



ADMINISTRATIVE RULES OF MONTANA



42.22.112 COST INDICATOR

- (1) The cost indicator of value shall be derived from information contained in the company's report to the department, report to a regulatory agency, property descriptions submitted to the department, and any other reliable source of information. This includes properties both within and without the state.
- (2) The type of cost used may be one of the following:
 - (a) replacement;
 - (b) replacement less depreciation;
 - (c) reproduction;
 - (d) reproduction less depreciation;
 - (e) historical;
 - (f) historical less depreciation;
 - (g) original; and
 - (h) original less depreciation.
- (3) The choice of cost shall depend upon which type best reflects market value of the property at the time of valuation. For taxable periods ending on or beginning after December 31, 1985, the cost indicator for railroads, airlines, and other federally protected taxpayers shall be treated consistent with federal law.
- (4) Newly acquired aircraft which are purchased or acquired under a capitalized lease or operating lease by a scheduled airline company operating within this state, whose allocation of value within this state as determined by the procedures described in ARM 42.22.121 is 50 percent or more, and newly acquired equipment which is purchased by the airline for the direct and sole purpose of supporting these new aircraft shall be valued according to the following schedule.

Year of acquisition:	28% of full and true value
First year after acquisition:	36% of full and true value
Second year after acquisition:	44% of full and true value
Third year after acquisition:	52% of full and true value
Fourth year after acquisition:	60% of full and true value

Fifth year after acquisition: 68% of full and true value

Sixth year after acquisition: 76% of full and true value

Seventh year after acquisition: 84% of full and true value

Eighth year after acquisition: 92% of full and true value

All succeeding years: 100% of full and true value

Authorizing statute(s): 15-23-108, MCA

Implementing statute(s): 15-23-403, MCA

History: NEW, Eff. 12/4/76; AMD, 1984 MAR p. 2041, Eff. 12/28/84; AMD, 1985 MAR p. 2034, Eff. 12/27/85; AMD, 1988 MAR p. 752, Eff. 4/15/88; AMD, 1992 MAR p. 2560, Eff. 11/26/92; AMD, 1999 MAR p. 2914, Eff. 12/17/99.