



MONTANA TAX APPEAL BOARD

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January 2021

BACKGROUND

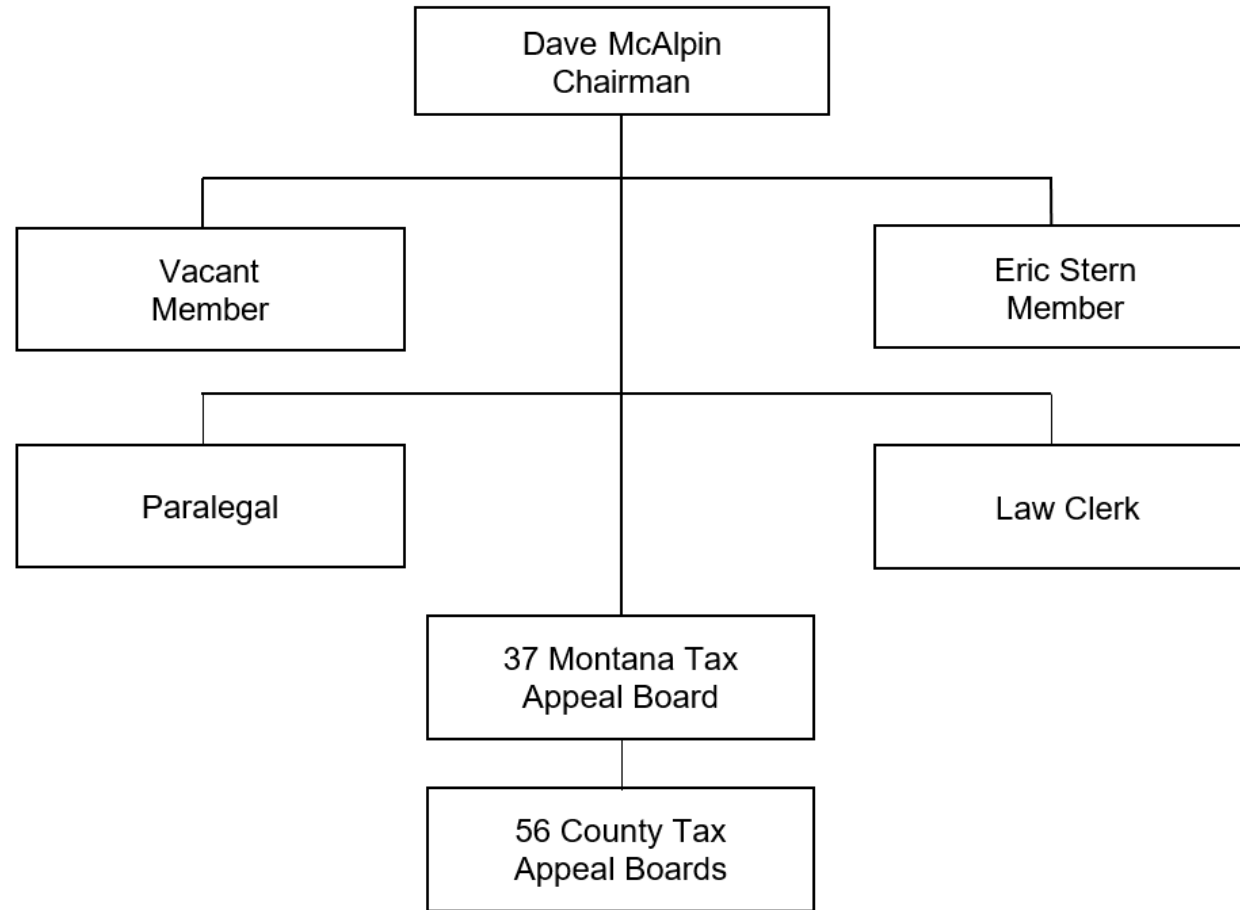


The Montana Constitution requires that:

“The legislature shall provide independent appeal procedures for taxpayer grievances about appraisals, assessments, equalization, and taxes. The legislature shall include a review procedure at the local government unit level.” (Article VIII, Section 7).

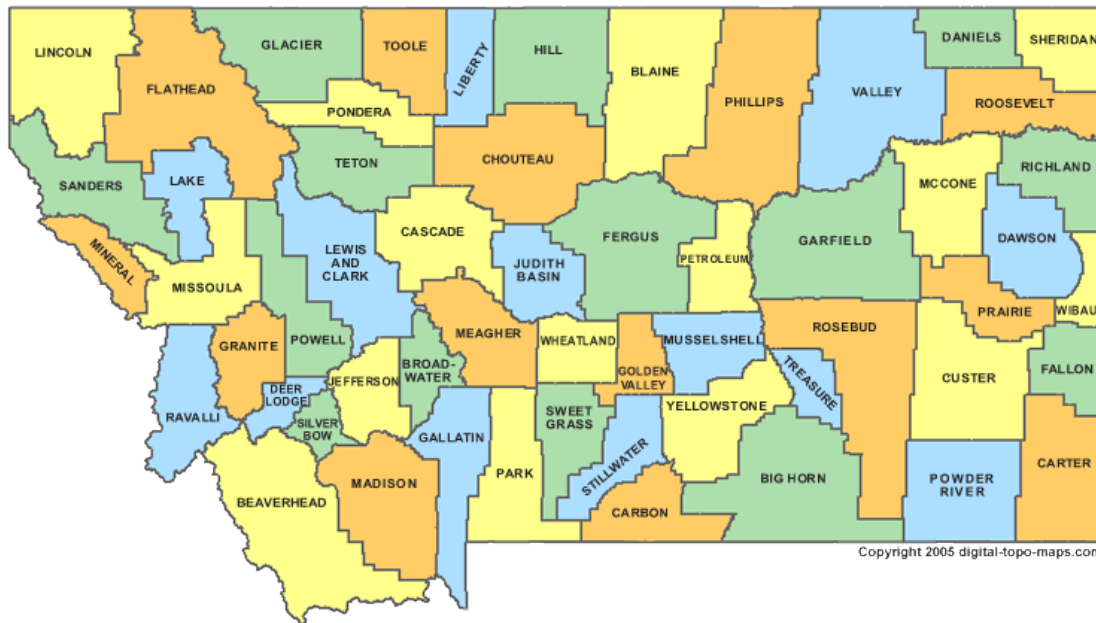


DIVISION STRUCTURE



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County Tax Appeal Boards



- Montana Tax Appeal Board (MTAB) administers County boards through 15-2-101, MCA
- Train, provide procedural and legal support, and fund operations of County Tax Appeal Boards (CTAB)
- MTAB oversees County boards and pays all costs of their work (per diem, county secretary salaries, and office expenses) for all 56 CTABs



DIVISION STRUCTURE

Montana Tax Appeal Board

- MTAB is a three-member board
 - appointed by the Governor
 - confirmed by State Senate
- Most appeals are property valuation disputes from county decisions
- Original jurisdiction in matters involving:

Income taxes	Corporate taxes	Severance taxes	Centrally assessed property
New industry	Dyed motor fuels	Exemptions	Tobacco taxes

- Appeals are resolved by our formal written opinion after a formal administrative hearing
- Decisions may be appealed to the District Court and Montana Supreme Court
- No appeals considered by the Supreme Court in recent years have overturned MTAB findings



FUNDING



MTAB is attached to the Department of Administration for purposes of budgeting and administrative support:

- **MTAB's budget is 100% General Fund**
- **All county reimbursements flow through MTAB as a part of our duties of administration**
- **MTAB is a small agency of 5.5 FTE and little staff or member turnover**



KEY ACCOMPLISHMENTS



- MTAB accepted and adjudicated market value of over a 33% increase in new tax appeals in 2020. These included appeals from county tax appeal board decisions or taken up directly from disputed decisions by the Department of Revenue (DOR).

For example:

- a) property value or classification appealed from the county,
or
- b) direct appeal of income tax audit final agency decisions.
- In 2019/2020 MTAB trained and supervised 56 County Tax Appeal Boards which adjudicated over 500 County valuation disputes across Montana.



ONGOING PRIORITIES

GOAL 1

Provide adequate resources for improved training and oversight of County Tax Appeal Boards to support their critical functions in Montana's system of tax appeals.

GOAL 3

Ensure predictability to Montana taxpayers; that they can expect timely and well-reasoned opinions to resolve their tax-related disputes.

GOAL 2

Achieve our constitutional mandate to provide taxpayers fair hearings and timely decisions for their disputes with the Department of Revenue.

GOAL 4

Continue to move office operations to the digital age with case management efficiency and transparency.



EXECUTIVE BUDGET CHANGE PACKAGES

Three change package items:

- **SWPL 1-3 adjustment for personal services, fixed costs, inflation/deflation**
 - **-\$1,181 for biennium**
- **PL4 Administrative cost allocation \$1,077 for biennium**
- **NP-37 support funding for Cadastral program in State Library \$5,442 for biennium**

Source: LFD Budget Analysis, A-86





THANK YOU