# 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 <sup>th</sup> Year               | 60%           | 40%     |  |  |  |  |
| 7 <sup>th</sup> Year               | 70%           | 30%     |  |  |  |  |
| 8 <sup>th</sup> Year               | 80%           | 20%     |  |  |  |  |
| 9 <sup>th</sup> Year               | 90%           | 10%     |  |  |  |  |
| 10 <sup>th</sup> Year              | 100%          | 0%      |  |  |  |  |
| Following Years                    | 100%          | 0%      |  |  |  |  |

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

<sup>\*</sup> 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 <sup>st</sup> First year post construction | 0%            | 100%    |  |  |  |  |
| 2 <sup>nd</sup> Year                         | 0%            | 100%    |  |  |  |  |
| 3 <sup>rd</sup> Year                         | 0%            | 100%    |  |  |  |  |
| 4 <sup>th</sup> Year                         | 0%            | 100%    |  |  |  |  |
| 5 <sup>th</sup> Year                         | 0%            | 100%    |  |  |  |  |
| Following Years                              | 100%          | 0%      |  |  |  |  |



<sup>\*</sup> 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<br>COMPLETED | TAX<br>LIABILITY | CAPITAL INVESTMENT | TAX SAVINGS<br>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      |

<sup>\*</sup> 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













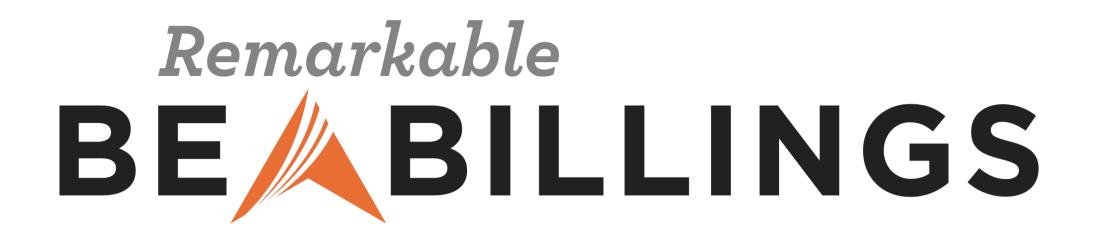












FOR QUESTIONS ABOUT TO YELLOWSTONE COUNTY TAX ABATEMENT PROGRAM, PLEASE CONTACT

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