Remarkable BEABILLINGS

YELLOWSTONE COUNTY | CITY OF BILLINGS TAX ABATEMENT PROGRAM ANNUAL REPORT

2022 & 2023



Building REMARK/BLE







MCA 15-24-1401 & 1402 NEW AND EXPANDING INDUSTRY PROGRAM

- Designed for businesses that invest in new machinery and equipment
- To qualify businesses must meet specific criteria including the amount of investment, creation, and retention of jobs, and location
- Allows 50% OR 75% tax liability reduction on the assessed value of the qualified investments through years 1-5 and then scales to 100% in years 6-10



MCA 15-24-1501 & 1502 REMODELING, RECONSTRUCTION, OR **EXPANDING OF BUILDING STRUCTURES**

- Designed for businesses investing in remodeling, reconstruction, or expansion of building structures
- Eligible businesses must engage in certain qualifying activities including constructing new facilities, making substantial improvements to existing properties, or creating jobs within the designated area
- Allows for 100% tax liability reduction on the newly constructed, remodeled, or expanded property from years 1-5
- Previous tax valuation on existing property continues at full value



NEW AND EXPANDING INDUSTRY PROGRAM

TAX SAVINGS BREAKDOWN

Applied only to the assessed value of qualified investments

50% TAX ABATEMENT						
YEAR	TAX LIABILITY	SAVINGS				
1st Five years after permit issued	50%	50%				
6 th Year	60%	40%				
7 th Year	70%	30%				
8 th Year	80%	20%				
9 th Year	90%	10%				
10 th Year	100%	0%				
Following Years	100%	0%				

75% TAX ABATEMENT						
YEAR	TAX LIABILITY	SAVINGS				
1st Five years after permit issued	25%	75%				
6 th Year	40%	60%				
7 th Year	55%	45%				
8 th Year	70%	30%				
9 th Year	85%	15%				
10 th Year	100%	0%				
Following Years	100%	0%				

^{*} Years following construction, commencing the first five years after a construction permit is issued

REMODELING, RECONSTRUCTION, OR EXPANDING OF BUILDING STRUCTURES

TAX SAVINGS BREAKDOWN

Applied only to the assessed value of qualified remodeling, reconstruction or expansions

100% TAX ABATEMENT						
YEAR	TAX LIABILITY	SAVINGS				
Construction period	0%	100%				
1 st First year post construction	0%	100%				
2 nd Year	0%	100%				
3 rd Year	0%	100%				
4 th Year	0%	100%				
5 th Year	0%	100%				
Following Years	100%	0%				



^{*} Years following construction, commencing the first five years after a construction permit is issued

ANNUAL REPORT





2023 TAX ABATEMENTS – CITY / COUNTY

COMPANY	START DATE	TERM	TAX LIABILITY	CAPITAL INVESTMENT	2023 TAX SAVINGS
Aspen Air U.S, LLC	2015	10	50%	\$7,156,703.00	\$4,117.03
Billings Flying Service, Inc	2017	10	50%	\$2,200,000.00	\$7,226.70
Rimrock Subaru	2019	5	100%	\$10,010,000.00	\$55,343.12
MRB Properties	2023	10	50%	\$650,000.00	\$1,252.66
				\$20,016,703.00	\$67,939.51

Total City impact to tax base in 2023

2023 TAX ABATEMENTS – COUNTY ONLY

COMPANY	START DATE	TERM	TAX LIABILITY	CAPITAL INVESTMENT	2023 TAX SAVINGS
Summit Resource International	2015	10	50%	\$2,300,000.00	\$1,891.28
CHS Inc. Laurel Refinery (RE)	2018	10	50%	\$13,000,000.00	\$2,087.17
CHS Inc. Laurel Refinery (PP)	2018	10	50%	\$99,028,042.00	\$493,927.53
Phillips 66 (RE & PP)	2018	10	25%	\$298,803,000.00	\$2,065,990.42
				\$413,131,042.00	\$2,563,896.40

A total of \$433,147,745.00 invested in the economic vitality of Yellowstone County through this program



2022 & 2023 ANNUAL REPORT

							2022	2		2023	
COMPANY	TERM	YEARS COMPLETED	TAX LIABILITY	CAPITAL INVESTMENT	TAX SAVINGS 2023	# OF PTE	# OF FTE	TOTAL ANNUAL PAYROLL	# OF PTE	# OF FTE	TOTAL ANNUAL PAYROLL
CHS Inc. Laurel Refinery (RE)	10	5 yrs	50%	\$13,000,000.00	\$2,087.17	92	340	\$62,000,000.00	90	341	\$69,000,000.00
CHS Inc. Laurel Refinery (PP)	10	-	50%	\$99,028,042.00	\$493,927.53	-	-	-	-	-	-
Summit Resource International	10	8 yrs	50%	\$2,300,000.00	\$1,891.28	7	68	\$5,362,098.90	6	60	\$5,715,058.44
Aspen Air U.S., LLC	10	8 yrs	50%	\$7,156,703.00	\$ 4,117.03	1	11	\$1,164,940.97	1	14	\$1,068,852.49
Rimrock Subaru	5	4 yrs	100%	\$10,010,000.00	\$55,343.12	3	34	\$3,077,263.00	2	35	\$2,978,802.00
MRB Properties LLC	10	1 yr	50%	\$650,000.00	\$1,252.66	4	12	\$700,971.00	4	12	\$785,147.00
Phillips 66 (RE)	10	5 yrs	25%	\$298,803,000.00	\$2,065,990.42	0	300	\$55,357,931.00	0	300*	\$46,288,619.00
Phillips 66 (PP)	10	-	25%	-	-	-	-	-	-	-	-
Billings Flying Service, Inc.	10	6 yrs	50%	\$2,200,000.00	\$ 7,226.70	33	141	\$13,700,941.00	36	150	\$15,037,406.00

^{*} P66 has 15-18 Billings employees that report to TX, therefore the number reported is an estimation.

These programs stand as one of the few remaining economic development tools in the state













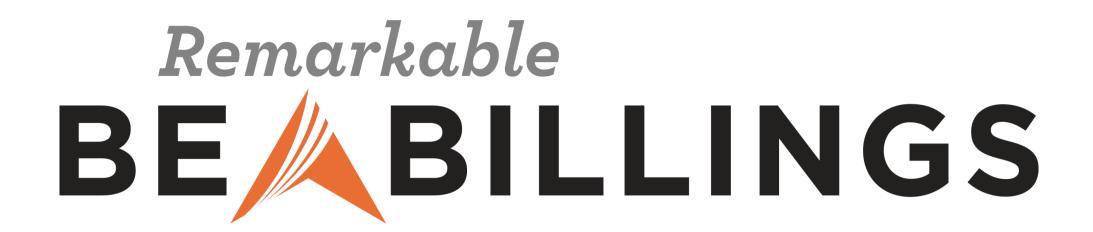












FOR QUESTIONS ABOUT TO YELLOWSTONE COUNTY TAX ABATEMENT PROGRAM, PLEASE CONTACT

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