.e. the full value) of the property. If there has been a change in the property classification since 2008 due to new construction, land subdivision, property tax assistance, etc, this field may be blank.
M.	Market/Productivity Value 7/1/2008 – This is the actual 2008 reappraisal value (i.e. the full value) of the real property—what the property could have sold for on 7/1/2008. This also represents the current year depreciated market value of personal property.
N.	Previous Year Taxable Value – This is the value that was used to determine the amount of property tax due last year.
O.	Current Year Taxable Value – This is the value that will be used to determine the amount of property tax due on the property for the current year. The taxable value multiplied by the mill levy (set by local government) equals the amount of property tax due. Properties may be subject to locally assessed fees or charges in addition to property tax for such things as solid waste, lighting, and special or rural improvement districts.

For more detailed information on how *taxable value* is calculated, contact your local Department of Revenue office.

Property Tax Assistance Programs

Disabled Veterans or Spouses of Disabled Veterans

If you are a disabled veteran with a 100% service related disability, or the surviving spouse of a disabled veteran, you may be eligible to claim a reduction or a full exemption of your Montana property taxes. The deadline to file for this program is April 15. To find out if you may qualify or to request an application for future tax years, please contact your local Montana Department of Revenue office.

Property Tax Assistance Program

If you are a Montana property owner with a total household income of less than \$20,809 for one qualified applicant or \$27,745 for multiple applicants or head of households, you may be eligible for reduced property taxes on your primary residence. The deadline to file for this program is April 15. To find out if you may qualify or to request an application for future tax years, please contact your local Montana Department of Revenue office.

Extended Property Tax Assistance Program

Certain property owners whose taxable valuation increased by more than 24% as a result of the 2008 reappraisal may be eligible for reduced property taxes on their homes. The Department of Revenue will mail those identified property owners applications asking for further information about their property, property ownership, and household income to determine if they qualify. The application deadline is April 15. If you do not receive an application in the mail, your property does not qualify for this program.

Elderly Homeowner/Renter Income Tax Credit

Montana homeowners or renters age 62 or older may qualify for a refundable income tax credit worth up to \$1,000. To see if you may qualify or to file the Form 2EC online for free, please visit our website at revenue.mt.gov or call us toll free at 1-866-859-2254.