



Mike Kadas  
Director

# Montana Department of Revenue

8/17/2015



Steve Bullock  
Governor

## MEMORANDUM

To: County Commissioners  
County Clerk and Recorders  
County Treasurers

From: Cynthia C. Monteau Moore, Administrator, Property Assessment Division

Date: August 14, 2015

Subject: SB157 changes and 2015 Certification of Values

Please be advised that while you may see an increase in market value you may not see a commensurate increase in your taxable value or your taxable value may have decreased. This is due to reporting the full reappraisal values of residential, commercial, and agricultural property instead of the taxable market value that had been previously reported.

Prior certified market value for residential, commercial, and agricultural property was a taxable market value that included phase-in and homestead and comstead exemptions. Taxable value was calculated by applying the tax rate to the taxable market value as follows:

$(\text{Prior cycle full market value} + \text{phase-in} - \text{exemption}) = \text{taxable market value}$   
 $\text{Taxable market value} \times \text{tax rate} = \text{taxable value}$

The current certified market value of residential, commercial, and agricultural classes of property is determined by:

$\text{Market value} \times \text{tax rate} = \text{taxable value}$

In other words, reporting the full market value, rather than the taxable market value required under the old law, resulted in a higher market value but did not necessarily correlate to a higher taxable value. This will be a onetime anomaly caused by the transition in SB157 from taxable market value to full market value.

If you have any questions, please feel free to contact your local revenue office.