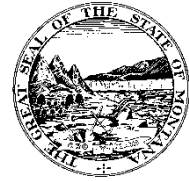




Mike Kadas
Director

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: September 1st, 2017

Subject: Small business impact analysis of rules in MAR 42-2-980 relating to HB 74, HB 554, and SB 94 of the 2017 Legislature.

HB 74 of the 2017 Legislature, clarified and corrected some inaccurate references in statute. The proposed rule changes related to HB 74 clarify and correct similar language in the rules, and it is not anticipated that these changes will have any direct impact on small business.

HB 554 clarifies the Property Tax Assistance Program (PTAP) and Montana Disabled Veterans (MDV) program benefits apply for the entire tax year; that qualifying is associated with the individual and their principal residence; and that benefits are prorated for the portion of the tax year the individual has a principal residence. Any impact of the rule changes will be the result of the passage of HB 554, and not the rules themselves. Therefore, rule changes related to HB 554 are not anticipated to have any direct impact on small businesses.

SB 94 of the 2017 Legislature, creates a new property tax assistance program for homeowners by capping the land value of their primary residence parcel to 150 percent of the improvement value. For a property owner to qualify for the exemption, the owner must live in the property for at least seven months of the year and the owner or a family member within the third degree of consanguinity must have owned the property for at least 30 years. This legislation applies to residential homeowners and not commercial properties, so there is not anticipated to be any direct impact to small business as a result of the rule changes related to SB 94.