

# **State of Montana Property Tax Assessments Statutes**

## **Basis for Property Tax Assessments – Market Value**

All taxable property must be assessed at 100% of its market value, except as otherwise provided (MCA 15-8-111). Montana divides its real and personal property into 14 distinct classes for the purpose of assessment. Each class is taxed at a different percentage of market value, gross proceeds, or productive capacity. Within the classes, there are special property tax applications that maybe taxed at different ratios.

## **Real Property Defined**

The term real estate includes (1) the possession of, claim to, ownership of, or right to the possession of land, (2) all mines, minerals, and quarries in and under the land, and (3) all timber belonging to individuals or corporations that is on the lands of the United States (MCA 15-6-134). The term improvements includes all buildings, structures, fixtures, fences, and other improvements situated upon or affixed to land. Mobile homes, manufactured homes, and house trailers, if determined to be permanent, are presumed to be an improvement (MCA 15-1-101).

## **Personal Property Defined**

The term personal property includes everything that is the subject of ownership that is not included within the meaning of the terms real estate or improvements (MCA 15-1-101(1)(h)). Personal property is classified and taxed either as Class six or Class eight property.

## **Intangible Property Taxes**

Intangible personal property is exempt from taxation. The exemption includes certificates of stock, bonds, promissory notes, licenses, copyrights, patents, trademarks, contracts, software, franchises, and personal property that lacks physical existence, such as goodwill (MCA 15-6-218). See also *Gold Creek Cellular of Montana Limited Partnership d/b/a Verizon Wireless and AT&T Mobility, LLC v. State of Montana*, Department of Revenue, Montana Supreme Court, No. DA 12-0768, September 24, 2013, CCH MONTANA TAX REPORTS, ¶ 401-242, holding that the Department's regulations on intangible property and goodwill were unduly restrictive.

