



Taxes in a Targeted Economic Development District

The proposed project is located in a **Targeted Economic Development District (TEDD)**

The “**Base**” of a TEDD Refers to the district’s current **taxable value**. This base starts on Jan. 1 of the year the district was created (Montana Connections was created in 2023)

The class seventeen property classification, which applies to data centers, is taxed at **0.9%** of it’s market value. Market value is assessed each year by the Montana Department of Revenue.

Tax Increment Capture
Future increases in property tax revenue are referred to as “increment” and are generated by new development in the district and go to the district, not the general fund.

Use of Increment
 Increment funds can be used to pay for public improvements such as roads, water, sewer, or site preparation.

Sample Year 1

Real Property (Buildings and Land)		
Market Value		\$ 10,000,000
Tax Rate		0.90%
Taxable Value		\$ 90,000
Mills Assessed (MCTEDD)		562.42
Property Tax Assessed		\$ 50,618
Personal Property (Equipment)		
Market Value		\$ 10,000,000
Tax Rate		0.90%
Class 17 property		\$ 90,000
		\$ -
		\$ 90,000
Mills Assessed		562.42
Property Tax Assessed		\$50,618
Total		\$ 101,236

Sample Year 2

Real Property (Buildings and Land)		
Market Value		\$ 50,000,000
Tax Rate		0.90%
Taxable Value		\$ 450,000
Mills Assessed (MCTEDD)		562.42
Property Tax Assessed		\$ 253,089
Personal Property (Equipment)		
Market Value		\$ 50,000,000
Tax Rate		0.90%
Class 17 property		\$ 450,000
		\$ -
		\$ 450,000
Mills Assessed		562.42
Property Tax Assessed		\$253,089
Total		\$ 506,178





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