



**Mike Kadas**  
Director

# Montana Department of Revenue



**Steve Bullock**  
Governor

## MEMORANDUM

To: Revenue and Transportation Interim Committee (RTIC)

From: Mike Kadas, Director  
Montana Department of Revenue (DOR)

Date: July 16, 2014

Subject: Property Tax Simplification Ideas

As a follow-up to the May 6<sup>th</sup> meeting and in response to agenda item #3 Property Tax Simplification “wish list”, I would like to provide members with additional detail about these ideas that the DOR believes should be considered towards the goal of property tax simplification. They address a large number of problems that this committee has discussed over the years and those heard from constituents.

I believe that genuine property tax simplification is essential and central to a broad understanding of, and confidence in, the property tax system. The proposals raised below will all require some level of statutory change.

Therefore, the following is an itemized list of property tax simplification ideas for this committee to consider:

- Shorten the property reappraisal cycle to either one or two years
- Eliminate the phase-in of reappraised values
- Simplify class 3 and class 4 property by having separate tax rates for residential, agricultural and commercial property
- Allow the public disclosure of real estate sales prices, as some 39 other states do
- Provide a single, simple definition of income to establish eligibility for the three low-income property tax assistance programs (PTAP, DAV and 2EC)
- Reduce the number of property classifications (currently there are 14)