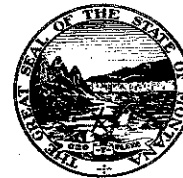




Dan Bucks  
Director


# Montana Department of Revenue



Brian Schweitzer  
Governor

## MEMORANDUM

To: Revenue and Transportation Interim Committee

From: Dan Bucks, Director 

Date: September 10, 2008

Subject: Section 5-11-210, MCA Clearinghouse Information Report

In accordance with the above statute, I am reporting to the committee that the Department will be preparing and submitting to the executive and the legislature the **Montana Department of Revenue Biennial Report July 1, 2006 to June 30, 2008**. The contents of this report are delineated in accordance with Section 15-1-205, MCA, as follows:

- (1) The department shall transmit to the governor 20 days before the meeting of the legislature and make available to the legislature a report of the department showing all the taxable property of the state, counties, and cities and its value. The department shall follow the provisions of 5-11-210 in preparing the report.
- (2) The report must also include the statewide average effective tax rate of taxable property in each class of property. The department may determine whether an appropriate effective tax rate may be derived for net proceeds, gross proceeds, agricultural land, and forest land.
- (3) The report or supplements to the report may also include:
  - (a) the gross dollar amount of revenue loss attributable to:
    - (i) personal income and corporation license tax exemptions;
    - (ii) property tax exemptions for which application to the department is necessary;
    - (iii) deferral of income;
    - (iv) credits allowed against Montana personal income tax or Montana corporation license tax, reported separately;
    - (v) deductions from income; and
    - (vi) any other identifiable preferential treatment of income or property;
  - (b) any change in tax revenue of the state or any unit of local government attributable to a change in federal tax law; and
  - (c) any change in the revenue of any unit of local government attributable to a change in state tax law.
- (4) The data described in subsection (3), if reported, must be related to the income and age of the taxpayer whenever the information is available.

(5) (a) When reporting the data described in subsection (3)(a), the department shall identify any known purpose of the preferential treatment.

(b) Based upon the purpose of the preferential treatment, the department shall outline the available data necessary to determine the effectiveness of the preferential treatment.

(6) In reporting the data described in subsection (3), the department shall report any comparable data, if available, from Wyoming, Idaho, North Dakota, and South Dakota and from any other state the department may choose.

(7) The department shall identify in a separate section of the report any changes that have been made or that are contemplated in property appraisal or assessment.

(8) The department may include a report, prepared by the department of transportation, showing the selling price of gasoline at the wholesale level in prime market centers of Montana and in surrounding states during the biennium, with indexes tabulated at sufficient intervals to show the comparative state price structures.

The Department of Revenue recommends that 400 copies of this report should be printed for distribution in order to meet the demand from the executive, the legislature, other state agencies, local government entities, and the public.

The estimated cost of for each copy is \$11.70 per copy for a total of \$4,687 for printing, with no anticipated costs for distribution.