

Montana Personal Property Assessment

All property is taxable in Montana unless it is specifically exempted from taxation.¹

Personal property that is expensed or depreciated out for income tax purposes remains taxable for property tax purposes.

Personal property includes everything that is the subject of ownership that is not included within the meaning of the terms “real estate”, “improvements”, and “intangible personal property”.²

Montana law defines the business equipment tax as a personal property tax applied to any class of personal property that belongs to, is claimed by, or is in the possession of or under the control or management of a sole proprietor, firm, association, partnership, business, corporation, or limited liability company.³

Personal property is taxable where it is located as of January 1.⁴

Personal property, business equipment is primarily class 8⁵ property:

- agricultural implements and equipment,
- mining machinery, fixtures, equipment, tools and supplies,
- oil and gas production machinery, fixtures, equipment, including pumping units, oil field storage tanks, water storage tanks, water disposal injection pumps, gas compressor and dehydrator units, communication towers, gas metering shacks, treaters, gas separators, water flood units, gas boosters, and similar equipment that is skidable, portable, or movable, tools,
- manufacturing machinery, fixtures, equipment, tools,
- goods and equipment that are intended for rent or lease, except goods and equipment that are specifically included and taxed in another class,
- special mobile equipment,
- furniture, fixtures, and equipment, used in commercial establishments,
- x-ray and medical and dental equipment,
- citizens' band radios and mobile telephones,
- radio and television broadcasting and transmitting equipment,
- cable television systems,
- coal and ore haulers,
- theater projectors and sound equipment,
- all other property that is not included in any other class in this part, except that property that is subject to a fee in lieu of a property tax.

¹ 15-6-101, MCA

² 15-1-101, MCA

³ 15-6-122, MCA

⁴ 15-8-201, MCA

⁵ 15-6-138, MCA

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Personal Property Reporting Requirements

Taxpayers must report the installed costs of all personal property to the department, within the timeframes established in law and administrative rule.⁶ Those new to reporting personal property in Montana need to send an inquiry to DORPPReporting@mt.gov for instructions.

The deadline for reporting personal property is **February 15**.⁷

A **penalty equal to 20%** of the market value is assessed on all personal property records for which reporting forms are returned later than the deadline, or not returned at all.⁸

Electronic Personal Property Reporting

Taxpayers report personal property electronically online through the department's TransAction Portal (TAP).

Exempt Personal Property

Examples of automatic personal property exemptions are:

15-6-138, MCA The first \$1 million of class 8 market value owned by a person or entity
15-6-202, MCA Freeport merchandise and business inventories
15-6-206, MCA Sprinkler irrigation systems
15-6-207, MCA Livestock
15-6-207, MCA Sugar beet equipment not used for the previous 2 years, with no available sugar beet contracts within the grower's marketing area
15-6-207, MCA Agricultural implements and machinery valued under \$100
15-6-213, MCA Down-hole equipment in oil and gas wells
15-6-215, MCA Certain motion picture and television property
15-6-218, MCA Intangible personal property which includes software
15-6-219, MCA Harness, saddles, and other tack
15-6-219, MCA First \$15,000 or less of handheld tools
15-6-219, MCA Household goods and furniture
15-6-219, MCA A bicycle used for personal use
15-6-219, MCA Personal property intended for rent or lease if specific conditions are met
15-6-219, MCA Space vehicles and all associated equipment
15-6-220, MCA Machinery and equipment used in an oilseed processing facility, malting barley facility, industrial dairy or milk processing facility, in the production of ethanol from grain, a pulse processing facility or hemp processing facility
15-6-225, MCA Small electrical generation equipment, nameplate capacity of less than 1 megawatt
15-6-228, MCA Property subject to registration fee (PP attached to vehicle > 1 ton)

⁶ 15-8-301, MCA & ARM 42.21.158

⁷ ARM 42.21.158

⁸ 15-1-303, MCA

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Personal Property Exemptions that Require an Application⁹

Certain other personal property requires an exemption application. The owner must apply for the exemption and meet all the qualifications.

Personal property **owned by or leased to an exempt entity is not automatically exempt**, it must go through the **exemption application process**.

Exemption applications must be submitted by March 1, or, in the case of vehicles, within 30 days after acquisition. The date on the new title is used as the acquisition date. Questions about exemptions and the exemption application process should be directed to exemption specialist, Linda Sather (406) 444-5698.

The exempt and nonexempt status of personal property situated within the state of Montana on January 1, is as follows:¹⁰

- If personal property is in an exempt status on January 1 of a specific tax year, and at any later date during that tax year loses its exempt status, the personal property will not be taxed until the following tax year.
- If the personal property is not in an exempt status on January 1 of a tax year, and at any later date during that tax year is assigned an exempt status, the personal property will be taxed for the entire tax year, unless the personal property is acquired by a governmental entity.

For personal property situated outside the state of Montana on January 1, the exempt and nonexempt status of personal property is as follows:

- If personal property is in an exempt status when it is brought into the state of Montana during a tax year, and if at any later date during that tax year the personal property loses its exempt status, the personal property will not be taxed until the following tax year.
- If personal property is not in an exempt status when it is brought into the state of Montana, the department will prorate the assessment on the personal property pursuant to 15-16-613, 15-24-301, and 15-24-303, MCA. Proration of the personal property tax primarily impacts Special Mobile equipment and is discussed in a later section of this guide.

⁹ [Property Tax Exemption Application](#)

¹⁰ ARM 42.21.162

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Aggregation, Exemption and Tax Rate Adjustment Thresholds

Montana law exempts a portion of a taxpayer's class eight personal property value. Additionally, a lower tax rate is applied to the portion of value that is below a second threshold.

Personal property assessment is based on **statewide aggregate market value**, that is, the combined value from all a taxpayer's locations throughout the state. Values are aggregated by taxpayer ID.

The department makes an effort to identify **parent companies**. A parent company is one that has an ownership interest of 50% or more in another entity.¹¹ If a parent company is identified, values are aggregated by the parent company's taxpayer ID.

2014 through 2021

- the first \$100,000 of aggregate market value of class eight property is exempt,
- the next \$6 million in taxable market value is taxed at 1.5%,
- any taxable market value exceeding \$6,100,000 is taxed at 3%

2022 through 2023¹²

- the first \$300,000 of aggregate market value of class eight property is exempt,
- the next \$6 million in taxable market value is taxed at 1.5%,
- any taxable market value exceeding \$6,300,000 is taxed at 3%

2024¹³ and subsequent years

- the first \$1 million of aggregate market value of class eight property is exempt,
This is the **exemption threshold**.
- The next \$6 million in taxable market value is taxed at 1.5%,
This is the **tax rate adjustment threshold (TRAT)**.
- Any taxable market value exceeding the TRAT is taxed at 3%

Market value, aggregate market value and aggregate taxable market value

Market value of class eight property is the depreciated value determined as described in Montana law and administrative rules.

Aggregate market value is the total market value of class eight property that a person or entity owns at all locations, statewide. The amount of any penalty on a taxpayer's property assessment record(s) is *not* included when determining the taxpayer's aggregate market value.

Aggregate taxable market value is the total market value of class eight property that a person or entity owns at all locations, statewide **minus** the exempt class eight market value.

$$\text{aggregate market value} - \text{exempt market value} = \text{aggregate taxable market value}$$

¹¹ [ARM 42.21.158](#)

¹² HB 303 2021 legislative session

¹³ HB 212 2023 legislative session

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Personal Property Tax Calculation

cost reported by taxpayer x applicable trended % good¹⁴ = **assessed market value**

assessed market value – exempt portion of value¹⁵ = **taxable market value**

taxable market value x tax rate¹⁶ = **taxable value**

taxable value x mill levy¹⁷ = **property tax**

The exemption threshold and TRAT threshold are allocated amongst the taxpayer's property locations.

- a) Each location's contribution to the total aggregate market value is calculated as a percentage.
- b) Each location's contribution percentage is applied to the exemption threshold to calculate the location's share of the exemption threshold.
- c) The location's share of the exemption threshold **and** any other exempt class eight value is subtracted from the location's total market value to calculate the location's *taxable* market value.
- d) The percentage of the taxpayer's taxable market value that is **over** the TRAT threshold is calculated by first subtracting the TRAT threshold, \$6 million, from the taxpayer's aggregate taxable market value, then dividing the taxpayer's aggregate taxable market value **over** the TRAT threshold by the taxpayer's aggregate taxable market value.
- e) The percentage **under** TRAT is calculated by subtracting the percent **over** TRAT from 100%.
- f) Each location's taxable market value **over** the TRAT threshold is calculated by multiplying the over TRAT percentage by the location's taxable market value.
- g) Each location's **base taxable value** is calculated by multiplying the normal tax rate by the location's taxable market value.
- h) The **over** TRAT taxable value is calculated by multiplying the **additional** TRAT tax rate by the location's taxable market value **over** TRAT.
- i) The location's total taxable value is calculated by adding together the base taxable value and the **over** TRAT taxable value.

The examples on the following page illustrate personal property assessment calculations for various aggregation and threshold scenarios.

¹⁴ Administrative Rules 42.21 subchapter 1, and 42.22 subchapter 13

¹⁵ as determined by the state legislature

¹⁶ as determined by the state legislature

¹⁷ set by local jurisdictions

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taxable value calculation - under exemption threshold																
county	location	Total market value	value of exempt class eight property other than the exemption threshold	Taxable market value before \$1 million exemption	location's contribution to aggregate taxable market value	location's share of \$1 million exemption threshold	Final taxable market value	Normal tax rate	Base taxable value	% Under TRAT	% Over TRAT	Taxable market value Over TRAT	Additional Over TRAT tax rate	Total Over TRAT tax rate	Additional Over TRAT taxable value	Total taxable value
1	1	75,000	2,000	73,000	25%	73,000	0	1.5%	0	100%	0%	0	1.5%	3%	0	0
1	2	53,000	0	53,000	18%	53,000	0	1.5%	0	100%	0%	0	1.5%	3%	0	0
2	1	25,000	500	24,500	8%	24,500	0	1.5%	0	100%	0%	0	1.5%	3%	0	0
3	1	80,000	1,200	78,800	27%	78,800	0	1.5%	0	100%	0%	0	1.5%	3%	0	0
4	1	62,000	0	62,000	21%	62,000	0	1.5%	0	100%	0%	0	1.5%	3%	0	0
totals		295,000	3,700	291,300	100%	291,300	0								0	0
total market value		295,000														
minus automatically exempt class eight value		3,700														
total taxable market value		291,300														
minus \$1,000,000 exemption amount		1,000,000														
equals final taxable market value		0														
minus \$6 million TRAT threshold		6,000,000														
taxable market value over TRAT threshold		0														
taxable value calculation - over exemption threshold, under TRAT threshold																
county	location	Total market value	value of exempt class eight property other than the exemption threshold	Taxable market value before \$1 million exemption	location's contribution to aggregate taxable market value	location's share of \$1 million exemption threshold	Final taxable market value	Normal tax rate	Base taxable value	% Under TRAT	% Over TRAT	Taxable market value Over TRAT	Additional Over TRAT tax rate	Total Over TRAT tax rate	Additional Over TRAT taxable value	Total taxable value
1	1	1,120,000	5,000	1,115,000	28%	282,887	832,113	1.5%	12,482	100%	0%	0	1.5%	3%	0	12,482
1	2	800,000	1,200	798,800	20%	202,664	596,136	1.5%	8,942	100%	0%	0	1.5%	3%	0	8,942
2	1	650,000	1,100	648,900	16%	164,633	484,267	1.5%	7,264	100%	0%	0	1.5%	3%	0	7,264
3	1	1,150,000	800	1,149,200	29%	291,564	857,636	1.5%	12,865	100%	0%	0	1.5%	3%	0	12,865
4	1	230,000	400	229,600	6%	58,252	171,348	1.5%	2,570	100%	0%	0	1.5%	3%	0	2,570
totals		3,950,000	8,500	3,941,500	100%	1,000,000	2,941,500		44,123						0	44,123
total market value		3,950,000														
minus automatically exempt class eight value		8,500														
total taxable market value		3,941,500														
minus \$1,000,000 exemption amount		1,000,000														
equals final taxable market value		2,941,500														
minus \$6 million TRAT threshold		6,000,000														
taxable market value over TRAT threshold		0														
taxable value calculation - over exemption threshold & over TRAT threshold																
county	location	Total market value	value of exempt class eight property other than the exemption threshold	Taxable market value before \$1 million exemption	location's contribution to aggregate taxable market value	location's share of \$1 million exemption threshold	Final taxable market value	Normal tax rate	Base taxable value	% Under TRAT	% Over TRAT	Taxable market value Over TRAT	Additional Over TRAT tax rate	Total Over TRAT tax rate	Additional Over TRAT taxable value	Total taxable value
1	1	2,120,000	10,000	2,110,000	14%	143,900	1,966,100	1.5%	29,492	44%	56%	1,102,703	1.5%	3%	16,541	46,032
1	2	6,180,000	4,000	6,176,000	42%	421,196	5,754,804	1.5%	86,322	44%	56%	3,227,627	1.5%	3%	48,414	134,736
2	1	2,150,000	2,000	2,148,000	15%	146,491	2,001,509	1.5%	30,023	44%	56%	1,122,562	1.5%	3%	16,838	46,861
3	1	3,115,000	12,000	3,103,000	21%	211,621	2,891,379	1.5%	43,371	44%	56%	1,621,652	1.5%	3%	24,325	67,695
4	1	1,130,000	4,000	1,126,000	8%	76,792	1,049,208	1.5%	15,738	44%	56%	588,457	1.5%	3%	8,827	24,565
totals		14,695,000	32,000	14,663,000	100%	1,000,000	13,663,000		204,945			7,663,000			114,945	319,890
total market value		14,695,000														
minus automatically exempt class eight value		32,000														
total taxable market value		14,663,000														
minus \$1,000,000 exemption amount		1,000,000														
equals final taxable market value		13,663,000														
minus \$6 million TRAT threshold		6,000,000														
taxable market value over TRAT threshold		7,663,000														

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The first two digits of the
Property ID / Property Number
indicate the county

Property ID
04-0481608103-001
05-0000075347-001
05-0000075348-001
06-00PPP36176-001
07-000P216076-001
07-000P216077-001

Property Number
04-0481608103-001
05-0000075347-001
05-0000075348-001
06-00PPP36176-001
07-000P216076-001
07-000P216077-001

Montana Counties Name and Number Designations

County #	County Name
01	Silver Bow
02	Cascade
03	Yellowstone
04	Missoula
05	Lewis & Clark
06	Gallatin
07	Flathead
08	Fergus
09	Powder River
10	Carbon
11	Phillips
12	Hill
13	Ravalli
14	Custer
15	Lake
16	Dawson
17	Roosevelt
18	Beaverhead
19	Chouteau
20	Valley
21	Toole
22	Big Horn
23	Musselshell
24	Blaine
25	Madison
26	Pondera
27	Richland
28	Powell

County #	County Name
29	Rosebud
30	Deer Lodge
31	Teton
32	Stillwater
33	Treasure
34	Sheridan
35	Sanders
36	Judith Basin
37	Daniels
38	Glacier
39	Fallon
40	Sweet Grass
41	McCone
42	Carter
43	Broadwater
44	Wheatland
45	Prairie
46	Granite
47	Meagher
48	Liberty
49	Park
50	Garfield
51	Jefferson
52	Wibaux
53	Golden Valley
54	Mineral
55	Petroleum
56	Lincoln