

An Overview of Montana Taxes

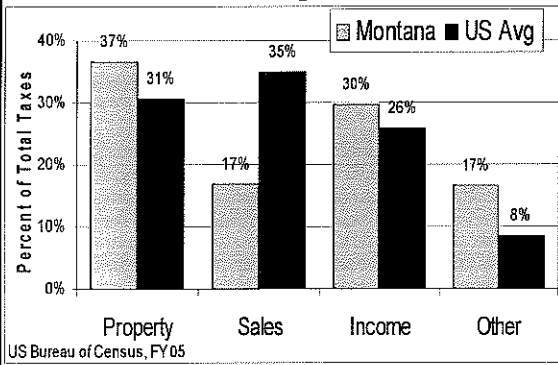
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What is a “Good” Tax System?

- Promotes Economic Opportunity
- Fairly Distributes the Burden
- Low Administrative & Compliance Costs
- Provides Adequate Revenues
- Provides Stable Revenues

Tax Composition



Property Tax Rates - Residential

State	Percent of Value	Rank	Percent of Income	Rank
Montana	0.9%	21	2.8%	24
Idaho	0.8%	27	2.5%	28
N. Dakota	1.4%	8	2.7%	25
S. Dakota	1.3%	11	2.8%	22
Wyoming	0.5%	39	1.4%	46
US Average	0.9%		2.8%	

Source: Tax Foundation, from Bureau of the Census, American Community Survey (2006)

Property Tax Rates - Residential

County	Percent of Value	Percent of Income
Cascade	1.0%	2.7%
Flathead	0.8%	3.1%
Gallatin	0.7%	3.1%
Missoula	0.9%	3.9%
Yellowstone	1.0%	2.9%

Source: Tax Foundation, from Bureau of the Census, American Community Survey (2006).

Commercial Property Taxes

\$1m Real, \$200k Fixtures in Urban Area

State	Rate	Rank
Montana	1.4%	35
Idaho	1.1%	46
N. Dakota	1.8%	25
S. Dakota	1.4%	32
Wyoming	0.5%	51
U.S. Average	2.0%	

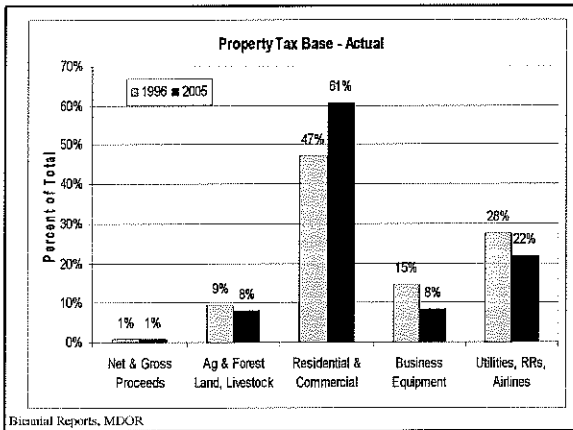
Source: Minnesota Taxpayers Association, Payable 2006

Industrial Property Taxes

\$25m Real, \$12.5m Equip, \$10m Inventories, \$2.5m Fixtures in Urban Area

State	Rate	Rank
Montana	1.2%	31
Idaho	0.9%	43
N. Dakota	1.1%	37
S. Dakota	0.8%	44
Wyoming	0.5%	49
U.S. Average	1.5%	

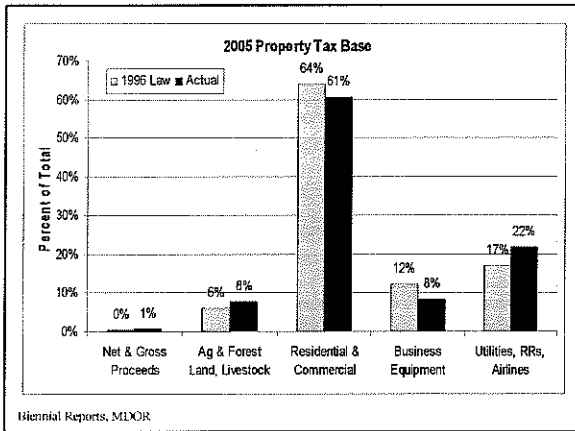
Source: Minnesota Taxpayers Association, Payable 2006



Bisannual Reports, MDOR

What if the Laws Did NOT Change?

- Business Equipment *Stay* at 9%
- Electrical Generation/Telecomm *Stay* at 12%
- Livestock *Stay* at 4%
- Residential/Commercial *Stay* at 3.86%
- *No* Homestead/Commstead Exemptions
- Reappraisals (to 2002) *Fully Implemented*



What Else Can Government Do?

- **Straight-Forward Regulation**
- **Transport and Communication Infrastructure**
- **Provide High Quality Public Services in a Cost Effective Manner**
- **Avoid Discouraging the Private Sector**

Questions?

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