CALCULATING THE MAXIMUM PROPERTY TAX MILL LEVY ACCCORDING TO 15-10-420, MCA

Applies to most levies of a city, county, or special district. Does not apply to school district, county school, state school, or state university levies.

STEP

1 DETERMINE AMOUNT OF AUTHORIZED PROPERTY TAX REVENUE

Prior Year Property Tax Amount x (Inflation Rate)

Inflation Rate = 3 year average Consumer Price Index, Max. 4%

2 DETERMINE ADJUSTED TAXABLE VALUE FOR JURISDICTION PER MILL

$$\frac{\text{Current Year Taxable Value} - (\text{Newly Taxable Property} + \text{Total TIFs} + \text{Proceed Taxes})}{1000}$$

Newly taxable property allowable amounts: 75% of class four; 40% of non-class one, class two, and class four (or 50% with large taxpayer reserve account); 100% of new or expanding industry, historic, and class eight abatements

TIFs = Total incremental taxable value of TIFs

Proceed Taxes = gross, net taxes on metal and coal mines

3 CALCULATE CURRENT YEAR MAXIMUM AUTHORIZED MILL LEVY

$$\frac{\text{AUTHORIZED PROPERTY TAX (step 1)}}{\text{ADJUSTED TAXABLE VALUE PER MILL (step 2)}} + \text{Prior Year Carryover}$$

Carryover Mills from Earlier Year

4 **DECISION**

Set Mill Levy

Max Authorized or Carryover Mills to Future Year?

5 DETERMINE TOTAL ASSESSED PROPERTY TAX REVENUE

ADOPTED MILL LEVY (step 4) x (Current Year Taxable Value - Total TIFs)

6 DETERMINE AMOUNT OF CARRYFOWARD MILL LEVY (IF ANY)

MAXIMUM AUTHORIZED MILL LEVY (step 3) - ADOPTED MILL LEVY (step 4)

Carryover Mills to Future Year

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Questions about this infographic?
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