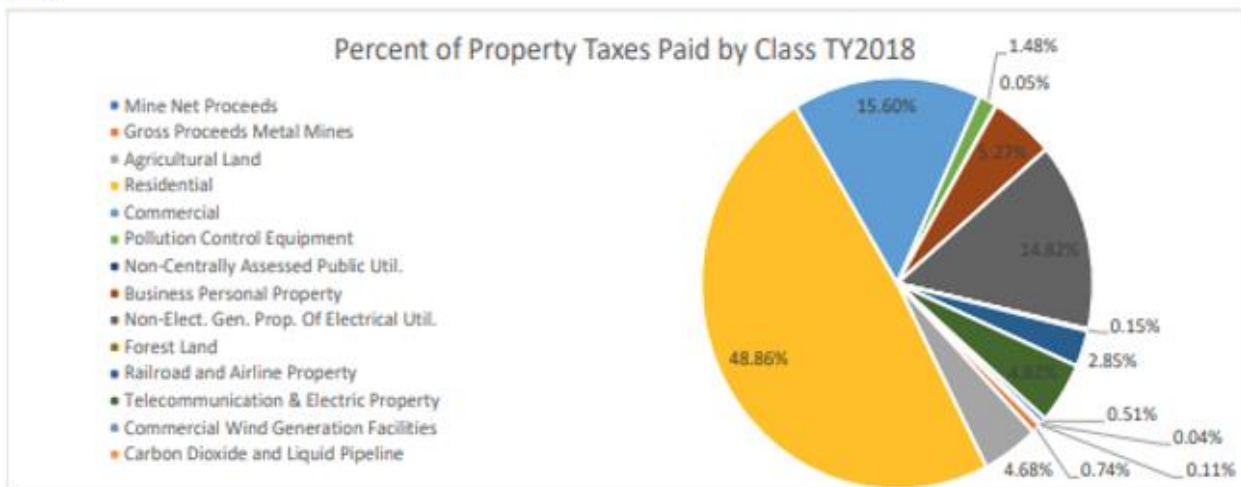# Montana Forest Land Property Taxes

Montana has approximately 14.6 million acres of commercial forest land with approximately 3.9 million acres in private ownership.

This land is valued as stated in 15-44-103, MCA using the formula V=I/R, which is value equals net income divided by the capitalization rate. The formula for calculating the net income is also found in this statute.

The fractional assessment, or tax rate, applied to the value is set in 15-6-143, MCA at 0.37%. This percentage is multiplied by the forest value to determine the taxable value. The taxable value is multiplied by the millage rate to determine the property taxes.

The following graph compares the percent of property tax paid for each class of property in Tax Year 2018.

Percent of Property Taxes Paid by Class TY2018

- Mine Net Proceeds
- Gross Proceeds Metal Mines
- Agricultural Land
- Residential
- Commercial
- Pollution Control Equipment
- Non-Centrally Assessed Public Util.
- Business Personal Property
- Non-Elect. Gen. Prop. Of Electrical Util.
- Forest Land
- Railroad and Airline Property
- Telecommunication & Electric Property
- Commercial Wind Generation Facilities
- Carbon Dioxide and Liquid Pipeline

This chart is from the Montana Department of Revenue 2018 Biennial Report (also shown on next page).

Property Taxes Paid by Class

Property Taxes Paid by Class of Property in 2018

The following table presents market value, taxable market value, and the taxes paid by class of property in the state in Tax Year 2018. Class 4 property provided 64.46 percent, Class 9 provided 14.82 percent, and personal property paid 5.27 percent of total property taxes paid in the state.

Tax Class	Description	Market Value	Taxable Value	Taxes Paid by Tax Class	Percent of Total Taxes
	Estimated Property Taxes Paid By Property Class **Tax Year 2018 (Fiscal Year 2019)**				
1	Mine Net Proceeds	$4,794,622	$4,794,622	$1,930,216	0.11%
2	Gross Proceeds Metal Mines	$742,469,971	$22,274,100	$13,047,519	0.74%
3	Agricultural Land	$6,753,405,034	$152,576,949	$82,081,810	4.68%
4.1	Residential Improvements	$73,899,125,456	$987,734,976	$626,526,133	35.75%
4.2	Residential Land	$27,710,304,492	$364,026,323	$229,649,792	13.10%
4.8	Commercial Improvements	$14,681,978,732	$273,677,910	$191,356,525	10.92%
4.9	Commercial Land	$6,181,878,587	$116,352,932	$82,016,084	4.68%
	Subtotal Class 4	*$122,473,287,267*	*$1,741,792,141*	*$1,129,548,534*	64.46%
5	Pollution Control Equipment	$1,970,360,360	$47,312,291	$26,009,480	1.48%
7	Non-Centrally Assessed Public Util.	$15,191,024	$1,215,281	$911,447	0.05%
8	Business Personal Property	$6,949,617,276	$155,861,423	$92,316,434	5.27%
9	Non-Elect. Gen. Prop. Of Electrical Util.	$4,176,210,477	$495,370,951	$259,741,619	14.82%
10	Forest Land	$1,323,802,727	$4,898,379	$2,633,117	0.15%
12	Railroad and Airline Property	$2,823,508,511	$87,932,183	$50,029,906	2.85%
13	Telecommunication & Electric Property	$2,877,270,073	$172,526,493	$84,435,089	4.82%
14	Commercial Wind Generation Facilities	$761,927,227	$16,207,755	$8,993,866	0.51%
15	Carbon Dioxide and Liquid Pipeline	$151,198,970	$2,009,940	$778,679	0.04%
	Total	**$151,023,043,539**	**$2,904,772,508**	**$1,752,457,716**	

The following graph compares the percent of property tax paid for each class of property in Tax Year 2018.

Percent of Property Taxes Paid by Class TY2018

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- Commercial Wind Generation Facilities
- Carbon Dioxide and Liquid Pipeline