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Verizon and the Montana Department of Revenue reach settlement of property valuation dispute

Helena, MT – Verizon Wireless and the Montana Department of Revenue have reached a settlement over how the department valued the company’s centrally assessed property for tax years 2009 through 2014. The two parties have also reached a settlement over how the department valued Alltel Wireless’s property for tax year 2010, the year in which Verizon was responsible for Alltel’s taxes.

The department assessed Verizon \$46,960,674 in property taxes for tax years 2009 through 2013. Of that amount, Verizon paid \$32,811,374 under protest in dispute over the appraisal methods the department used in calculating Verizon’s property taxes. As part of the settlement, the state and counties will keep \$22,284,007, and Verizon will receive a refund of \$10,527,367. Though property taxes assessed for tax year 2014 are part of the agreement, Verizon has not yet received its tax bill for 2014.

Also in dispute was the amount in property taxes the department assessed Alltel Wireless for tax year 2010. Responsible for Alltel’s taxes that year, Verizon paid \$4,692,793 in taxes, of which the company protested \$3,736,795. As part of the agreement, the state and counties will keep \$2,952,480 and will refund Verizon \$784,315.

In settling with Verizon, the Department of Revenue took into consideration the Supreme Court’s Gold Creek decision, which compelled the department to revise how it values intangible property.

The department will soon release the Verizon taxes to the state and to the counties in which Verizon owned property during the tax years in question.

“This is a good resolution for Montana’s taxpayers,” says Revenue Director Mike Kadas. “It saves the department the expense of litigation and it frees up the revenue that can now go towards funding the services the state and counties provide. We appreciate Verizon’s assistance in reaching this agreement.”

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