

# Montana Housing Fairness Credit

The Montana Housing Fairness Credit is a tax credit targeted to residential homeowners and renters who are facing high property taxes as a share of their income. It is the solution to rising housing costs for Montanans with low and moderate incomes.

## RENTERS ARE WAITING

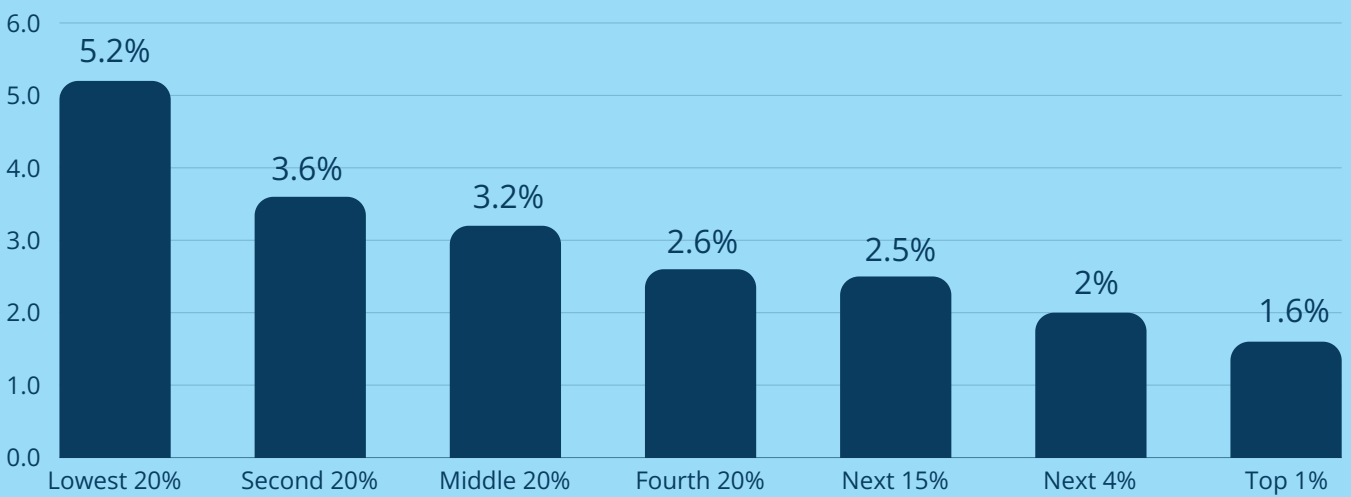
# 130,000

Let's talk about the reality: renters contribute to property taxes through their rent, yet 130,000 of them in Montana are left out of property tax relief discussions. Renters and homeowners with low and moderate incomes pay the highest property tax rates.

## FAMILIES LIVING ON LOW INCOMES PAY GREATEST SHARE OF INCOME IN PROPERTY TAXES

Property taxes tend to be regressive because they do not consider a homeowner's income or ability to pay and because housing costs tend to be larger in proportion to the income of households living on lesser means than households with more wealth.

It is important to remember that property taxes are not limited to property owners. Renters pay a portion of the property taxes paid on rental properties because the taxes are "passed through" by the landlords when setting the rent amount.



## LOWER TAX RATE

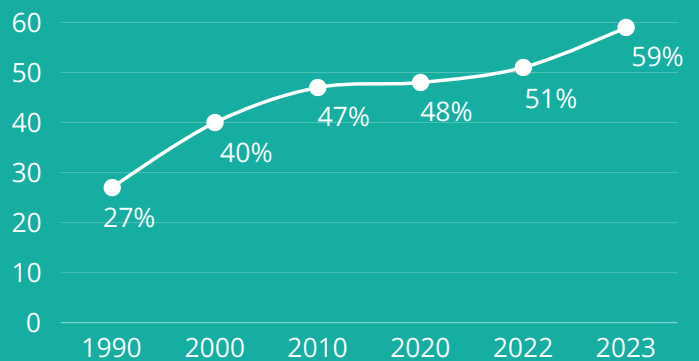
For Montanans with the lowest incomes, the Montana Housing Fairness Credit would cut their effective property tax rate in half from nearly 9% to around 4.5%



# 4.5%

## TAX SHIFT TO HOMEOWNERS

Residential Property Has Grown as a Share of Overall Taxable Value



The Legislature has contributed to a tax shift by cutting tax rates and creating exemptions for other types of property. Lowering tax rates and exempting property decreases the taxable value for the entire local jurisdiction, lowering local revenue. To maintain consistent revenue mill levies are increased, resulting in a tax shift to homeowners and other property owners.

## LONG TERM SOLUTION

The Montana Housing Fairness Credit is especially important as it includes renters, who have been impacted by increasing housing costs. Excluding renters from property tax assistance programs leaves much of the regressivity of the property tax in place. This credit is a long-term solution to property taxes that can help families struggling with housing costs get back on track.

Help support the Montana Housing Fairness Credit to help even out our unfair tax code and provide tax relief to renters and homeowners!

For more information or want to help, reach out to **Aubrey Godbey, Policy Analyst**, at [agodbey@montanabudget.org](mailto:agodbey@montanabudget.org)