



## ADMINISTRATIVE RULES OF MONTANA

### 42.21.158 PERSONAL PROPERTY REPORTING REQUIREMENTS

- (1) A taxpayer having property in the state of Montana on January 1 of each tax year, must complete the statement as provided in 15-8-301, MCA, by submitting a completed personal property reporting form.
- (2) The statement must provide pertinent information about each item of personal property, including the year acquired, acquired cost, and installation cost. For any items acquired through a means other than the open marketplace, the owner must provide a reasonable estimate of the item's open market value at the time of acquisition. Multiple smaller items acquired in the same year can be reported as a group rather than itemized, such as hand-held tools.
- (3) Personal property that is expensed or fully depreciated for other tax or accounting purposes remains taxable for property tax purposes and must be reported.
- (4) For the purposes of this rule, the statewide aggregate market value of a taxpayer's personal property includes all property owned, claimed, possessed, controlled, or managed by an individual or business entity, either directly or indirectly through an affiliated entity or family member, unless that property is specifically exempted by law.
- (5) As used in this rule, "affiliated entity" means:
  - (a) a member of a combined group of unitary corporations filing a Montana corporation license tax return;
  - (b) a member of an affiliated group of corporations filing a U.S. Consolidated Income Tax Return;
  - (c) any corporation if the individual or business entity directly or indirectly owns more than 50 percent of the stock value or voting power;
  - (d) any partnership if the individual or business entity directly or indirectly owns more than 50 percent of the capital interest in, or the profits of, the partnership;
  - (e) a corporation and a partnership if the same persons own:
    - (i) more than 50 percent in value of the corporation's stock; and
    - (ii) more than 50 percent of the capital interest in, or the profits of, the partnership;
  - (f) an S corporation and another S corporation, if the same individuals own more than 50 percent in value of the outstanding stock of each corporation;
  - (g) an S corporation and a C corporation, if:
    - (i) the same individuals own more than 50 percent in value of the outstanding stock of each corporation; and

- (ii) any trust, if the individual or business entity is the grantor or a beneficiary.
- (6) For purposes of applying (4) and (5):
  - (a) stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust is considered as being owned proportionately by or for its shareholders, partners, or beneficiaries; and
  - (b) an individual is considered as owning the stock, directly or indirectly, by the individual's spouse or minor child.
- (7) As determined by the department, if the statewide aggregate market value of an individual's or business entity's class eight property is less than or equal to the exemption provided in 15-6-138, MCA, the individual's or business entity's class eight property is exempt from taxation. If the aggregate market value of an individual's or business entity's class eight property is greater than the exemption provided in 15-6-138, MCA, the market value of an individual's or business entity's class eight property that is greater than the exemption is subject to taxation.
- (8) The department will apply the exemption and the applicable tax rates identified in (a) and (b) to an individual's or business entity's class eight property by adding together the statewide market value of class eight property owned by the individual or business entity to determine the aggregate market value. If the aggregate market value of class eight property is:
  - (a) less than or equal to the exemption provided in 15-6-138, MCA, the taxable market value of the property is zero; or
  - (b) greater than the exemption provided in 15-6-138, MCA, the department will apply the exemption proportionally among each property owned, apply the 1.5 percent taxable rate to the first \$6,000,000 in excess of the exemption, and apply the 3 percent taxable rate to the remaining taxable market value.
- (9) When the department requires a personal property statement/reporting form as provided in 15-8-301, MCA, the statement/reporting form shall advise the taxpayer that they are subject to penalty under the provisions of 15-1-303 and 15-8-309, MCA, or any other applicable statute, for refusing or neglecting to respond to the department's request for information. The taxpayer's completed personal property statement/reporting form must be returned to the department by electronic submission or postmarked no later than February 15.
- (10) A taxpayer's completed statement/reporting form with an electronic date stamp or postmarked after February 15 will be subject to the penalties referenced in (9) unless the taxpayer provides:
  - (a) evidence of their inability to comply with the timeframes due to hospitalization, physical illness, infirmity, or mental illness; and
  - (b) evidence that this/these condition(s), while not necessarily continuous, existed at sufficient levels in the period of January 1 to February 15 to prevent timely filing of the reporting form.
- (11) Personal property owners whose aggregate class eight market value is less than or equal to the exemption provided in 15-6-138, MCA, as defined in (4), will have no further reporting obligation, except:
  - (a) if the property owner acquires new personal property, the value of which brings the aggregate market value of the personal property above the exemption provided in 15-6-138, MCA, the taxpayer must notify the department and complete a personal property statement/reporting form for the applicable tax year; or

- (b) if the department requests the property owner to complete a personal property statement/reporting form as required by 15-8-301, MCA, or as a result of an audit and review of taxable value authorized by 15-8-104, MCA, and ARM 42.21.159.
- (12) New businesses are not required to submit a personal property statement/reporting form if the entity's business equipment is valued at less than or equal to the exemption provided in 15-6-138, MCA, unless requested by the department in accordance with (11).
- (13) Industrial and commercial property taxpayers shall provide documentation of the installed costs of intangible personal property included on the taxpayer's accounting records, or provide other alternative methodologies or information regarding market value for consideration by the department.

**Authorizing statute(s):** 15-1-201, 15-9-101, MCA

**Implementing statute(s):** 15-1-121, 15-1-123, 15-1-303, 15-6-138, 15-6-201, 15-6-202, 15-6-203, 15-6-206, 15-6-213, 15-6-215, 15-6-217, 15-6-218, 15-6-219, 15-6-220, 15-6-225, 15-6-228, 15-8-104, 15-8-301, 15-8-303, 15-8-309, 15-9-101, MCA

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**History:** NEW, 1984 MAR p. 2036, Eff. 12/28/84; AMD, 1991 MAR p. 915, Eff. 6/14/91; AMD, 1994 MAR p. 3195, Eff. 12/23/94; AMD, 1996 MAR p. 1174, Eff. 4/26/96; AMD, 1996 MAR p. 3151, Eff. 12/6/96; AMD, 1999 MAR p. 2909, Eff. 12/17/99; AMD, 2000 MAR p. 3563, Eff. 12/22/00; AMD, 2002 MAR p. 3728, Eff. 12/27/02; AMD, 2006 MAR p. 1962, Eff. 8/11/06; AMD, 2007 MAR p. 122, Eff. 12/22/06; AMD, 2009 MAR p. 2497, Eff. 12/25/09; AMD, 2011 MAR p. 345, Eff. 3/11/11; AMD, 2011 MAR p. 2675, Eff. 12/9/11; AMD, 2012 MAR p. 410, Eff. 2/24/12; AMD, 2013 MAR p. 2440, Eff. 12/27/13; AMD, 2015 MAR p. 2322, Eff. 1/1/16; AMD, 2019 MAR p. 209, Eff. 2/23/19; AMD, 2020 MAR p. 97, Eff. 1/18/20; AMD, 2021 MAR p. 1802, Eff. 1/1/22; AMD, 2022 MAR p. 166, Eff. 1/29/22; AMD, 2025 MAR, Notice No. 2025-443, Eff. 1/1/26.