Tax Classification Scenarios

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Present Law Tax Rates

Tax Class	Tax Rate	Tax Class	Tax Rate
01- Net Proceeds	100.00%	08 - Business Equipment	1.50%**
02 - Gross Proceeds	3.00%	09 - Pipelines & Electric Utilities	12.00%
03 - Agricultural Land	2.05%	10 - Forest Land	0.37%
04 - Residential < $400k	0.76%	12 - Railroads & Airlines	2.82%
04 - Residential $400k - $1.5M	1.11%	13 - Telecomm & Electric Gen	6.00%
04 - Residential > $1.5M	2.20%	14 - Wind Generation	3.00%
04 - Rental multifamily > $2.0M	1.89%*	15 - CO2/Qual Pipelines	3.00%
04 - Commercial < $400k	1.40%	16 - HV DC Converter	2.25%
04 - Commercial > $400k	1.89%	17 - Data Centers	0.90%
05 - Pollution Control Equip	3.00%	18 - Green Hydrogen	3.00%
07 - Non-Centrally Assessed	8.00%		

* 1.89% is the capped rate for rental multifamily properties

** The first $6 million of assessed value in excess of $1.0 million is taxed at 1.50%, and further value is taxed at 3.00%

Model Assumptions

Local mills float

Local entities collect the same amount of taxes

State mills are fixed

Montana – Present Law FY 2024

Tax Class Name	Taxable Value	Taxes Paid	Taxes Paid %
1-Mine Net Proceeds	$ 4,101,335	$ 1,382,990	0.1%
2-Mine Gross Proceeds	34,000,446	16,796,220	0.7%
3-Ag Land	151,876,607	79,294,058	3.4%
4-Residential	2,767,743,380	1,350,028,159	57.6%
4-Commercial	627,764,253	353,950,118	15.1%
5-Pollution Control Equip	57,243,610	30,009,144	1.3%
7-Non-Centrally Assessed	19,814	10,631	0.0%
8-Business Equipment	201,297,840	112,300,053	4.8%
9-Pipelines & Electric Utilities	589,690,206	267,916,205	11.4%
10-Forest Land	4,763,283	2,052,323	0.1%
12-Railroads & Airlines	91,727,926	49,323,857	2.1%
13-Telecomm & Electric Gen	128,005,099	65,285,541	2.8%
14-Wind Generation	23,634,527	12,221,758	0.5%
15-CO2/Qual Pipelines	2,924,252	1,050,893	0.0%
17-Data Centers	784,777	496,097	0.0%
Totals	**$ 4,685,577,355**	**$ 2,342,118,047**	**100.0%**

Montana – Present Law FY 2026

Tax Class Name	Taxable Value	Taxes Paid	Taxes Paid %
1-Mine Net Proceeds	$ 4,882,927	$ 1,571,508	0.1%
2-Mine Gross Proceeds	25,293,377	14,741,867	0.6%
3-Ag Land	151,366,782	84,956,780	3.4%
4-Residential	2,830,047,645	1,328,672,089	53.8%
4-Commercial	687,863,948	424,196,280	17.2%
5-Pollution Control Equip	60,132,753	34,149,647	1.4%
7-Non-Centrally Assessed	332,411	257,011	0.0%
8-Business Equipment	181,837,901	101,244,405	4.1%
9-Pipelines & Electric Utilities	690,495,798	335,557,092	13.6%
10-Forest Land	5,028,767	2,316,642	0.1%
12-Railroads & Airlines	91,976,928	52,699,375	2.1%
13-Telecomm & Electric Gen	131,758,406	75,790,375	3.1%
14-Wind Generation	21,256,428	11,845,776	0.5%
15-CO2/Qual Pipelines	3,485,147	1,306,881	0.1%
17-Data Centers	439,739	310,904	0.0%
Totals	**$ 4,886,198,957**	**$ 2,469,616,632**	**100.0%**

Utah Model - Scenario

Utah

55% tax rate for owner-occupied residences

100% tax rate for everything else
- Valuation metrics are similar to present law in Montana

Montana

Business equipment has the same exemption structure

We use a tax rate of 0.55% for residential properties and 1.00% for everything else to keep taxable value proportions somewhat similar to present law

Utah Model - Output

Tax Class Name	Modeled New Taxable Value	Modeled New Taxes Paid	Modeled Taxes Paid %	Present Law Taxes Paid %
1-Mine Net Proceeds	$ 48,829	$ 32,527	0.0%	0.1%
2-Mine Gross Proceeds	8,431,126	9,512,495	0.4%	0.6%
3-Ag Land	73,837,455	89,827,378	4.0%	3.4%
4-Residential	2,086,703,978	1,493,001,507	66.2%	53.8%
4-Commercial	394,452,928	372,047,039	16.5%	17.2%
5-Pollution Control Equip	20,044,251	23,075,706	1.0%	1.4%
7-Non-Centrally Assessed	41,551	48,776	0.0%	0.0%
8-Business Equipment	60,612,634	74,902,444	3.3%	4.1%
9-Pipelines & Electric Utilities	57,541,317	94,648,285	4.2%	13.6%
10-Forest Land	13,591,262	9,465,846	0.4%	0.1%
12-Railroads & Airlines	32,615,932	38,992,566	1.7%	2.1%
13-Telecomm & Electric Gen	21,959,734	36,200,724	1.6%	3.1%
14-Wind Generation	7,085,476	9,629,593	0.4%	0.5%
15-CO2/Qual Pipelines	1,161,716	1,918,754	0.1%	0.1%
17-Data Centers	488,599	630,508	0.0%	0.0%
Totals	**$ 2,778,616,788**	**$ 2,253,934,148**	**100.0%**	**100.0%**

Centrally Assessed Model #1 - Scenario

Option #1

Combine tax classes 5, 7, 9, and 13

Calculated tax rate so that these have the same total tax share as under present law:

- Tax Rate: **8.65%**

All other tax rates are identical to present law

Centrally Assessed Model #1 - Output

Tax Class Name	Modeled New Taxable Value	Modeled New Taxes Paid	Modeled Taxes Paid %	Present Law Taxes Paid %
1-Mine Net Proceeds	$ 4,882,927	$ 1,583,480	0.1%	0.1%
2-Mine Gross Proceeds	25,293,377	14,967,005	0.6%	0.6%
3-Ag Land	151,366,782	82,998,730	3.4%	3.4%
4-Residential	2,830,047,645	1,323,060,429	53.6%	53.8%
4-Commercial	687,863,948	421,555,713	17.1%	17.2%
5-Pollution Control Equip	173,382,771	91,280,537	3.7%	1.4%
7-Non-Centrally Assessed	359,419	285,113	0.0%	0.0%
8-Business Equipment	181,837,901	103,258,337	4.2%	4.1%
9-Pipelines & Electric Utilities	497,732,388	260,728,812	10.6%	13.6%
10-Forest Land	5,028,767	2,233,519	0.1%	0.1%
12-Railroads & Airlines	91,976,928	51,939,091	2.1%	2.1%
13-Telecomm & Electric Gen	189,951,702	99,794,320	4.0%	3.1%
14-Wind Generation	21,256,428	12,037,081	0.5%	0.5%
15-CO2/Qual Pipelines	3,485,147	1,496,034	0.1%	0.1%
17-Data Centers	439,739	273,704	0.0%	0.0%
Total	**$ 4,864,905,869**	**$ 2,467,491,905**	**100.0%**	**100.0%**

Centrally Assessed Model #2 - Scenario

Option #2

Combine tax classes 5, 7, 9,13, 14, 15, 16, 17, and 18

Calculated tax rate so that these have the same total tax share as under present law:

- Tax Rate: **7.70%**

All other tax rates are identical to present law

Centrally Assessed Model #2 - Output

Tax Class Name	Modeled New Taxable Value	Modeled New Taxes Paid	Modeled Taxes Paid %	Present Law Taxes Paid %
1-Mine Net Proceeds	$ 4,882,927	$ 1,569,362	0.1%	0.1%
2-Mine Gross Proceeds	25,293,377	15,118,812	0.6%	0.6%
3-Ag Land	151,366,782	84,109,717	3.4%	3.4%
4-Residential	2,830,047,645	1,333,602,806	54.2%	53.8%
4-Commercial	687,863,948	424,967,270	17.3%	17.2%
5-Pollution Control Equip	173,382,771	83,323,093	3.4%	1.4%
7-Non-Centrally Assessed	359,419	259,271	0.0%	0.0%
8-Business Equipment	181,837,901	104,810,742	4.3%	4.1%
9-Pipelines & Electric Utilities	497,732,388	240,910,223	9.8%	13.6%
10-Forest Land	5,028,767	2,282,702	0.1%	0.1%
12-Railroads & Airlines	91,976,928	52,852,059	2.1%	2.1%
13-Telecomm & Electric Gen	189,951,702	92,408,462	3.8%	3.1%
14-Wind Generation	21,256,428	21,672,049	0.9%	0.5%
15-CO2/Qual Pipelines	3,485,147	3,124,646	0.1%	0.1%
17-Data Centers	439,739	1,205,848	0.0%	0.0%
Total	**$ 4,864,905,869**	**$ 2,462,217,062**	**100.0%**	**100.0%**

Alternative Homestead Model - Scenario

Alternative Homestead Model

Tax rates return to the taxable value neutral rates from the 2024 Department of Revenue report:

- **1.11%** for residential
- **1.75%** for commercial
- **2.05%** for agricultural land
- **0.36%** for forest land

Principal residences receive a homestead exemption of up to **15%** of assessed value, up to a maximum of **$100,000** exempted

Single-family residential dwelling value over $1.5 million receives the commercial rate of 1.75%

Alternative Homestead Model- Output

Tax Class Name	Modeled New Taxable Value	Modeled New Taxes Paid	Modeled Taxes Paid %	Present Law Taxes Paid %
1-Mine Net Proceeds	$ 4,882,927	$ 1,536,262	0.1%	0.1%
2-Mine Gross Proceeds	25,293,377	14,007,624	0.6%	0.6%
3-Ag Land	151,366,782	81,915,106	3.3%	3.4%
4-Residential	2,868,149,472	1,371,552,441	55.4%	53.8%
4-Commercial	690,292,624	409,072,906	16.5%	17.2%
5-Pollution Control Equip	60,132,753	32,220,371	1.3%	1.4%
7-Non-Centrally Assessed	332,411	228,514	0.0%	0.0%
8-Business Equipment	181,837,901	101,214,791	4.1%	4.1%
9-Pipelines & Electric Utilities	690,495,798	323,217,354	13.1%	13.6%
10-Forest Land	4,892,854	2,113,914	0.1%	0.1%
12-Railroads & Airlines	91,976,928	50,432,701	2.0%	2.1%
13-Telecomm & Electric Gen	131,758,406	73,002,750	3.0%	3.1%
14-Wind Generation	21,256,428	11,732,682	0.5%	0.5%
15-CO2/Qual Pipelines	3,485,147	1,302,368	0.1%	0.1%
17-Data Centers	439,739	306,024	0.0%	0.0%
Total	**$ 4,926,593,548**	**$ 2,473,855,807**	**100.0%**	**100.0%**