

West's Montana Code Annotated
Title 15. Taxation (Refs & Annos)
Chapter 6. Property Subject to Taxation
Part 1. Classification

MCA 15-6-138

15-6-138. Class eight property--description--taxable percentage

Effective: October 1, 2023

Currentness

(1) Class eight property includes:

(a) all agricultural implements and equipment that are not exempt under [15-6-207](#) or [15-6-220](#);

(b) all mining machinery, fixtures, equipment, tools that are not exempt under [15-6-219](#), and supplies except those included in class five under [15-6-135](#);

(c) for oil and gas production, all:

(i) machinery;

(ii) fixtures;

(iii) equipment, including flow lines and gathering lines, 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, and gas boosters, together with equipment that is skidable, portable, or movable;

(iv) tools that are not exempt under [15-6-219](#); and

(v) supplies except those included in class five;

(d) all manufacturing machinery, fixtures, equipment, tools, except a certain value of hand-held tools and personal property related to space vehicles, ethanol manufacturing, and industrial dairies and milk processors as provided in [15-6-220](#), and supplies except those included in class five;

(e) all goods and equipment that are intended for rent or lease, except goods and equipment that are specifically included and taxed in another class or that are rented under a purchase incentive rental program as defined in [15-6-202\(4\)](#);

(f) special mobile equipment as defined in [61-1-101](#);

(g) furniture, fixtures, and equipment, except that specifically included in another class, used in commercial establishments as defined in this section;

(h) x-ray and medical and dental equipment;

(i) citizens band radios and mobile telephones;

(j) radio and television broadcasting and transmitting equipment;

(k) cable television systems;

(l) coal and ore haulers;

(m) theater projectors and sound equipment; and

(n) 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.

(2) As used in this section, the following definitions apply:

(a) “Coal and ore haulers” means nonhighway vehicles that exceed 18,000 pounds an axle and that are primarily designed and used to transport coal, ore, or other earthen material in a mining or quarrying environment.

(b) “Commercial establishment” includes any hotel, motel, office, petroleum marketing station, or service, wholesale, retail, or food-handling business.

(c) “Flow lines and gathering lines” means pipelines used to transport all or part of the oil or gas production from an oil or gas well to an interconnection with a common carrier pipeline as defined in [69-13-101](#) or a rate-regulated natural gas transmission or oil transmission pipeline regulated by the public service commission or the federal energy regulatory commission.

(d) “Governing body” means the governing body of the county where the class eight property is located.

(e) “Manufacturing machinery, fixtures, and equipment” means all property used in the manufacturing process, whether permanently or temporarily in place, to transform raw or finished materials into something possessing a new nature or name and adopted to a new use. The term includes but is not limited to refinery property.

(3) Except as provided in [15-24-1402](#) and this section, class eight property is taxed at:

(a) for the first \$6 million of taxable market value in excess of the exemption amount in subsection (4), 1.5%; and

(b) for all taxable market value in excess of \$6 million, 3%.

(4)(a) Except as provided in subsection (4)(b), the first \$1 million of market value of class eight property of a person or business entity is exempt from taxation.

(b) Subject to subsection (6), manufacturing machinery, fixtures, and equipment installed and placed in service after December 31, 2022, are exempt or partially exempt from taxation for a period of 5 years starting from the later of the date they were placed in service or October 1, 2023, after which the exemption amount allowed under subsection (6)(d) is phased out at a rate of 20% of the amount allowed by the governing body a year, with the property being assessed at 100% of its taxable value after a 10-year period. An entity that claims a tax exemption under this subsection (4)(b) shall maintain adequate books and records demonstrating the investment the owner made when installing and placing the property into service in the state. The property owners shall make the records available to the department for inspection on request.

(5) The gas gathering facilities of a stand-alone gas gathering company providing gas gathering services to third parties on a contractual basis, owning more than 500 miles of gas gathering lines in Montana, and centrally assessed in tax years prior to 2009 must be treated as a natural gas transmission pipeline subject to central assessment under [15-23-101](#). For purposes of this subsection, the gas gathering line ownership of all affiliated companies, as defined in [section 1504\(a\) of the Internal Revenue Code, 26 U.S.C. 1504\(a\)](#), must be aggregated for purposes of determining the 500-mile threshold.

(6)(a) In order for a taxpayer to receive the tax abatement described in subsection (4)(b), the taxpayer shall submit an application for the abatement and a project plan to the governing body and receive approval pursuant to this subsection (6). For property in which a taxpayer does not seek approval prior to commencing construction, the taxpayer shall apply:

(i) by March 1 of the year during which the abatement is first applicable for property placed in service on or after October 1, 2023; or

(ii) by January 31, 2024, for property placed in service after December 31, 2022, and before October 1, 2023.

(b) In order to receive an abatement, the governing body must approve the abatement request in the application by resolution for each project, following due notice as provided in [7-1-2121](#) and a public hearing. The governing body may not grant approval for the project until the applicant's property taxes have been paid in full. Taxes paid under protest do not preclude approval. If a taxpayer receives approval of a tax abatement prior to commencement of construction, the abatement does not extend to property that is outside the scope of the project plan that was submitted to the governing body with the application.

(c) The purpose of the public hearing is to determine whether the manufacturing machinery, fixtures, and equipment eligible for an abatement has an impact on services. The governing body shall:

(i) publish due notice within 60 days of receiving a taxpayer's complete application for the tax abatement; and

(ii) conduct a public hearing regarding an application for the tax abatement and make a determination whether the eligible abatement activities will have a fiscal impact to the county.

(d) Within 120 days of receiving the application provided for in subsection (6)(a), the governing body shall issue a decision regarding whether to allow the abatement at 100%, 90%, or 80%. If the governing body fails to issue a decision within 120 days of receiving the application, the application is considered approved in an amount equal to 100%. If the property qualifies for the abatement, the local government may not deny the abatement and the minimum amount of the abatement may not be less than 80%.

Credits

Enacted by Laws 1979, ch. 693, § 8. Amended by Laws 1981, ch. 575, § 62; amended by Laws 1983, ch. 278, § 1; amended by Laws 1983, ch. 599, § 1; amended by Laws 1985, ch. 516, § 4; amended by Laws 1985, ch. 743, § 3; amended by Laws 1987, ch. 453, § 5; amended by Laws 1987, ch. 584, § 1; amended by Laws 1987, ch. 611, § 3; amended by Laws 1989, ch. 576, § 2; amended by Laws 1989, ch. 598, § 2; amended by Sp. Sess. Laws June 1989, ch. 10, § 5; amended by [Laws 1993, ch. 575, § 1](#); amended by [Laws 1995, ch. 570, § 1](#); amended by [Laws 1997, ch. 121, § 2](#); amended by [Laws 1997, ch. 496, § 2](#); amended by [Laws 1999, ch. 285, § 12](#); amended by [Laws 1999, ch. 551, § 1](#); amended by [Laws 1999, ch. 555, § 2](#); amended by Sp. Sess. Laws May 2000 ([Laws 2000, 1st Sp. Sess.](#)), ch. 11, § 2; amended by [Laws 2001, ch. 438, § 1](#); amended by [Laws 2003, ch. 114, § 19](#); amended by [Laws 2003, ch. 505, § 1](#); amended by [Laws 2005, ch. 3, § 1](#); amended by [Laws 2005, ch. 531, § 1](#); amended by [Laws 2005, ch. 532, § 2](#); amended by [Laws 2005, ch. 542, § 6](#); amended by [Laws 2005, ch. 584, § 2](#); amended by [Laws 2009, ch. 2, § 20](#), eff. Oct. 1, 2009; amended by [Laws 2009, ch. 343, § 1](#), eff. April 24, 2009; amended by [Laws 2009, ch. 421, § 5](#), eff. April 30, 2009; amended by [Laws 2009, ch. 487, § 1](#), eff. May 10, 2009; amended by [Laws 2011, ch. 411, § 2](#), eff. July 1, 2011; amended by [Laws 2013, ch. 11, § 1](#), eff. Feb. 13, 2013; amended by [Laws 2013, ch. 268, § 4](#), eff. Oct. 1, 2013; amended by [Laws 2013, ch. 396, § 2](#), eff. May 6, 2013; amended by [Laws 2015, ch. 361, § 8](#), eff. April 29, 2015; amended by [Laws 2021, ch. 506, §§ 4, 5](#), eff. July 1, 2021, and Oct. 1, 2022; amended by [Laws 2023, ch. 45, § 2](#), eff. Oct. 1, 2023; amended by [Laws 2023, ch. 234, § 1](#), eff. April 24, 2023; amended by [Laws 2023, ch. 695, § 1](#), eff. Oct. 1, 2023.

Notes of Decisions (16)

MCA 15-6-138, MT ST 15-6-138

Current through chapters effective January 1, 2024 of the 2023 Session. Some statute sections may be more current, see credits for details.