



Mike Kadas
Director

Montana Department of Revenue



Steve Bullock
Governor

Memorandum

To: Mike Kadas, Director
Montana Department of Revenue

From: Eric Dale, Tax Policy and Research
Montana Department of Revenue

Date: August 2, 2016

Subject: Small Business Impact Analysis of Rules Relating to the Assessment and Review Process MAR 42-2-956

The proposed rule changes are primarily related to three aspects. Aligning the current rules to incorporate SB 157 of the 2015 Session, updating rules to align them with a recent state tax appeal board ruling, and allowing taxpayers the option of receiving electronic copies of classification and appraisal notices. None of these changes are anticipated to significantly impact small business.

The 2015 Legislature passed SB 157 which, among other things, changed the reappraisal cycle for classes three and four from a six year cycle to a two year cycle, while leaving class ten on a six year cycle. The proposed rule changes are primarily related to updating the current rules to incorporate this legislation.

The department also proposes updating rules related to the requirements for a property to qualify for agricultural status. The proposed rule changes do not impact small business as these rule changes are designed to align with a recent state tax appeal board ruling.

The department also proposes to change a rule to allow the property taxpayer the option to request an electronic version of their classification and appraisal notice beginning in 2017. This is estimated to have minimal impact on small business, other than the possibility of increased convenience to taxpayers.