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**Montana Department of Revenue reaches tax compromise with Puget Sound Energy**

Helena – The Montana Department of Revenue and Puget Sound Energy, Inc. have reached a settlement of the company’s long-standing property tax appeals.

Every year since 2005, with the exception of 2008, Puget has appealed the department’s determination of market value for the company’s centrally assessed property located in 19 Montana counties.

During the appeal, Puget paid more than \$22 million of its \$67 million property taxes under protest. The payment under protest was kept in escrow. The settlement agreement provides for releasing most of those protested tax funds to local governments, schools and the state. A portion of the taxes will be refunded to Puget.

Under the settlement agreement, \$16 million of the protested taxes will be released to local and state governments. Of the \$16 million, about \$11 million will go to the counties and \$5 million to the state. Puget will receive \$6.7 million of the protested taxes back.

“The department believes this is a good settlement for Montana, and we appreciate Puget’s assistance in reaching this agreement,” said Revenue Director Mike Kadas. “This appeal has been through the State Tax Appeal Board and District Court up to the State Supreme Court. Litigation can be expensive, and it was time to resolve the protest and free up the money to fund Montana’s essential services like schools, public health and safety.”

The department and Puget also agreed on the centrally assessed market value for 2013, which provides assurance against a protest of this year’s taxes.

About half of the value involved is in Rosebud County. The remainder is spread along the transmission line corridor to the west, affecting 18 other counties. They are Anaconda/Deer Lodge, Big Horn, Broadwater, Butte/Silver Bow, Granite, Golden Valley, Hill, Jefferson, Lewis & Clark, Meagher, Mineral, Missoula, Musselshell, Powell, Stillwater, Treasure, Wheatland and Yellowstone Counties.

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