

Property Tax Rebate Analysis

Dylan Cole

Tax Policy and Research



Matching SSNs to Geocodes

- Do Montana residents with higher income own more expensive properties?
- What percent of income is spent on property taxes?
- How did the 2023 reappraisal affect homeowners?
- How effective are our property tax assistance programs?

Which Measurement to Select?

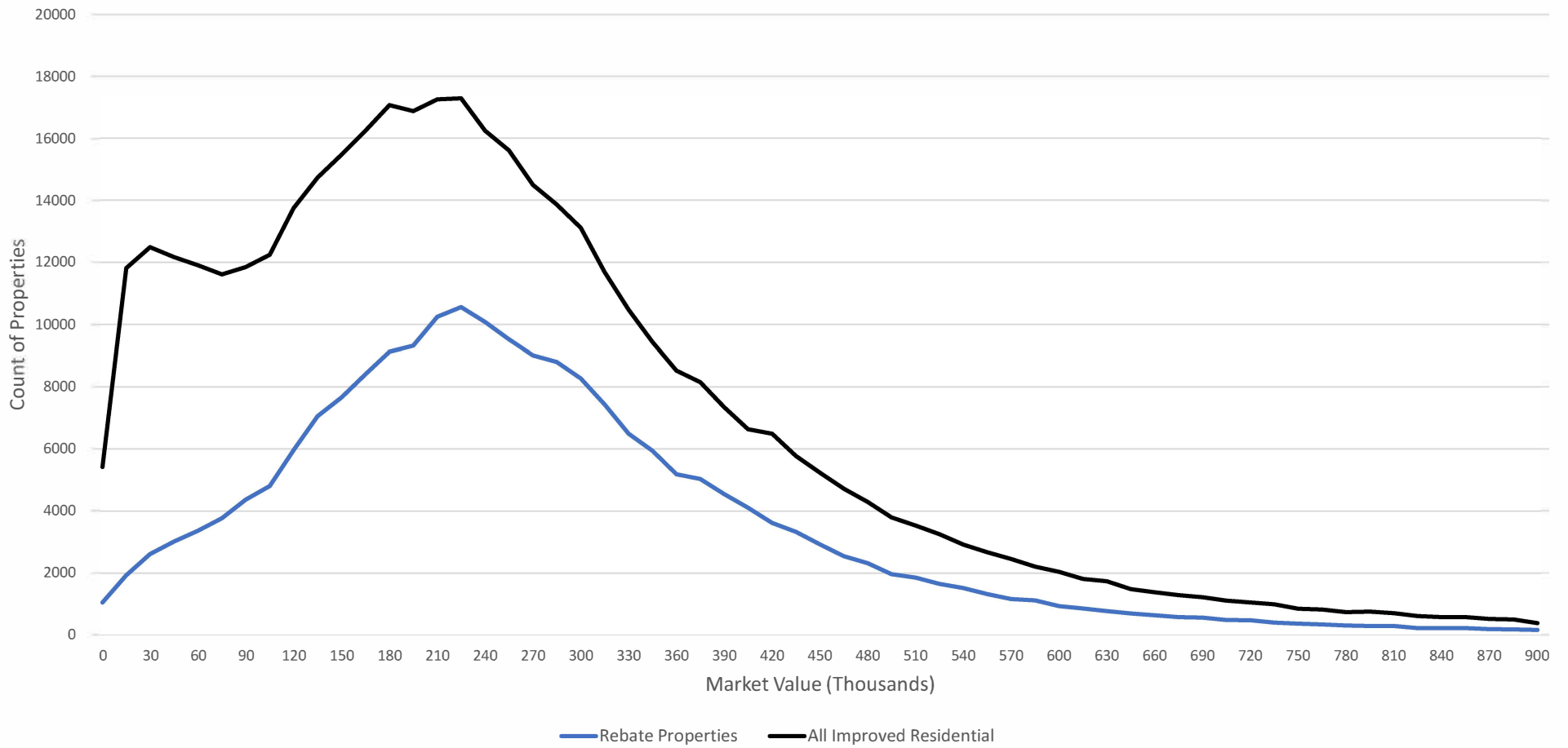
- Measuring Income?

1. Federal Adjusted Gross Income (FAGI)
2. Total income excluding business and capital losses (PTAP/MDV)
3. Some other?

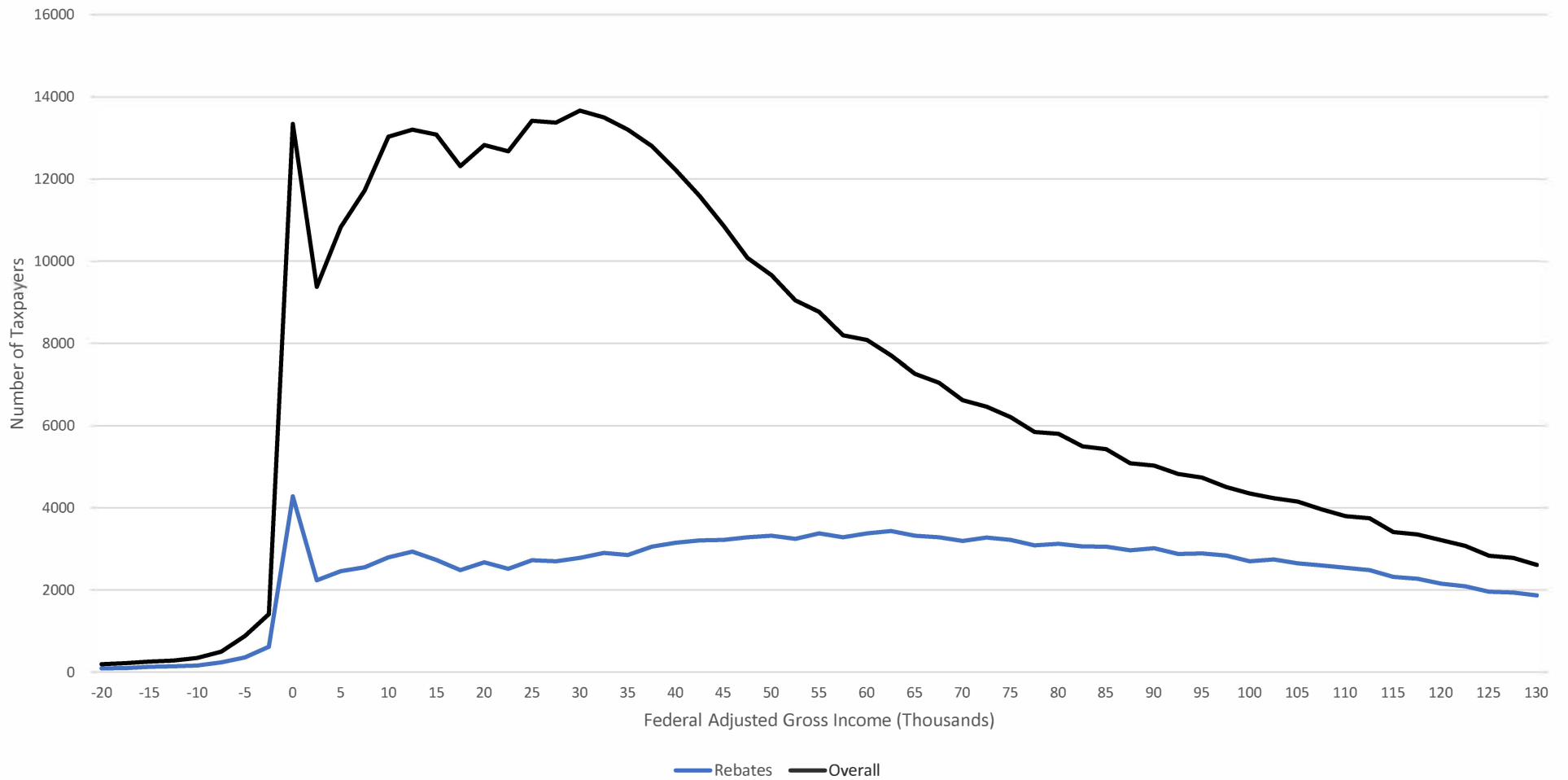
- Measuring Property Tax?

1. Total taxes billed
2. Ad valorem taxes
3. Residential only

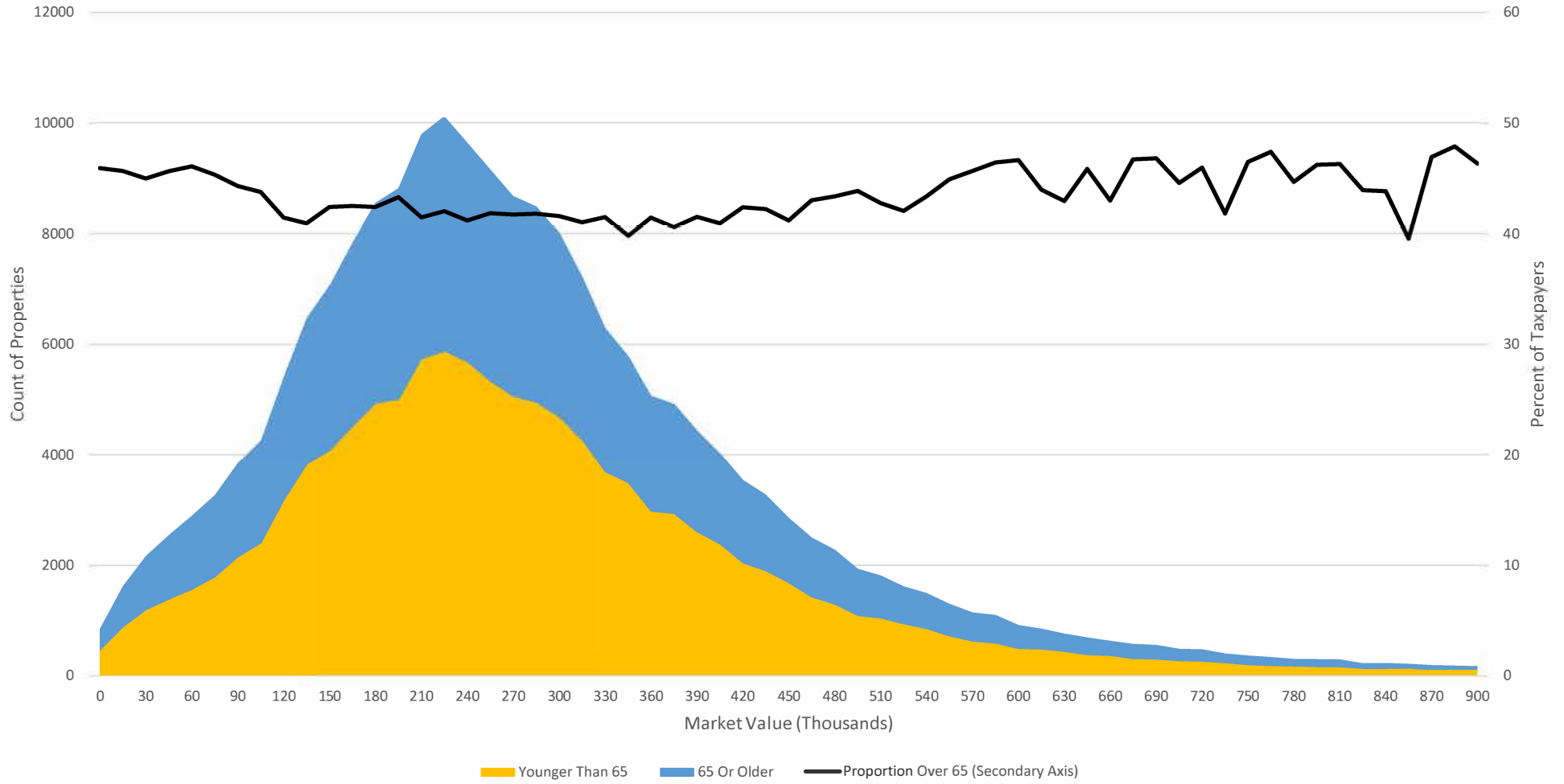
Distribution of Market Value of Residential Properties



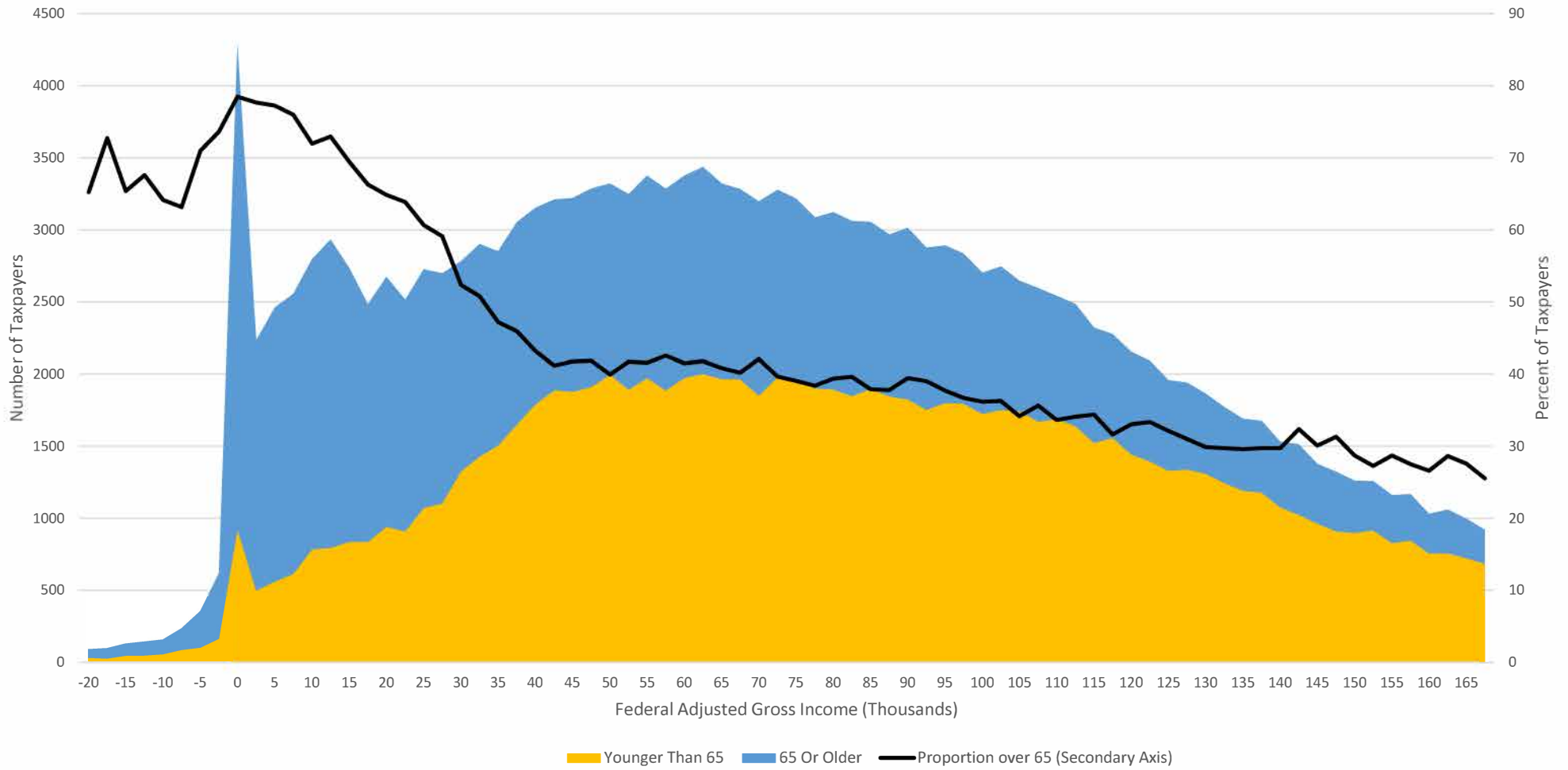
Distribution of Personal Income Taxpayers



Elderly Proportion of Homeowners by Property Value



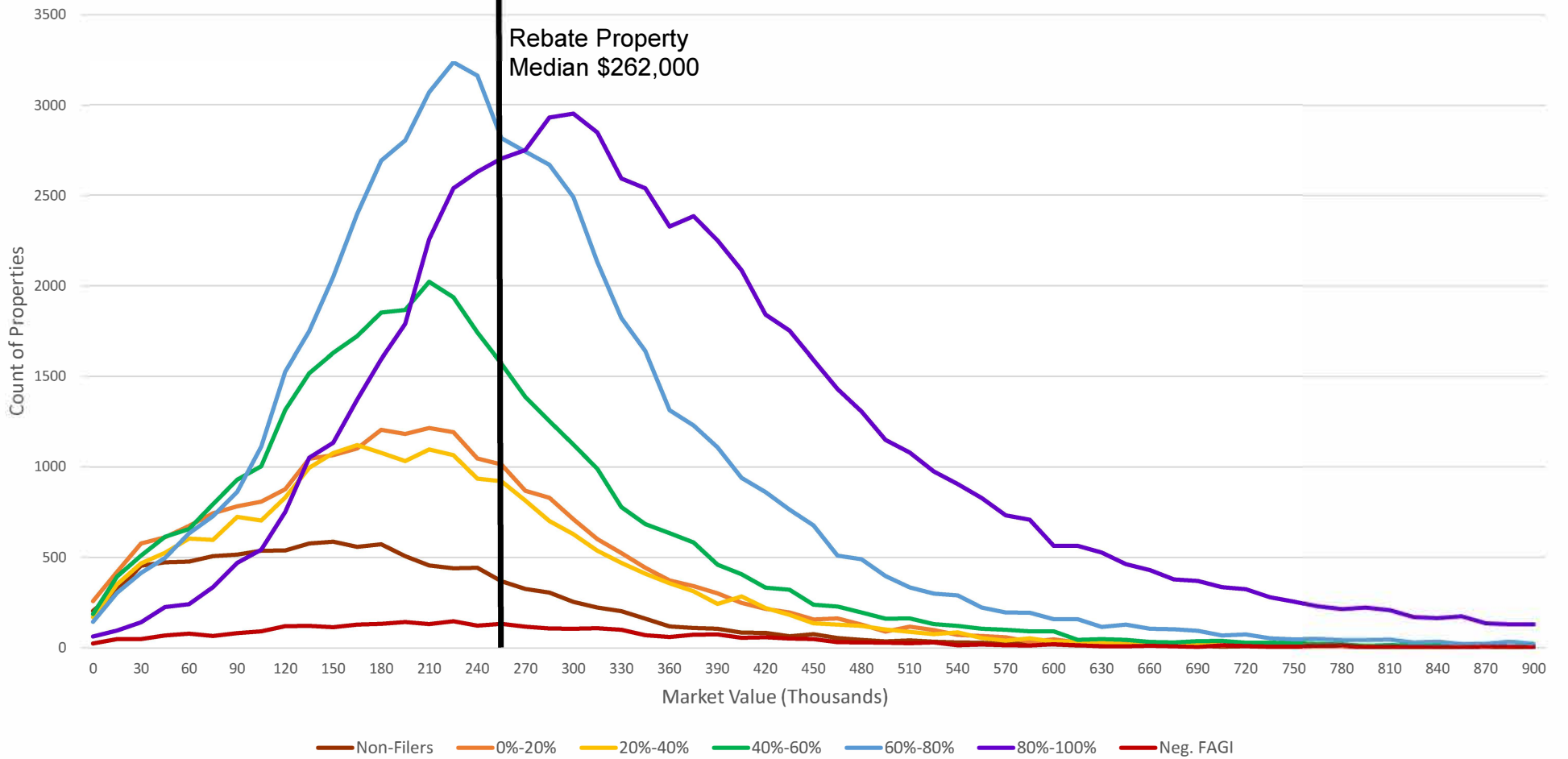
Elderly Proportion of Homeowners by Income



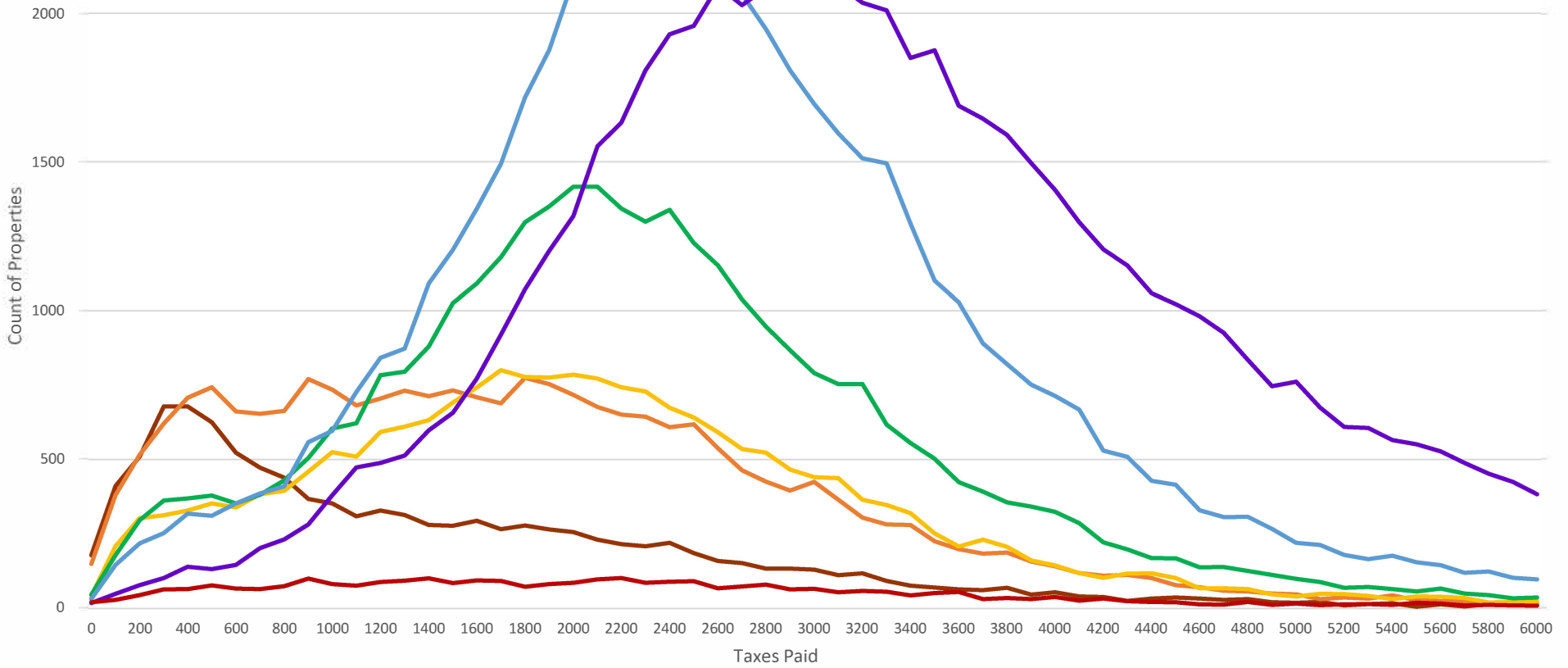
Rebate Claimant Characteristics by Decile

Decile	FAGI Percentile	Income Level		Count	Percent over 65	Avg. Household Income	Avg. Market Value	Median Market Value	Avg. Ad Valorem	Avg. Tax Bill	Property Tax as Percent of FAGI
		Min	Max								
0	N/A	Non-Filers		11,229	0%	N/A	\$203,955	\$175,800	\$1,354	\$1,593	N/A
1	0% - 10%	0	10,845	12,494	77%	\$4,745	\$226,708	\$208,000	\$1,579	\$1,839	38.7%
2	10% - 20%	10,846	20,457	10,427	70%	\$15,490	\$232,864	\$214,900	\$1,830	\$2,093	13.5%
3	20% - 30%	20,458	29,945	10,102	62%	\$25,228	\$235,536	\$215,400	\$1,946	\$2,219	8.8%
4	30% - 40%	29,946	39,222	10,729	49%	\$34,668	\$229,976	\$209,100	\$1,970	\$2,240	6.5%
5	40% - 50%	39,223	50,262	14,152	42%	\$44,812	\$235,626	\$216,400	\$2,053	\$2,339	5.2%
6	50% - 60%	50,263	64,755	19,321	41%	\$57,545	\$248,296	\$227,500	\$2,178	\$2,469	4.3%
7	60% - 70%	64,756	84,163	24,890	40%	\$74,299	\$267,661	\$245,300	\$2,344	\$2,642	3.6%
8	70% - 80%	84,164	111,007	30,419	37%	\$97,168	\$290,668	\$266,756	\$2,543	\$2,846	2.9%
9	80% - 90%	111,008	160,362	34,458	31%	\$132,255	\$332,824	\$304,750	\$2,895	\$3,217	2.4%
9.5	90% - 95%	160,363	230,931	17,636	28%	\$188,554	\$396,043	\$359,313	\$3,390	\$3,730	2.0%
9.9	95% - 99%	230,932	602,115	13,444	31%	\$336,198	\$499,100	\$436,779	\$4,177	\$4,547	1.4%
10	99% - 100%	602,116	And Up	2,974	33%	\$1,439,078	\$737,588	\$579,978	\$5,981	\$6,438	0.4%
-1	N/A	Negative FAGI		3,336	65%	-\$72,019	\$301,971	\$251,900	\$2,284	\$2,588	N/A
	Total	Total		215,611	42%	\$120,359	\$298,674	\$261,800	\$2,518	\$2,819	2.3%

Market Value by Quintile



Taxes Paid by Quintile



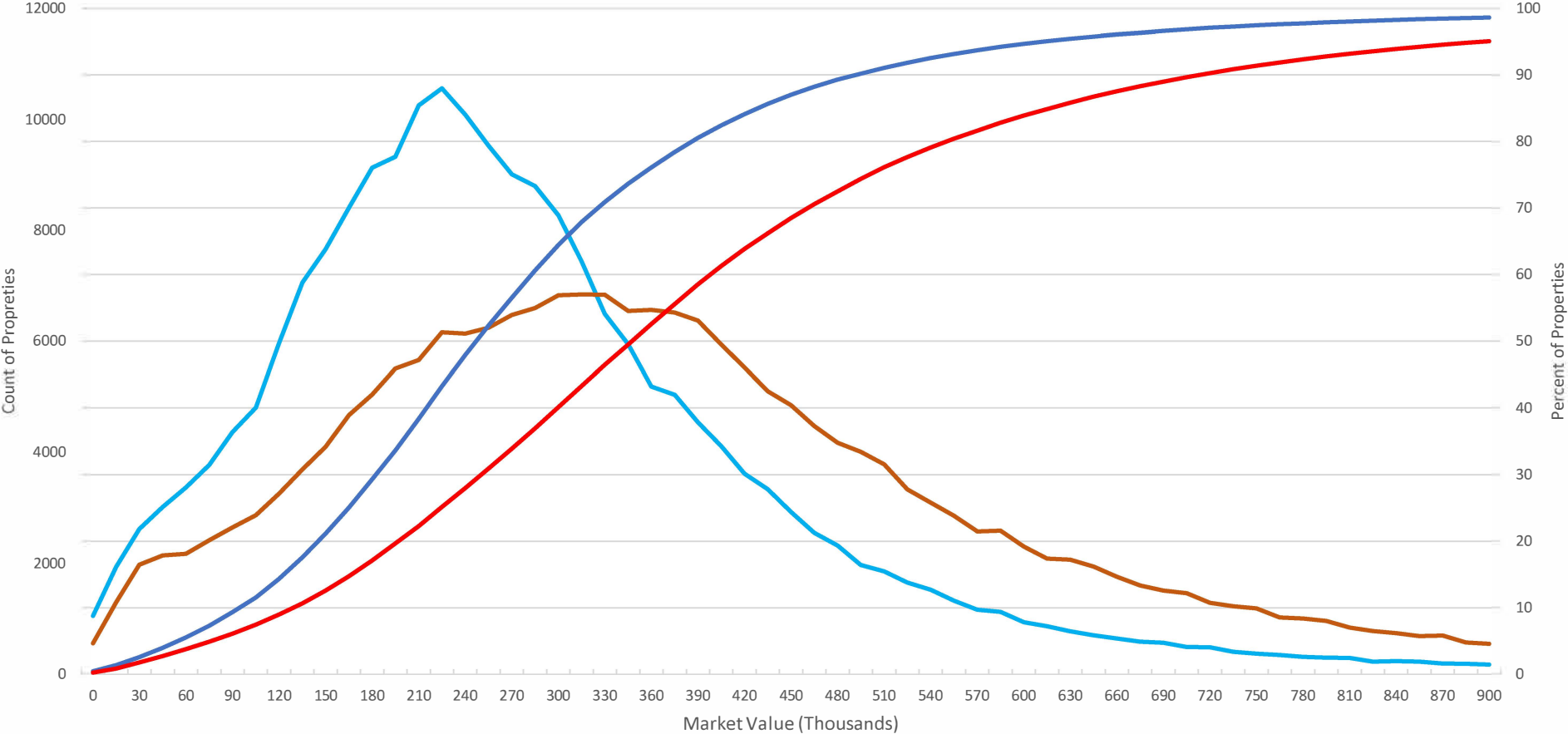
— Non-Filers — 0%-20% — 20%-40% — 40%-60% — 60%-80% — 80%-100% — Neg. FAGI

Reappraisal Effects

Reappraisal Characteristics by Decile

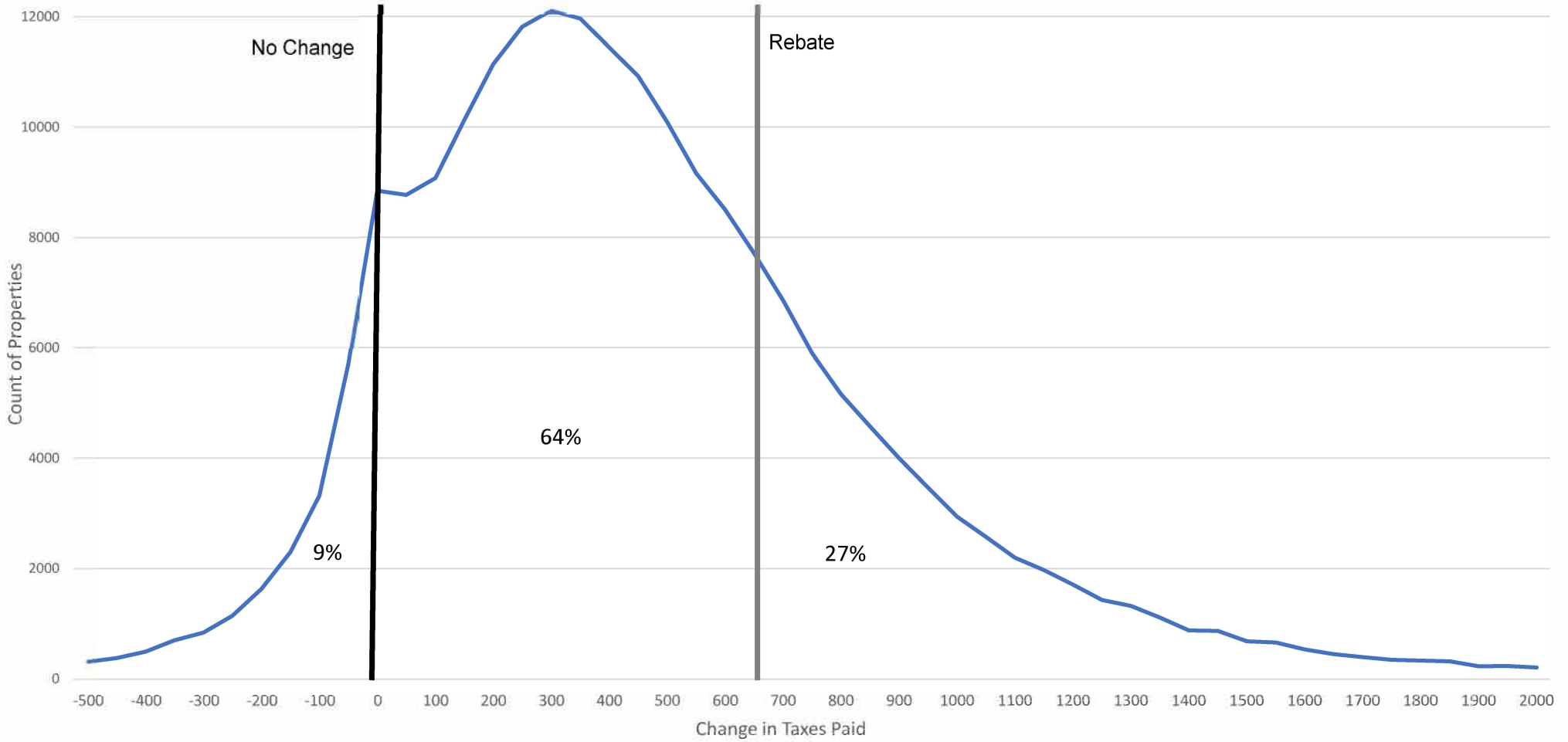
FAGI Percentile	Income Level		Tax Year 2022		Tax Year 2023		Avg. MV Change	TY 22 Avg. Tax Bill	TY 23 Avg. Tax Bill	Avg. Tax Change	Avg. Percent Tax Change
	Min	Max	Avg MV	Median MV	Avg. MV	Median MV					
N/A	Non-Filers		\$203,955	\$175,800	\$287,333	\$242,500	\$83,378	\$1,593	\$1,933	\$341	21.4%
0%-10%	0	10,845	\$226,708	\$208,000	\$317,993	\$285,800	\$91,285	\$1,839	\$2,184	\$345	18.8%
10%-20%	10,846	20,457	\$232,864	\$214,900	\$325,506	\$294,300	\$92,643	\$2,093	\$2,470	\$377	18.0%
20%-30%	20,458	29,945	\$235,536	\$215,400	\$329,945	\$292,450	\$94,410	\$2,219	\$2,618	\$399	18.0%
30%-40%	29,946	39,222	\$229,976	\$209,100	\$321,176	\$283,900	\$91,201	\$2,240	\$2,634	\$395	17.6%
40%-50%	39,223	50,262	\$235,626	\$216,400	\$329,843	\$295,700	\$94,216	\$2,339	\$2,746	\$407	17.4%
50%-60%	50,263	64,755	\$248,296	\$227,500	\$348,033	\$313,200	\$99,738	\$2,469	\$2,902	\$433	17.5%
60%-70%	64,756	84,163	\$267,661	\$245,300	\$374,881	\$340,281	\$107,220	\$2,642	\$3,107	\$465	17.6%
70%-80%	84,164	111,007	\$290,668	\$266,756	\$407,450	\$368,150	\$116,782	\$2,846	\$3,350	\$504	17.7%
80%-90%	111,008	160,362	\$332,824	\$304,750	\$466,389	\$419,599	\$133,565	\$3,217	\$3,785	\$567	17.6%
90%-95%	160,363	230,931	\$396,043	\$359,313	\$559,075	\$493,850	\$163,032	\$3,730	\$4,396	\$666	17.9%
95%-99%	230,932	602,115	\$499,100	\$436,779	\$712,445	\$603,084	\$213,345	\$4,547	\$5,362	\$815	17.9%
99%-100%	602,116	And Up	\$737,588	\$579,978	\$1,069,854	\$804,383	\$332,266	\$6,438	\$7,644	\$1,206	18.7%
<u>N/A</u>	<u>Negative FAGI</u>		<u>\$301,971</u>	<u>\$251,900</u>	<u>\$420,202</u>	<u>\$342,520</u>	<u>\$118,231</u>	<u>\$2,588</u>	<u>\$3,034</u>	<u>\$446</u>	<u>17.2%</u>
Total			\$298,674	\$261,800	\$420,137	\$362,100	\$121,464	\$2,819	\$3,325	\$506	17.9%

Market Value of Rebate Properties

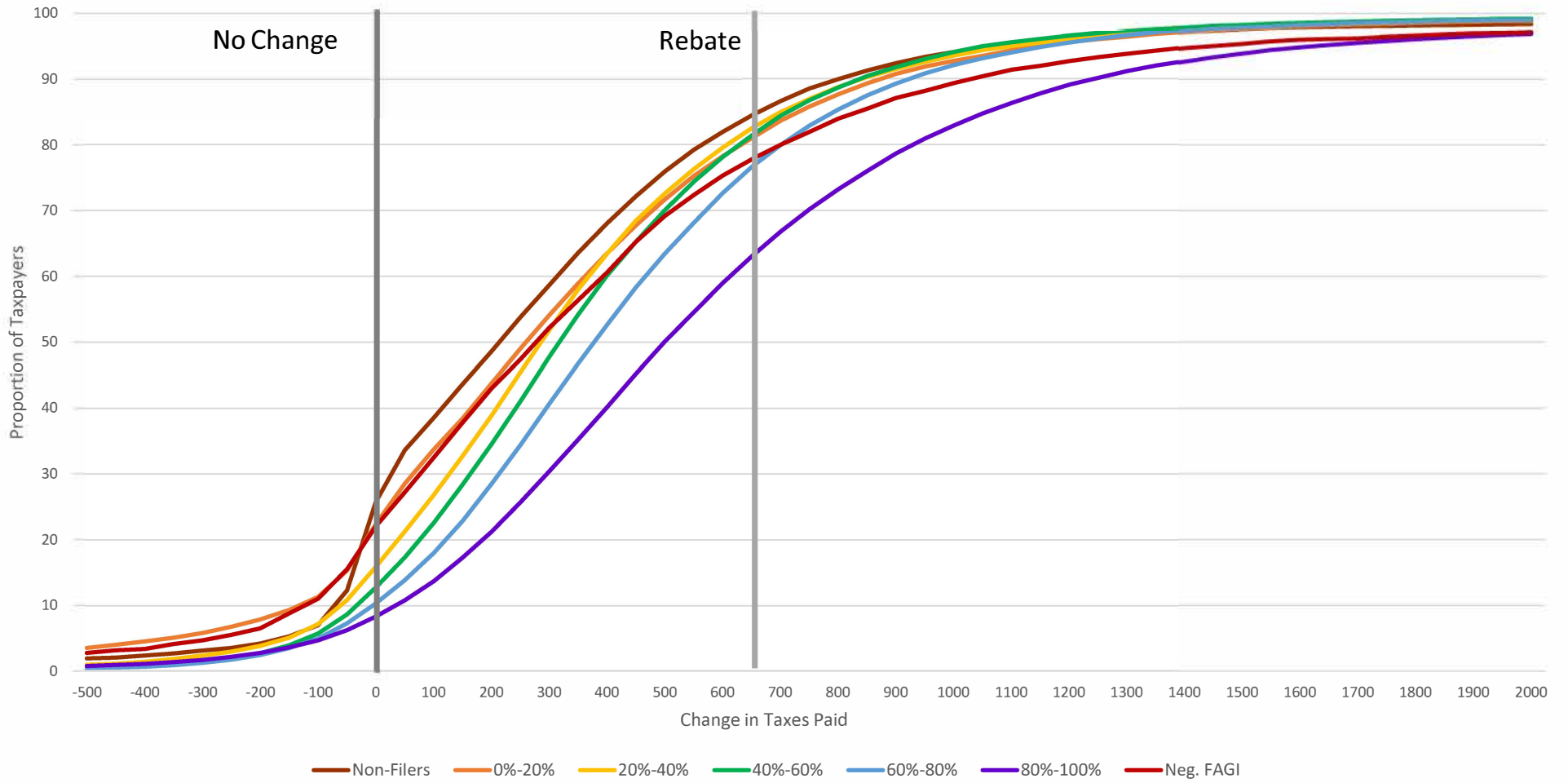


— TY22 — TY23 — TY22 Cumulative (Secondary Axis) — TY23 Cumulative (Secondary Axis)

Difference in Taxes TY 22 - TY 23

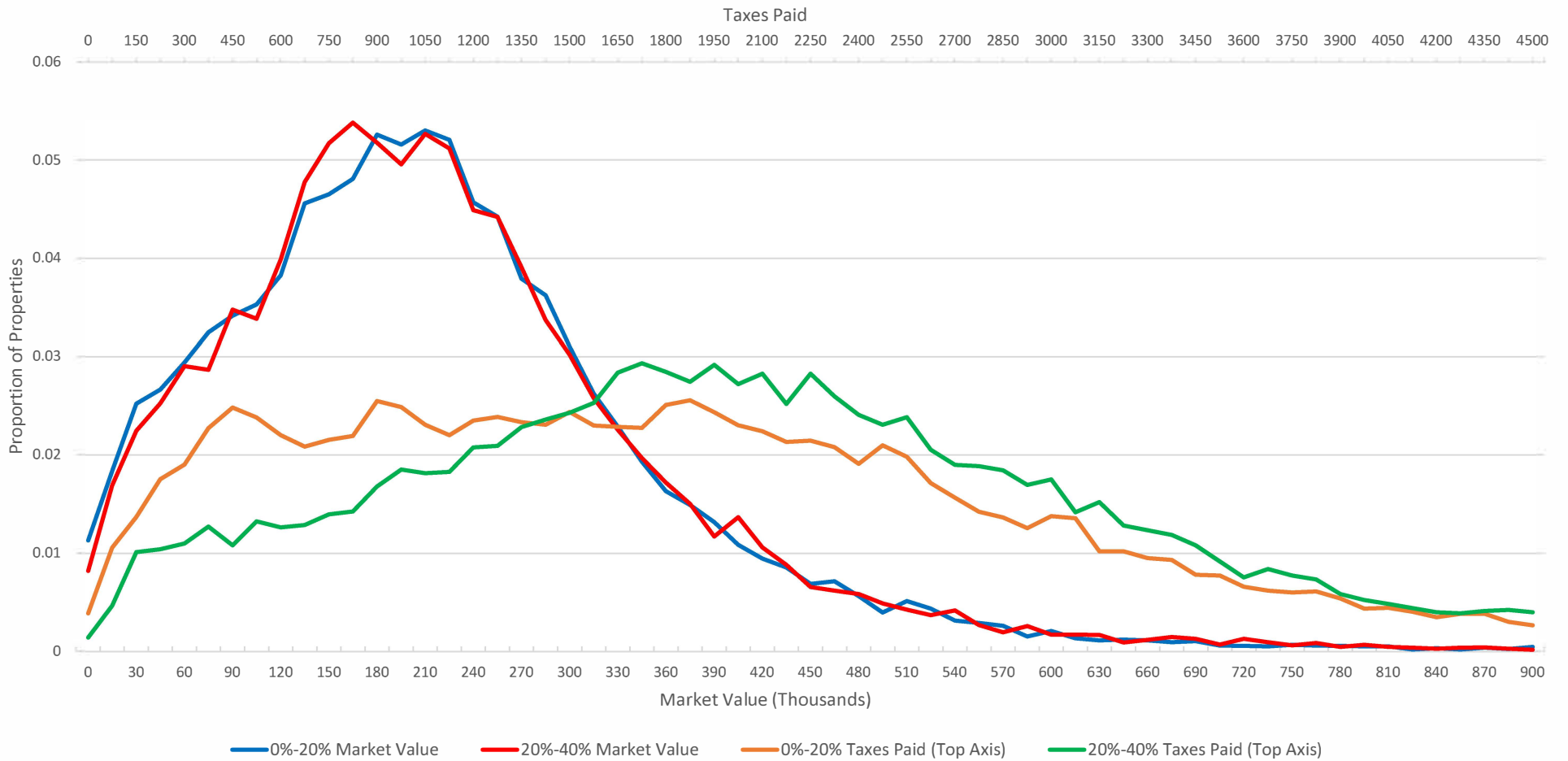


Cumulative Change in Taxes Paid by Quintile TY 22 – TY 23

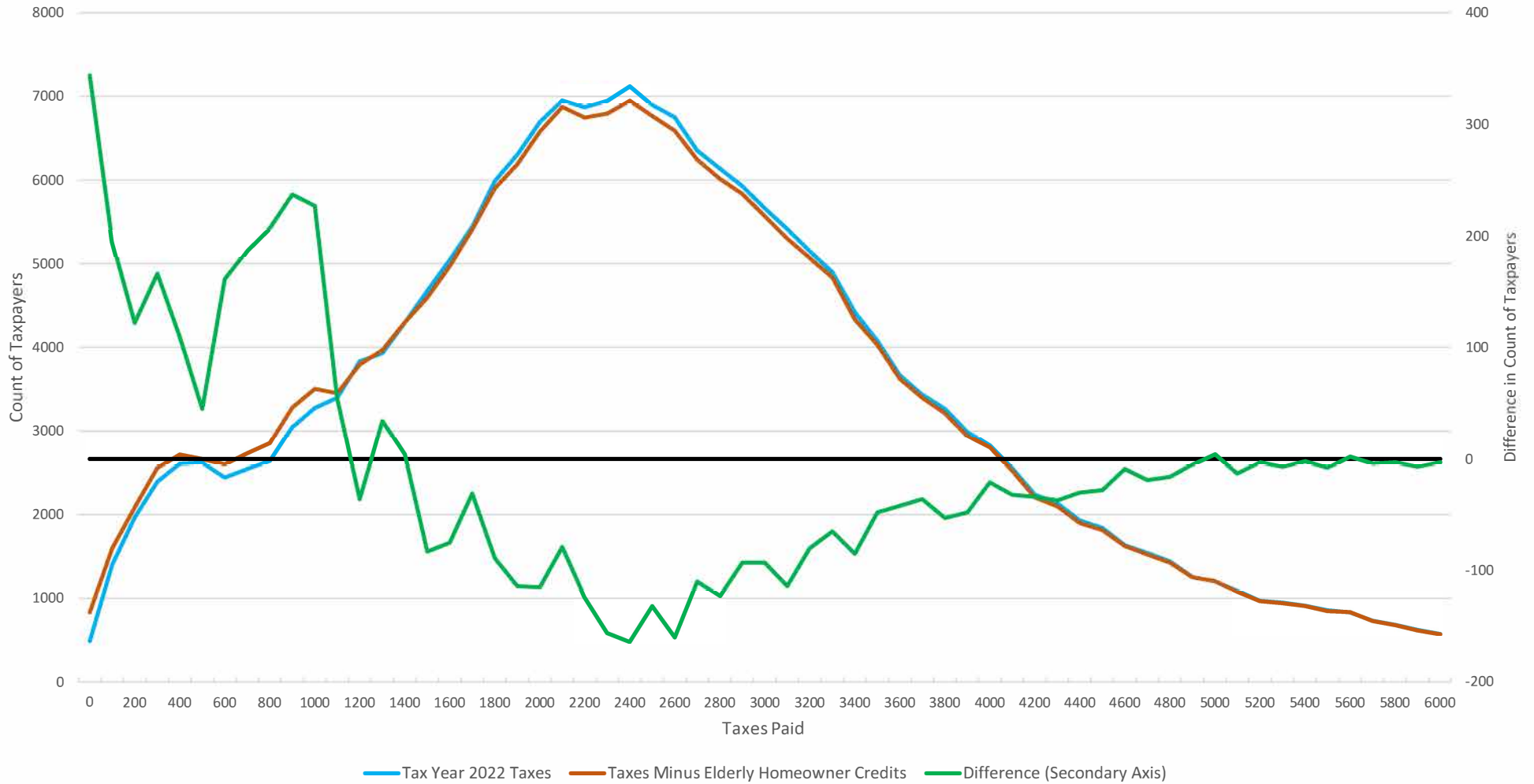


Property Tax Assistance Program Evaluation

Bottom Quintiles Comparison



Elderly Homeowner Credit Distributions



Where Next?

- Tax Assistance Program Evaluations
 1. Utilization Rates
 2. Efficacy of Programs
- Regional Analysis
- Other Ideas?