Property Tax 101

June 2026
Legislative Days

Prepared by Megan Moore
megan.moore@legmt.gov
406-444-4496

MONTANA LEGISLATURE

LEGISLATIVE SERVICES DIVISION

How much property tax revenue was collected in 2025?

a. $815 million
b. $1.9 billion
c. $2.5 billion
d. $3.1 billion

Property taxes fund K-12 schools, counties, cities, the Montana University system, and special districts.

How are property taxes calculated?

Market Value X Tax Rate = Taxable Value X Mill Levies/ 1,000 = Taxes

- Market Value → Department of Revenue
- Tax Rate → Legislature
- Taxable Value → Department of Revenue certifies
- Mill Levies/ 1,000 → Decided by school districts, cities, counties, SIDs, voters, and Legislature
- Taxes → County Treasurer bills, collects, and distributes

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Montana Constitution: State Values Property

<u>Article VIII, Section 3</u>

The **state shall appraise, assess, and equalize the valuation of all property** which is to be taxed in the manner provided by law.

State Law: Value Basis

Market value for most

Productivity capacity for agricultural and forest

State Law: Approaches to Value

	Sales Comparison	Cost	Income
Property	Residential, Commercial	Commercial, Industrial, Residential	Commercial, Industrial, Ag and Forest (modified)
Method	Arm's length sales of like property, adjustments for property characteristics	Original cost of property less depreciation	Income generated from property divided by rate of return expected from investment property
Source	Realty transfer certificate	Business records	Income statements and financial markets

State Law: Valuation Cycles

Most property

- 2 years

Exceptions – 1 year

- Business equipment
- Railroads
- Mines

2025-2026
general
assessment day

How are property taxes calculated?

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Market Value	Tax Rate	Taxable Value	Mill Levies/ 1,000	Taxes
↓	↓	↓	↓	↓
Department of Revenue	Legislature	Department of Revenue certifies	Decided by school districts, cities, counties, SIDs, voters, and Legislature	County Treasurer bills, collects, and distributes

Montana has a classified system

- Property grouped by type
- 16 classes
- Class determines rate
  - Multiple rates in some classes

Residential Tax Rates

	Property Type/Value	Tax Rate
2026 and later	Default rate	1.90%
	Principal residence or long-term rental:	
	≤ median ($378,000)	0.76%
	>median to <2 times median ($378,001 to $756,000)	0.90%
	2 times median to <4 times median ($756,001 to $1,511,999)	1.10%
	4 times median or greater ($1,512,000)	1.90%
	Rental multifamily dwelling w/ qualified long-term rentals	1.10%
	Residence on qualified agricultural property	1.35%
2025	First $400,000	0.76%
	>$400,000 to $1.5 million	1.10%
	>$1.5 million	2.20%
	Rental multifamily dwelling >$2 million	Max. rate 1.89%
2024	All land, dwelling: first $1.5 million	1.35%
	Dwelling: > $1.5 million	1.89%

Principal Residence

Single-family or multiple-unit dwelling, trailer, mobile home

Owned and lived in 7 months of year

Only one principal residence per owner

Long-term Rental

Single-family or multiple-unit dwelling, trailer, mobile home

Rented for periods of 28 days or more for at least 7 months of year; vacant for not more than 5 months

Occupied by tenants who use the dwelling as a residence

Both: Apply by **March 1** for initial enrollment

DOR Property Tax Hub

MONTANA DEPARTMENT OF REVENUE

DIVISIONS RESOURCES ABOUT FORMS CONTACT

Montana Property Tax Hub

Homestead and long-term rental reduced tax rate enrollment is now open for the 2027 tax year. Enroll Now.

Welcome to the central hub for information about Montana's property tax changes. Whether you're a homeowner, landlord, farmer, or business owner, this page will help you find the right resources for understanding tax rates, eligibility, and upcoming deadlines.

Reduced Property Tax for Homesteads and Long-term Rentals

- Homesteads and Long-term Rentals

Visit this page to learn how Montana's tax law changes affect primary residences and long-term rental properties, including eligibility, application deadlines, and the tiered tax rates that may apply.

Frequently Asked Questions

- Homestead FAQs
- Long-term Rental FAQs

View Property Tax Changes by Tax Year

- 2025 Property Tax Changes
  Understand the new tiered tax rates for residential, commercial, and agricultural properties, plus details on the 2025 property tax rebate for homeowners.
- 2026 Property Tax Changes
  Explore how tax rates shift in 2026, with new rate structures for principal residences, long-term rentals, and non-residential land.
- Quick Comparison of Tax Rates by Year and Property Type

https://revenue.mt.gov/property/property-tax-changes/

2026 Principal Residence or Long-Term Rental

Market value = $400,000

($378,000 x 0.76%) + ($22,000 x 0.90%) =

$3,071 Taxable Value

Commercial Tax Rates

	Property Value	Tax Rate
2026 and later	Less than 6 times median (<$2,274,000)	1.50%
	6 times median or greater (≥$2,274,000)	1.90%
2025	$400,000 or less	1.40%
	Greater than $400,000	1.89%
2024	All	1.89%

2026 Tax Rates for Other Classes

Class	Description	Tax Rate
1	Net proceeds of mines	100%
2	Gross proceeds of metal mines	3%
3	Agricultural land	2.05%
	Nonqualified agricultural land	14.35%
5	Rural electric cooperatives not in class seven, rural telephone cooperatives, pollution control/carbon capture equipment[1], new and expanding industry	3%
7	Rural electric cooperatives not included in class nine, non-centrally assessed utilities	8%
8	Business personal property	First $1M: exempt Next $6M: 1.5% Above $6M: 3%
9	Non-electric generating property of electric utilities, pipelines	12%
10	Forest land	0.37%
12	Railroads and airlines	2.86% for 2026
13	Electric generating property, telecommunications utilities	6%[2]
14	Renewable energy production and transmission property	3%
15	Carbon dioxide and liquid pipeline property	3%; except for carbon sequestration equipment with abatement, 1.5%
16	High voltage direct-current converter stations	2.25%
17	Certain qualified data centers, dedicated communications infrastructure, and electrical generation systems for 10 years (class thirteen after)	0.9%
18	Green hydrogen facility, pipeline, or storage system property with construction beginning after 6/1/2021	1.5% for 15 years after construction or 15 years after additional investment of $25 million; 3% after

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Property Appraisal Notices

Property Classification	Acres/ Quantity	Prior Cycle Assessed Value	Current Assessed Value	Prior Taxable Value	Current Taxable Value	Prior Year Millage Rate
Situs Address: 101 Main Street, Helena MT 59601	Value Increase Reason: MA - Market Appreciation					
Hall Townsite, S13, T03 S, R07 E, Block 2, Lot 6-7			05-4523-13-7-17-05-0000*			
2201 Residential City Town Lots	-	-	-	-	-	
3501 Improvement on Residential City or Town Lots	-	-	-	-	-	
Land and Improvement Value	0.25	324,500	434,800	4,381	5,870	
	Totals	324,500	434,800	4,381	5,870	705,75

https://revenue.mt.gov/property/understanding-your-property-appraisal-notice

Certified Taxable Values

- Due by first Monday in August
- Local governments use budget and certified taxable value to calculate mills

Lewis and Clark

2025

COUNTY WIDE LEVIES

Download CSV

COUNTY WIDE LEVIES		
Property Type	**Market Value**	**Taxable Value**
Special Mobile	$0	$0
Manufactured Homes	$148,122,870	$1,038,663
Personal Property	$145,869,732	$3,580,537
Real Property	$16,054,260,793	$159,632,379
Centrally Assessed	$423,953,992	$31,670,610
Net & Gross Proceeds	NA	$0
Total*	**$16,772,207,387**	**$195,922,189**

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What is a mill?

- Unit of measuring property taxes
- Dollars owed per $1,000 of taxable value

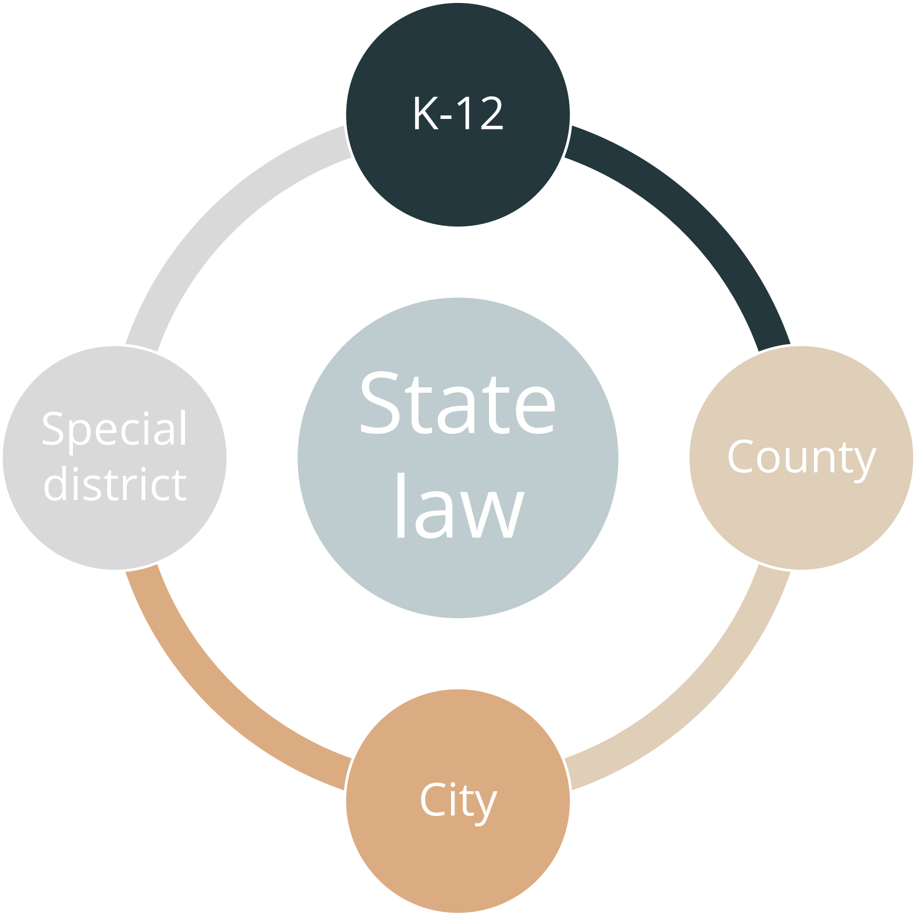
Mill Value Example:

Market value = $400,000

Taxable Value = ($378,000 x 0.76%) + ($22,000 x 0.90%) = $3,071

3071/1000 = $3.07 paid per mill

State Law Gives Authority



Legislature Enacts State Mills

- 95 mills for K-12
- 6 mills for University system
- 1.5 mills for vo-tech (some counties)

Example:

Market value = $400,000

Taxable Value = ($378,000 x 0.76%) + ($22,000 x 0.90%) = $3,071

3071/1000 = $3.07 paid per mill

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95 mills (K-12) + 6 mills (MUS) = 101 state mills

101 mills x $3.07 = $310

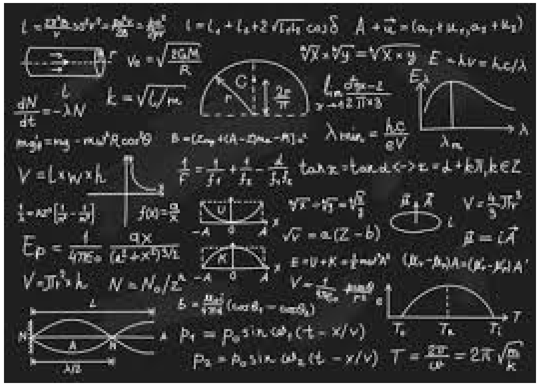
Schools, Locals Set Budgets

- State law authorizes purposes
- Cities, counties, schools, special districts set budgets

Taxable Value x Mill Levy/1,000 = Taxes

Mill Levy = Taxes/Taxable Value x 1,000

Types of Mill Levies



City and County

- Limited to inflation adjusted-revenue plus new growth (15-10-420)

More detail at School Funding 101 and Property Tax & School Funding 201

School

- Countywide school: statutory formulas for employee retirement, transportation, and BASE mills (new in 2027)
- Local school: required or formulaic levies to meet state requirements

Both: Voted levies, bonds

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Taxes Due in Nov. and May

- County treasurer bills, collects, distributes
- Half due Nov. 30 and May 31
  - Personal property has different deadlines
- Optional alternative payment schedule for primary residences (2024)

FIRST HALF COUPON | **2025 Lewis And Clark County Real Estate Tax Statement** | **FIRST HALF COUPON**

RETURN THIS STUB WITH YOUR PAYMENT

TAX CODE: 6392 STATEMENT#: 79866

DUE BY 5:00 P.M. ON OR BEFORE:	**12/01/2025**
TOTAL TAXES DUE FOR YEAR:	**$2,996.13**
FIRST HALF AMOUNT DUE:	**$1,498.08**

Appeals and Assistance

MONTANA LEGISLATURE

LEGISLATIVE SERVICES DIVISION

Property Appeal Process

File AB-26 with DOR

(within 30 days of assessment notice)

DOR reviews appeal

Can appeal to county tax appeal board

Property Tax Assistance



Program	Property Tax Assistance Program	Disabled Veteran/Injured First Responder Program	Intangible Land Value Exemption
Benefit	Reduces taxable value		Exempts land value above 150% of primary residence value for 5 acres of land valued disproportionately higher than residence
Benefit Description	$418,000 of taxable value; 20%, 50%, or 70% of value	0%, 20%, 30%, or 50% of value	
Maximum FAGI	$29,037 single $38,917 married or HOH	$62,598 single $72,229 married or HOH $54,573 surviving spouse	None
Other requirements	Ownership and occupancy for 7 months of the year		Ownership by applicant or family for 30 years
2025 Participants	29,342	3,811	234
Average Benefit	$916	$1,929	$4,642

Elderly Homeowner and Renter Income Tax Credit

- Refundable income tax credit of up to $1,150 for homeowners and renters age 62+
- Credit for property taxes or 15% of rent paid, based on income
- Maximum income of $45,000
- Must reside in Montana for 9 months of the year
- 2024 data:
  - 13,346 credits claimed
  - $605 average credit

Assistance Funding Source

Property tax assistance programs shift property taxes and reduce state revenue: **$29 million in 2025 tax shifts** and **$6 million in state revenue losses** (101 mills)

Elderly homeowner and renter credit provides relief using state general fund: **$8 million in 2024**

Questions?

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Next: Property Tax data