

Understanding Your Property Assessment Notice

Use this example worksheet to help you better understand the property tax calculations.

The numbers provided do not reflect your property assessment.

How Property Taxes Are Calculated									
Property Value x Tax Rate = Taxable Value x Mill Levy = Tax									
						Calculate an estimate using the information from your property assessment here	Using the example property below		
To estimate property tax based on last year's mill levy (each taxing jurisdiction calculates a mill levy annually):									
Enter the 2010 mill levy							545.65		
Multiply the 2010 mill levy by 0.001 (one mill = one-tenth of a cent)							0.54565		
Enter the total current year taxable value (total of column O in the sample below).....							3,570.00		
Multiply line 2 by line 3							\$1,947.97		
How Mill Levies Are Calculated									
Taxing Jurisdiction Budget ÷ Total Taxable Value of Taxing Jurisdiction = Mill Levy									
Properties may be subject to locally assessed fees or charges in addition to property tax for such things as solid waste, lighting, and special or rural improvement districts.									
Example of Property Assessment Notice									
A. Owner(s): John Doe			B. 2011 Property Assessment Notice Property Subject to Taxation Example County 100 Main Street Anywhere, MT 59000			C. Date: 3/31/2011 D. Assessment Code: 11111 E. School District: 111 F. 2010 Mill Levy: 545.65			
THIS IS NOT A TAX BILL. For details about your property taxation values, please visit your local Department of Revenue Office or call <County Phone>									
G. Legal Description Geocode	H. Property Classification	I. Taxable Percent	J. Quantity	K. Value Before Reappraisal	L. Market/Productivity Value As of 1/1/2002	M. As of 7/1/2008	N. Taxable Value Previous Year		O. Current Year
Original Townsite Block 1 Lots 2-3 57-1234-30-1-01-01-0000	2201 - Residential City/Town Lot	2.72	0.5	1,726	1,726	3,334	39		40
	3501 - Improvements on Residential City/Town Lot	2.72	0	188,270	188,270	257,721	3,478		3,530
Totals				189,996	189,996	261,055	3,517		3,570

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Explanation of Information on Property Assessment Notice

A.	Owner(s) – Lists as many of the owner(s) and contract purchaser(s) as space allows.
B.	Tax Year and County Name – Indicates the year of the assessment notice and the name of the county where the property was assessed.
C.	Date – The date is important because of the statutes regarding the taxpayer’s right to appeal the value. The printed date is at least 7 days later than the day the assessment notices are initially produced to allow for processing and mailing time.
D.	Assessment Code – This is a unique number that identifies one or more properties for the county tax billing process.
E.	School District – This is the county described school district.
F.	Mill Levy – Each taxing jurisdiction calculates a mill levy annually. A consolidated levy is the total levies of taxing authorities that have the right to tax a property within a defined geographic area.
G.	Legal Description/Geocode – The legal description includes subdivision name, lot, block, section, township, range and other information that describes the property for the purpose of legal ownership. The corresponding geocode (geographical identification number) is a unique property identifier used by the property assessment computer program.
H.	Property Classification – A brief description of the type of property being assessed. These may be abbreviated due to limited space.
I.	Taxable Percent – The tax rate for each type of property is established by the legislature. The tax rate for all class 3 (ag land) and class 4 (residential, commercial and industrial land and buildings) property is 2.72% for tax year 2011. The tax rate for forest land is 0.32%. Personal property, business equipment, is taxed at 3% of its assessed value.
J.	Quantity – The number of acres of real property or the quantity of livestock or other personal property. The quantity displayed on the assessment notice is rounded to two decimal places. The actual assessed quantity may be slightly different. Some items will not display a quantity.
K.	Value Before Reappraisal (VBR) – This value only displays for real property. If the property has not had any new construction, destruction, land reclassification, land subdivision, or change in use, etc., this value will reflect the actual 2002 reappraisal value. Properties that have experienced any of the above changes have a calculated value that reflects what the value would have been in 2002 in its current status. The VBR is the value that is used when calculating the phase-in value of a property. The phase-in value is calculated by taking the difference between the 7/1/2008 value and the VBR multiplied by 16.66% for each year of the appraisal cycle. Because 2011 is the 3rd year of the current 6 year appraisal cycle, the phase-in percent for 2011 is 49.98%.
L.	Market/Productivity Value 1/1/2002 – This is the actual 2002 reappraisal value (i.e. the full value) of the property. If there has been a change in the property classification since 2008 due to new construction, land subdivision, property tax assistance, etc this field may be blank.
M.	Market/Productivity Value 7/1/2008 – This is the actual 2008 reappraisal value (i.e. the full value) of the real property. What the property could have sold for on 7/1/2008. Or the current year depreciated market value of personal property.
N.	Previous Year Taxable Value – This is the value that was used to determine the amount of tax due last year.
O.	Current Year Taxable Value – This is the value that will be used to determine the amount of property tax due on the property for the current year. The taxable value multiplied by the mill levy (set by local government) equals the amount of property tax due. Properties may be subject to locally assessed fees or charges in addition to property tax for such things as solid waste, lighting, and special or rural improvement districts.

Property Tax Assistance Programs

Disabled Veterans or Spouses of Disabled Veterans

If you are a disabled veteran with a 100% service related disability, or the surviving spouse of a disabled veteran, you may be eligible to claim a reduction, or a full exemption, of your Montana property taxes. The deadline to file for this program is April 15. For future tax years, to find out if you qualify or to request an application, please contact your local Montana Department of Revenue office.

Property Tax Assistance Program

If you are a Montana property owner with a total household income of less than \$26,573, you may be eligible for reduced property taxes on your primary residence. The deadline to file for this program is April 15. For future tax years, to find out if you qualify or to request an application, please contact your local Montana Department of Revenue office.

Extended Property Tax Assistance Program

Certain property owners whose taxable valuation increased by more than 24% as a result of the 2009 reappraisal may be eligible for reduced property taxes on their homes. The Department of Revenue will mail those identified property owners applications asking for further information about their property, property ownership, and household income to determine if they qualify. The application deadline is April 15.

Elderly Homeowner/Renter Income Tax Credit

Montana homeowners or renters age 62 or older may qualify for a refundable income tax credit worth up to \$1,000. To see if you qualify or to file the Form 2EC online for free, please visit our website at revenue.mt.gov or call us toll free at 1-866-859-2254.