News and Posts
November 4, 2025
By Dr. Greg Gilpin

Understanding Your Property Tax Bill, A Step-by-Step Guide

Update for the 2025 Tax Year

Updated Part 1 of a Series on Property Taxation in Montana

Source: Andrey Popov stock.adobe.com

Property tax statements can often be filled with unfamiliar codes, complex values, and confusing terminology. If you're like many homeowners, you might find it easier to pay the bill rather than work through the details. Understanding your property tax statement is essential as errors can occur, potentially leading to overpayment.

In this post, we'll explain the key components of a property tax statement:

1. **Market Value:** Estimated price a property would sell in the current market.
2. **Taxable Percent:** Rate applied to your property's market value to determine the taxable portion of your property.
3. **Taxable Value:** Value of your property subject to taxation.
4. **Mill Levy:** Property tax rate.
5. **Property Tax:** Amount of taxes owed.

With these terms demystified, , you'll better understand how your property taxes are calculated and what factors influence your taxes owed.

COUNTY TAX BILL 2025 REAL ESTATE

Gallatin County Treasurer
Maureen Horton
311 West Main, Room 103
Bozeman, MT 59715

Phone: (406) 582-3033 Website: www.gallatin.mt.gov/treasurer

OPEN IMMEDIATELY

RGG50829
33666*149**G50**0.978**1/2*********AUTO**5-DIGIT 59718
[redacted]
BOZEMAN MT 59718-5910

PARCEL # RGG50829 **GEO CODE:** 06079802340190000
TAX DISTRICT: 0350-08: 7C BOZEMAN(C)BZP
PHYSICAL ADDRESS: 3229 CATERPILLAR ST
LEGAL DESC: HARVEST CREEK SUB PH 10 & 11, S02, T02 S, R05 E, BLOCK 24, Lot 10, ACRES 0.172, PLAT J-392 PLUS OPEN SPACE

2

MILL LEVY: 559.860 4

PROPERTY TYPE	MARKET VALUE	TAXABLE VALUE
REAL ESTATE	255,932	2,355.00
BUILD & IMP	494,668	4,551.00
PERSONAL PROPERTY	0	0.00
TOTAL	750,600	6,906.00

1 3

KEY	TAXING AUTHORITY	GENERAL MILLS	TOTAL
CI	BOZEMAN CITY/CO PLAN CITY	1.070	$7.38
CI	BZN FIRE STATION #2 GO BONDS	4.930	$34.04
CI	BZN GENERAL FUND	121.260	$837.42
CI	BZN PERMISSIVE MED INS	12.240	$84.52
CI	BZN PUB SFTY CTR	10.820	$74.72
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CI	BZN SPEC TRANSP SERVICES	1.140	$7.88
CI	BZN TRAILS/OPSPC/PARKS	4.950	$34.18
CO	CITY/COUNTY HEALTH	2.990	$20.64
CO	CNTY BUILDING CAP PROJ	5.200	$35.91
CO	COUNTY COURTS BUILDING BOND	3.260	$22.52
CO	COUNTY FAIR FUND	0.990	$6.84
CO	COUNTY GENERAL FUND	14.840	$102.48
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CO	OPEN SPACE OPERATIONS	4.320	$29.84
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ST	ST HS EQUALIZATION FUND	22.000	$151.94
ST	ST SCHL EQUAL AID LEVY	40.000	$276.24
UN	GALLATIN COLLEGE	1.500	$10.36
UN	UNIVERSITY 6 MILL LEVY	6.000	$41.44
	TOTAL	559.860	$3,866.39

SPECIAL ASSESSMENTS

KEY	DESCRIPTION	1ST HALF	2ND HALF	TOTAL
OT	GLTN CONSV DIST MILLS	1.80	1.79	$3.59
OT	GLTN CO WTR QUALITY (FEE)	3.63	3.63	$7.26
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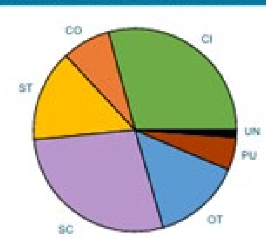
OT	BZN PARKS & TRAILS	110.69	110.69	$221.38
OT	OPEN SPACE BOND MILLS	3.11	3.11	$6.22
	TOTAL SPECIAL ASSESSMENTS	318.11	318.10	$636.21

DISTRIBUTION BREAKDOWN



KEY		
CI	CITY/RURAL	$1,317.02
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OT	OTHER	$636.21

TOTAL TAX	1ST HALF	2ND HALF	TOTAL YEAR
TOTAL GENERAL TAXES	1,933.20	1,933.19	3,866.39
TOTAL SPECIAL ASSESSMENTS	318.11	318.10	636.21
TOTAL	$2,251.31	$2,251.29	4,502.60

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1. Market Value

Market Value refers to the estimated amount a property would sell for in an open market under normal conditions. It represents the price that a willing buyer and seller would agree upon in a transaction. Market value is the foundation of the property tax system and plays a key role in determining a property owner's share of the total tax burden.

1a. How Market Value Is Determined in Montana

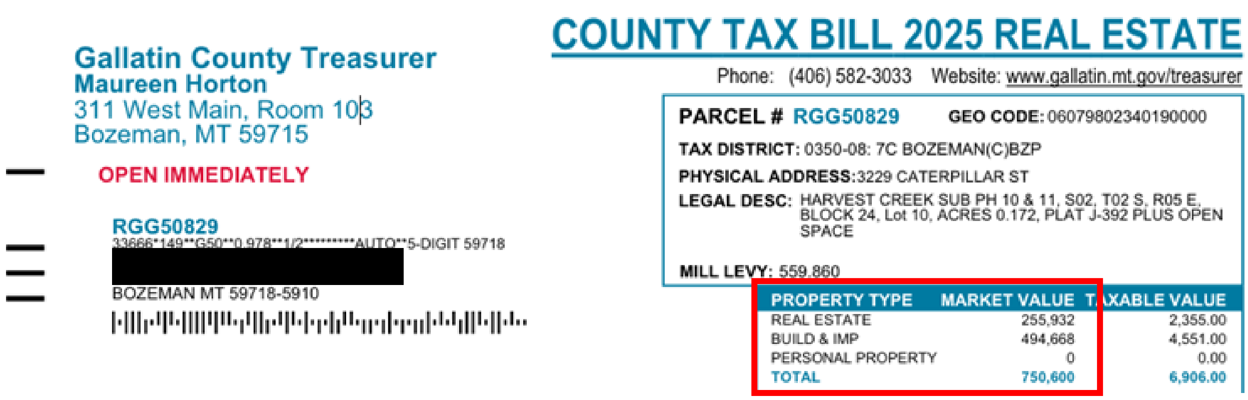
In Montana, the Department of Revenue (DOR) is responsible for appraising properties to determine their market value. Each property is categorized into one of 16 property classes based on their use, ownership, and specific legal provisions. There are valuation methods specific to each class, ensuring that all properties within a class are assessed using the same methods.

Montana operates on a valuation cycle, meaning properties are periodically reassessed based on current market conditions and updated data. For instance, residential properties were reassessed in 2025 for the 2025-2026 cycle, with the next reassessment scheduled for 2027.

To provide transparency, the Montana Cadastral database offers a search tool where the public can access detailed information on property values and taxes for any Montana property.

Example

In 2025, an example residential property located in Bozeman was appraised by the DOR with a market value of $750,600.



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PERSONAL PROPERTY	0	0.00
TOTAL	750,600	6,906.00

1b. Appealing a Property's Value

If a property owner believes their assessed market value is incorrect, they have the option to appeal the appraisal. This process typically involves submitting evidence that supports the claim, such as recent sales data from comparable properties or an independent appraisal. For detailed instructions on how to file an appeal, visit the DOR's website.

2. Taxable Percent

The **Taxable Percent** determines how much of a property's market value is subject to taxation. The Montana State Legislature sets the taxable percent for each class of property. In 2024, there were 1,145 distinct property class codes, each with its own taxable percent. However, most properties in Montana fall under one of four primary class codes:

Property Type	Taxable Rates
Residential (≤$400K)	0.76%
Residential ($400K - $1.5M)	1.10%
Residential (>$1.5M)	2.20%
Commercial (≤$400K)	1.40%
Commercial (>$400K)	1.89%
Qualifying Agricultural Land	2.05%
Forest Land	0.37%

Source: DOR.

Example

For the example statement, the property class is ***residential city/town lot*** and has an average ***taxable rate*** of **0.92%** .

Average taxable rate = [400/750.6*0.0076 + ((1 - 400/750.6)*0.011)]*100 = 0.009188

Things to note:

1. Round this average taxable rate to the nearest hundredth of a percent to match DOR's calculation. 0.009188 ~ 0.0092

2. If a residential property value is less than $400K, then the average taxable rate is 0.0076.

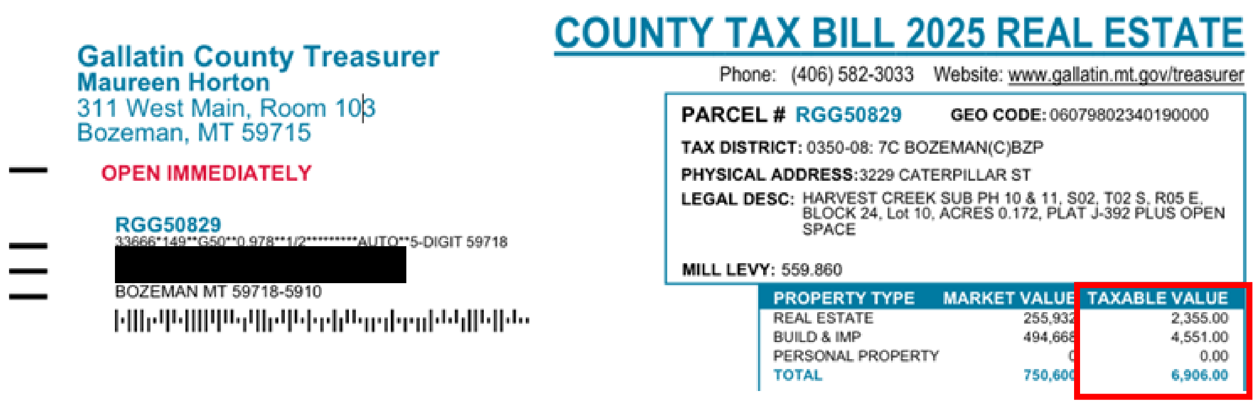
3. Taxable Value

In Montana, the **Taxable Value** refers to the portion of a property's market value that is subject to taxation. It is determined using the **market value**, **the average taxable percent**, and any applicable exemptions:

$$\text{Taxable Value} = \text{Market Value} \times \text{Average Taxable Percent} - \text{Exemptions}$$

Example
In the example tax statement, the market value is $750,600, the average taxable percent is 0.92%, and there are no applicable exemptions. Thus, the taxable value is $6,906.

$$\text{Taxable Value} = \$750{,}600 \times 0.0092 - \$0 = \$6{,}906$$



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TOTAL	750,600	6,906.00

3a. Exemptions

In Montana, property tax exemptions are determined by property class codes. Each property class has different types of exemptions that can reduce or eliminate taxable value. Common exemptions include the Property Tax Assistance Program, Elderly Homeowner and Renter tax Credit, Disabled Veteran Program, and the Intangible Land Value Property Exemption. For further details, check the Montana Department of Revenue website for the most up-to-date information on exemptions and eligibility criteria.

4. Mill Levy

The **Mill Levy** is the property tax rate applied to the **Taxable Value** of the property.

1 mill equals $1 of tax per $1,000 of taxable value

For example, a property with a taxable value of **$6,906** will pay **$6.91** for each mill levied.

Each **taxing jurisdiction** (state, county, city, etc.) levies mills to properties within its boundaries to meet its budget needs. The amount property owners pay is based on the total mills levied from all applicable jurisdictions.

Property tax statements itemize the specific mills levied, including a description of the government services provided. The number of line items depends on how many initiatives were approved by the voters within the property's tax jurisdictions, as well as additional levies approved by state legislation.

In the example tax statement, there are 43 line items across six different tax jurisdictions. These line items total 559.860 mills levied.

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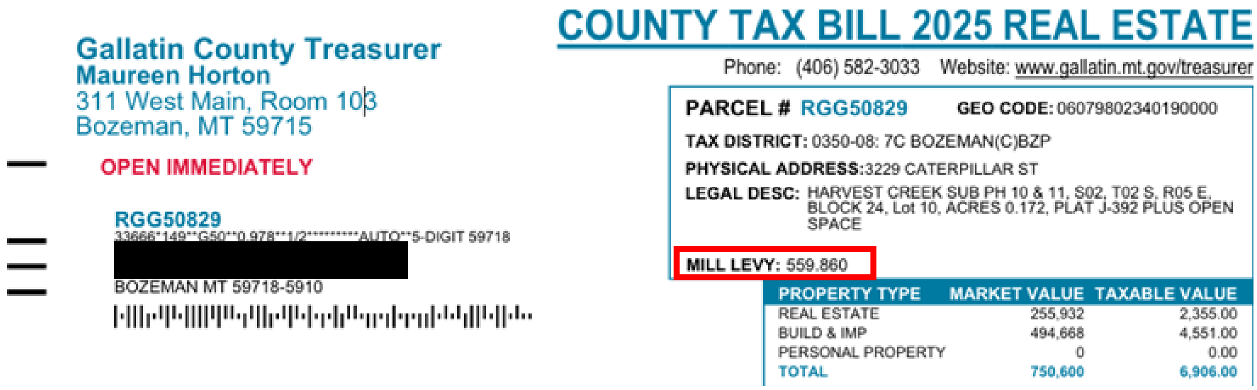
UN	UNIVERSITY 6 MILL LEVY	6.000	$41.44
	TOTAL	559.860	$3,866.39

The mills levied is prominently displayed on tax statements.



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PERSONAL PROPERTY	0	0.00
TOTAL	750,600	6,906.00

4a. All properties within the same tax jurisdiction are subject to the same mill levy

All properties within the same tax jurisdiction are subject to the same mill levy, regardless of property class.

5. Property Taxes

To calculate Property Taxes, apply the following formula:

$$Property\ Taxes = Taxable\ Value \times \left(\frac{Mill\ Levy}{1000}\right)$$

Example

For the example tax statement, the calculation is:

$$Property\ Taxes = \$6{,}906 \times \left(\frac{559.86}{1000}\right) = \$3{,}866.39$$

5a. Special Assessments (add-ons)

In addition to regular property taxes, a property tax statement may include special assessments – additional charges imposed by a tax jurisdiction to fund specific public projects and services that directly benefit the property. Projects include street paving and repairs, sewer and water system upgrades, boulevard maintenance, sidewalk installation, and streetlights or other local infrastructure improvements. These are usually flat fees and are listed as line items line under Special Assessments on your property tax bill.

Example

In the example tax statement, there are three special assessments totaling \$636.21. The first is the *Gallatin County Conservation District Mills*, amounting to \$3.59.

SPECIAL ASSESSMENTS				
KEY	DESCRIPTION	1ST HALF	2ND HALF	TOTAL
OT	GLTN CONSV DIST MILLS	1.80	1.79	$3.59
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OT	OPEN SPACE BOND MILLS	3.11	3.11	$6.22
TOTAL SPECIAL ASSESSMENTS		318.11	318.10	$636.21

5b. Total Property Taxes

Total Property Taxes equal the sum of the property taxes owed and any special assessments:

Total property taxes = $3,866.39 + $636.21 = $4502.60

TOTAL TAX	1ST HALF	2ND HALF	TOTAL YEAR
TOTAL GENERAL TAXES	1,933.20	1,933.19	3,866.39
TOTAL SPECIAL ASSESSMENTS	318.11	318.10	636.21
TOTAL	**$2,251.31**	**$2,251.29**	**4,502.60**

In Montana, property taxes are divided into two equal payments, one in May and another in December of the subsequent tax year.

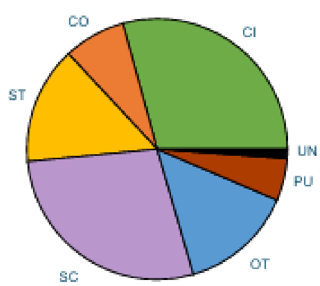
5c. One Tax Bill for All Tax Jurisdictions

In Montana, the county is responsible for administering property tax statements on behalf of all applicable tax jurisdictions. This means that property owners receive a single tax bill that includes taxes from various jurisdictions (such as city, county, school district, and other special districts). Once the payment is made, the county transfers the funds to the respective tax jurisdictions on the property owner's behalf.

Example

The statement provides a summary of how much taxes are paid to each tax jurisdiction.

DISTRIBUTION BREAKDOWN



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