

“Property Tax Tuesdays” Schedule

Oct. 1: Property Tax Basics

Oct. 8: How Non-School Levies Are Set

Oct. 15: School Funding

Oct. 22: Property Tax Assistance

Oct. 29: Property Tax & School Funding Tools



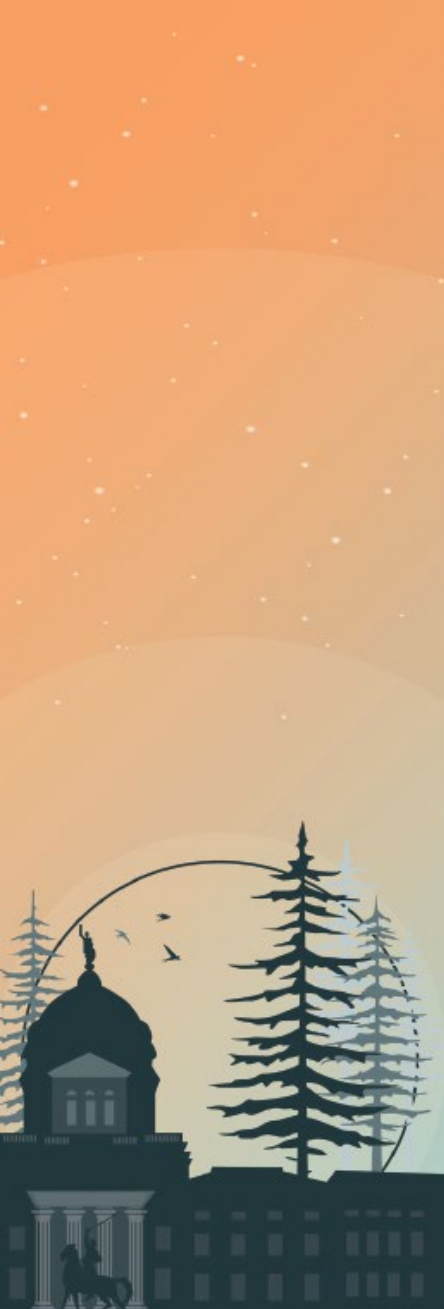
Property Tax Assistance

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Property Tax Assistance Programs

Overview: [Property Tax Assistance Programs](#)

Property Exemptions

- Property Tax Assistance Program (PTAP)
- Disabled Veteran Program (DAV)
- Intangible Land Value Exemption

Income Tax Credit

- Elderly Homeowner and Renter Credit (2EC)

Property Tax Assistance Program

- Reduces taxable value on **\$350,000** of market value to **20%, 50%, or 70%** of value, based on income
- Maximum 2024 income:
 - \$27,621 single
 - \$37,019 married or head of household
- Ownership and occupancy for 7 months of the year
- Annual income verification



HB 189 (2023):

- Increased MV from \$200,000
- Expanded income thresholds

Disabled Veteran Program

- Reduces taxable value of **100% disabled veteran or surviving spouse** to **0%, 20%, 30%, or 50%** of value, based on income
- Maximum 2024 income:
 - \$59,554 single
 - \$68,705 married or head of household
 - \$51,911 surviving spouse
- Ownership and occupancy for 7 months of the year
- Annual income verification



Intangible Land Value Exemption

- For up to 5 acres of land valued disproportionately higher than the primary residence located on the land
- Land value above 150% of the primary residence value is exempt
 - Subject to the statewide average value of land
- Requires ownership by applicant or family* for 30 years and occupancy for 7 months of the year



*Family includes parent, child, sibling, grandparent, grandchild, great-grandparent, great-grandchild, aunt, uncle, niece, or nephew

Elderly Homeowner & Renter Credit

- Refundable income tax credit of up to \$1,150 for homeowners and renters age 62+
- Credit for property taxes paid or 15% of rent paid, based on income
- Maximum income of \$45,000
 - Credit phases out at \$35,000
- Must reside in Montana for 9 months of the year



Elderly Credit Calculation

Determine gross household income

- Federal adjusted gross income without regard to loss, plus nontaxable income
- For all members of household

Convert to household income

- Subtract \$12,600 from gross household income

Calculate reduction amount

- Multiply household income by percentage in 15-30-2340
- No reduction for gross household income below \$14,600
- Reduction of 5% for gross household income of \$24,600 or more

Subtract reduction amount from property tax billed or rent-equivalent tax paid

- If gross household income is $> \$35,000$: apply allowable percentage of credit: \$35,000-\$37,500, 40%; \$37,501-\$40,000, 30%; \$40,001-\$42,500, 20%; \$42,501-\$44,999, 10%

Arrive at credit amount

- Lesser of \$1,150 or amount determined above

Definition of Income

Income

FAGI excluding losses

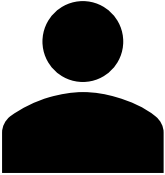

**FAGI excluding
losses +
nontaxable
income**

PTAP

DAV

2EC

Example: Taxpayer Eligible for PTAP and Elderly Credit

	Age: 70		Market Value: \$350,000
	Income: \$21,000 (Social Security)		Mill Levy: 650 mills
Property Tax Assistance Program		Elderly Homeowner & Renter Credit	
	Notes/Calculations		Notes/Calculations
Qualifying income: \$0	Nontaxable social security not included in federal adjusted gross income	Gross household income: \$21,000	Federal adjusted income plus nontaxable income
Value Subject to Taxation: 20%	80% of value exempted	Household income: \$8,400	21,000 - 12,600
Taxable value: \$945	$350,000 * 1.35% * 20%$	Reduction amount: \$328	$8,400 * 0.039$ (from 15-30-2340)
Taxes due: \$614 (\$2,457 savings)	$945 * 650/1000$	Credit amount: \$286	Taxes paid: 614 - reduction amount: 328
Total property taxes paid less Elderly Homeowner and Renter credit: \$328 Total PTAP and Elderly Homeowner and Renter Credit Benefit: \$2,743 Tax Bill Without Assistance: \$3,071			

Fiscal Impacts of Assistance Programs

Property Exemptions

1. Reduction in taxable value shifts taxes
2. Reduces state revenue from state mills:
 - 95 mills for school equalization
 - 6 mills for university

Income Tax Credit

1. Reduces state revenue because less income tax is collected

General Property Assistance Data

Program	Participants	Loss in State Revenue	Tax Shift	Total Benefit to Participants	Average Benefit
Property Tax Assistance Program (2023)	20,500	\$3,290,398	\$14,879,598	\$18,169,996	\$886
Elderly Homeowner & Renter Credit (2022)	16,273	\$10,594,909	-	\$10,594,909	\$651
Disabled Veteran Program (2023)	3,243	\$972,630	\$6,137,639	\$7,577,813	\$2,337
Intangible Land Value Exemption (2023)	197	\$147,903	\$448,612	\$596,515	\$3,028

Source: Department of Revenue

2023 & 2024 Rebates

Criteria & Amount

- [HB 222](#) and [HB 816](#)
- Owned/occupied residence for 7 months of the tax year
- Assessed and paid taxes on residence
- Lower of \$675 or total taxes paid

2023 Rebate Data

- 216,419 rebates
- \$142.5 million
- Department of Revenue [rebate report](#)

Coming Soon: Taxable Value Neutral Report

15-7-111(4)

- Required report from DOR to RIC
 - Next report: Nov. 18
- Tax rates that will result in taxable value neutrality
- Not a recommendation

November 2022 report

Estimated Taxable Value Neutral Tax Rates		
Property Type	Current Rates	TV Neutral Rates
Residential	1.35%	0.94%
Commercial	1.89%	1.62%
Agricultural	2.16%	2.15%

Questions?