

BEFORE THE DEPARTMENT OF REVENUE  
OF THE STATE OF MONTANA

In the matter of the amendment of ) NOTICE OF PUBLIC HEARING ON  
ARM 42.21.113, 42.21.123, ) PROPOSED AMENDMENT  
42.21.131, 42.21.137, 42.21.138, )  
42.21.139, 42.21.140, 42.21.151, )  
42.21.153, 42.21.155, 42.21.160, and )  
42.22.1311 pertaining to the trended )  
depreciation schedules for valuing )  
property )

TO: All Concerned Persons

1. On November 2, 2017, at 2:30 p.m., the Department of Revenue will hold a public hearing in the Third Floor Reception Conference Room of the Sam W. Mitchell Building, located at 125 North Roberts, Helena, Montana, to consider the proposed amendment of the above-stated rules. The hearing room is most readily accessed by entering through the east doors of the building facing Sanders Street.

2. The Department of Revenue will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, contact the department no later than 5 p.m. on October 23, 2017, to advise us of the nature of the accommodation you need. Please contact Laurie Logan, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail lalogan@mt.gov.

3. GENERAL STATEMENT OF REASONABLE NECESSITY. The department uses data from the guides and valuation manuals listed in its rules to determine the trended depreciation schedules published in those rules. Personal property is valued annually and because the trend tables used to value personal property change from year to year, the department must provide taxpayers with notice of those changes and does so through the rulemaking process. The annual update to the trended depreciation schedules provides taxpayers with the current depreciation percentage for each of the personal property classifications for the upcoming year. The updates also clearly identify for the taxpayer how the department values and depreciates property over time.

ARM 42.21.157 requires the department to update the depreciation schedules of tangible personal property on an annual basis. The annual changes affect all businesses with taxable tangible personal property. By annually updating the depreciation schedules the department accounts for the impact an additional year of wear and tear has on the value of tangible personal property. Small businesses would see a negative impact if these tables were not updated. Therefore, it is reasonably necessary to update the trend tables to reflect any changes for the upcoming year.

This general statement of reasonable necessity applies to all of the following rules. Supplemental statements of reasonable necessity have been provided for ARM 42.21.123, to add implementing citations and incorporate changes enacted by House Bill 115, L. 2017; for ARM 42.21.131, to add an implementing citation; and for ARM 42.21.160 and 42.22.1311, for format corrections.

4. The rules as proposed to be amended provide as follows, deleted matter interlined, new matter underlined:

42.21.113 LEASED AND RENTAL EQUIPMENT (1) Leased or rental equipment that is leased or rented on an hourly, daily, weekly, semimonthly, or monthly basis, but is not exempt under 15-6-202 or 15-6-219, MCA, will be valued in the following manner:

(a) For equipment that has an acquired cost of \$0 to \$500, the department shall use a four-year trended depreciation schedule. The trended schedule will be the same as ARM 42.21.155, category 1.

<u>YEAR NEW/ACQUIRED</u>	<u>TRENDED % GOOD</u>
<del>2016</del> <u>2017</u>	70%
<del>2015</del> <u>2016</u>	44%
<del>2014</del> <u>2015</u>	19%
<del>2013</del> <u>2014</u>	9%
Older	5%

(b) For equipment that has an acquired cost of \$501 to \$1,500, the department shall use a five-year trended depreciation schedule. The trended schedule will be the same as ARM 42.21.155, category 2.

<u>YEAR NEW/ACQUIRED</u>	<u>TRENDED % GOOD</u>
<del>2016</del> <u>2017</u>	85%
<del>2015</del> <u>2016</u>	<del>70%</del> <u>69%</u>
<del>2014</del> <u>2015</u>	<del>54%</del> <u>53%</u>
<del>2013</del> <u>2014</u>	35%
<del>2012</del> <u>2013</u>	<del>23%</del> <u>24%</u>
Older	18%

(c) For equipment that has an acquired cost of \$1,501 to \$5,000, the department shall use a ten-year trended depreciation schedule. The trended schedule will be the same as ARM 42.21.155, category 8.

<u>YEAR NEW/ACQUIRED</u>	<u>TRENDED % GOOD</u>
<del>2016</del> <u>2017</u>	92%
<del>2015</del> <u>2016</u>	85%
<del>2014</del> <u>2015</u>	<del>78%</del> <u>77%</u>
<del>2013</del> <u>2014</u>	70%
<del>2012</del> <u>2013</u>	61%

2011 <u>2012</u>	53% <u>52%</u>
<del>2010</del> <u>2011</u>	42%
<del>2009</del> <u>2010</u>	33%
2008 <u>2009</u>	28% <u>26%</u>
<del>2007</del> <u>2008</u>	25%
Older	20%

(d) For equipment that has an acquired cost of \$5,001 to \$15,000, the department shall use the trended depreciation schedule for heavy equipment. The schedule will be the same as ARM 42.21.131.

<u>YEAR NEW/ACQUIRED</u>	<u>TRENDED % GOOD</u>
2017 <u>2018</u>	80%
2016 <u>2017</u>	65% <u>52%</u>
<del>2015</del> <u>2016</u>	60% <u>50%</u>
2014 <u>2015</u>	50% <u>48%</u>
2013 <u>2014</u>	47% <u>46%</u>
2012 <u>2013</u>	44% 43%
2011 <u>2012</u>	41% 40%
2010 <u>2011</u>	39% 38%
2009 <u>2010</u>	37% 36%
2008 <u>2009</u>	35% 36%
2007 <u>2008</u>	33% 34%
2006 <u>2007</u>	30% 31%
<del>2005</del> <u>2006</u>	29%
2004 <u>2005</u>	29% 28%
2003 <u>2004</u>	27%
2002 <u>2003</u>	24% 27%
2001 <u>2002</u>	22% 25%
2000 <u>2001</u>	22% 23%
1999 <u>2000</u>	21% 22%
<del>1998</del> <u>1999</u> and older	20%

(e) For rental video tapes and digital video disks, the following trended depreciation schedule will be used:

<u>YEAR NEW/ACQUIRED</u>	<u>TRENDED % GOOD</u>
<del>2016</del> <u>2017</u>	25%
<del>2015</del> <u>2016</u>	15%
2014 <u>2015</u> and older	10%

(2) through (4) remain the same.

(5) This rule is effective for tax years beginning after December 31, ~~2016~~ 2017.

AUTH: 15-1-201, 15-23-108, MCA

IMP: 15-6-135, 15-6-138, 15-6-202, 15-6-219, MCA

42.21.123 FARM MACHINERY AND EQUIPMENT (1) remains the same.

(2) The market value for farm machinery and equipment shall be the "average wholesale" value as shown in the ~~Iron Solutions, Northwest Region Official Guide, Fall Edition, for the year previous to the year of the assessment. This guide may be reviewed in the department or purchased from the publisher: North American Equipment Dealers Association, 1195 Smizer Mill Road, Fenton, Missouri 63026-3480~~ online version of the guide known as Equipment Watch, as of October of the year prior to the year of assessment. This online guide is incorporated by reference and may be reviewed in the department or purchased from the publisher: Dataquest, 1290 Ridder Park Drive, San Jose, California 95131.

(3) through (7) remain the same.

(8) The trended depreciation schedule referred to in (2) through (6) is listed below and shall be used for tax year ~~2017~~ 2018. The schedule is derived by using the guide listed in (2) as the data base. The values derived through use of the trended depreciation schedule will approximate average wholesale value.

<u>YEAR NEW/ACQUIRED</u>	<u>TRENDED % GOOD WHOLESALE</u>
<del>2017</del> <u>2018</u>	80%
<del>2016</del> <u>2017</u>	<del>75%</del> <u>50%</u>
<del>2015</del> <u>2016</u>	<del>65%</del> <u>48%</u>
<del>2014</del> <u>2015</u>	<del>59%</del> <u>45%</u>
<del>2013</del> <u>2014</u>	<del>52%</del> <u>45%</u>
<del>2012</del> <u>2013</u>	<del>49%</del> <u>43%</u>
<del>2011</del> <u>2012</u>	<del>45%</del> <u>40%</u>
<del>2010</del> <u>2011</u>	<del>43%</del> <u>40%</u>
<del>2009</del> <u>2010</u>	<del>39%</del> <u>40%</u>
<del>2008</del> <u>2009</u>	<del>40%</del> <u>39%</u>
<del>2007</del> <u>2008</u>	<del>40%</del> <u>38%</u>
<del>2006</del> <u>2007</u>	<del>37%</del> <u>38%</u>
<del>2005</del> <u>2006</u>	<del>34%</del> <u>37%</u>
<del>2004</del> <u>2005</u>	<del>33%</del> <u>36%</u>
<del>2003</del> <u>2004</u>	<del>30%</del> <u>36%</u>
<del>2002</del> <u>2003</u>	<del>25%</del> <u>34%</u>
<del>2001</del> <u>2002</u> and older	<del>20%</del> <u>31%</u>

(9) remains the same.

(10) This rule is effective for tax years beginning after December 31, ~~2016~~ 2017.

AUTH: 15-1-201, MCA

IMP: 15-6-135, 15-6-138, 15-6-202, 15-6-207, 15-6-219, 15-8-111, MCA

REASON: In addition to the general statement of reasonable necessity provided at the beginning of this notice pertaining to the annual data updates to the

rules in this notice, the department further proposes amending ARM 42.21.123 to incorporate a change enacted by House Bill 115, L. 2017 and to add two implementing citations for the rule.

House Bill 115 replaced the requirement that the department use a specifically named publication to value farm machinery with language that allows the department to seek out and use other published valuation guides that meet the criteria in the statute instead. House Bill 115 further requires the department to adopt the selected valuation guide(s) by rule. Therefore, the department proposes updating (2) to strike the former guide from the rule and add language to adopt, by reference, the same online valuation source the department has been using to value heavy equipment for many years. The selected publication now also offers farm machinery values and meets the requirements in 15-8-111, MCA. Using a single valuation source for both heavy equipment and farm machinery offers the department an opportunity to cut annual costs and improve efficiency.

This proposed change may positively or negatively affect taxpayers depending on the model year. For example, farm machinery and equipment new two years ago would have had a trended percentage wholesale of 75 percent using the current valuation guide but has a trended percentage wholesale of 50 percent using the proposed valuation guide. On the other hand, farm machinery and equipment older than 20 years would have had a trended percentage wholesale of 20 percent using the current valuation guide but has a trended percentage wholesale of 31 percent using the proposed valuation guide. It is estimated up to 4,600 property owners have the possibility of being effected. Further, based on estimates from the property assessment division of the department of revenue, the statewide change will decrease taxable value by \$120,000. Using the average TY 2016 mill values for agricultural equipment, this would imply a statewide decrease in taxes paid of approximately \$60,000.

42.21.131 HEAVY EQUIPMENT (1) through (4) remain the same.

(5) The trended depreciation schedule referred to in (2), (3), and (4) is listed below and shall be used for tax year ~~2017~~ 2018. The values derived through the use of these percentages approximate the "quick sale" values provided in the guide listed in (1).

<u>YEAR NEW/ACQUIRED</u>	<u>TRENDED % GOOD WHOLESALE</u>
<del>2017</del> <u>2018</u>	80%
<del>2016</del> <u>2017</u>	<del>65%</del> <u>52%</u>
<del>2015</del> <u>2016</u>	<del>60%</del> <u>50%</u>
<del>2014</del> <u>2015</u>	<del>50%</del> <u>48%</u>
<del>2013</del> <u>2014</u>	<del>47%</del> <u>46%</u>
<del>2012</del> <u>2013</u>	<del>44%</del> <u>43%</u>
<del>2011</del> <u>2012</u>	<del>41%</del> <u>40%</u>
<del>2010</del> <u>2011</u>	<del>39%</del> <u>38%</u>
<del>2009</del> <u>2010</u>	<del>37%</del> <u>36%</u>
<del>2008</del> <u>2009</u>	<del>35%</del> <u>36%</u>
<del>2007</del> <u>2008</u>	<del>33%</del> <u>34%</u>

<del>2006</del> <u>2007</u>	30% <u>31%</u>
<del>2005</del> <u>2006</u>	29%
<del>2004</del> <u>2005</u>	<del>29%</del> <u>28%</u>
<del>2003</del> <u>2004</u>	27%
<del>2002</del> <u>2003</u>	<del>24%</del> <u>27%</u>
<del>2004</del> <u>2002</u>	<del>22%</del> <u>25%</u>
<del>2000</del> <u>2001</u>	<del>22%</del> <u>23%</u>
<del>1999</del> <u>2000</u>	<del>21%</del> <u>22%</u>
<del>1998</del> <u>1999</u> and older	20%

(6) This rule is effective for tax years beginning after December 31, ~~2016~~ 2017, and applies to all heavy equipment.

AUTH: 15-1-201, 15-23-108, MCA  
 IMP: 15-6-135, 15-6-138, 15-6-202, 15-6-219, MCA

REASON: In addition to the general statement of reasonable necessity provided at the beginning of this notice, the department further proposes amending ARM 42.21.131 to add another implementing statute in support of the rule.

42.21.137 SEISMOGRAPH UNITS AND ALLIED EQUIPMENT

(1) through (3) remain the same.

(4) The trended depreciation schedules referred to in (1) through (3) are listed below and shall be used for tax year ~~2017~~ 2018.

SEISMOGRAPH UNIT

<u>YEAR</u> <u>NEW/ACQUIRED</u>	<u>%</u> <u>GOOD</u>	<u>TREND</u> <u>FACTOR</u>	<u>TRENDED</u> <u>% GOOD</u>	<u>WHOLESALE</u> <u>FACTOR</u>	<u>WHOLESALE</u> <u>% GOOD</u>
<del>2017</del> <u>2018</u>	100%	1.000	100%	80%	80%
<del>2016</del> <u>2017</u>	85%	1.000	85%	80%	68%
<del>2015</del> <u>2016</u>	69%	<del>0.988</del> <u>1.011</u>	<del>68%</del> <u>70%</u>	80%	<del>55%</del> <u>56%</u>
<del>2014</del> <u>2015</u>	52%	<del>0.996</del> <u>1.001</u>	52%	80%	<del>41%</del> <u>42%</u>
<del>2013</del> <u>2014</u>	34%	<del>1.008</del> <u>1.009</u>	34%	80%	27%
<del>2012</del> <u>2013</u>	23%	<del>1.009</del> <u>1.021</u>	23%	80%	19%
<del>2011</del> <u>2012-2006</u> 2005 and older	18% 5%	<del>1.037</del> <u>1.023</u>	<del>19%</del> <u>18%</u>	80%	15% 5%

SEISMOGRAPH ALLIED EQUIPMENT

<u>YEAR NEW/</u> <u>ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED %</u> <u>GOOD</u>
<del>2017</del> <u>2018</u>	100%	1.000	100%
<del>2016</del> <u>2017</u>	85%	1.000	85%
<del>2015</del> <u>2016</u>	69%	<del>0.988</del> <u>1.011</u>	<del>68%</del> <u>70%</u>
<del>2014</del> <u>2015</u>	52%	<del>0.996</del> <u>1.001</u>	52%
<del>2013</del> <u>2014</u>	34%	<del>1.008</del> <u>1.009</u>	34%

<del>2012</del> <u>2013</u>	23%	<del>1.009</del> <u>1.021</u>	23%
<del>2011</del> <u>2012-2006</u>	18%	<del>1.037</del> <u>1.023</u>	<del>19%</del> <u>18%</u>
2005 and older	5%		5%

(5) This rule is effective for tax years beginning after December 31, ~~2016~~ 2017.

AUTH: 15-1-201, MCA  
 IMP: 15-6-135, 15-6-138, 15-6-219, MCA

42.21.138 OIL AND GAS FIELD MACHINERY AND EQUIPMENT (1) and (2) remain the same.

(3) The trended depreciation schedule referred to in (1) and (2) is listed below and shall be used for tax year ~~2017~~ 2018.

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
<del>2017</del> <u>2018</u>	100%	1.000	100%
<del>2016</del> <u>2017</u>	95%	1.000	95%
<del>2015</del> <u>2016</u>	90%	<del>0.988</del> <u>1.011</u>	<del>89%</del> <u>91%</u>
<del>2014</del> <u>2015</u>	85%	<del>0.996</del> <u>1.001</u>	85%
<del>2013</del> <u>2014</u>	79%	<del>1.008</del> <u>1.009</u>	80%
<del>2012</del> <u>2013</u>	73%	<del>1.009</del> <u>1.021</u>	<del>74%</del> <u>75%</u>
<del>2011</del> <u>2012</u>	68%	<del>1.037</del> <u>1.023</u>	70%
<del>2010</del> <u>2011</u>	62%	<del>1.065</del> <u>1.050</u>	<del>66%</del> <u>65%</u>
<del>2009</del> <u>2010</u>	55%	<del>1.050</del> <u>1.079</u>	<del>58%</del> <u>59%</u>
<del>2008</del> <u>2009</u>	49%	<del>1.087</del> <u>1.064</u>	<del>53%</del> <u>52%</u>
<del>2007</del> <u>2008</u>	43%	<del>1.136</del> <u>1.101</u>	<del>49%</del> <u>47%</u>
<del>2006</del> <u>2007</u>	37%	<del>1.203</del> <u>1.151</u>	<del>45%</del> <u>43%</u>
<del>2005</del> <u>2006</u>	31%	<del>1.264</del> <u>1.219</u>	<del>39%</del> <u>38%</u>
<del>2004</del> <u>2005</u>	26%	<del>1.371</del> <u>1.280</u>	<del>36%</del> <u>33%</u>
<del>2003</del> <u>2004</u>	23%	<del>1.419</del> <u>1.389</u>	<del>33%</del> <u>32%</u>
<del>2002</del> <u>2003</u> and older	21%	<del>1.447</del> <u>1.438</u>	30%

(4) and (5) remain the same.

(6) This rule is effective for tax years beginning after December 31, ~~2016~~ 2017.

AUTH: 15-1-201, MCA  
 IMP: 15-6-135, 15-6-138, 15-6-213, 15-6-219, MCA

42.21.139 WORK-OVER AND SERVICE RIGS (1) through (4) remain the same.

(5) The trended depreciation schedule referred to in (2) and (4) is listed below and shall be used for tax year ~~2017~~ 2018.

<u>YEAR/NEW ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>WHOLESALE FACTOR</u>	<u>TRENDED WHOLESALE % GOOD</u>
<u>2017 2018</u>	100%	1.000	80%	80%
<u>2016 2017</u>	92%	1.000	80%	74%
<u>2015 2016</u>	84%	<del>0.988</del> <u>1.011</u>	80%	<del>66%</del> <u>68%</u>
<u>2014 2015</u>	76%	<del>0.996</del> <u>1.001</u>	80%	61%
<u>2013 2014</u>	67%	<del>1.008</del> <u>1.009</u>	80%	54%
<u>2012 2013</u>	58%	<del>1.009</del> <u>1.021</u>	80%	47%
<u>2011 2012</u>	49%	<del>1.037</del> <u>1.023</u>	80%	<del>41%</del> <u>40%</u>
<u>2010 2011</u>	39%	<del>1.065</del> <u>1.050</u>	80%	33%
<u>2009 2010</u>	30%	<del>1.050</del> <u>1.079</u>	80%	<del>25%</del> <u>26%</u>
<u>2008 2009</u>	24%	<del>1.087</del> <u>1.064</u>	80%	<del>21%</del> <u>20%</u>
<u>2007 2008 and older</u>	21%	<del>1.136</del> <u>1.101</u>	80%	<del>19%</del> <u>18%</u>

(6) This rule is effective for tax years beginning after December 31, 2016 2017.

AUTH: 15-1-201, MCA

IMP: 15-6-135, 15-6-138, 15-6-219, MCA

42.21.140 OIL DRILLING RIGS (1) remains the same.

(2) The department shall prepare a ten-year trended depreciation schedule for oil drilling rigs. The trended depreciation schedule shall be derived from depreciation factors published in the Marshall & Swift Valuation Service Guide. The "% good" for all drill rigs less than one year old shall be 100 percent. The trended depreciation schedule for tax year 2017 2018 is listed below.

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
<u>2017 2018</u>	100%	1.000	100%
<u>2016 2017</u>	92%	1.000	92%
<u>2015 2016</u>	84%	<del>0.988</del> <u>1.011</u>	<del>83%</del> <u>85%</u>
<u>2014 2015</u>	76%	<del>0.996</del> <u>1.001</u>	76%
<u>2013 2014</u>	67%	<del>1.008</del> <u>1.009</u>	68%
<u>2012 2013</u>	58%	<del>1.009</del> <u>1.021</u>	59%
<u>2011 2012</u>	49%	<del>1.037</del> <u>1.023</u>	<del>51%</del> <u>50%</u>
<u>2010 2011</u>	39%	<del>1.065</del> <u>1.050</u>	<del>42%</del> <u>41%</u>
<u>2009 2010</u>	30%	<del>1.050</del> <u>1.079</u>	<del>31%</del> <u>32%</u>
<u>2008 2009</u>	24%	<del>1.087</del> <u>1.064</u>	26%
<u>2007 2008 and older</u>	21%	<del>1.136</del> <u>1.101</u>	<del>24%</del> <u>23%</u>

(3) remains the same.

(4) This rule is effective for tax years beginning after December 31, 2016 2017.



AUTH: 15-1-201, MCA

IMP: 15-6-135, 15-6-138, 15-6-219, MCA

42.21.151 LOCALLY ASSESSED CABLE TELEVISION SYSTEMS

(1) through (3) remain the same.

(4) The trended depreciation schedules referred to in (2) and (3) are listed below and shall be in effect for tax year ~~2017~~ 2018.

FIVE-YEAR "DISHES"

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
<del>2016</del> <u>2017</u>	85%	1.000	85%
<del>2015</del> <u>2016</u>	69%	<del>0.990</del> <u>1.016</u>	<del>68%</del> <u>70%</u>
<del>2014</del> <u>2015</u>	52%	<del>0.999</del> <u>1.008</u>	52%
<del>2013</del> <u>2014</u>	34%	<del>1.012</del> <u>1.018</u>	<del>34%</del> <u>35%</u>
<del>2012</del> <u>2013</u> and older	23%	<del>1.024</del> <u>1.031</u>	<del>23%</del> <u>24%</u>

TEN-YEAR "TOWERS"

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
<del>2016</del> <u>2017</u>	92%	1.000	92%
<del>2015</del> <u>2016</u>	84%	<del>0.990</del> <u>1.016</u>	<del>83%</del> <u>85%</u>
<del>2014</del> <u>2015</u>	76%	<del>0.999</del> <u>1.008</u>	<del>76%</del> <u>77%</u>
<del>2013</del> <u>2014</u>	67%	<del>1.012</del> <u>1.018</u>	68%
<del>2012</del> <u>2013</u>	58%	<del>1.024</del> <u>1.031</u>	<del>59%</del> <u>60%</u>
<del>2011</del> <u>2012</u>	49%	<del>1.050</del> <u>1.039</u>	51%
<del>2010</del> <u>2011</u>	39%	<del>1.083</del> <u>1.069</u>	42%
<del>2009</del> <u>2010</u>	30%	<del>1.074</del> <u>1.102</u>	<del>32%</del> <u>33%</u>
<del>2008</del> <u>2009</u>	24%	<del>1.105</del> <u>1.094</u>	<del>27%</del> <u>26%</u>
<del>2007</del> <u>2008</u> and older	21%	<del>1.149</del> <u>1.126</u>	24%

(5) This rule is effective for tax years beginning after December 31, ~~2016~~ 2017.

AUTH: 15-1-201, MCA

IMP: 15-6-135, 15-6-138, 15-6-219, MCA

42.21.153 SKI LIFT EQUIPMENT (1) through (3) remain the same.

(4) The trend and depreciation schedule referred to in (2) and (3) is listed below.

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
<del>2016</del> <u>2017</u>	92%	1.000	92%
<del>2015</del> <u>2016</u>	84%	<del>0.990</del> <u>1.016</u>	<del>83%</del> <u>85%</u>
<del>2014</del> <u>2015</u>	76%	<del>0.999</del> <u>1.008</u>	<del>76%</del> <u>77%</u>
<del>2013</del> <u>2014</u>	67%	<del>1.012</del> <u>1.018</u>	68%
<del>2012</del> <u>2013</u>	58%	<del>1.024</del> <u>1.031</u>	<del>59%</del> <u>60%</u>
<del>2011</del> <u>2012</u>	49%	<del>1.050</del> <u>1.039</u>	51%
<del>2010</del> <u>2011</u>	39%	<del>1.083</del> <u>1.069</u>	42%
<del>2009</del> <u>2010</u>	30%	<del>1.074</del> <u>1.102</u>	<del>32%</del> <u>33%</u>
<del>2008</del> <u>2009</u>	24%	<del>1.105</del> <u>1.094</u>	<del>27%</del> <u>26%</u>
<del>2007</del> <u>2008</u> and older	21%	<del>1.149</del> <u>1.126</u>	24%

(a) and (b) remain the same.

(5) This methodology is effective for tax years beginning after December 31, ~~2016~~ 2017.

AUTH: 15-1-201, MCA

IMP: 15-6-135, 15-6-138, 15-6-219, MCA

42.21.155 DEPRECIATION SCHEDULES (1) remains the same.

(2) The trended depreciation schedules for tax year ~~2017~~ 2018 are listed below. The categories are explained in ARM 42.21.156. The trend factors are derived according to ARM 42.21.156 and 42.21.157.

CATEGORY 1

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
<del>2016</del> <u>2017</u>	70%	1.000	70%
<del>2015</del> <u>2016</u>	45%	<del>0.969</del> <u>0.982</u>	44%
<del>2014</del> <u>2015</u>	20%	<del>0.948</del> <u>0.951</u>	19%
<del>2013</del> <u>2014</u>	10%	<del>0.935</del> <u>0.930</u>	9%
Older			5%

CATEGORY 2

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
<del>2016</del> <u>2017</u>	85%	1.000	85%
<del>2015</del> <u>2016</u>	69%	<del>1.015</del> <u>1.002</u>	<del>70%</del> <u>69%</u>
<del>2014</del> <u>2015</u>	52%	<del>1.040</del> <u>1.018</u>	<del>54%</del> <u>53%</u>
<del>2013</del> <u>2014</u>	34%	<del>1.038</del> <u>1.042</u>	35%
<del>2012</del> <u>2013</u>	23%	<del>0.999</del> <u>1.040</u>	<del>23%</del> <u>24%</u>
Older			18%

CATEGORY 3

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
2016 <u>2017</u>	85%	1.000	85%
2015 <u>2016</u>	69%	0.988 <u>0.994</u>	<del>68%</del> <u>69%</u>
2014 <u>2015</u>	52%	0.983 <u>0.982</u>	51%
2013 <u>2014</u>	34%	0.982 <u>0.977</u>	33%
2012 <u>2013</u>	23%	0.966 <u>0.976</u>	22%
Older			18%

CATEGORY 4

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
2016 <u>2017</u>	85%	1.000	85%
2015 <u>2016</u>	69%	1.002 <u>0.992</u>	69% <del>68%</del>
2014 <u>2015</u>	52%	0.992 <u>0.994</u>	52%
2013 <u>2014</u>	34%	0.988 <u>0.984</u>	34% <del>33%</del>
2012 <u>2013</u>	23%	0.987 <u>0.980</u>	23%
Older			18%

CATEGORY 5

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
2016 <u>2017</u>	85%	1.000	85%
2015 <u>2016</u>	69%	1.005 <u>1.004</u>	69%
2014 <u>2015</u>	52%	1.018 <u>1.009</u>	<del>53%</del> <u>52%</u>
2013 <u>2014</u>	34%	1.026 <u>1.022</u>	35%
2012 <u>2013</u>	23%	1.037 <u>1.031</u>	24%
Older			18%

CATEGORY 6

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
2016 <u>2017</u>	85%	1.000	85%
2015 <u>2016</u>	69%	1.019 <u>1.021</u>	70%
2014 <u>2015</u>	52%	1.035 <u>1.040</u>	54%
2013 <u>2014</u>	34%	1.049 <u>1.057</u>	36%
2012 <u>2013</u>	23%	1.071	25%
Older			18%

CATEGORY 7

<u>YEAR NEW/</u>	<u>TREND</u>	<u>TRENDED</u>
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<u>ACQUIRED</u>	<u>% GOOD</u>	<u>FACTOR</u>	<u>% GOOD</u>
2016 <u>2017</u>	92%	1.000	92%
2015 <u>2016</u>	84%	<del>1.008</del> <u>1.006</u>	<del>85%</del> <u>84%</u>
2014 <u>2015</u>	76%	<del>1.020</del> <u>1.014</u>	77%
2013 <u>2014</u>	67%	<del>1.034</del> <u>1.026</u>	69%
2012 <u>2013</u>	58%	<del>1.052</del> <u>1.040</u>	<del>61%</del> <u>60%</u>
2011 <u>2012</u>	49%	<del>1.083</del> <u>1.058</u>	<del>53%</del> <u>52%</u>
2010 <u>2011</u>	39%	<del>1.100</del> <u>1.089</u>	<del>43%</del> <u>42%</u>
2009 <u>2010</u>	30%	<del>1.094</del> <u>1.107</u>	33%
2008 <u>2009</u>	24%	<del>1.129</del> <u>1.101</u>	<del>27%</del> <u>26%</u>
2007 <u>2008</u>	21%	<del>1.149</del> <u>1.136</u>	24%
Older			20%

CATEGORY 8

<u>YEAR NEW/ ACQUIRED</u>	<u>% GOOD</u>	<u>TREND FACTOR</u>	<u>TRENDED % GOOD</u>
2016 <u>2017</u>	92%	1.000	92%
2015 <u>2016</u>	84%	<del>1.006</del> <u>1.009</u>	85%
2014 <u>2015</u>	76%	<del>1.030</del> <u>1.015</u>	<del>78%</del> <u>77%</u>
2013 <u>2014</u>	67%	<del>1.044</del> <u>1.040</u>	70%
2012 <u>2013</u>	58%	<del>1.047</del> <u>1.053</u>	61%
2011 <u>2012</u>	49%	<del>1.079</del> <u>1.057</u>	<del>53%</del> <u>52%</u>
2010 <u>2011</u>	39%	<del>1.089</del> <u>1.088</u>	42%
2009 <u>2010</u>	30%	<del>1.094</del> <u>1.099</u>	33%
2008 <u>2009</u>	24%	<del>1.163</del> <u>1.104</u>	<del>28%</del> <u>26%</u>
2007 <u>2008</u>	21%	<del>1.188</del> <u>1.174</u>	25%
Older			20%

(3) This rule is effective for tax years beginning after December 31, 2016 2017.

AUTH: 15-1-201, MCA

IMP: 15-6-135, 15-6-138, 15-6-219, MCA

42.21.160 DEFINITIONS For purposes of this chapter the following definitions apply:

- (1) through (11) remain the same.
- (12) remains the same, but is renumbered (13).
- (13) remains the same, but is renumbered (12).

AUTH: 15-1-201, 15-9-101, MCA

IMP: 15-1-121, 15-1-137, 15-6-138, 15-8-104, MCA

REASON: The department proposes amending ARM 42.21.160 to correct the alphabetical order of two terms in the rule to meet with the preferred format for definition rules. No other changes are being proposed for the rule at this time.

42.22.1311 INDUSTRIAL MACHINERY AND EQUIPMENT TREND

FACTORS (1) remains the same.

(2) Life expectancies for industrial machinery and equipment are shown in the trend table below.

INDUSTRIAL MACHINERY AND EQUIPMENT TREND FACTORS

<u>Description</u>	<u>Trend Table</u>	<u>Life</u>
(a) through (bp) remain the same.		
(bq) <u>Renewable Energy Generation</u>	(11)	20
(bq) through (cf) remain the same, but are renumbered (br) through (cg).		
(cg) <u>Renewable Energy Generation</u>	(11)	20
(ch) through (cj) remain the same.		

Note: 1. Lab equipment is included in its related industry's table at ten-year life expectancy.

(3) Tables 1 through 32 represent the yearly trend factors for each of the categories.

<u>YEAR</u>	<u>TABLE 1</u> <u>Airplane Mfg.</u>	<u>TABLE 2</u> <u>Baking</u>	<u>TABLE 3</u> <u>Bottling</u>	<u>TABLE 4</u> <u>Brew/Dis.</u>	<u>TABLE 5</u> <u>Candy Confect.</u>
2016	1.000	1.000	1.000	1.000	1.000
2015	0.983	0.990	0.986	0.992	0.990
2014	0.986	1.000	0.994	1.003	1.004
2013	0.996	1.014	1.007	1.016	1.016
2012	0.997	1.023	1.011	1.025	1.026
2011	1.026	1.052	1.039	1.052	1.055
2010	1.064	1.086	1.073	1.084	1.089
2009	1.047	1.078	1.063	1.075	1.082
2008	1.077	1.104	1.090	1.105	1.108
2007	1.124	1.149	1.138	1.154	1.153
2006	1.183	1.230	1.207	1.223	1.238
2005	1.244	1.287	1.269	1.286	1.294
2004	1.347	1.384	1.376	1.390	1.394
2003	1.398	1.436	1.426	1.437	1.441
2002	1.424	1.460	1.452	1.463	1.466
2001	1.429	1.470	1.459	1.472	1.475
2000	1.439	1.486	1.472	1.488	1.492
1999	1.465	1.516	1.500	1.516	1.522
1998	1.467	1.521	1.503	1.524	1.527
1997	1.478	1.537	1.514	1.539	1.543
1996	1.496	1.563	1.537	1.564	1.574

<u>YEAR</u>	<u>TABLE 1</u> <u>Airplane Mfg.</u>	<u>TABLE 2</u> <u>Baking</u>	<u>TABLE 3</u> <u>Bottling</u>	<u>TABLE 4</u> <u>Brew/Dis.</u>	<u>TABLE 5</u> <u>Candy Confect.</u>
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<u>2017</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<u>2016</u>	<u>1.017</u>	<u>1.019</u>	<u>1.015</u>	<u>1.011</u>	<u>1.018</u>
<u>2015</u>	<u>1.002</u>	<u>1.011</u>	<u>1.003</u>	<u>1.005</u>	<u>1.011</u>
<u>2014</u>	<u>1.006</u>	<u>1.021</u>	<u>1.011</u>	<u>1.016</u>	<u>1.023</u>
<u>2013</u>	<u>1.016</u>	<u>1.036</u>	<u>1.024</u>	<u>1.030</u>	<u>1.038</u>
<u>2012</u>	<u>1.016</u>	<u>1.045</u>	<u>1.029</u>	<u>1.038</u>	<u>1.047</u>
<u>2011</u>	<u>1.046</u>	<u>1.074</u>	<u>1.057</u>	<u>1.066</u>	<u>1.077</u>
<u>2010</u>	<u>1.085</u>	<u>1.109</u>	<u>1.091</u>	<u>1.095</u>	<u>1.112</u>
<u>2009</u>	<u>1.067</u>	<u>1.101</u>	<u>1.081</u>	<u>1.089</u>	<u>1.105</u>
<u>2008</u>	<u>1.098</u>	<u>1.128</u>	<u>1.109</u>	<u>1.120</u>	<u>1.131</u>
<u>2007</u>	<u>1.143</u>	<u>1.173</u>	<u>1.158</u>	<u>1.170</u>	<u>1.177</u>
<u>2006</u>	<u>1.206</u>	<u>1.256</u>	<u>1.227</u>	<u>1.239</u>	<u>1.264</u>
<u>2005</u>	<u>1.269</u>	<u>1.314</u>	<u>1.290</u>	<u>1.303</u>	<u>1.322</u>
<u>2004</u>	<u>1.374</u>	<u>1.413</u>	<u>1.399</u>	<u>1.408</u>	<u>1.420</u>
<u>2003</u>	<u>1.426</u>	<u>1.467</u>	<u>1.451</u>	<u>1.456</u>	<u>1.472</u>
<u>2002</u>	<u>1.452</u>	<u>1.492</u>	<u>1.477</u>	<u>1.482</u>	<u>1.497</u>
<u>2001</u>	<u>1.457</u>	<u>1.501</u>	<u>1.484</u>	<u>1.492</u>	<u>1.506</u>
<u>2000</u>	<u>1.467</u>	<u>1.518</u>	<u>1.497</u>	<u>1.508</u>	<u>1.524</u>
<u>1999</u>	<u>1.494</u>	<u>1.548</u>	<u>1.526</u>	<u>1.536</u>	<u>1.554</u>
<u>1998</u>	<u>1.496</u>	<u>1.554</u>	<u>1.529</u>	<u>1.544</u>	<u>1.559</u>
<u>1997</u>	<u>1.508</u>	<u>1.570</u>	<u>1.540</u>	<u>1.559</u>	<u>1.576</u>

<u>YEAR</u>	<u>TABLE 6</u> <u>Cement Mfg.</u>	<u>TABLE 7</u> <u>Chemical Mfg.</u>	<u>TABLE 8</u> <u>Clay Mfg.</u>	<u>TABLE 9</u> <u>Contractor Eq.</u>	<u>TABLE 10</u> <u>Creamery/Dairy</u>
2016	1.000	1.000	1.000	1.000	1.000
2015	0.992	0.988	0.994	0.997	0.994
2014	0.999	0.996	1.003	1.009	1.003
2013	1.012	1.008	1.017	1.023	1.017
2012	1.022	1.009	1.029	1.043	1.027
2011	1.057	1.037	1.062	1.077	1.055
2010	1.087	1.065	1.094	1.108	1.089
2009	1.073	1.050	1.086	1.104	1.084
2008	1.121	1.087	1.135	1.136	1.108
2007	1.171	1.136	1.184	1.173	1.155
2006	1.233	1.203	1.248	1.214	1.237
2005	1.293	1.264	1.307	1.269	1.298
2004	1.406	1.371	1.411	1.355	1.397
2003	1.462	1.419	1.462	1.395	1.445
2002	1.492	1.447	1.490	1.416	1.469
2001	1.501	1.455	1.501	1.427	1.479
2000	1.515	1.469	1.517	1.436	1.495
1999	1.541	1.493	1.543	1.461	1.526
1998	1.547	1.500	1.548	1.473	1.532
1997	1.564	1.516	1.564	1.489	1.548
1996	1.583	1.535	1.589	1.519	1.574

<u>YEAR</u>	<u>TABLE 6</u>	<u>TABLE 7</u>	<u>TABLE 8</u>	<u>TABLE 9</u>	<u>TABLE 10</u>
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	<u>Cement Mfg.</u>	<u>Chemical Mfg.</u>	<u>Clay Mfg.</u>	<u>Contractor Eq.</u>	<u>Creamery/Dairy</u>
<u>2017</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<u>2016</u>	<u>1.014</u>	<u>1.011</u>	<u>1.016</u>	<u>1.013</u>	<u>1.015</u>
<u>2015</u>	<u>1.007</u>	<u>1.001</u>	<u>1.012</u>	<u>1.012</u>	<u>1.008</u>
<u>2014</u>	<u>1.015</u>	<u>1.009</u>	<u>1.021</u>	<u>1.024</u>	<u>1.020</u>
<u>2013</u>	<u>1.028</u>	<u>1.021</u>	<u>1.035</u>	<u>1.038</u>	<u>1.035</u>
<u>2012</u>	<u>1.038</u>	<u>1.023</u>	<u>1.047</u>	<u>1.058</u>	<u>1.044</u>
<u>2011</u>	<u>1.074</u>	<u>1.050</u>	<u>1.081</u>	<u>1.093</u>	<u>1.073</u>
<u>2010</u>	<u>1.104</u>	<u>1.079</u>	<u>1.113</u>	<u>1.124</u>	<u>1.108</u>
<u>2009</u>	<u>1.089</u>	<u>1.064</u>	<u>1.105</u>	<u>1.120</u>	<u>1.103</u>
<u>2008</u>	<u>1.139</u>	<u>1.101</u>	<u>1.156</u>	<u>1.153</u>	<u>1.128</u>
<u>2007</u>	<u>1.189</u>	<u>1.151</u>	<u>1.205</u>	<u>1.189</u>	<u>1.175</u>
<u>2006</u>	<u>1.252</u>	<u>1.219</u>	<u>1.270</u>	<u>1.232</u>	<u>1.258</u>
<u>2005</u>	<u>1.313</u>	<u>1.280</u>	<u>1.330</u>	<u>1.287</u>	<u>1.320</u>
<u>2004</u>	<u>1.428</u>	<u>1.389</u>	<u>1.436</u>	<u>1.375</u>	<u>1.421</u>
<u>2003</u>	<u>1.484</u>	<u>1.438</u>	<u>1.488</u>	<u>1.415</u>	<u>1.470</u>
<u>2002</u>	<u>1.515</u>	<u>1.467</u>	<u>1.517</u>	<u>1.437</u>	<u>1.495</u>
<u>2001</u>	<u>1.524</u>	<u>1.475</u>	<u>1.528</u>	<u>1.448</u>	<u>1.505</u>
<u>2000</u>	<u>1.539</u>	<u>1.489</u>	<u>1.544</u>	<u>1.456</u>	<u>1.521</u>
<u>1999</u>	<u>1.565</u>	<u>1.513</u>	<u>1.570</u>	<u>1.482</u>	<u>1.552</u>
<u>1998</u>	<u>1.572</u>	<u>1.520</u>	<u>1.576</u>	<u>1.494</u>	<u>1.559</u>
<u>1997</u>	<u>1.588</u>	<u>1.536</u>	<u>1.592</u>	<u>1.511</u>	<u>1.574</u>

<u>YEAR</u>	<u>TABLE 11</u> <u>Elec. Pwr.</u> <u>Eq.</u>	<u>TABLE 12</u> <u>Elec. Eq.</u> <u>Mfg.</u>	<u>TABLE 13</u> <u>Cannery/Fish</u>	<u>TABLE 14</u> <u>Flour, Cer.</u> <u>Feed</u>	<u>TABLE 15</u> <u>Cannery/Fruit</u>
2016	1.000	1.000	1.000	1.000	1.000
2015	0.970	0.975	0.989	0.989	0.994
2014	0.966	0.974	0.999	0.999	1.003
2013	0.967	0.979	1.014	1.012	1.018
2012	0.956	0.972	1.023	1.020	1.031
2011	0.977	0.998	1.052	1.050	1.059
2010	1.031	1.046	1.087	1.084	1.094
2009	1.023	1.032	1.077	1.075	1.089
2008	1.027	1.049	1.105	1.104	1.111
2007	1.083	1.100	1.150	1.151	1.153
2006	1.173	1.177	1.232	1.226	1.228
2005	1.258	1.250	1.288	1.288	1.281
2004	1.377	1.362	1.388	1.390	1.374
2003	1.440	1.419	1.441	1.442	1.425
2002	1.464	1.444	1.467	1.466	1.448
2001	1.458	1.442	1.476	1.474	1.458
2000	1.468	1.452	1.492	1.490	1.473
1999	1.498	1.479	1.522	1.520	1.504
1998	1.491	1.474	1.526	1.526	1.509
1997	1.493	1.480	1.542	1.541	1.522
1996	1.501	1.494	1.570	1.564	1.553

<u>YEAR</u>	<u>TABLE 11</u> <u>Elec. Pwr.</u> <u>Eq.</u>	<u>TABLE 12</u> <u>Elec. Eq.</u> <u>Mfg.</u>	<u>TABLE 13</u> <u>Cannery/Fish</u>	<u>TABLE 14</u> <u>Flour, Cer.</u> <u>Feed</u>	<u>TABLE 15</u> <u>Cannery/Fruit</u>
<u>2017</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<u>2016</u>	<u>1.019</u>	<u>1.019</u>	<u>1.019</u>	<u>1.016</u>	<u>1.019</u>
<u>2015</u>	<u>0.989</u>	<u>0.995</u>	<u>1.011</u>	<u>1.008</u>	<u>1.012</u>
<u>2014</u>	<u>0.985</u>	<u>0.994</u>	<u>1.021</u>	<u>1.017</u>	<u>1.024</u>
<u>2013</u>	<u>0.987</u>	<u>0.999</u>	<u>1.037</u>	<u>1.031</u>	<u>1.040</u>
<u>2012</u>	<u>0.975</u>	<u>0.992</u>	<u>1.045</u>	<u>1.039</u>	<u>1.053</u>
<u>2011</u>	<u>0.997</u>	<u>1.018</u>	<u>1.075</u>	<u>1.069</u>	<u>1.082</u>
<u>2010</u>	<u>1.052</u>	<u>1.068</u>	<u>1.111</u>	<u>1.104</u>	<u>1.117</u>
<u>2009</u>	<u>1.044</u>	<u>1.053</u>	<u>1.101</u>	<u>1.095</u>	<u>1.113</u>
<u>2008</u>	<u>1.048</u>	<u>1.070</u>	<u>1.130</u>	<u>1.124</u>	<u>1.135</u>
<u>2007</u>	<u>1.105</u>	<u>1.122</u>	<u>1.175</u>	<u>1.172</u>	<u>1.178</u>
<u>2006</u>	<u>1.197</u>	<u>1.201</u>	<u>1.259</u>	<u>1.249</u>	<u>1.254</u>
<u>2005</u>	<u>1.284</u>	<u>1.275</u>	<u>1.316</u>	<u>1.312</u>	<u>1.309</u>
<u>2004</u>	<u>1.405</u>	<u>1.390</u>	<u>1.419</u>	<u>1.416</u>	<u>1.404</u>
<u>2003</u>	<u>1.469</u>	<u>1.449</u>	<u>1.473</u>	<u>1.468</u>	<u>1.456</u>
<u>2002</u>	<u>1.493</u>	<u>1.473</u>	<u>1.499</u>	<u>1.493</u>	<u>1.479</u>
<u>2001</u>	<u>1.488</u>	<u>1.472</u>	<u>1.509</u>	<u>1.501</u>	<u>1.490</u>
<u>2000</u>	<u>1.498</u>	<u>1.482</u>	<u>1.525</u>	<u>1.517</u>	<u>1.505</u>
<u>1999</u>	<u>1.528</u>	<u>1.509</u>	<u>1.556</u>	<u>1.547</u>	<u>1.536</u>
<u>1998</u>	<u>1.521</u>	<u>1.504</u>	<u>1.560</u>	<u>1.554</u>	<u>1.541</u>
<u>1997</u>	<u>1.523</u>	<u>1.511</u>	<u>1.576</u>	<u>1.569</u>	<u>1.555</u>

<u>YEAR</u>	<u>TABLE 16</u> <u>Packing/</u> <u>Fruit</u>	<u>TABLE 17</u> <u>Laundry/</u> <u>Clean</u>	<u>TABLE 18</u> <u>Logging Eq.</u>	<u>TABLE 19</u> <u>Packing/</u> <u>Meat</u>	<u>TABLE 20</u> <u>Metal</u> <u>Work</u>
<u>2016</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<u>2015</u>	<u>0.995</u>	<u>0.989</u>	<u>0.987</u>	<u>0.994</u>	<u>0.984</u>
<u>2014</u>	<u>1.009</u>	<u>0.997</u>	<u>0.994</u>	<u>1.007</u>	<u>0.989</u>
<u>2013</u>	<u>1.027</u>	<u>1.010</u>	<u>1.006</u>	<u>1.023</u>	<u>1.000</u>
<u>2012</u>	<u>1.046</u>	<u>1.018</u>	<u>1.017</u>	<u>1.035</u>	<u>1.000</u>
<u>2011</u>	<u>1.075</u>	<u>1.047</u>	<u>1.047</u>	<u>1.065</u>	<u>1.030</u>
<u>2010</u>	<u>1.108</u>	<u>1.081</u>	<u>1.077</u>	<u>1.097</u>	<u>1.065</u>
<u>2009</u>	<u>1.107</u>	<u>1.072</u>	<u>1.062</u>	<u>1.091</u>	<u>1.045</u>
<u>2008</u>	<u>1.129</u>	<u>1.108</u>	<u>1.098</u>	<u>1.126</u>	<u>1.084</u>
<u>2007</u>	<u>1.168</u>	<u>1.154</u>	<u>1.136</u>	<u>1.171</u>	<u>1.126</u>
<u>2006</u>	<u>1.223</u>	<u>1.216</u>	<u>1.184</u>	<u>1.247</u>	<u>1.189</u>
<u>2005</u>	<u>1.273</u>	<u>1.271</u>	<u>1.236</u>	<u>1.301</u>	<u>1.241</u>
<u>2004</u>	<u>1.359</u>	<u>1.371</u>	<u>1.329</u>	<u>1.394</u>	<u>1.339</u>
<u>2003</u>	<u>1.406</u>	<u>1.420</u>	<u>1.376</u>	<u>1.441</u>	<u>1.382</u>
<u>2002</u>	<u>1.427</u>	<u>1.446</u>	<u>1.398</u>	<u>1.466</u>	<u>1.404</u>
<u>2001</u>	<u>1.440</u>	<u>1.454</u>	<u>1.407</u>	<u>1.477</u>	<u>1.407</u>



2000	1.454	1.467	1.415	1.493	1.417
1999	1.482	1.494	1.440	1.524	1.436
1998	1.489	1.497	1.446	1.528	1.436
1997	1.504	1.509	1.458	1.545	1.450
1996	1.537	1.533	1.481	1.573	1.468
<u>YEAR</u>	<u>TABLE 16</u>	<u>TABLE 17</u>	<u>TABLE 18</u>	<u>TABLE 19</u>	<u>TABLE 20</u>
	<u>Packing/</u>	<u>Laundry/</u>	<u>Logging Eq.</u>	<u>Packing/</u>	<u>Metal</u>
	<u>Fruit</u>	<u>Clean</u>		<u>Meat</u>	<u>Work</u>
<u>2017</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<u>2016</u>	<u>1.019</u>	<u>1.017</u>	<u>1.016</u>	<u>1.017</u>	<u>1.018</u>
<u>2015</u>	<u>1.016</u>	<u>1.008</u>	<u>1.005</u>	<u>1.014</u>	<u>1.004</u>
<u>2014</u>	<u>1.030</u>	<u>1.016</u>	<u>1.012</u>	<u>1.027</u>	<u>1.009</u>
<u>2013</u>	<u>1.048</u>	<u>1.029</u>	<u>1.025</u>	<u>1.043</u>	<u>1.020</u>
<u>2012</u>	<u>1.068</u>	<u>1.037</u>	<u>1.035</u>	<u>1.055</u>	<u>1.020</u>
<u>2011</u>	<u>1.098</u>	<u>1.067</u>	<u>1.066</u>	<u>1.086</u>	<u>1.051</u>
<u>2010</u>	<u>1.130</u>	<u>1.102</u>	<u>1.097</u>	<u>1.118</u>	<u>1.087</u>
<u>2009</u>	<u>1.130</u>	<u>1.092</u>	<u>1.082</u>	<u>1.113</u>	<u>1.066</u>
<u>2008</u>	<u>1.152</u>	<u>1.128</u>	<u>1.118</u>	<u>1.148</u>	<u>1.106</u>
<u>2007</u>	<u>1.192</u>	<u>1.175</u>	<u>1.157</u>	<u>1.194</u>	<u>1.149</u>
<u>2006</u>	<u>1.248</u>	<u>1.239</u>	<u>1.206</u>	<u>1.272</u>	<u>1.213</u>
<u>2005</u>	<u>1.300</u>	<u>1.295</u>	<u>1.259</u>	<u>1.326</u>	<u>1.266</u>
<u>2004</u>	<u>1.387</u>	<u>1.397</u>	<u>1.353</u>	<u>1.421</u>	<u>1.366</u>
<u>2003</u>	<u>1.435</u>	<u>1.447</u>	<u>1.401</u>	<u>1.469</u>	<u>1.410</u>
<u>2002</u>	<u>1.457</u>	<u>1.474</u>	<u>1.423</u>	<u>1.494</u>	<u>1.433</u>
<u>2001</u>	<u>1.470</u>	<u>1.482</u>	<u>1.432</u>	<u>1.506</u>	<u>1.435</u>
<u>2000</u>	<u>1.482</u>	<u>1.494</u>	<u>1.440</u>	<u>1.522</u>	<u>1.445</u>
<u>1999</u>	<u>1.513</u>	<u>1.522</u>	<u>1.466</u>	<u>1.551</u>	<u>1.465</u>
<u>1998</u>	<u>1.520</u>	<u>1.525</u>	<u>1.472</u>	<u>1.558</u>	<u>1.465</u>
<u>1997</u>	<u>1.532</u>	<u>1.537</u>	<u>1.484</u>	<u>1.576</u>	<u>1.479</u>

<u>YEAR</u>	<u>TABLE 21</u>	<u>TABLE 22</u>	<u>TABLE 23</u>	<u>TABLE 24</u>	<u>TABLE 25</u>
	<u>Mine</u>	<u>Paint</u>			<u>Paper</u>
	<u>Mill</u>	<u>Mfg.</u>	<u>Petroleum</u>	<u>Printing</u>	<u>Mfg.</u>
<u>2016</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<u>2015</u>	<u>0.996</u>	<u>0.988</u>	<u>0.988</u>	<u>0.986</u>	<u>0.988</u>
<u>2014</u>	<u>1.007</u>	<u>0.996</u>	<u>0.996</u>	<u>0.990</u>	<u>0.998</u>
<u>2013</u>	<u>1.022</u>	<u>1.009</u>	<u>1.007</u>	<u>0.998</u>	<u>1.012</u>
<u>2012</u>	<u>1.042</u>	<u>1.014</u>	<u>1.014</u>	<u>1.002</u>	<u>1.024</u>
<u>2011</u>	<u>1.088</u>	<u>1.045</u>	<u>1.044</u>	<u>1.028</u>	<u>1.052</u>
<u>2010</u>	<u>1.124</u>	<u>1.079</u>	<u>1.071</u>	<u>1.060</u>	<u>1.086</u>
<u>2009</u>	<u>1.123</u>	<u>1.067</u>	<u>1.054</u>	<u>1.050</u>	<u>1.074</u>
<u>2008</u>	<u>1.174</u>	<u>1.103</u>	<u>1.097</u>	<u>1.073</u>	<u>1.108</u>
<u>2007</u>	<u>1.223</u>	<u>1.152</u>	<u>1.151</u>	<u>1.110</u>	<u>1.153</u>
<u>2006</u>	<u>1.277</u>	<u>1.219</u>	<u>1.225</u>	<u>1.172</u>	<u>1.214</u>
<u>2005</u>	<u>1.340</u>	<u>1.280</u>	<u>1.297</u>	<u>1.219</u>	<u>1.266</u>
<u>2004</u>	<u>1.452</u>	<u>1.388</u>	<u>1.409</u>	<u>1.299</u>	<u>1.372</u>
<u>2003</u>	<u>1.507</u>	<u>1.441</u>	<u>1.459</u>	<u>1.337</u>	<u>1.426</u>

2002	1.536	1.470	1.487	1.359	1.453
2001	1.555	1.479	1.503	1.360	1.465
2000	1.566	1.492	1.521	1.372	1.474
1999	1.592	1.521	1.543	1.391	1.503
1998	1.599	1.525	1.551	1.392	1.507
1997	1.617	1.540	1.572	1.400	1.520
1996	1.643	1.563	1.598	1.423	1.551

<u>YEAR</u>	<u>TABLE 21</u> <u>Mine</u> <u>Mill</u>	<u>TABLE 22</u> <u>Paint</u> <u>Mfg.</u>	<u>TABLE 23</u> <u>Petroleum</u>	<u>TABLE 24</u> <u>Printing</u>	<u>TABLE 25</u> <u>Paper</u> <u>Mfg.</u>
<u>2017</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<u>2016</u>	<u>1.014</u>	<u>1.016</u>	<u>1.009</u>	<u>1.016</u>	<u>1.017</u>
<u>2015</u>	<u>1.012</u>	<u>1.006</u>	<u>0.999</u>	<u>1.005</u>	<u>1.007</u>
<u>2014</u>	<u>1.023</u>	<u>1.014</u>	<u>1.006</u>	<u>1.008</u>	<u>1.016</u>
<u>2013</u>	<u>1.038</u>	<u>1.027</u>	<u>1.018</u>	<u>1.016</u>	<u>1.031</u>
<u>2012</u>	<u>1.058</u>	<u>1.032</u>	<u>1.025</u>	<u>1.020</u>	<u>1.040</u>
<u>2011</u>	<u>1.105</u>	<u>1.063</u>	<u>1.054</u>	<u>1.047</u>	<u>1.071</u>
<u>2010</u>	<u>1.141</u>	<u>1.098</u>	<u>1.082</u>	<u>1.080</u>	<u>1.106</u>
<u>2009</u>	<u>1.140</u>	<u>1.086</u>	<u>1.064</u>	<u>1.069</u>	<u>1.094</u>
<u>2008</u>	<u>1.192</u>	<u>1.123</u>	<u>1.109</u>	<u>1.093</u>	<u>1.129</u>
<u>2007</u>	<u>1.242</u>	<u>1.173</u>	<u>1.163</u>	<u>1.131</u>	<u>1.174</u>
<u>2006</u>	<u>1.297</u>	<u>1.241</u>	<u>1.237</u>	<u>1.193</u>	<u>1.234</u>
<u>2005</u>	<u>1.360</u>	<u>1.303</u>	<u>1.310</u>	<u>1.241</u>	<u>1.290</u>
<u>2004</u>	<u>1.475</u>	<u>1.413</u>	<u>1.423</u>	<u>1.323</u>	<u>1.398</u>
<u>2003</u>	<u>1.530</u>	<u>1.467</u>	<u>1.474</u>	<u>1.362</u>	<u>1.452</u>
<u>2002</u>	<u>1.560</u>	<u>1.497</u>	<u>1.503</u>	<u>1.384</u>	<u>1.480</u>
<u>2001</u>	<u>1.578</u>	<u>1.505</u>	<u>1.518</u>	<u>1.385</u>	<u>1.492</u>
<u>2000</u>	<u>1.590</u>	<u>1.519</u>	<u>1.537</u>	<u>1.397</u>	<u>1.501</u>
<u>1999</u>	<u>1.616</u>	<u>1.548</u>	<u>1.559</u>	<u>1.417</u>	<u>1.532</u>
<u>1998</u>	<u>1.624</u>	<u>1.552</u>	<u>1.567</u>	<u>1.418</u>	<u>1.536</u>
<u>1997</u>	<u>1.641</u>	<u>1.567</u>	<u>1.588</u>	<u>1.426</u>	<u>1.549</u>

<u>YEAR</u>	<u>TABLE 26</u> <u>Refrigeration</u>	<u>TABLE 27</u> <u>Rubber</u>	<u>TABLE 28</u> <u>Steam</u> <u>Power</u>	<u>TABLE 29</u> <u>Textile</u>	<u>TABLE 30</u> <u>Warehousing</u>
<u>2016</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<u>2015</u>	<u>0.991</u>	<u>0.990</u>	<u>0.984</u>	<u>0.986</u>	<u>0.993</u>
<u>2014</u>	<u>1.000</u>	<u>0.997</u>	<u>0.989</u>	<u>0.992</u>	<u>1.004</u>
<u>2013</u>	<u>1.014</u>	<u>1.008</u>	<u>0.999</u>	<u>1.004</u>	<u>1.018</u>
<u>2012</u>	<u>1.020</u>	<u>1.009</u>	<u>0.999</u>	<u>1.010</u>	<u>1.034</u>
<u>2011</u>	<u>1.051</u>	<u>1.036</u>	<u>1.027</u>	<u>1.035</u>	<u>1.064</u>
<u>2010</u>	<u>1.087</u>	<u>1.066</u>	<u>1.064</u>	<u>1.061</u>	<u>1.095</u>
<u>2009</u>	<u>1.080</u>	<u>1.051</u>	<u>1.054</u>	<u>1.047</u>	<u>1.088</u>
<u>2008</u>	<u>1.117</u>	<u>1.089</u>	<u>1.090</u>	<u>1.079</u>	<u>1.122</u>
<u>2007</u>	<u>1.165</u>	<u>1.131</u>	<u>1.142</u>	<u>1.116</u>	<u>1.162</u>
<u>2006</u>	<u>1.233</u>	<u>1.192</u>	<u>1.219</u>	<u>1.164</u>	<u>1.204</u>

2005	1.292	1.241	1.284	1.208	1.246
2004	1.394	1.331	1.399	1.293	1.334
2003	1.444	1.378	1.451	1.331	1.381
2002	1.473	1.407	1.480	1.350	1.397
2001	1.485	1.411	1.485	1.356	1.402
2000	1.499	1.423	1.497	1.367	1.410
1999	1.528	1.444	1.520	1.387	1.436
1998	1.534	1.450	1.522	1.389	1.438
1997	1.550	1.465	1.533	1.400	1.443
1996	1.575	1.486	1.549	1.425	1.466

<u>YEAR</u>	<u>TABLE 26</u>	<u>TABLE 27</u>	<u>TABLE 28</u>	<u>TABLE 29</u>	<u>TABLE 30</u>
	<u>Refrigeration</u>	<u>Rubber</u>	<u>Steam Power</u>	<u>Textile</u>	<u>Warehousing</u>
<u>2017</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
<u>2016</u>	<u>1.017</u>	<u>1.017</u>	<u>1.015</u>	<u>1.011</u>	<u>1.019</u>
<u>2015</u>	<u>1.009</u>	<u>1.009</u>	<u>1.001</u>	<u>0.998</u>	<u>1.013</u>
<u>2014</u>	<u>1.019</u>	<u>1.016</u>	<u>1.005</u>	<u>1.004</u>	<u>1.025</u>
<u>2013</u>	<u>1.033</u>	<u>1.028</u>	<u>1.016</u>	<u>1.017</u>	<u>1.039</u>
<u>2012</u>	<u>1.039</u>	<u>1.028</u>	<u>1.016</u>	<u>1.022</u>	<u>1.055</u>
<u>2011</u>	<u>1.071</u>	<u>1.056</u>	<u>1.045</u>	<u>1.048</u>	<u>1.086</u>
<u>2010</u>	<u>1.107</u>	<u>1.087</u>	<u>1.082</u>	<u>1.074</u>	<u>1.117</u>
<u>2009</u>	<u>1.100</u>	<u>1.071</u>	<u>1.071</u>	<u>1.060</u>	<u>1.111</u>
<u>2008</u>	<u>1.138</u>	<u>1.110</u>	<u>1.108</u>	<u>1.092</u>	<u>1.145</u>
<u>2007</u>	<u>1.187</u>	<u>1.153</u>	<u>1.161</u>	<u>1.130</u>	<u>1.186</u>
<u>2006</u>	<u>1.256</u>	<u>1.215</u>	<u>1.239</u>	<u>1.179</u>	<u>1.229</u>
<u>2005</u>	<u>1.317</u>	<u>1.266</u>	<u>1.305</u>	<u>1.223</u>	<u>1.272</u>
<u>2004</u>	<u>1.420</u>	<u>1.357</u>	<u>1.423</u>	<u>1.309</u>	<u>1.361</u>
<u>2003</u>	<u>1.471</u>	<u>1.405</u>	<u>1.475</u>	<u>1.347</u>	<u>1.409</u>
<u>2002</u>	<u>1.500</u>	<u>1.434</u>	<u>1.505</u>	<u>1.367</u>	<u>1.426</u>
<u>2001</u>	<u>1.513</u>	<u>1.438</u>	<u>1.510</u>	<u>1.373</u>	<u>1.431</u>
<u>2000</u>	<u>1.527</u>	<u>1.450</u>	<u>1.523</u>	<u>1.384</u>	<u>1.439</u>
<u>1999</u>	<u>1.557</u>	<u>1.472</u>	<u>1.546</u>	<u>1.404</u>	<u>1.466</u>
<u>1998</u>	<u>1.563</u>	<u>1.478</u>	<u>1.548</u>	<u>1.407</u>	<u>1.467</u>
<u>1997</u>	<u>1.579</u>	<u>1.494</u>	<u>1.559</u>	<u>1.418</u>	<u>1.472</u>

<u>YEAR</u>	<u>TABLE 31</u>	<u>TABLE 32</u>
	<u>Woodworking</u>	<u>Glass Mfg.</u>
2016	1.000	1.000
2015	0.996	0.988
2014	1.014	0.994
2013	1.032	1.005
2012	1.050	1.011
2011	1.078	1.041
2010	1.111	1.076
2009	1.102	1.065
2008	1.128	1.100

2007	1.165	1.151
2006	1.212	1.220
2005	1.257	1.286
2004	1.343	1.399
2003	1.384	1.454
2002	1.405	1.483
2001	1.417	1.490
2000	1.419	1.505
1999	1.443	1.533
1998	1.445	1.537
1997	1.451	1.549
1996	1.487	1.570

<u>YEAR</u>	<u>TABLE 31</u> <u>Woodworking</u>	<u>TABLE 32</u> <u>Glass Mfg.</u>
<u>2017</u>	<u>1.000</u>	<u>1.000</u>
<u>2016</u>	<u>1.026</u>	<u>1.015</u>
<u>2015</u>	<u>1.024</u>	<u>1.004</u>
<u>2014</u>	<u>1.043</u>	<u>1.011</u>
<u>2013</u>	<u>1.061</u>	<u>1.022</u>
<u>2012</u>	<u>1.079</u>	<u>1.028</u>
<u>2011</u>	<u>1.108</u>	<u>1.058</u>
<u>2010</u>	<u>1.142</u>	<u>1.094</u>
<u>2009</u>	<u>1.133</u>	<u>1.083</u>
<u>2008</u>	<u>1.159</u>	<u>1.118</u>
<u>2007</u>	<u>1.197</u>	<u>1.170</u>
<u>2006</u>	<u>1.245</u>	<u>1.240</u>
<u>2005</u>	<u>1.292</u>	<u>1.307</u>
<u>2004</u>	<u>1.380</u>	<u>1.422</u>
<u>2003</u>	<u>1.422</u>	<u>1.478</u>
<u>2002</u>	<u>1.444</u>	<u>1.507</u>
<u>2001</u>	<u>1.457</u>	<u>1.515</u>
<u>2000</u>	<u>1.458</u>	<u>1.530</u>
<u>1999</u>	<u>1.483</u>	<u>1.559</u>
<u>1998</u>	<u>1.485</u>	<u>1.562</u>
<u>1997</u>	<u>1.491</u>	<u>1.575</u>

AUTH: 15-1-201, MCA  
IMP: 15-6-138, 15-8-111, MCA

REASON: In addition to the general statement of reasonable necessity provided at the beginning of this notice pertaining to the annual data updates to the rules in this notice, the department further proposes amending ARM 42.22.1311 to correct the alphabetical order of the table in (2) by relocating (cg), Renewable Energy Generation, as newly numbered (bq), and renumbering the remainder of table accordingly.

5. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to: Laurie Logan, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail [lalogan@mt.gov](mailto:lalogan@mt.gov) and must be received no later than November 13, 2017.

6. Laurie Logan, Department of Revenue, Director's Office, has been designated to preside over and conduct this hearing.

7. The Department of Revenue maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name and e-mail or mailing address of the person to receive notices and specifies that the person wishes to receive notice regarding a particular subject matter or matters. Notices will be sent by e-mail unless a mailing preference is noted in the request. A written request may be mailed or delivered to the person in 5 above or faxed to the office at (406) 444-3696, or may be made by completing a request form at any rules hearing held by the Department of Revenue.

8. An electronic copy of this notice is available on the department's web site at [revenue.mt.gov/rules](http://revenue.mt.gov/rules), or through the Secretary of State's web site at [sos.mt.gov/ARM/register](http://sos.mt.gov/ARM/register).

9. The bill sponsor contact requirements of 2-4-302, MCA, apply and have been fulfilled. The primary sponsor of House Bill 115, L. 2017, Representative George Kipp III, was contacted by regular mail on June 23, 2017 and September 14, 2017.

10. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rules may directly impact small businesses that own and pay property tax on farm machinery and equipment. Documentation of the department's determination is available at [revenue.mt.gov/rules](http://revenue.mt.gov/rules) or upon request from the person in 5.

/s/ Laurie Logan  
Laurie Logan  
Rule Reviewer

/s/ Mike Kadas  
Mike Kadas  
Director of Revenue

Certified to the Secretary of State October 2, 2017.