

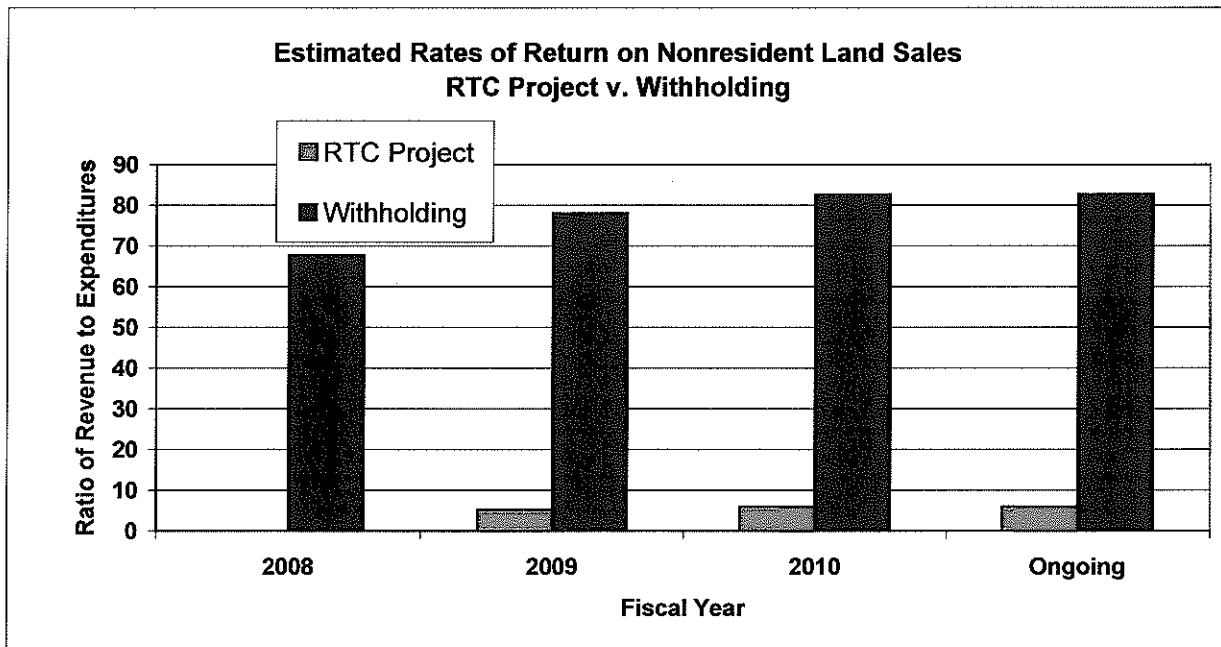
Withholding at Time of Sale vs. After Sale Collection Efforts

HB833 fiscal note revenues and administrative costs for withholding on nonresident sales of real property

FY	Revenue	Admin. Cost	Ratio
2008	9,295,984	137,045	68
2009	10,095,439	129,259	78
2010	10,963,646	132,470	83
Ongoing			83
Initial 3-Year Ave.	30,355,069	398,774	76

Estimated revenues and administrative costs for the RTC project

FY	Revenue	Admin. Cost	Ratio
2008	0	1,133,228	0
2009	2,523,860	482,462	5
2010	4,385,458	732,462	6
Ongoing			6
Initial 3-Year Ave.	6,909,318	2,348,152	3



Realty Transfer Certificate Data Capture Status Report

COUNTY	NO.	REGION	TOTAL TRANSACTIONS 2003-2007	CAPTURED	PERCENT COMPLETE	
Beaverhead	18	5	4,872	652	13%	<i>In progress</i>
Big Horn	22	6	2,901		0%	
Elaine	24	2	3,071		0%	
Broadwater	43	5	1,960	1,960	100%	
Carbon	10	6	8,383		0%	
Carter	42	6	2,307		0%	
Cascade	2	2	35,003	10,501	30%	<i>In progress</i>
Chouteau	19	2	4,200		0%	
Custer	14	6	5,836		0%	
Daniels	37	3	2,063	2,063	100%	
Dawson	16	3	1,710	485	28%	<i>In progress</i>
Deer Lodge	30	5	4,427	4,427	100%	
Fallon	39	6	2,646		0%	
Fergus	8	2	9,865		0%	
Flathead	7	1	48,703	4,998	10%	<i>In progress</i>
Gallatin	6	5	44,617	13,059	29%	<i>In progress</i>
Garfield	50	3	1,054	1,054	100%	
Glacier	38	2	4,629		0%	
Golden Valley	53	6	1,309		0%	
Granite	46	4	2,966		0%	
Hill	12	2	6,321		0%	
Jefferson	51	5	2,816	2,816	100%	
Judith Basin	36	2	1,909	1,909	100%	
Lake	15	1	14,481	10,849	75%	<i>In progress</i>
Lewis & Clark	5	4	23,361	11,467	49%	<i>In progress</i>
Liberty	48	2	1,358		0%	
Lincoln	56	1	12,954		0%	
Madison	25	5	11,945	11,945	100%	
McCone	41	3	1,057	1,057	100%	
Meagher	47	5	1,108	1,108	100%	
Mineral	54	4	2,545		0%	
Missoula	4	4	38,967	19,959	51%	<i>In progress</i>
Musselshell	23	6	4,621		0%	
Park	49	5	3,624		0%	
Petroleum	55	3	817	817	100%	
Phillips	11	3	4,041		0%	
Pondera	26	2	3,077		0%	
Powder River	9	6	2,254		0%	
Powell	28	4	3,032	980	32%	<i>In progress</i>
Prairie	45	3	1,667	189	11%	<i>In progress</i>
Ravalli	13	4	12,565		0%	
Richland	27	3	4,331	0	0%	
Roosevelt	17	3	4,116		0%	
Rosebud	29	6	4,382		0%	
Sanders	35	1	2,642		0%	
Sheridan	34	3	3,035	3,035	100%	
Silver Bow	1	5	12,481	12,481	100%	
Stillwater	32	6	6,218		0%	
Sweet Grass	40	6	2,320		0%	
Teton	31	2	2,372		0%	
Toole	21	2	3,009		0%	
Treasure	33	6	715		0%	
Valley	20	3	7,238		0%	
Wheatland	44	6	1,479	1,479	100%	
Wibaux	52	3	701	418	60%	<i>In progress</i>
Yellowstone	3	6	52,799	1,360	3%	<i>In progress</i>

STATE TOTAL	454,880	121,068	27%
--------------------	----------------	----------------	------------

Summary
Realty Transfer Certificate Project
As of 3/4/2008

Number of Realty Transfer Certificates				
Year	Non-Resident	Resident	Unknown *	Grand Total
2003	1,627	3,531	307	5,465
2004	1,556	3,501	323	5,380
2005	1,792	4,402	342	6,536
2006	1,388	3,456	327	5,171
2007	821	2,161	110	3,092
Total	7,184	17,051	1,409	25,644
Percent of Total	28.0%	66.5%	5.5%	100%
Percent of Total less Unknowns	29.6%	70.4%		100%

As of March 4, 2008 the RTCs in following seven counties have been data entered: Jefferson, Wheatland, Broadwater, Deer Lodge, Meagher, Madison and Judith Basin

* Unknown - Represents the number of RTCs that could not be verified in the cross-matching process to determine if the property owner has or has not filed. No letters are sent for this category.

Summary of Non-Filer Letter Campaign					
County	Status	Non-Resident	Resident	Total	Percentage of Total
Jefferson	Response	155	123	278	45%
	No Response	176	164	340	55%
	Total	331	287	618	
Total	Responses	155	123	278	45%
	No Response	176	164	340	55%
	Total	331	287	618	
Collections to Date		\$ 12,994.88	\$ 6,259.64	\$ 19,254.52	

As of March 4, 2008 non-filer letters have only been sent for Jefferson county. Please see Jefferson county's information for more detail.

**Jefferson County
Realty Transfer Certificate Project
As of 3/4/2008**

Number of Realty Transfer Certificates				
Year	Non-Resident	Resident	Unknown *	Grand Total
2003	136	370	63	569
2004	155	327	85	567
2005	121	445	103	669
2006	118	474	161	753
2007	52	175	31	258
Total	582	1,791	443	2,816
Percent of Total	20.7%	63.6%	15.7%	100%
Percent of Total less Unknowns	24.5%	75.5%		100%
Number of Non-filers Identified as of Report Date	331	287		618
Gross Non-Filing Rate	57%	16%		22%

* Unknown - Represents the number of RTCs that could not be verified in the cross-matching process to determine if the property owner has or has not filed. No letters are sent for this category.

Summary of Non-Filer Letter Campaign					
Date of Letter	Status	Non-Resident	Resident	Total	Percentage of
					Total
1/16/2008	Response	45	23	68	60%
	No Response	31	15	46	40%
	Total	76	38	114	
1/31/2008	Responses	54	66	120	60%
	No Response	40	41	81	40%
	Total	94	107	201	
2/11/2008	Response	18	10	28	29%
	No Response	39	29	68	71%
	Total	57	39	96	
2/12/2008	Responses	38	24	62	30%
	No Response	66	79	145	70%
	Total	104	103	207	
Total	Responses	155	123	278	45%
	No Response	176	164	340	55%
	Total	331	287	618	
Collections to Date		\$ 12,994.88	\$ 6,259.64	\$ 19,254.52	

Detail of Responses from Letters					
Response Category	Non-Resident	Resident	Total	Percentage of	
				Total	Total
Filed	9	6	15		2.43%
Tax Documents Requested	21	5	26		4.21%
In Research	35	12	47		7.61%
1031 Transaction	2	1	3		0.49%
Bad Address	17	34	51		8.25%
Deceased	1	7	8		1.29%
Divorce Decree	5	1	6		0.97%
No Gain	27	9	36		5.83%
Deployed Military	1	0	1		0.16%
Primary Residence	15	18	33		5.34%
RTC Data Incorrect	5	14	19		3.07%
RTC Incorrect SSN	17	16	33		5.34%
Total Responses	155	123	278		44.98%
No response as of Report Date	176	164	340		55.02%

Response Category Descriptions:

Filed: The property owner filed an income tax return.

1031 Transaction: The property was transferred via a 1031 Exchange.

Bad Address: The letters were returned to the Department due to a bad address.

Deceased: The property owner is deceased.

Divorce decree: The transfer was due to a divorce and no taxable event occurred.

In research: The property owner has supplied the Department additional information which is being reviewed.

No Gain: Property owner sold property at a loss, or no gain

Primary Residence: The property transferred was a primary residence therefore no taxable event occurred.

RTC Data incorrect: The RTC name of the seller was incorrect. (Jr. was listed but Sr. sold the property)

RTC incorrect SSN: The RTC had an incorrect Social Security Number.

Deployed Military: Taxpayer has 180 day extension to file

Tax Documents Requested: The taxpayer has requested Montana tax documents to file the return.

Non-Resident Participation in Montana Real Estate Sales: Selected Counties
2003 - 2007

Non-Residents as % of Income Tax Filers	4.7%
Seven County Average of Non-Resident Real Property Sellers	28.0%
Jefferson	20.7%
Wheatland	14.1%
Broadwaater	12.7%
Deer Lodge	22.3%
Meagher	24.8%
Madison	38.8%
Judith Basin	13.4%