



Montana Department of  
**REVENUE**

## Montana Property Tax Refund

A “Ready Return” Case Study



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A “Ready Return” Case Study

- <http://youtube.com/watch?v=XDyM4CfExX>  
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## Montana Property Tax Refund

### A "Ready Return" Case Study



- Special Session of the 2007 Montana Legislature passes \$400 refund of residential property taxes paid.
- More than 242,000 Montana property owners applied for the refund, claiming nearly \$95 million in refund payments.
- Montana touts implementation as a success!



## Montana Property Tax Refund

### A "Ready Return" Case Study

- Governor signs bill into law June 1, 2007
- Montana Department of Revenue has 2 ½ month window to be ready to accept refund requests
- Keys to successful implementation include:
  - An online information system that worked
  - Simple form and instructions
  - Critical analysis of the residential property tax database
  - Marketing efforts to inform the public

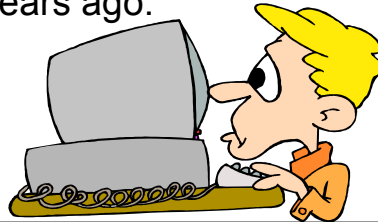




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### A "Ready Return" Case Study

- Montana achieves a 55% electronic filing rate for the \$400 refund!
- Direct web filing is department's first attempt at *operating* a mass population e-filing service.
- Through successful implementation, DOR is winning back public confidence after a failed computer system, some years ago.



## Montana Property Tax Refund

### A "Ready Return" Case Study

#### Total Refund Applications Received Through December 31, 2007

| Cumulative<br>On-line<br>Filings | Cumulative<br>Paper<br>Filings | Total<br>Filings | %<br>Electronic<br>Filings to<br>Total |
|----------------------------------|--------------------------------|------------------|--|
| 134,348                          | 108,162                        | 242,510          | 55.40%                                 |




# Montana Property Tax Refund

## A "Ready Return" Case Study

### Was It All Technology?

- A key element to the success was a simple pre-populated form, the "Ready Return".
- The "Ready Return" was mailed to 91% of the total population considered eligible, along with clear instructions.
- 72% of the population mailed the "Ready Return" received a refund.



 **REVENUE**

**Homeowner Property Tax Refund**

The deadline to file this claim is December 31, 2007.  
To speed your refund we encourage you to file electronically at [mt.gov](http://mt.gov).

The 2007 Montana Legislature passed a law to refund up to \$400 of property taxes paid in 2006 (or earlier years in some cases) for your principal residence, if you meet certain qualifications.

VERENDA SMITH  
C/O FEDERATION OF TAX ADMINISTRATORS  
444 N CAPITOL ST NW STE 348  
WASHINGTON DC 20001

If your mailing address has changed, check this box and print your new address below.

**Do you qualify?**  
You qualify for this refund if you meet the statutory requirements, which include:

- You were the owner (or contractee for deed) in 2006 of residential property
- You lived in this property as your principal residence for at least seven months in 2006.
- You paid property taxes on your principal residence in 2006.

See [Special Information page](#) for further details.

This claim was sent to you because our records indicate that you are the owner (or contractee for deed) of the property listed below as of December 31, 2006 and, therefore, you may qualify for the property tax refund.

**Principal residence** (If more than one property is listed, please indicate in the appropriate check box which property qualifies as your principal residence.)

| Property Address   | Geocode         | Property Owner Name |
|--|-----------------|---------------------|
| <input type="checkbox"/> 1 FTA S/FLE WAY HELENA MT 59624 | 012446760000000 | SMITH VERENDA       |

If you did not check a box enter the address of your principal residence that qualifies here. To speed your refund, enter your property geocode (optional). See "Definitions" for geocode and how to find it.

Physical address of the property \_\_\_\_\_ Property geocode (optional) \_\_\_\_\_

**Amount of refund** (check one)

I'm claiming the maximum \$400 allowed

I paid less than \$400, therefore, I am claiming the amount I paid - enter amount \$ \_\_\_\_\_

**Under penalty of false swearing I state:** To my knowledge I am the only claimant for the property listed above, that I meet the eligibility requirements and believe that I am lawfully entitled to the homeowner property tax refund.

Printed name of property owner \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Social security number (required) \_\_\_\_\_ Daytime telephone number \_\_\_\_\_

If you wish to use direct deposit, enter your bank routing and account numbers below.

RTN# \_\_\_\_\_ ACCT# \_\_\_\_\_  Checking  Savings

*For a faster refund you can file electronically by visiting the state of Montana's website at [mt.gov](http://mt.gov). If you do not wish to file electronically, please complete and return this form to: Montana Department of Revenue, PO Box 6932, Helena MT 59604-9332.*

If you have questions, please call us toll free at 1-866-859-2254 or in Helena at 444-6869.



## Montana Property Tax Refund

### A "Ready Return" Case Study

Analysis of property valuation data was critical in producing "ready returns" and contributing to the success of the program.

- Isolating residences from over 500,000 parcels
- Combining all properties for a single owner to minimize multiple mailings to the same owner
- Removing residential properties that are owned for commercial purposes
- Removing non-residents from data base



## Montana Property Tax Refund

### A "Ready Return" Case Study

Pre-Populating the "Ready Return" with good data worth the effort

| Refund Requests Denied<br>Through December 31, 2007 |                    |                           |
|---|--------------------|---------------------------|
| Refund Requests Denied                              | Cumulative Filings | % Denied Filings To Total |
| 2,237   | 242,510            | 0.922%                    |



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#### Refund Requests Denied – Reasons Denied Through December 31, 2007

| Category                        | # Denied | % of Denied |
|---------------------------------|----------|-------------|
| Multiple Claims for SSN         | 9        | .4%         |
| Vacant or Undeveloped Parcels   | 84       | 3.8%        |
| Commercial Property             | 106      | 4.7%        |
| Duplicate Claims For Address    | 419      | 18.7%       |
| IT Return Filed as Non-Resident | 455      | 20.4%       |
| Not Qualified                   | 1,163    | 52.0%       |

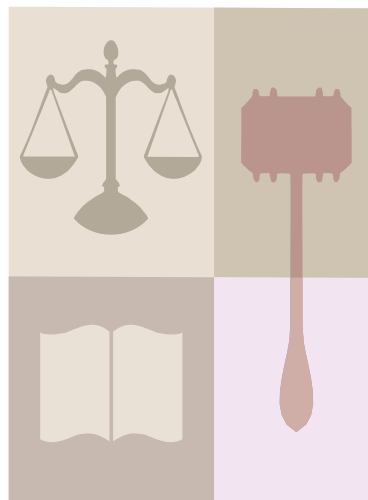


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#### Appeals

|   |   |
|---|---|
| Total Appealed –<br>Out of 242,510<br>Refund Applications | 2 |
| Settled   | 1 |





## Montana Property Tax Refund

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#### Marketing the \$400 Refund to the Public



- Letters or pre-populated returns mailed to taxpayers
- Generic forms made available in public places statewide including Montana Department of Revenue offices, county courthouses and libraries
- Articles posted in the department's newsletter, as well as stories run in the media
- Governor emailed all state employees describing the refund program



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#### Marketing the \$400 Refund to the Public



- Department hired increased staff and provided a toll-free telephone number
- \$400 Property Tax Refund posted on State of Montana Website, along with video tutorial on qualifications and electronic form and instructions
- Public Service Announcements from the Governor run on radio and television



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