



GOVERNOR GREG GIANFORTE
DIRECTOR BRENDAN BEATTY

MEMORANDUM

TO: Danielle Vincent, Department of Administration
FROM: Dylan Cole, Tax Policy and Research
DATE: April 3, 2023
RE: Inflation Factor for Mill Levy Calculation in 15-10-420, MCA, for FY 2024

The inflation factor for FY 2024 is 2.46%.

Per 15-10-420, MCA, “a governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3 years.”

Additionally, the Department of Revenue shall, “calculate one-half of the average rate of inflation for the prior 3 years by using the consumer price index (CPI), U.S. city average, all urban consumers, using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States Department of Labor.”

One-half the average rate of (compounding) inflation was determined by taking the cubed root of the CPI for December 2022 (296.797) divided by the CPI for December 2019 (256.974), subtracting one, and multiplying the result by 50%.

$$\left(\text{Inflation Factor} \right) = \left(\sqrt[3]{\frac{CPI_{2022}}{CPI_{2019}}} - 1 \right) (50\%) = \left(\sqrt[3]{\frac{296.797}{256.974}} - 1 \right) (50\%) = 2.46\%$$

If you have any questions, please feel free to contact me by way of email at Dylan.Cole@mt.gov or by phone at 406-444-6634.

Cc: Eric Bryson, MACo
Kelly Lynch, MLCT
Kory Hofland, DOR PAD
Julia Pattin, LFD
Ralph Franklin, OBPP
Eric Dale, DOR TPR
Brendan Beatty, DOR