

Creating Property Tax Web Based Services



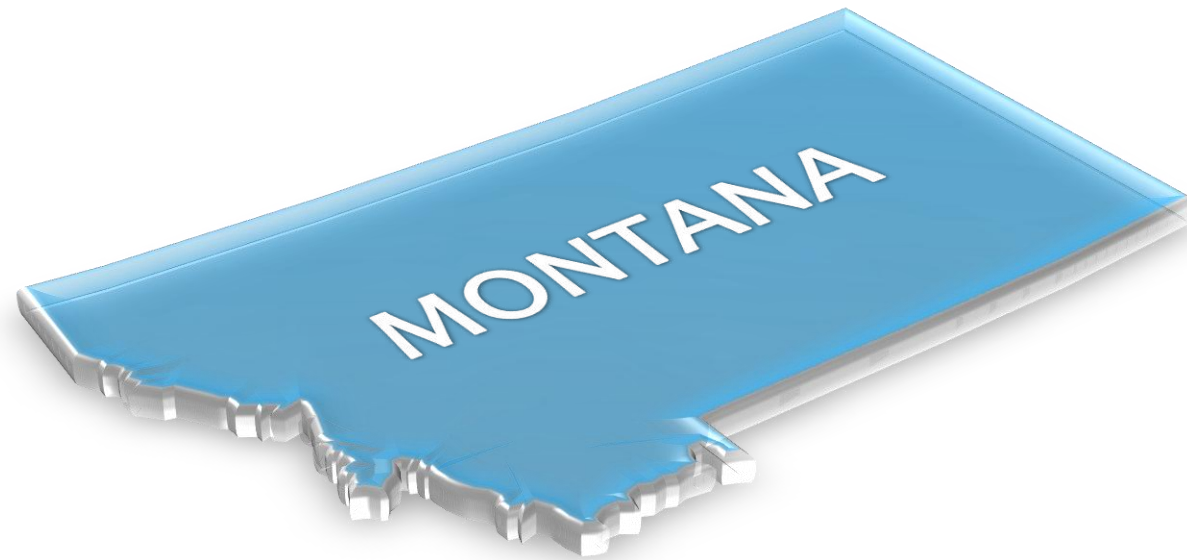
Montana Department of
REVENUE

Presentation Overview

- Property Assessment in Montana
- The Push for Property eServices
- Implementation Challenges
- Personal Property eService Design
- A Look at the Application in Development
- Benefits
- Questions

Property Assessment in Montana

Current State of Property Valuation



Current State of Property Valuation

Categories of Property



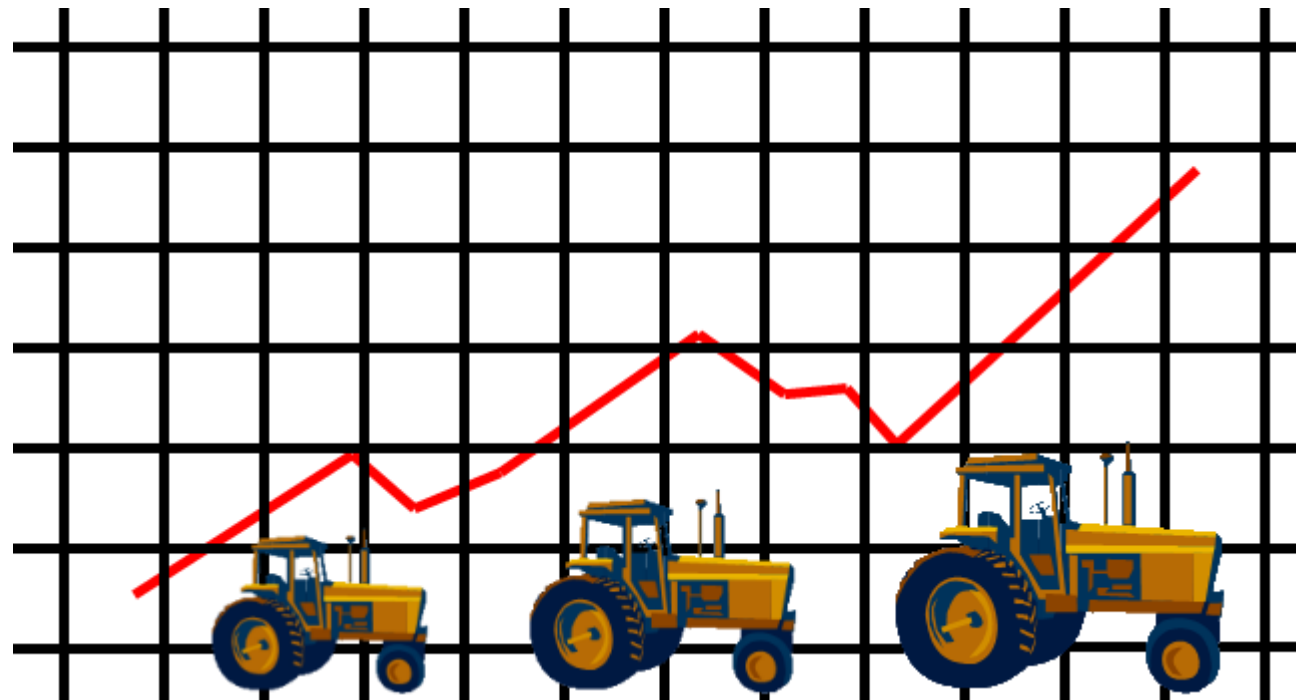
Personal Property



Real Property

Current State of Property Valuation

Personal Property Valuation



Current State of Property Valuation

Paper Forms



Tax Year: 2013

Owner Name:

Address:

Assessment Code:

County:

Clear Form



Tax Year 2013 All Inclusive Personal Property Reporting Form

This is your form for reporting all business/farm equipment, machinery, livestock and other personal property.

In order to ensure fair and equitable taxation, we need to periodically have you complete and submit a personal property reporting form. Your cooperation is appreciated.

Submit the completed and signed form to your local Department of Revenue Office by February 15, 2013. The department will impose a penalty equal to 20% of the assessed value of the class 8 property if reporting forms are late or not returned. If you have any questions, please call your local DOR office.

The design of the personal property reporting form changed in 2011. Please remember:

- If you have reported equipment in the past, your equipment data will be pre-populated into the appropriate equipment tables on the following pages.
- **You may provide an asset listing in addition to a completed reporting form. However, an asset listing is not a substitute for the form.**
- If you have **not** reported equipment in the past, all of the equipment tables on the following pages will be blank.
- Depending upon the type of equipment you own, you may need to complete more than one of the tables.
- Complete all equipment tables that apply.

Livestock Owners

- Even if you own a horse or some chickens, you are required to fill out a personal property reporting form. There is no property tax on livestock but they are still subject to the per capita fees that are prescribed by the Board of Livestock annually and assessed against all livestock, which includes cattle, sheep, swine, goats, horses, mules, asses, llamas, alpacas, bison, ostriches, rheas, emus, and domestic ungulates.

New Business Owners

- All new businesses and first time reporters must fill out this form in its entirety. Please provide all requested information.
- If you operate at more than one location and have not reported in the past, complete a separate form for each location.

Existing Business Owners

Businesses that have previously reported personal property will receive an itemized listing of machinery, equipment, and other personal property, as reported the previous year.

- You only need to make the necessary additions, deletions and corrections to the pre-populated information for the current reporting period.
- **Even if there are no changes, your signed reporting form must be submitted to your local Department of Revenue Office** to ensure that we do not incorrectly create an estimated assessment and assess a penalty.
- If you operate at more than one location and have reported in the past, data for all locations with a common assessment code will display on a single form.

Business Closed or Sold

- Please complete the information on the signature page regarding the closure or sale of the business.
- **Even if you no longer own the business, your signed reporting form must be submitted to your local Department of Revenue Office** to ensure that we do not incorrectly create an estimated assessment and assess a penalty.

Tax Year: 2013

Owner Name:

Address:

Assessment Code:

County:

Class 8 personal property includes agricultural implements & equipment; mining & manufacturing machinery; furniture & fixtures; and all other business equipment.

- If a taxpayer's statewide aggregate market value of class 8 property is \$20,000 or less, then all of that property is exempt from taxation.
- In order for the Department of Revenue to determine if your taxable class 8 property qualifies for this exemption, you must submit this reporting form listing all of your equipment.
- If you qualify for this exemption, you will not receive an assessment notice, tax bill, or any other formal notification.
- **If you qualify for this exemption and acquire new taxable personal property or expand your business in subsequent years, you are required to report the changes to your local Department of Revenue Office by telephone or in writing.**
- If the aggregate market value of all Class 8 property owned by an individual or business is \$2 million or less, the property is taxed at 2%. If the aggregate market value of the Class 8 property is more than \$2 million, the first \$2 million is taxed at 2% and any market value over \$2 million is taxed at 3%. If the Department of Revenue cannot determine whether property should be taxed at 2% or 3% because the taxpayer fails to timely submit a personal property reporting form, all of the Class 8 property is taxed at 3%.
- Department personnel may visit the business, agricultural operation, or field site to ensure accurate reporting and to answer any questions regarding the valuation and taxation process.

General Instructions

- **Livestock owners** are required to report the number of livestock owned as of February 1.
- **All business equipment**, even if fully depreciated on your Federal Income Tax Records, must be reported. The acquired/installed cost and acquired year reported on this form should agree with the acquired cost and year reported on your Federal Income Tax return.
- **When providing a business name**, use the legal name as it appears on the organizational documents if the business is an entity, or the first and last names and middle initial if the business is an individual's sole proprietorship.
- **Provide the business Federal Employer Identification Number (FEIN)** if the business has one. If it does not, provide the owner's FEIN or Social Security Number (SSN). Social Security and Federal Employer Identification numbers are held strictly confidential by the Montana Department of Revenue.
- **Sign and date** the affidavit.
- **The form must be signed by** (a) livestock owner, (b) the individual, if the business is an individual, (c) the president, vice president, or other principal officer, if the business is a corporation, (d) a responsible and authorized member or other officer having knowledge of its affairs, if the business is a partnership or other unincorporated entity or organization, or (e) the fiduciary, if the business is a trust or an estate. Foreign entities may have any authorized individual (for example, division manager) sign the form.
- **Submit the completed and signed form to your local Department of Revenue Office at the return address on the cover sheet by February 15, 2013.**
- This return is subject to audit by the State of Montana, Department of Revenue.

Tax Year: 2013

Owner Name: _____

Address: _____

Assessment Code: _____

County: _____

Tax Year 2013 Personal Property Reporting Form

Please refer to the attached instructions.

Please submit your completed and signed form to the return address on the cover page on or before February 15, 2013.

Contact Information

Contact Name _____ Email _____
Phone Number _____ Cell _____ Fax _____

Preparer Name, if different from contact _____ Phone Number _____

Property Information

Property ID _____ Assessment Code _____ Levy District _____

Business Name (if applicable) _____

Type of Business (if applicable) _____

Business Location (if applicable) _____

If any of the following statements apply, please provide the requested information.

- Business Closed (Date) _____
- Business/Farm/Ranch was Sold (To Whom) _____
- Business/Farm Equipment Moved (New Location) _____
- Additions/Deletions of Buildings or Mobile Homes (Explain) _____
- Livestock moved (New Location) _____
- Changes in Land Use (Explain) _____
- Mailing address change _____

Affidavit and Signature – this page must be completed and submitted with the reporting form.

I swear, under penalty of false swearing, that I have examined this reporting form (including the accompanying tables and instructions) and, to the best of my knowledge and belief, it is true, correct and complete.

Authorized Signature _____

Business FEIN _____ or Owner FEIN _____ or Owner SSN _____

Title _____ Date _____

Yes No May the department discuss this form with your preparer?

Tax Year: 2013

Owner Name:

Address:

Assessment Code:

County:

- Barber, Beauty Shop Equip *except* beauty and barber chairs / Cameras including digital and computerized / Carpet Shampoo Equip / Ceramic Molds / Coin Operated Washer & Dryers / Electronic Testing Equip / Janitorial Equip / Tanning, Toning beds, booths and tables / Video Equip and Tapes other than leased and rental property / Specialized Equipment
- Bar, Restaurant Equipment including dishes and silverware
- Billboards / Car Wash Equip / Chairs including medical & dental / Desks / File Cabinets / Garbage Containers / Gas Pumps / Mortuary Equip / Photo Developing Equip / Pictures / Porta-potties / Safes / Security Alarm Systems / Shelving / Stereo Equip / Survey Equip / Tables including medical & dental / Theater Furniture and Equip / Misc Furniture and Fixtures
- Tools, handheld / Tools, non handheld (compressors, jacks, welders, etc.) used for repair or maintenance including, but not limited to, automobile repair, jewelry & office machine repair and tools used by carpenters, electricians, plumbers, contractors, etc.
- Citizen Band Radios / Mobile, Cellular Telephones
- Cable TV Miles of Coaxial Cable / Cable Service Drops / Towers / Dishes / All other Cable TV Equip
- Theater Projectors and Sound Equip / Radio, Television Broadcasting Equip
- Ski Lift Equip including, but not limited to, aerial lifts, surface lifts, portable lifts and tows, towers, cables, ropes, sheave assemblies, conveying devices, power units and accessories

Furniture, Fixtures and Miscellaneous Equipment

Mark an X in the Delete column and draw a line through the description of items you no longer own.

Mark an X in the Add column and enter the information for items you have acquired.

Mark an X in the Personal Use Only column if the item is used for your personal domestic use only.

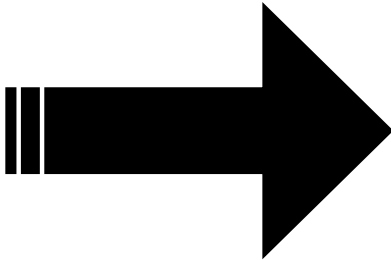
Enter quantity as of January 1, 2013.

For dept use only	For dept use only - Tbl/Sb	Add	Delete	Quantity		Personal Use Only	Description	Acquired	
				Curr	Prev			Year	Cost

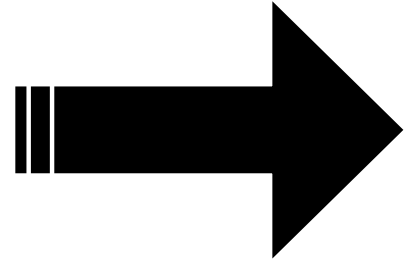
Current State of Property Valuation

Personal Property

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____



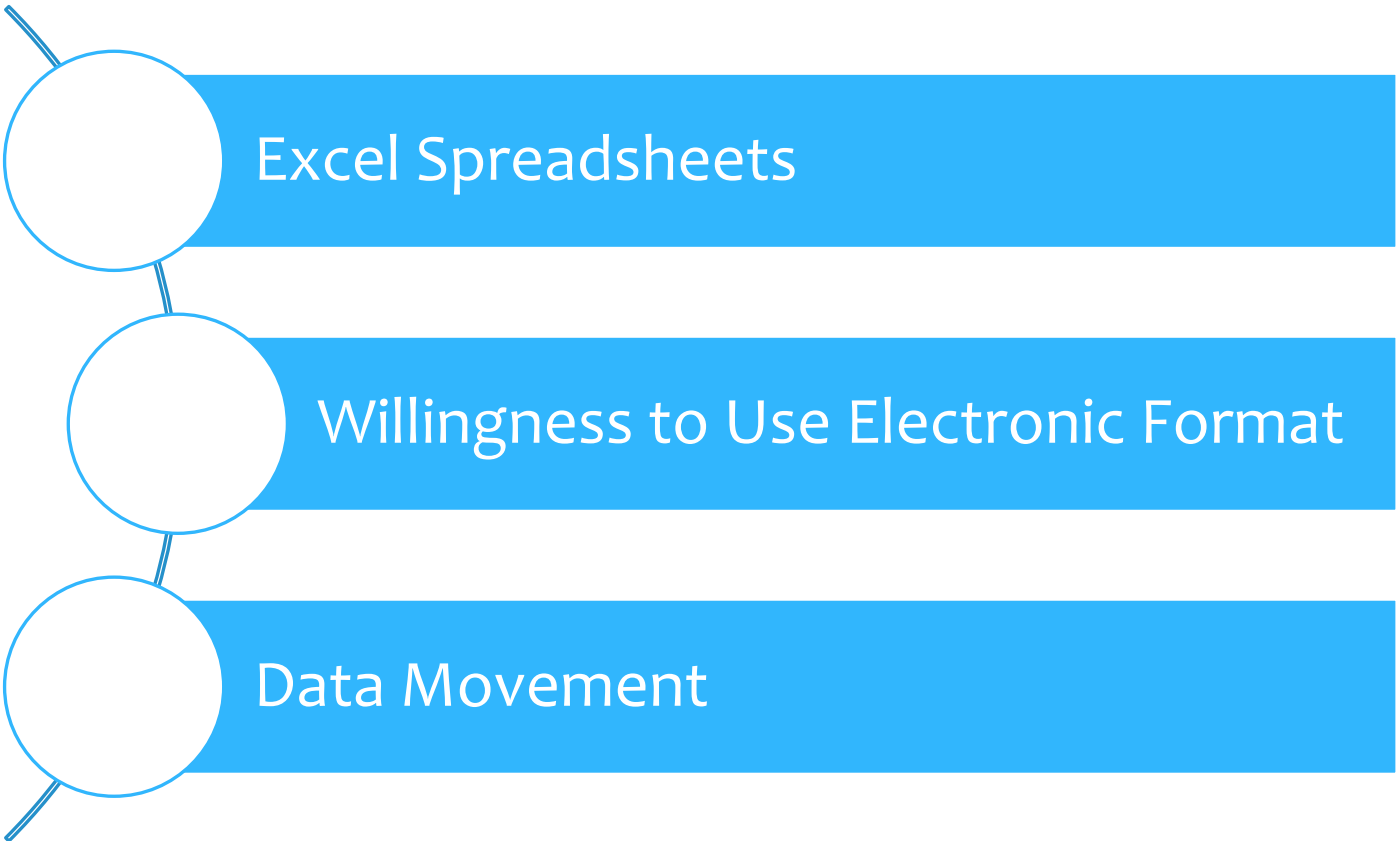
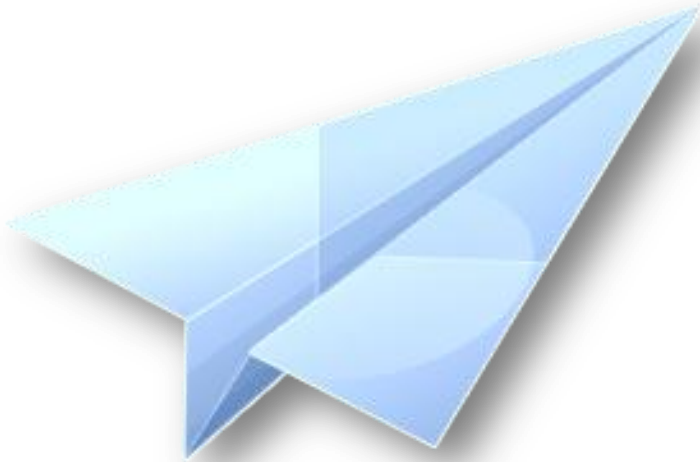
Data Entry & Valuation



VALUE

Current State of Property Valuation

eFile Pilot Project



The Push for Property On-line Services

Drivers for Property On-Line Services

Customer Service

- Ease of Entry
- Leverage new technologies
- Reduce re-entry

Efficiency

- Manual entry
- Reduced paper

Compliance

- Move staff to auditing
- Research

Process Management

- Consistent processing
- Consistent data
- Statewide data analysis
- Process improvement
- Connection to other programs

2013 Legislative Session

Focus on
efficiency

Perception of
automation as
an efficiency
engine

Helping
citizens

Feedback to
legislators from
businesses

Budget

Dollars for
building
electronic
services

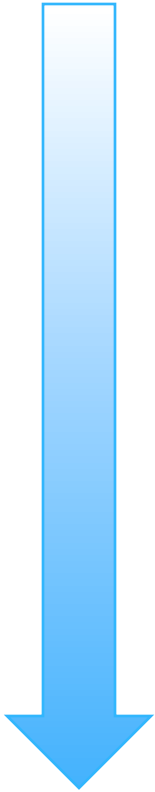
Potential Property Assessment eServices

Personal Property Reporting

Property Tax Assistance Program

Income and Expense Collection

Sales Verification Forms



Why eServices Make Sense for Property Assessment

Data

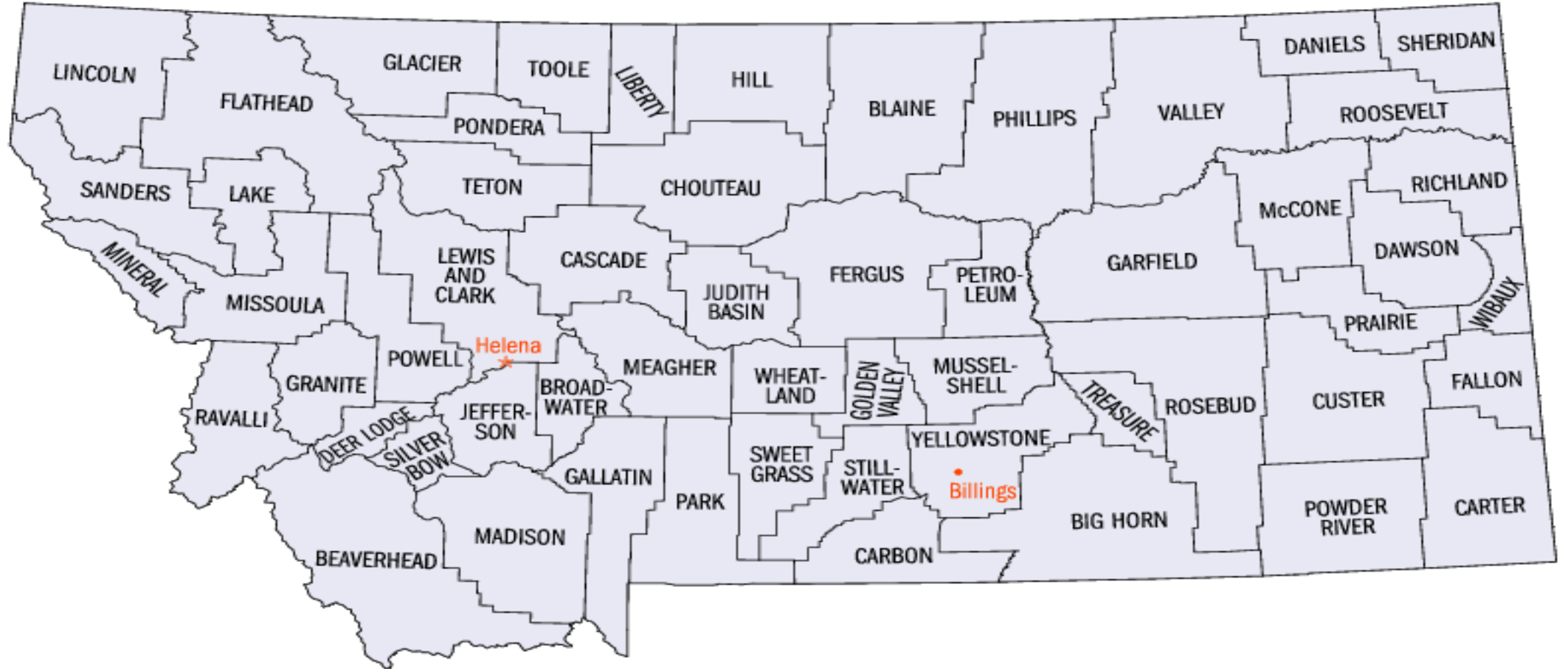
Data

Data

Data

Data

Data



Challenges

Interface

Intuitive

Multiple Records/Accounts

Multiple Counties

Data Entry Mistakes

Login & Security

Montana.Gov

ePass

Matching Properties to Taxpayer

Key Code

Statewide vs. Countywide

56 County Offices

Single Location to Report for All
Counties

Separate Review for Each County

Location

Properties Physical Location

Address

Non-Address

Levy District Determines Tax Amount

Moving Data Between Systems

Orion Valuation System

Personal Property Web Portal

Extract

Import

Validation

Transition to Electronic

Taxpayers Comfortable With Paper

Staff Comfortable With Paper

Taxpayer Education

Staff Training & Education

Personal Property eService Design Considerations

Objectives

Complete implementation of the personal property website without impacting statutory dates or existing operational deadlines.

Implement a web portal for property tax administration

Increase efficiency by reducing data entry required for the collection of personal property information.

Provide a more customer friendly collection method for Montana property owners.

Key Design Elements

No Impact to Paper

Paper process continuing as normal

Added key code to the form for electronic access

Insert with web marketing information

Statewide Grouping

Use of the party group across county lines

One-login for multiple properties

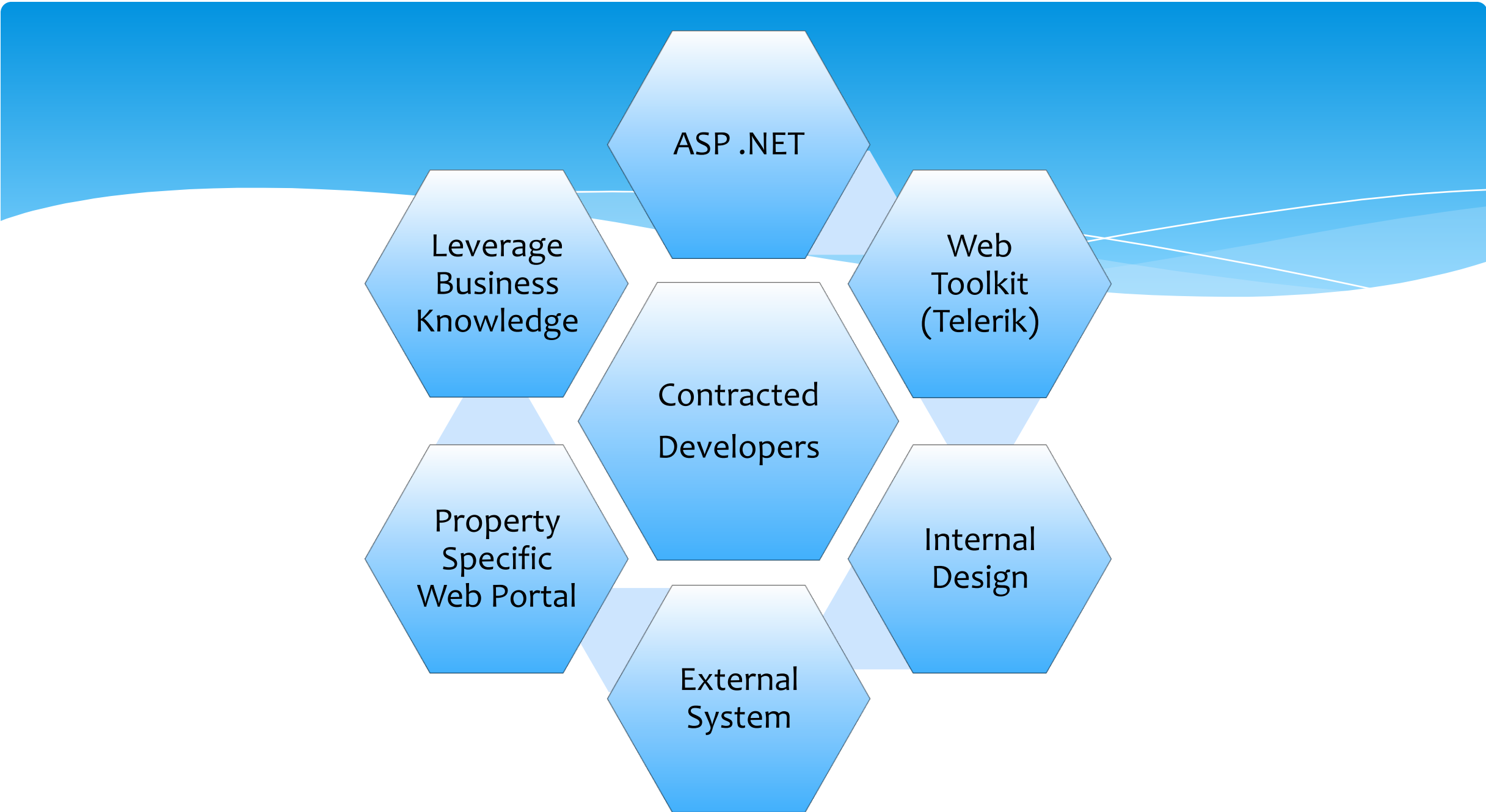
Staff assignment to large electronic groups

No load without approval

All data reviewed before load into property system.

Changes can be made in the review application

Simulate paper review entry, electronically



ASP .NET

Web Toolkit (Telerik)

Contracted Developers

Internal Design

External System

Leverage Business Knowledge

Property Specific Web Portal

A Look at the Application in Development

Property Tax Form Management Portal

Properties available for Primary Party ID 19247

County	Property Id	City	
Carbon	10-0001445200-001	Rowlett, TX 75088	Review Submit
Carbon	10-0002603100-001	ROWLETT, TX 75088	Review Submit
Carbon	10-0447-22-3-20-01-4001	ROWLETT, TX 75088	Review Submit
Carbon	10-0447-34-4-01-20-4001	Rowlett, TX 75088	Review Submit

⏪ ⏩ 1 ⏪ ⏩ 1 - 4 of 4 items

Property Tax Form Management Portal



Property Types for Property: 53-23110000SP-001

Please click this button when you have completed your review for all property types [Review Complete](#)

Records	Property Types	Reviewed	
0	Equipment/Livestock Owned by and Taxable to Others		View Details
37	Farm and Ranch Equipment		View Details
8	Furniture, Fixtures, and Miscellaneous Equipment		View Details
0	Heavy Equipment		View Details
0	Lease & Rental Equipment		View Details
3	Livestock		View Details
0	Manufacturing & Mining Equipment		View Details
0	Oil and Gas Equipment		View Details

Property Tax Form Management Portal



Farm and Ranch Equipment Equipment



Farm and Ranch Equipment Equipment Instructions ▲

- Provide a description of each item, including options, e.g., 4-wheel drive, power steering, EROPs, etc.
- Report attachments, e.g., bucket, blade, etc. Use separate lines if you need more room.
- Complete each column that applies.
- Please specify the size, number of rows, length, width, etc.
- The year new indicates the year manufactured. If you're unsure, please provide your best estimate.

Use the Farm, Ranch Equipment table to report the following types of equipment. ▼



- Click the Delete button of items you no longer own.
- Click the Add button and enter the information for items you have acquired.
- Check the Personal Use Only column if the item is used for your personal domestic use only.
- Enter quantity as of January 1, 2014.

Please click this button when you have completed your review for Farm and Ranch Equipment [Review Complete](#)

OwnerName: WILLIAMS BRENT

AssessmentCode: 23110000SP

County: 53

Current Mailing Address: 691 S BARBER RD RYEGATE, MT 59074-9709

Physical Address: 691 S BARBER RD RYEGATE, MT 59074

[Edit Address](#)

- Please specify the size, number of rows, length, width, etc.
- The year new indicates the year manufactured. If you're unsure, please provide your best estimate.

Use the Farm, Ranch Equipment table to report the following types of equipment.

- Click the Delete button of items you no longer own.
- Click the Add button and enter the information for items you have acquired.
- Check the Personal Use Only column if the item is used for your personal domestic use only.
- Enter quantity as of January 1, 2014.

Please click this button when you have completed your review for Farm and Ranch Equipment [Review Complete](#)

OwnerName: WILLIAMS BRENT

AssessmentCode: 23110000SP

County: 53

Current Mailing Address: 691 S BARBER RD RYEGATE, MT 59074-9709

Physical Address: 691 S BARBER RD RYEGATE, MT 59074

[Edit Address](#)

+ Add new item												
	Page	Qty	Personal Use	Description/Options	Yr New	Make	Model	Size	Serial	Year	Cost	
Edit Delete		1	false	01/01 Tractor	1956	IH	400			1957	2700	
Edit Delete		1	true	01/10 Swather (self-propelled)	1982	NH	1116			1900	0	
Edit Delete		1	true	02/06 Grain Drill	1990	JD	9450	FERT		1900	0	
Edit Delete		24	true	02/17 Chisel Plow	1974	MELR		24'		1992	4500	
Edit Delete		1	true	01/01 Tractor	1970	JD	2520			2007	0	
Edit Delete		1	true	01/01 Tractor	1970	JD	2520			2007	0	

Benefits

Taxpayer Efficiencies

Quicker Turnaround

Better Information Flow

All Information in One Location

Ability to Only Show Necessary Information Online

Opportunity to provide more targeted instructions and education

Staff Efficiencies

Simple Review Process

Less Mistakes with Data Entry

Reviewed Electronically by both
Taxpayer and Staff

Consistent Data

Require Fields to Be Filled in by
Taxpayers

Validation Controls

Auditing

Shift Focus From Data Entry

Track Webpage Views by
Taxpayer

More Time for Staff to Validate
and Audit Taxpayer Information

Less Paper to Mail

Less Cost Associated With Mailings

Reduced Time from Sorting and Processing Incoming Mail

Questions & Answers