

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, and |) | |
| 42.22.1311 pertaining to the trended |) | |
| depreciation schedules for valuing |) | |
| property |) | |

TO: All Concerned Persons

1. On November 9, 2016, at 1 p.m., the Department of Revenue will hold a public hearing in the Third Floor East 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 31, 2016, 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 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 proposed rule amendments. A supplemental statement of reasonable necessity has

been provided for ARM 42.22.1311 only, to explain an additional proposed amendment to that rule.

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

42.21.113 LEASED AND RENTAL EQUIPMENT (1) remains the same.

(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> |
|-----------------------------|-----------------------|
| 2015 <u>2016</u> | 70% |
| 2014 <u>2015</u> | 44% |
| 2013 <u>2014</u> | 19% |
| 2012 <u>2013</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> |
|-----------------------------|---------------------------|
| 2015 <u>2016</u> | 85% |
| 2014 <u>2015</u> | 71% <u>70%</u> |
| 2013 <u>2014</u> | 53% <u>54%</u> |
| 2012 <u>2013</u> | 33% <u>35%</u> |
| 2011 <u>2012</u> | 23% |
| 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> |
|-----------------------------|---------------------------|
| 2015 <u>2016</u> | 92% |
| 2014 <u>2015</u> | 86% <u>85%</u> |
| 2013 <u>2014</u> | 79% <u>78%</u> |
| 2012 <u>2013</u> | 70% |
| 2011 <u>2012</u> | 62% <u>61%</u> |
| 2010 <u>2011</u> | 53% |
| 2009 <u>2010</u> | 42% |
| 2008 <u>2009</u> | 35% <u>33%</u> |
| 2007 <u>2008</u> | 28% |
| 2006 <u>2007</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> |
|---------------------------------------|-----------------------|
| 2016 <u>2017</u> | 80% |
| 2015 <u>2016</u> | 65% |
| 2014 <u>2015</u> | 60% |
| 2013 <u>2014</u> | 57% <u>50%</u> |
| 2012 <u>2013</u> | 52% <u>47%</u> |
| 2011 <u>2012</u> | 48% <u>44%</u> |
| 2010 <u>2011</u> | 46% <u>41%</u> |
| 2009 <u>2010</u> | 43% <u>39%</u> |
| 2008 <u>2009</u> | 38% <u>37%</u> |
| 2007 <u>2008</u> | 36% <u>35%</u> |
| 2006 <u>2007</u> | 34% <u>33%</u> |
| 2005 <u>2006</u> | 33% <u>30%</u> |
| 2004 <u>2005</u> | 30% <u>29%</u> |
| 2003 <u>2004</u> | 28% <u>29%</u> |
| 2002 <u>2003</u> | 26% <u>27%</u> |
| 2001 <u>2002</u> | 23% <u>24%</u> |
| 2000 <u>2001</u> | 23% <u>22%</u> |
| 1999 <u>2000</u> | 21% <u>22%</u> |
| 1998 <u>1999</u> | 20% <u>21%</u> |
| 1997 <u>1998</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> |
|---------------------------------------|-----------------------|
| 2015 <u>2016</u> | 25% |
| 2014 <u>2015</u> | 15% |
| 2013 <u>2014</u> and older | 10% |

(2) through (4) remain the same.

(5) This rule is effective for tax years beginning after December 31, ~~2015~~ 2016.

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) 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 ~~2016~~ 2017. 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> |
|-----------------------------|-------------------------------------|
| 2016 <u>2017</u> | 80% |
| 2015 <u>2016</u> | 75% |
| 2014 <u>2015</u> | 66% <u>65%</u> |
| 2013 <u>2014</u> | 61% <u>59%</u> |
| 2012 <u>2013</u> | 55% <u>52%</u> |
| 2011 <u>2012</u> | 53% <u>49%</u> |
| 2010 <u>2011</u> | 51% <u>45%</u> |
| 2009 <u>2010</u> | 44% <u>43%</u> |
| 2008 <u>2009</u> | 44% <u>39%</u> |
| 2007 <u>2008</u> | 45% <u>40%</u> |
| 2006 <u>2007</u> | 40% |
| 2005 <u>2006</u> | 38% <u>37%</u> |
| 2004 <u>2005</u> | 36% <u>34%</u> |
| 2003 <u>2004</u> | 32% <u>33%</u> |
| 2002 <u>2003</u> | 28% <u>30%</u> |
| 2001 <u>2002</u> | 25% |
| 2000 <u>2001</u> and older | 20% |

(9) remains the same.

(10) This rule is effective for tax years beginning after December 31, ~~2015~~ 2016.

AUTH: 15-1-201, MCA

IMP: 15-6-135, 15-6-138, 15-6-207, 15-6-219, MCA

42.21.131 HEAVY EQUIPMENT (1) through (3) remain the same.

(4) The wholesale market value of heavy equipment that cannot be valued under (1), (2), or (3) shall be the acquired cost, as certified by the owner or applicant to the department as applied to the depreciation schedule in (5). The department may require proof from the taxpayer to certify the accuracy of the acquired cost.

(5) The trended depreciation schedule referred to in (2), (3), and (4) is listed below and shall be used for tax year ~~2016~~ 2017. 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> |
|-----------------------------|-------------------------------------|
| 2016 <u>2017</u> | 80% |
| 2015 <u>2016</u> | 65% |
| 2014 <u>2015</u> | 60% |
| 2013 <u>2014</u> | 57% <u>50%</u> |

| | | | |
|------|-----------------------|-----|------------|
| 2012 | <u>2013</u> | 52% | <u>47%</u> |
| 2011 | <u>2012</u> | 48% | <u>44%</u> |
| 2010 | <u>2011</u> | 46% | <u>41%</u> |
| 2009 | <u>2010</u> | 43% | <u>39%</u> |
| 2008 | <u>2009</u> | 38% | <u>37%</u> |
| 2007 | <u>2008</u> | 36% | <u>35%</u> |
| 2006 | <u>2007</u> | 34% | <u>33%</u> |
| 2005 | <u>2006</u> | 33% | <u>30%</u> |
| 2004 | <u>2005</u> | 30% | <u>29%</u> |
| 2003 | <u>2004</u> | 28% | <u>29%</u> |
| 2002 | <u>2003</u> | 26% | <u>27%</u> |
| 2001 | <u>2002</u> | 23% | <u>24%</u> |
| 2000 | <u>2001</u> | 23% | <u>22%</u> |
| 1999 | <u>2000</u> | 21% | <u>22%</u> |
| 1998 | <u>1999</u> | 20% | <u>21%</u> |
| 1997 | <u>1998 and older</u> | 20% | |

(6) This rule is effective for tax years beginning after December 31, ~~2015~~ 2016, and applies to all heavy equipment.

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

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

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 ~~2016~~ 2017.

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> |
|------------------------------------|-------------------------|-------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| <u>2016</u> <u>2017</u> | 100% | 1.000 | 100% | 80% | 80% |
| <u>2015</u> <u>2016</u> | 85% | 1.000 | 85% | 80% | 68% |
| <u>2014</u> <u>2015</u> | 69% | <u>1.009</u> <u>0.988</u> | <u>70%</u> <u>68%</u> | 80% | <u>56%</u> <u>55%</u> |
| <u>2013</u> <u>2014</u> | 52% | <u>1.021</u> <u>0.996</u> | <u>53%</u> <u>52%</u> | 80% | <u>42%</u> <u>41%</u> |
| <u>2012</u> <u>2013</u> | 34% | <u>1.023</u> <u>1.008</u> | <u>35%</u> <u>34%</u> | 80% | <u>28%</u> <u>27%</u> |
| <u>2011</u> <u>2012</u> | 23% | <u>1.051</u> <u>1.009</u> | <u>24%</u> <u>23%</u> | 80% | 19% |
| <u>2010</u> <u>2011-2006</u> | 18% | <u>1.079</u> <u>1.037</u> | 19% | 80% | <u>16%</u> <u>15%</u> |
| 2005 and older | 5% | | | | 5% |

SEISMOGRAPH ALLIED EQUIPMENT

| <u>YEAR NEW/</u> <u>ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED %</u> <u>GOOD</u> |
|-------------------------------------|---------------|---------------------|---------------------------------|
| <u>2016</u> <u>2017</u> | 100% | 1.000 | 100% |
| <u>2015</u> <u>2016</u> | 85% | 1.000 | 85% |

| | | | |
|-----------------------|-----|--------------------|----------------|
| 2014 <u>2015</u> | 69% | 1.009 <u>0.988</u> | 70% <u>68%</u> |
| 2013 <u>2014</u> | 52% | 1.024 <u>0.996</u> | 53% <u>52%</u> |
| 2012 <u>2013</u> | 34% | 1.023 <u>1.008</u> | 35% <u>34%</u> |
| 2011 <u>2012</u> | 23% | 1.054 <u>1.009</u> | 24% <u>23%</u> |
| 2010 <u>2011-2006</u> | 18% | 1.079 <u>1.037</u> | 19% |
| 2005 and older | 5% | | 5% |

(5) This rule is effective for tax years beginning after December 31, ~~2015~~ 2016.

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 ~~2016~~ 2017.

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> |
|-------------------------------|---------------|---------------------|---------------------------|
| 2016 <u>2017</u> | 100% | 1.000 | 100% |
| 2015 <u>2016</u> | 95% | 1.000 | 95% |
| 2014 <u>2015</u> | 90% | 1.009 <u>0.988</u> | 91% <u>89%</u> |
| 2013 <u>2014</u> | 85% | 1.024 <u>0.996</u> | 87% <u>85%</u> |
| 2012 <u>2013</u> | 79% | 1.023 <u>1.008</u> | 81% <u>80%</u> |
| 2011 <u>2012</u> | 73% | 1.054 <u>1.009</u> | 77% <u>74%</u> |
| 2010 <u>2011</u> | 68% | 1.079 <u>1.037</u> | 73% <u>70%</u> |
| 2009 <u>2010</u> | 62% | 1.064 <u>1.065</u> | 66% <u>66%</u> |
| 2008 <u>2009</u> | 55% | 1.104 <u>1.050</u> | 61% <u>58%</u> |
| 2007 <u>2008</u> | 49% | 1.154 <u>1.087</u> | 56% <u>53%</u> |
| 2006 <u>2007</u> | 43% | 1.219 <u>1.136</u> | 52% <u>49%</u> |
| 2005 <u>2006</u> | 37% | 1.284 <u>1.203</u> | 47% <u>45%</u> |
| 2004 <u>2005</u> | 31% | 1.390 <u>1.264</u> | 43% <u>39%</u> |
| 2003 <u>2004</u> | 26% | 1.438 <u>1.371</u> | 37% <u>36%</u> |
| 2002 <u>2003</u> | 23% | 1.467 <u>1.419</u> | 34% <u>33%</u> |
| 2001 <u>2002</u> and older | 21% | 1.475 <u>1.447</u> | 31% <u>30%</u> |

(4) and (5) remain the same.

(6) This rule is effective for tax years beginning after December 31, ~~2015~~ 2016.

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 ~~2016~~ 2017.

| <u>YEAR/NEW ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>WHOLESALE FACTOR</u> | <u>TRENDED WHOLESALE % GOOD</u> |
|---------------------------------------|---------------|-------------------------------|-------------------------|---------------------------------|
| 2016 <u>2017</u> | 100% | 1.000 | 80% | 80% |
| 2015 <u>2016</u> | 92% | 1.000 | 80% | 74% |
| 2014 <u>2015</u> | 84% | 1.009 <u>0.988</u> | 80% | 68% <u>66%</u> |
| 2013 <u>2014</u> | 76% | 1.021 <u>0.996</u> | 80% | 62% <u>61%</u> |
| 2012 <u>2013</u> | 67% | 1.023 <u>1.008</u> | 80% | 55% <u>54%</u> |
| 2011 <u>2012</u> | 58% | 1.051 <u>1.009</u> | 80% | 49% <u>47%</u> |
| 2010 <u>2011</u> | 49% | 1.079 <u>1.037</u> | 80% | 42% <u>41%</u> |
| 2009 <u>2010</u> | 39% | 1.064 <u>1.065</u> | 80% | 33% |
| 2008 <u>2009</u> | 30% | 1.101 <u>1.050</u> | 80% | 26% <u>25%</u> |
| 2007 <u>2008</u> | 24% | 1.151 <u>1.087</u> | 80% | 22% <u>21%</u> |
| 2006 <u>2007</u> and older | 21% | 1.219 <u>1.136</u> | 80% | 20% <u>19%</u> |

(6) This rule is effective for tax years beginning after December 31, ~~2015~~ 2016.

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 ~~2016~~ 2017 is listed below.

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> |
|---------------------------------------|---------------|-------------------------------|---------------------------|
| 2016 <u>2017</u> | 100% | 1.000 | 100% |
| 2015 <u>2016</u> | 92% | 1.000 | 92% |
| 2014 <u>2015</u> | 84% | 1.009 <u>0.988</u> | 85% <u>83%</u> |
| 2013 <u>2014</u> | 76% | 1.021 <u>0.996</u> | 78% <u>76%</u> |
| 2012 <u>2013</u> | 67% | 1.023 <u>1.008</u> | 69% <u>68%</u> |
| 2011 <u>2012</u> | 58% | 1.051 <u>1.009</u> | 61% <u>59%</u> |
| 2010 <u>2011</u> | 49% | 1.079 <u>1.037</u> | 53% <u>51%</u> |
| 2009 <u>2010</u> | 39% | 1.064 <u>1.065</u> | 41% <u>42%</u> |
| 2008 <u>2009</u> | 30% | 1.101 <u>1.050</u> | 33% <u>31%</u> |
| 2007 <u>2008</u> | 24% | 1.151 <u>1.087</u> | 28% <u>26%</u> |
| 2006 <u>2007</u> and older | 21% | 1.219 <u>1.136</u> | 26% <u>24%</u> |

older

(3) remains the same.

(4) This rule is effective for tax years beginning after December 31, ~~2015~~ 2016.

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 ~~2016~~ 2017.

FIVE-YEAR "DISHES"

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> |
|-----------------------------------|---------------|-------------------------|---------------------------|
| 2015 <u>2016</u> | 85% | 1.000 | 85% |
| 2014 2015 | 69% | 1.010 <u>0.990</u> | 70% <u>68%</u> |
| 2013 2014 | 52% | 1.023 <u>0.999</u> | 53% <u>52%</u> |
| 2012 2013 | 34% | 1.032 <u>1.012</u> | 35% <u>34%</u> |
| 2011 2012 and older | 23% | 1.064 <u>1.021</u> | 24% <u>23%</u> |

TEN-YEAR "TOWERS"

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> |
|-----------------------------------|---------------|-------------------------|---------------------------|
| 2015 <u>2016</u> | 92% | 1.000 | 92% |
| 2014 2015 | 84% | 1.010 <u>0.990</u> | 85% <u>83%</u> |
| 2013 2014 | 76% | 1.023 <u>0.999</u> | 78% <u>76%</u> |
| 2012 2013 | 67% | 1.032 <u>1.012</u> | 69% <u>68%</u> |
| 2011 2012 | 58% | 1.064 <u>1.021</u> | 62% <u>59%</u> |
| 2010 2011 | 49% | 1.094 <u>1.050</u> | 54% <u>51%</u> |
| 2009 2010 | 39% | 1.086 <u>1.083</u> | 42% <u>42%</u> |
| 2008 2009 | 30% | 1.117 <u>1.074</u> | 34% <u>32%</u> |
| 2007 2008 | 24% | 1.164 <u>1.105</u> | 28% <u>27%</u> |
| 2006 2007 and older | 21% | 1.225 <u>1.149</u> | 26% <u>24%</u> |

(5) This rule is effective for tax years beginning after December 31, ~~2015~~ 2016.

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> |
|--------------------------------|---------------|-------------------------------|---------------------------|
| <u>2015 2016</u> | 92% | 1.000 | 92% |
| <u>2014 2015</u> | 84% | 1.010 <u>0.990</u> | 85% <u>83%</u> |
| <u>2013 2014</u> | 76% | 1.023 <u>0.999</u> | 78% <u>76%</u> |
| <u>2012 2013</u> | 67% | 1.032 <u>1.012</u> | 69% <u>68%</u> |
| <u>2011 2012</u> | 58% | 1.064 <u>1.021</u> | 62% <u>59%</u> |
| <u>2010 2011</u> | 49% | 1.094 <u>1.050</u> | 54% <u>51%</u> |
| <u>2009 2010</u> | 39% | 1.086 <u>1.083</u> | 42% <u>42%</u> |
| <u>2008 2009</u> | 30% | 1.117 <u>1.074</u> | 34% <u>32%</u> |
| <u>2007 2008</u> | 24% | 1.164 <u>1.105</u> | 28% <u>27%</u> |
| <u>2006 2007 and older</u> | 21% | 1.225 <u>1.149</u> | 26% <u>24%</u> |

(a) and (b) remain the same.

(5) This methodology is effective for tax years beginning after December 31, ~~2015~~ 2016.

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 ~~2016~~ 2017 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> |
|-------------------------------|---------------|-------------------------------|---------------------------|
| <u>2015 2016</u> | 70% | 1.000 | 70% |
| <u>2014 2015</u> | 45% | 0.979 <u>0.969</u> | 44% |
| <u>2013 2014</u> | 20% | 0.966 <u>0.948</u> | 19% |
| <u>2012 2013</u> | 10% | 0.945 <u>0.935</u> | 9% |
| Older | | | 5% |

CATEGORY 2

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> |
|-------------------------------|---------------|-------------------------------|---------------------------|
| <u>2015 2016</u> | 85% | 1.000 | 85% |
| <u>2014 2015</u> | 69% | 1.024 <u>1.015</u> | 71% <u>70%</u> |
| <u>2013 2014</u> | 52% | 1.022 <u>1.040</u> | 53% <u>54%</u> |

| | | | | |
|-------------------------|-----|------------------|--------------|---------------------------|
| <u>2012</u> <u>2013</u> | 34% | 0.984 | <u>1.038</u> | 33% <u>35%</u> |
| <u>2011</u> <u>2012</u> | 23% | 0.997 | <u>0.999</u> | 23% |
| Older | | | | 18% |

CATEGORY 3

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> | |
|-------------------------------|---------------|-------------------------|---------------------------|-----|
| <u>2015</u> <u>2016</u> | 85% | 1.000 | 85% | |
| <u>2014</u> <u>2015</u> | 69% | 0.995 | <u>69%</u> <u>68%</u> | |
| <u>2013</u> <u>2014</u> | 52% | 0.994 | <u>52%</u> <u>51%</u> | |
| <u>2012</u> <u>2013</u> | 34% | 0.979 | <u>0.982</u> | 33% |
| <u>2011</u> <u>2012</u> | 23% | 0.950 | <u>0.966</u> | 22% |
| Older | | | | 18% |

CATEGORY 4

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> | |
|-------------------------------|---------------|-------------------------|---------------------------|---------------------------|
| <u>2015</u> <u>2016</u> | 85% | 1.000 | 85% | |
| <u>2014</u> <u>2015</u> | 69% | 0.989 | <u>1.002</u> | 68% <u>69%</u> |
| <u>2013</u> <u>2014</u> | 52% | 0.985 | <u>0.992</u> | 51% <u>52%</u> |
| <u>2012</u> <u>2013</u> | 34% | 0.984 | <u>0.988</u> | 33% <u>34%</u> |
| <u>2011</u> <u>2012</u> | 23% | 0.984 | <u>0.987</u> | 23% |
| Older | | | | 18% |

CATEGORY 5

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> | |
|-------------------------------|---------------|-------------------------|---------------------------|---------------------------|
| <u>2015</u> <u>2016</u> | 85% | 1.000 | 85% | |
| <u>2014</u> <u>2015</u> | 69% | 1.013 | <u>1.005</u> | 70% <u>69%</u> |
| <u>2013</u> <u>2014</u> | 52% | 1.021 | <u>1.018</u> | 53% |
| <u>2012</u> <u>2013</u> | 34% | 1.033 | <u>1.026</u> | 35% |
| <u>2011</u> <u>2012</u> | 23% | 1.064 | <u>1.037</u> | 24% |
| Older | | | | 18% |

CATEGORY 6

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> | |
|-------------------------------|---------------|-------------------------|---------------------------|-----|
| <u>2015</u> <u>2016</u> | 85% | 1.000 | 85% | |
| <u>2014</u> <u>2015</u> | 69% | 1.016 | <u>1.019</u> | 70% |
| <u>2013</u> <u>2014</u> | 52% | 1.030 | <u>1.035</u> | 54% |
| <u>2012</u> <u>2013</u> | 34% | 1.051 | <u>1.049</u> | 36% |
| <u>2011</u> <u>2012</u> | 23% | 1.088 | <u>1.071</u> | 25% |

Older

18%

CATEGORY 7

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> |
|-------------------------------|---------------|-------------------------|---------------------------|
| 2015 <u>2016</u> | 92% | 1.000 | 92% |
| 2014 <u>2015</u> | 84% | 1.012 <u>1.008</u> | 85% |
| 2013 <u>2014</u> | 76% | 1.026 <u>1.020</u> | 78% <u>77%</u> |
| 2012 <u>2013</u> | 67% | 1.043 <u>1.034</u> | 70% <u>69%</u> |
| 2011 <u>2012</u> | 58% | 1.075 <u>1.052</u> | 62% <u>61%</u> |
| 2010 <u>2011</u> | 49% | 1.092 <u>1.083</u> | 53% |
| 2009 <u>2010</u> | 39% | 1.086 <u>1.100</u> | 42% <u>43%</u> |
| 2008 <u>2009</u> | 30% | 1.120 <u>1.094</u> | 34% <u>33%</u> |
| 2007 <u>2008</u> | 24% | 1.140 <u>1.129</u> | 27% |
| 2006 <u>2007</u> | 21% | 1.165 <u>1.149</u> | 24% |
| Older | | | 20% |

CATEGORY 8

| <u>YEAR NEW/ ACQUIRED</u> | <u>% GOOD</u> | <u>TREND FACTOR</u> | <u>TRENDED % GOOD</u> |
|-------------------------------|---------------|-------------------------|---------------------------|
| 2015 <u>2016</u> | 92% | 1.000 | 92% |
| 2014 <u>2015</u> | 84% | 1.023 <u>1.006</u> | 86% <u>85%</u> |
| 2013 <u>2014</u> | 76% | 1.037 <u>1.030</u> | 79% <u>78%</u> |
| 2012 <u>2013</u> | 67% | 1.042 <u>1.044</u> | 70% |
| 2011 <u>2012</u> | 58% | 1.071 <u>1.047</u> | 62% <u>61%</u> |
| 2010 <u>2011</u> | 49% | 1.082 <u>1.079</u> | 53% |
| 2009 <u>2010</u> | 39% | 1.087 <u>1.089</u> | 42% |
| 2008 <u>2009</u> | 30% | 1.155 <u>1.094</u> | 35% <u>33%</u> |
| 2007 <u>2008</u> | 24% | 1.181 <u>1.163</u> | 28% |
| 2006 <u>2007</u> | 21% | 1.214 <u>1.188</u> | 25% |
| Older | | | 20% |

(3) This rule is effective for tax years beginning after December 31, ~~2015~~ 2016.

AUTH: 15-1-201, MCA

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

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 (cf) remain the same. | | |
| (cg) <u>Wind 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> |
|-------------|--|---------------------------------|-----------------------------------|------------------------------------|---|
| 2015 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2014 | 1.006 | 1.012 | 1.009 | 1.011 | 1.012 |
| 2013 | 1.015 | 1.026 | 1.022 | 1.025 | 1.027 |
| 2012 | 1.016 | 1.035 | 1.027 | 1.034 | 1.037 |
| 2011 | 1.046 | 1.064 | 1.055 | 1.061 | 1.066 |
| 2010 | 1.085 | 1.099 | 1.089 | 1.090 | 1.101 |
| 2009 | 1.067 | 1.090 | 1.079 | 1.084 | 1.094 |
| 2008 | 1.097 | 1.117 | 1.107 | 1.115 | 1.120 |
| 2007 | 1.142 | 1.162 | 1.156 | 1.164 | 1.165 |
| 2006 | 1.206 | 1.244 | 1.225 | 1.234 | 1.251 |
| 2005 | 1.268 | 1.302 | 1.288 | 1.297 | 1.308 |
| 2004 | 1.373 | 1.400 | 1.396 | 1.401 | 1.406 |
| 2003 | 1.426 | 1.452 | 1.448 | 1.449 | 1.457 |
| 2002 | 1.452 | 1.477 | 1.474 | 1.475 | 1.482 |
| 2001 | 1.457 | 1.487 | 1.481 | 1.485 | 1.491 |
| 2000 | 1.467 | 1.503 | 1.494 | 1.501 | 1.508 |
| 1999 | 1.494 | 1.534 | 1.523 | 1.529 | 1.538 |
| 1998 | 1.495 | 1.539 | 1.526 | 1.537 | 1.543 |
| 1997 | 1.507 | 1.555 | 1.537 | 1.552 | 1.560 |
| 1996 | 1.525 | 1.581 | 1.561 | 1.577 | 1.588 |
| 1995 | 1.546 | 1.605 | 1.585 | 1.607 | 1.613 |
| <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>0.983</u> | <u>0.990</u> | <u>0.986</u> | <u>0.992</u> | <u>0.990</u> |
| <u>2014</u> | <u>0.986</u> | <u>1.000</u> | <u>0.994</u> | <u>1.003</u> | <u>1.001</u> |
| <u>2013</u> | <u>0.996</u> | <u>1.014</u> | <u>1.007</u> | <u>1.016</u> | <u>1.016</u> |
| <u>2012</u> | <u>0.997</u> | <u>1.023</u> | <u>1.011</u> | <u>1.025</u> | <u>1.026</u> |
| <u>2011</u> | <u>1.026</u> | <u>1.052</u> | <u>1.039</u> | <u>1.052</u> | <u>1.055</u> |
| <u>2010</u> | <u>1.064</u> | <u>1.086</u> | <u>1.073</u> | <u>1.081</u> | <u>1.089</u> |
| <u>2009</u> | <u>1.047</u> | <u>1.078</u> | <u>1.063</u> | <u>1.075</u> | <u>1.082</u> |
| <u>2008</u> | <u>1.077</u> | <u>1.104</u> | <u>1.090</u> | <u>1.105</u> | <u>1.108</u> |
| <u>2007</u> | <u>1.121</u> | <u>1.149</u> | <u>1.138</u> | <u>1.154</u> | <u>1.153</u> |
| <u>2006</u> | <u>1.183</u> | <u>1.230</u> | <u>1.207</u> | <u>1.223</u> | <u>1.238</u> |
| <u>2005</u> | <u>1.244</u> | <u>1.287</u> | <u>1.269</u> | <u>1.286</u> | <u>1.294</u> |
| <u>2004</u> | <u>1.347</u> | <u>1.384</u> | <u>1.376</u> | <u>1.390</u> | <u>1.391</u> |

| | | | | | |
|-------------|--------------|--------------|--------------|--------------|--------------|
| <u>2003</u> | <u>1.398</u> | <u>1.436</u> | <u>1.426</u> | <u>1.437</u> | <u>1.441</u> |
| <u>2002</u> | <u>1.424</u> | <u>1.460</u> | <u>1.452</u> | <u>1.463</u> | <u>1.466</u> |
| <u>2001</u> | <u>1.429</u> | <u>1.470</u> | <u>1.459</u> | <u>1.472</u> | <u>1.475</u> |
| <u>2000</u> | <u>1.439</u> | <u>1.486</u> | <u>1.472</u> | <u>1.488</u> | <u>1.492</u> |
| <u>1999</u> | <u>1.465</u> | <u>1.516</u> | <u>1.500</u> | <u>1.516</u> | <u>1.522</u> |
| <u>1998</u> | <u>1.467</u> | <u>1.521</u> | <u>1.503</u> | <u>1.524</u> | <u>1.527</u> |
| <u>1997</u> | <u>1.478</u> | <u>1.537</u> | <u>1.514</u> | <u>1.539</u> | <u>1.543</u> |
| <u>1996</u> | <u>1.496</u> | <u>1.563</u> | <u>1.537</u> | <u>1.564</u> | <u>1.571</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> |
|-------------|--------------------------------------|--|------------------------------------|---|--|
| <u>2015</u> | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> |
| <u>2014</u> | <u>1.008</u> | <u>1.009</u> | <u>1.010</u> | <u>1.012</u> | <u>1.013</u> |
| <u>2013</u> | <u>1.021</u> | <u>1.021</u> | <u>1.023</u> | <u>1.026</u> | <u>1.027</u> |
| <u>2012</u> | <u>1.031</u> | <u>1.023</u> | <u>1.035</u> | <u>1.046</u> | <u>1.037</u> |
| <u>2011</u> | <u>1.067</u> | <u>1.051</u> | <u>1.069</u> | <u>1.080</u> | <u>1.065</u> |
| <u>2010</u> | <u>1.097</u> | <u>1.079</u> | <u>1.101</u> | <u>1.111</u> | <u>1.099</u> |
| <u>2009</u> | <u>1.082</u> | <u>1.064</u> | <u>1.093</u> | <u>1.107</u> | <u>1.095</u> |
| <u>2008</u> | <u>1.131</u> | <u>1.101</u> | <u>1.143</u> | <u>1.140</u> | <u>1.119</u> |
| <u>2007</u> | <u>1.182</u> | <u>1.152</u> | <u>1.192</u> | <u>1.176</u> | <u>1.167</u> |
| <u>2006</u> | <u>1.244</u> | <u>1.219</u> | <u>1.256</u> | <u>1.218</u> | <u>1.249</u> |
| <u>2005</u> | <u>1.305</u> | <u>1.281</u> | <u>1.316</u> | <u>1.272</u> | <u>1.310</u> |
| <u>2004</u> | <u>1.418</u> | <u>1.390</u> | <u>1.420</u> | <u>1.359</u> | <u>1.410</u> |
| <u>2003</u> | <u>1.475</u> | <u>1.438</u> | <u>1.471</u> | <u>1.399</u> | <u>1.459</u> |
| <u>2002</u> | <u>1.505</u> | <u>1.467</u> | <u>1.500</u> | <u>1.420</u> | <u>1.483</u> |
| <u>2001</u> | <u>1.514</u> | <u>1.475</u> | <u>1.511</u> | <u>1.432</u> | <u>1.493</u> |
| <u>2000</u> | <u>1.529</u> | <u>1.489</u> | <u>1.527</u> | <u>1.440</u> | <u>1.510</u> |
| <u>1999</u> | <u>1.555</u> | <u>1.514</u> | <u>1.553</u> | <u>1.465</u> | <u>1.541</u> |
| <u>1998</u> | <u>1.561</u> | <u>1.521</u> | <u>1.558</u> | <u>1.477</u> | <u>1.547</u> |
| <u>1997</u> | <u>1.578</u> | <u>1.537</u> | <u>1.575</u> | <u>1.494</u> | <u>1.562</u> |
| <u>1996</u> | <u>1.597</u> | <u>1.556</u> | <u>1.599</u> | <u>1.523</u> | <u>1.589</u> |
| <u>1995</u> | <u>1.627</u> | <u>1.587</u> | <u>1.630</u> | <u>1.548</u> | <u>1.617</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>0.992</u> | <u>0.988</u> | <u>0.994</u> | <u>0.997</u> | <u>0.991</u> |
| <u>2014</u> | <u>0.999</u> | <u>0.996</u> | <u>1.003</u> | <u>1.009</u> | <u>1.003</u> |
| <u>2013</u> | <u>1.012</u> | <u>1.008</u> | <u>1.017</u> | <u>1.023</u> | <u>1.017</u> |
| <u>2012</u> | <u>1.022</u> | <u>1.009</u> | <u>1.029</u> | <u>1.043</u> | <u>1.027</u> |
| <u>2011</u> | <u>1.057</u> | <u>1.037</u> | <u>1.062</u> | <u>1.077</u> | <u>1.055</u> |
| <u>2010</u> | <u>1.087</u> | <u>1.065</u> | <u>1.094</u> | <u>1.108</u> | <u>1.089</u> |
| <u>2009</u> | <u>1.073</u> | <u>1.050</u> | <u>1.086</u> | <u>1.104</u> | <u>1.084</u> |
| <u>2008</u> | <u>1.121</u> | <u>1.087</u> | <u>1.135</u> | <u>1.136</u> | <u>1.108</u> |
| <u>2007</u> | <u>1.171</u> | <u>1.136</u> | <u>1.184</u> | <u>1.173</u> | <u>1.155</u> |
| <u>2006</u> | <u>1.233</u> | <u>1.203</u> | <u>1.248</u> | <u>1.214</u> | <u>1.237</u> |
| <u>2005</u> | <u>1.293</u> | <u>1.264</u> | <u>1.307</u> | <u>1.269</u> | <u>1.298</u> |
| <u>2004</u> | <u>1.406</u> | <u>1.371</u> | <u>1.411</u> | <u>1.355</u> | <u>1.397</u> |
| <u>2003</u> | <u>1.462</u> | <u>1.419</u> | <u>1.462</u> | <u>1.395</u> | <u>1.445</u> |
| <u>2002</u> | <u>1.492</u> | <u>1.447</u> | <u>1.490</u> | <u>1.416</u> | <u>1.469</u> |

| | | | | | |
|-------------|--------------|--------------|--------------|--------------|--------------|
| <u>2001</u> | <u>1.501</u> | <u>1.455</u> | <u>1.501</u> | <u>1.427</u> | <u>1.479</u> |
| <u>2000</u> | <u>1.515</u> | <u>1.469</u> | <u>1.517</u> | <u>1.436</u> | <u>1.495</u> |
| <u>1999</u> | <u>1.541</u> | <u>1.493</u> | <u>1.543</u> | <u>1.461</u> | <u>1.526</u> |
| <u>1998</u> | <u>1.547</u> | <u>1.500</u> | <u>1.548</u> | <u>1.473</u> | <u>1.532</u> |
| <u>1997</u> | <u>1.564</u> | <u>1.516</u> | <u>1.564</u> | <u>1.489</u> | <u>1.548</u> |
| <u>1996</u> | <u>1.583</u> | <u>1.535</u> | <u>1.589</u> | <u>1.519</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> |
|-------------|--|--|--|--|---|
| 2015 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2014 | 0.998 | 1.001 | 1.012 | 1.011 | 1.013 |
| 2013 | 1.000 | 1.007 | 1.027 | 1.024 | 1.029 |
| 2012 | 0.988 | 1.000 | 1.036 | 1.032 | 1.041 |
| 2011 | 1.010 | 1.026 | 1.065 | 1.062 | 1.070 |
| 2010 | 1.066 | 1.076 | 1.100 | 1.097 | 1.105 |
| 2009 | 1.058 | 1.061 | 1.091 | 1.088 | 1.100 |
| 2008 | 1.062 | 1.078 | 1.119 | 1.116 | 1.122 |
| 2007 | 1.120 | 1.131 | 1.164 | 1.164 | 1.164 |
| 2006 | 1.213 | 1.210 | 1.247 | 1.240 | 1.240 |
| 2005 | 1.301 | 1.285 | 1.304 | 1.303 | 1.294 |
| 2004 | 1.423 | 1.400 | 1.405 | 1.406 | 1.388 |
| 2003 | 1.489 | 1.459 | 1.459 | 1.458 | 1.439 |
| 2002 | 1.513 | 1.484 | 1.485 | 1.483 | 1.462 |
| 2001 | 1.507 | 1.483 | 1.495 | 1.491 | 1.473 |
| 2000 | 1.518 | 1.493 | 1.511 | 1.507 | 1.488 |
| 1999 | 1.548 | 1.520 | 1.541 | 1.537 | 1.519 |
| 1998 | 1.541 | 1.515 | 1.546 | 1.544 | 1.524 |
| 1997 | 1.544 | 1.522 | 1.562 | 1.559 | 1.538 |
| 1996 | 1.552 | 1.536 | 1.590 | 1.582 | 1.569 |
| 1995 | 1.565 | 1.553 | 1.614 | 1.607 | 1.590 |

| | | | | | |
|-------------|--------------|--------------|--------------|--------------|--------------|
| <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>0.970</u> | <u>0.975</u> | <u>0.989</u> | <u>0.989</u> | <u>0.991</u> |
| <u>2014</u> | <u>0.966</u> | <u>0.974</u> | <u>0.999</u> | <u>0.999</u> | <u>1.003</u> |
| <u>2013</u> | <u>0.967</u> | <u>0.979</u> | <u>1.014</u> | <u>1.012</u> | <u>1.018</u> |
| <u>2012</u> | <u>0.956</u> | <u>0.972</u> | <u>1.023</u> | <u>1.020</u> | <u>1.031</u> |
| <u>2011</u> | <u>0.977</u> | <u>0.998</u> | <u>1.052</u> | <u>1.050</u> | <u>1.059</u> |
| <u>2010</u> | <u>1.031</u> | <u>1.046</u> | <u>1.087</u> | <u>1.084</u> | <u>1.094</u> |
| <u>2009</u> | <u>1.023</u> | <u>1.032</u> | <u>1.077</u> | <u>1.075</u> | <u>1.089</u> |
| <u>2008</u> | <u>1.027</u> | <u>1.049</u> | <u>1.105</u> | <u>1.104</u> | <u>1.111</u> |
| <u>2007</u> | <u>1.083</u> | <u>1.100</u> | <u>1.150</u> | <u>1.151</u> | <u>1.153</u> |
| <u>2006</u> | <u>1.173</u> | <u>1.177</u> | <u>1.232</u> | <u>1.226</u> | <u>1.228</u> |
| <u>2005</u> | <u>1.258</u> | <u>1.250</u> | <u>1.288</u> | <u>1.288</u> | <u>1.281</u> |
| <u>2004</u> | <u>1.377</u> | <u>1.362</u> | <u>1.388</u> | <u>1.390</u> | <u>1.374</u> |
| <u>2003</u> | <u>1.440</u> | <u>1.419</u> | <u>1.441</u> | <u>1.442</u> | <u>1.425</u> |
| <u>2002</u> | <u>1.464</u> | <u>1.444</u> | <u>1.467</u> | <u>1.466</u> | <u>1.448</u> |
| <u>2001</u> | <u>1.458</u> | <u>1.442</u> | <u>1.476</u> | <u>1.474</u> | <u>1.458</u> |

| | | | | | |
|-------------|-----------------|-----------------|--------------------|-----------------|-----------------|
| <u>2000</u> | <u>1.468</u> | <u>1.452</u> | <u>1.492</u> | <u>1.490</u> | <u>1.473</u> |
| <u>1999</u> | <u>1.498</u> | <u>1.479</u> | <u>1.522</u> | <u>1.520</u> | <u>1.504</u> |
| <u>1998</u> | <u>1.491</u> | <u>1.474</u> | <u>1.526</u> | <u>1.526</u> | <u>1.509</u> |
| <u>1997</u> | <u>1.493</u> | <u>1.480</u> | <u>1.542</u> | <u>1.541</u> | <u>1.522</u> |
| <u>1996</u> | <u>1.501</u> | <u>1.494</u> | <u>1.570</u> | <u>1.564</u> | <u>1.553</u> |
| <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>Packing/</u> | <u>Metal</u> |
| | <u>Fruit</u> | <u>Clean</u> | <u>Logging Eq.</u> | <u>Meat</u> | <u>Work</u> |
| <u>2015</u> | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> | <u>1.000</u> |
| <u>2014</u> | <u>1.014</u> | <u>1.009</u> | <u>1.008</u> | <u>1.014</u> | <u>1.006</u> |
| <u>2013</u> | <u>1.032</u> | <u>1.023</u> | <u>1.020</u> | <u>1.029</u> | <u>1.018</u> |
| <u>2012</u> | <u>1.051</u> | <u>1.030</u> | <u>1.031</u> | <u>1.041</u> | <u>1.017</u> |
| <u>2011</u> | <u>1.081</u> | <u>1.060</u> | <u>1.062</u> | <u>1.072</u> | <u>1.048</u> |
| <u>2010</u> | <u>1.113</u> | <u>1.094</u> | <u>1.092</u> | <u>1.104</u> | <u>1.084</u> |
| <u>2009</u> | <u>1.112</u> | <u>1.084</u> | <u>1.077</u> | <u>1.098</u> | <u>1.063</u> |
| <u>2008</u> | <u>1.134</u> | <u>1.121</u> | <u>1.113</u> | <u>1.133</u> | <u>1.103</u> |
| <u>2007</u> | <u>1.173</u> | <u>1.167</u> | <u>1.152</u> | <u>1.178</u> | <u>1.146</u> |
| <u>2006</u> | <u>1.229</u> | <u>1.231</u> | <u>1.201</u> | <u>1.255</u> | <u>1.210</u> |
| <u>2005</u> | <u>1.279</u> | <u>1.286</u> | <u>1.254</u> | <u>1.309</u> | <u>1.263</u> |
| <u>2004</u> | <u>1.366</u> | <u>1.387</u> | <u>1.348</u> | <u>1.403</u> | <u>1.363</u> |
| <u>2003</u> | <u>1.413</u> | <u>1.437</u> | <u>1.396</u> | <u>1.450</u> | <u>1.406</u> |
| <u>2002</u> | <u>1.434</u> | <u>1.464</u> | <u>1.417</u> | <u>1.475</u> | <u>1.429</u> |
| <u>2001</u> | <u>1.447</u> | <u>1.472</u> | <u>1.426</u> | <u>1.486</u> | <u>1.432</u> |
| <u>2000</u> | <u>1.459</u> | <u>1.484</u> | <u>1.434</u> | <u>1.502</u> | <u>1.441</u> |
| <u>1999</u> | <u>1.490</u> | <u>1.512</u> | <u>1.460</u> | <u>1.530</u> | <u>1.461</u> |
| <u>1998</u> | <u>1.496</u> | <u>1.515</u> | <u>1.466</u> | <u>1.538</u> | <u>1.461</u> |
| <u>1997</u> | <u>1.508</u> | <u>1.527</u> | <u>1.478</u> | <u>1.555</u> | <u>1.475</u> |
| <u>1996</u> | <u>1.544</u> | <u>1.551</u> | <u>1.501</u> | <u>1.583</u> | <u>1.494</u> |
| <u>1995</u> | <u>1.563</u> | <u>1.575</u> | <u>1.522</u> | <u>1.611</u> | <u>1.520</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> |
| <u>2000</u> | <u>1.451</u> | <u>1.467</u> | <u>1.415</u> | <u>1.493</u> | <u>1.417</u> |
| <u>1999</u> | <u>1.482</u> | <u>1.494</u> | <u>1.440</u> | <u>1.521</u> | <u>1.436</u> |

| | | | | | |
|-------------|-----------------|-----------------|------------------|-----------------|-----------------|
| <u>1998</u> | <u>1.489</u> | <u>1.497</u> | <u>1.446</u> | <u>1.528</u> | <u>1.436</u> |
| <u>1997</u> | <u>1.501</u> | <u>1.509</u> | <u>1.458</u> | <u>1.545</u> | <u>1.450</u> |
| <u>1996</u> | <u>1.537</u> | <u>1.533</u> | <u>1.481</u> | <u>1.573</u> | <u>1.468</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> |
| 2015 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2014 | 1.012 | 1.009 | 1.009 | 1.005 | 1.011 |
| 2013 | 1.026 | 1.022 | 1.020 | 1.013 | 1.025 |
| 2012 | 1.046 | 1.027 | 1.027 | 1.017 | 1.034 |
| 2011 | 1.092 | 1.058 | 1.057 | 1.044 | 1.065 |
| 2010 | 1.128 | 1.093 | 1.084 | 1.076 | 1.100 |
| 2009 | 1.127 | 1.080 | 1.067 | 1.066 | 1.088 |
| 2008 | 1.179 | 1.118 | 1.111 | 1.089 | 1.123 |
| 2007 | 1.228 | 1.167 | 1.166 | 1.127 | 1.168 |
| 2006 | 1.282 | 1.235 | 1.240 | 1.190 | 1.227 |
| 2005 | 1.345 | 1.297 | 1.313 | 1.237 | 1.283 |
| 2004 | 1.458 | 1.406 | 1.426 | 1.319 | 1.390 |
| 2003 | 1.513 | 1.460 | 1.477 | 1.357 | 1.444 |
| 2002 | 1.543 | 1.490 | 1.506 | 1.379 | 1.471 |
| 2001 | 1.561 | 1.498 | 1.521 | 1.381 | 1.484 |
| 2000 | 1.572 | 1.512 | 1.540 | 1.393 | 1.493 |
| 1999 | 1.598 | 1.541 | 1.562 | 1.412 | 1.523 |
| 1998 | 1.606 | 1.545 | 1.570 | 1.413 | 1.527 |
| 1997 | 1.623 | 1.560 | 1.591 | 1.421 | 1.540 |
| 1996 | 1.649 | 1.583 | 1.618 | 1.444 | 1.571 |
| 1995 | 1.676 | 1.611 | 1.651 | 1.466 | 1.592 |
| <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>1.021</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>1.211</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> |
| <u>2002</u> | <u>1.536</u> | <u>1.470</u> | <u>1.487</u> | <u>1.359</u> | <u>1.453</u> |
| <u>2001</u> | <u>1.555</u> | <u>1.479</u> | <u>1.503</u> | <u>1.360</u> | <u>1.465</u> |
| <u>2000</u> | <u>1.566</u> | <u>1.492</u> | <u>1.521</u> | <u>1.372</u> | <u>1.474</u> |
| <u>1999</u> | <u>1.592</u> | <u>1.521</u> | <u>1.543</u> | <u>1.391</u> | <u>1.503</u> |
| <u>1998</u> | <u>1.599</u> | <u>1.525</u> | <u>1.551</u> | <u>1.392</u> | <u>1.507</u> |
| <u>1997</u> | <u>1.617</u> | <u>1.540</u> | <u>1.572</u> | <u>1.400</u> | <u>1.520</u> |

| <u>1996</u> | <u>1.643</u> | <u>1.563</u> | <u>1.598</u> | <u>1.423</u> | <u>1.551</u> |
|-------------|----------------------|-----------------|------------------------|-----------------|--------------------|
| <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> |
| 2015 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 2014 | 1.010 | 1.008 | 1.006 | 1.008 | 1.012 |
| 2013 | 1.024 | 1.020 | 1.017 | 1.020 | 1.026 |
| 2012 | 1.031 | 1.020 | 1.017 | 1.026 | 1.042 |
| 2011 | 1.062 | 1.048 | 1.046 | 1.052 | 1.072 |
| 2010 | 1.098 | 1.078 | 1.083 | 1.078 | 1.103 |
| 2009 | 1.091 | 1.063 | 1.073 | 1.063 | 1.097 |
| 2008 | 1.128 | 1.101 | 1.109 | 1.096 | 1.131 |
| 2007 | 1.177 | 1.144 | 1.162 | 1.134 | 1.171 |
| 2006 | 1.245 | 1.206 | 1.241 | 1.183 | 1.214 |
| 2005 | 1.306 | 1.256 | 1.307 | 1.227 | 1.256 |
| 2004 | 1.408 | 1.347 | 1.424 | 1.314 | 1.344 |
| 2003 | 1.458 | 1.394 | 1.477 | 1.352 | 1.391 |
| 2002 | 1.488 | 1.423 | 1.507 | 1.372 | 1.408 |
| 2001 | 1.500 | 1.427 | 1.512 | 1.378 | 1.413 |
| 2000 | 1.514 | 1.439 | 1.524 | 1.388 | 1.421 |
| 1999 | 1.544 | 1.460 | 1.548 | 1.409 | 1.447 |
| 1998 | 1.550 | 1.466 | 1.549 | 1.411 | 1.449 |
| 1997 | 1.566 | 1.482 | 1.561 | 1.423 | 1.454 |
| 1996 | 1.591 | 1.503 | 1.577 | 1.447 | 1.478 |
| 1995 | 1.619 | 1.531 | 1.603 | 1.467 | 1.491 |

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

| <u>YEAR</u> | <u>TABLE 31</u> <u>Woodworking</u> | <u>TABLE 32</u> <u>Glass Mfg.</u> |
|-------------|---------------------------------------|--------------------------------------|
| 2015 | 1.000 | 1.000 |
| 2014 | 1.019 | 1.008 |
| 2013 | 1.037 | 1.019 |
| 2012 | 1.055 | 1.024 |
| 2011 | 1.083 | 1.055 |
| 2010 | 1.116 | 1.091 |
| 2009 | 1.107 | 1.080 |
| 2008 | 1.133 | 1.115 |
| 2007 | 1.170 | 1.167 |
| 2006 | 1.217 | 1.236 |
| 2005 | 1.263 | 1.303 |
| 2004 | 1.349 | 1.418 |
| 2003 | 1.390 | 1.474 |
| 2002 | 1.411 | 1.503 |
| 2001 | 1.424 | 1.510 |
| 2000 | 1.425 | 1.525 |
| 1999 | 1.449 | 1.554 |
| 1998 | 1.451 | 1.558 |
| 1997 | 1.458 | 1.570 |
| 1996 | 1.494 | 1.591 |
| 1995 | 1.509 | 1.618 |
| <u>2016</u> | <u>1.000</u> | <u>1.000</u> |
| <u>2015</u> | <u>0.996</u> | <u>0.988</u> |
| <u>2014</u> | <u>1.014</u> | <u>0.994</u> |
| <u>2013</u> | <u>1.032</u> | <u>1.005</u> |
| <u>2012</u> | <u>1.050</u> | <u>1.011</u> |
| <u>2011</u> | <u>1.078</u> | <u>1.041</u> |
| <u>2010</u> | <u>1.111</u> | <u>1.076</u> |
| <u>2009</u> | <u>1.102</u> | <u>1.065</u> |
| <u>2008</u> | <u>1.128</u> | <u>1.100</u> |
| <u>2007</u> | <u>1.165</u> | <u>1.151</u> |
| <u>2006</u> | <u>1.212</u> | <u>1.220</u> |
| <u>2005</u> | <u>1.257</u> | <u>1.286</u> |
| <u>2004</u> | <u>1.343</u> | <u>1.399</u> |
| <u>2003</u> | <u>1.384</u> | <u>1.454</u> |
| <u>2002</u> | <u>1.405</u> | <u>1.483</u> |
| <u>2001</u> | <u>1.417</u> | <u>1.490</u> |
| <u>2000</u> | <u>1.419</u> | <u>1.505</u> |
| <u>1999</u> | <u>1.443</u> | <u>1.533</u> |
| <u>1998</u> | <u>1.445</u> | <u>1.537</u> |
| <u>1997</u> | <u>1.451</u> | <u>1.549</u> |
| <u>1996</u> | <u>1.487</u> | <u>1.570</u> |

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

REASON: The department proposes further amending ARM 42.22.1311(2)(cg) to change the description of Wind Generation to Renewable Energy Generation to include solar and other types of renewable energy generating equipment in this category. The department conducted research pertaining to the life of the solar energy generation equipment, in particular, which supports using the same life expectancy and trend factors as are used for wind energy generation equipment.

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 and must be received no later than November 21, 2016.

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. The department strives to make the electronic copy of this notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. While the department also strives to keep its web site accessible at all times, in some instances it may be temporarily unavailable due to system maintenance or technical problems.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rules will not significantly and directly impact small businesses. Documentation of the department's determination is available at 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 3, 2016.