

HOUSE JOINT RESOLUTION NO. 2

INTRODUCED BY DEVLIN

BY REQUEST OF THE REVENUE AND TRANSPORTATION INTERIM COMMITTEE

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A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN OFFICIAL ESTIMATE OF THE STATE'S ANTICIPATED GENERAL FUND REVENUE FOR EACH YEAR OF THE 2004-05 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED GENERAL FUND BUDGET AS MANDATED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION; ACCEPTING A PRELIMINARY JUNE 30, 2002, UNRESERVED GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; ESTABLISHING OFFICIAL ESTIMATES OF CERTAIN NONGENERAL FUND REVENUE; AND REQUESTING THAT THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVENUE ESTIMATES FOR FISCAL YEARS 2003, 2004, AND 2005.

WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to the Legislature a budget for the ensuing fiscal period, containing in detail for all operating funds the proposed expenditures and estimated revenue of the state; and

WHEREAS, Article VIII, section 9, of the Montana Constitution prohibits the Legislature from appropriating funds in excess of the anticipated revenue of the state; and

WHEREAS, section 5-18-107, MCA, requires the Revenue and Transportation Interim Committee to estimate the amount of revenue projected to be available for legislative appropriation and to introduce a resolution setting forth the Committee's current revenue estimate for the biennium; and

WHEREAS, section 5-18-107(2), MCA, expresses the Legislature's intent that its revenue estimates and the underlying assumptions used to derive those estimates be used by all agencies in the development of fiscal notes; and

WHEREAS, section 5-12-302(6), MCA, requires the Legislative Fiscal Analyst to assist the Revenue and Transportation Interim Committee in



1 its revenue estimating duties; and

2 WHEREAS, to assist in its revenue estimating responsibilities, the Revenue and Transportation Interim Committee requested the expert  
3 assistance of the Legislative Fiscal Analyst, as allowed in section 5-18-107(3), MCA, to provide information on taxes, the economy, and revenue sources;  
4 and

5 WHEREAS, the Revenue and Transportation Interim Committee obtains the assistance of Executive Branch agencies in the development of the  
6 revenue estimates; and

7 WHEREAS, the Revenue and Transportation Interim Committee has adopted revenue estimates and the underlying assumptions used to derive  
8 those estimates for the general fund and for specific nongeneral fund sources that are significant in the development of the state budget for the 2005  
9 biennium; and

10 WHEREAS, PPL-MONTANA HAS DISPUTED THE ASSESSED VALUE OF ITS HYDROELECTRIC FACILITIES IN THE STATE AND HAS PAID A PORTION OF ITS  
11 PROPERTY TAXES UNDER PROTEST THEREBY REDUCING THE AMOUNT OF REVENUE AVAILABLE FOR THE STATE GENERAL FUND AND THE MONTANA UNIVERSITY SYSTEM  
12 6-MILL LEVY; AND

13 WHEREAS, the amount of estimated revenue and the general fund balance affects policy decisions of the Executive Branch and the Legislative  
14 Branch; and

15 WHEREAS, the revenue estimates and the underlying assumptions contained in this resolution provide the basis for a comprehensive analysis  
16 of the state's revenue condition.

17

18 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

19 That the state general fund revenue for fiscal years 2003, 2004, and 2005 be estimated to be ~~\$1,208,833,000~~ ~~\$1,207,542,000~~ \$1,195,014,000,  
20 ~~\$1,236,422,000~~ \$1,241,443,000, and ~~\$1,291,497,000~~ \$1,296,456,000, respectively.

21 BE IT FURTHER RESOLVED, that the Legislature accept for budget purposes the preliminary unreserved fiscal year 2002 fund balance of

1 ~~\$83,228,000~~ \$81,316,000 for the general fund, prepared according to generally accepted accounting principles.

2 BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use the revenue estimates and the underlying  
 3 assumptions contained in this resolution as the official revenue estimates for fiscal years 2003, 2004, and 2005.

4 GENERAL FUND REVENUE

5 The projections for total general fund revenue for fiscal years 2003, 2004, and 2005 are based on the assumption of a continuation of Montana  
 6 law as it existed on January 1, 2003. ~~The~~ EXCEPT FOR FISCAL YEAR 2003, THE revenue estimates contained in the following tables are based on the  
 7 assumptions listed in the tables that follow the general fund estimates and the assumptions for each general fund revenue source contained in the  
 8 "Revenue Estimates as Adopted by the Revenue and Transportation Interim Committee" report prepared by the Legislative Fiscal Division.

9 Current Law

10 General Fund Revenue Estimates

11 (In Millions of Dollars)

12 Adjusted

13	Actual	Estimated	Estimated	Estimated
14	FY 2002	FY 2003	FY 2004	FY 2005
15 Individual Income Tax	\$517.568	<del>\$527.400</del>	\$556.874	\$594.339
16		<u>\$520.764</u>		
17 Statewide and Vo-Tech Property Taxes	169.339	<del>473.277</del>	<del>480.179</del>	<del>486.420</del>
18		<u>172.309</u>		
19			<u>182.196</u>	<u>192.538</u>
20 <u>PPL-MONTANA PROTESTED PROPERTY TAX PAYMENTS</u>	<u>0</u>	<u>(2.091)</u>	<u>(2.129)</u>	<u>(2.167)</u>
21 Vehicle Tax	73.127	<del>73.510</del>	74.540	75.581



1			<u>74.773</u>		
2	Corporation Income Tax	68.173	<del>53.814</del>	64.782	69.223
3			<u>47.347</u>		
4	Common School Interest and Income	48.938	0.000	0.000	0.000
5	Insurance Tax and License Fees	47.291	51.446	56.038	58.441
6	Video Gambling Tax	43.666	<del>44.417</del>	44.755	45.811
7			<u>45.219</u>		
8	All Other Revenue	43.216	<del>25.808</del>	<del>18.783</del>	<del>18.877</del>
9			<u>26.608</u>	<u>23.916</u>	<u>19.885</u>
10	Permanent Coal Trust Interest Earnings	37.605	36.825	37.249	37.920
11	Motor Vehicle Fee	27.271	27.703	28.368	29.049
12	U.S. Mineral Royalty	19.772	22.715	23.469	22.980
13	Telecommunications Excise Tax	19.594	20.100	20.701	21.674
14	Tobacco Settlement	18.647	19.025	3.105	3.182
15	Public Institution Reimbursements	14.283	15.541	13.939	14.046
16	Estate Tax	13.816	<del>10.153</del>	7.516	4.625
17			<u>11.015</u>		
18	Oil and Natural Gas Production Tax	12.902	<del>16.043</del>	14.600	14.469
19			<u>18.403</u>		
20	Treasury Cash Account Interest	12.414	<del>11.200</del>	14.060	17.331
21			<u>7.456</u>		

1	Liquor Excise and License Tax	9.514	9.854	10.239	10.624
2	Coal Severance Tax	8.469	10.221	8.384	7.857
3	Cigarette Tax	7.887	7.870	7.764	7.667
4	Lottery Profits	7.467	6.210	6.255	6.318
5	Nursing Facilities Fee	5.918	5.723	5.670	5.624
6	Liquor Profits	5.600	5.637	5.399	5.365
7	Investment License Fee	4.992	4.567	4.613	4.659
8	Electrical Energy Producers' License Tax	4.197	4.329	4.408	4.483
9	Highway Patrol Fines	4.062	4.142	4.224	4.308
10	Metalliferous Mines Tax	3.329	4.842	2.967	2.753
11	Public Contractors Tax	3.267	2.679	3.354	3.356
12	Wholesale Energy Transaction Tax	2.906	3.373	3.432	3.492
13	Beer Tax	2.784	2.918	3.058	3.205
14	Driver's License Fee	2.580	2.355	2.373	2.391
15	Tobacco Tax	2.183	2.262	2.353	2.444
16	Railroad Car Tax	1.490	1.577	1.688	1.681
17	Wine Tax	1.232	1.264	1.283	1.302
18	Telephone License Tax	0.212	0.033	0.000	0.000
19	Total General Fund	\$1,265.713	<del>\$1,208.833</del>	<del>\$1,236.422</del>	<del>\$1,291.497</del>
20			<u>\$1,207.542</u>	<u>\$1,241.443</u>	<u>\$1,296.456</u>
21			<u>\$1,195.014</u>		



SIGNIFICANT ASSUMPTIONS FOR GENERAL FUND REVENUE ESTIMATES					
Revenue and Transportation Interim Committee					
Year	Assumption	2002	2003	2004	2005
Individual Income Tax					
FY	Income Tax Audit Collections (Millions)	\$18.573	\$16.800	\$18.700	\$18.700
CY	Taxpayer Population (Percent Change)	0.73%	0.92%	1.23%	1.39%
FY	30% Bonus Depreciation (Percent Change)	100.00%	(16.67%)	(30.00%)	(119.43%)
Income Indicators					
CY	Wage and Salary Income (Percent Change)	3.70%	4.20%	4.80%	5.00%
CY	Net Farm Income (Percent Change)	(26.40%)	0.59%	(13.87%)	6.94%
CY	Interest Income (Percent Change)	(22.77%)	(11.22%)	27.20%	10.00%
CY	Dividend Income (Percent Change)	3.58%	4.81%	2.71%	2.34%
CY	Rent, Royalty, and				
	Partnership Income (Percent Change)	7.38%	8.40%	8.06%	7.16%
CY	Net Business Income (Percent Change)	1.22%	0.86%	1.48%	0.72%
CY	Capital Gains and Losses				
	(Percent Change)	(28.00%)	0.00%	7.50%	7.50%
CY	Supplemental Gains (Percent Change)	(11.97%)	(2.80%)	29.38%	(2.62%)
CY	Social Security Income (Percent Change)	7.46%	6.75%	6.18%	5.69%
CY	IRA Income (Percent Change)	0.49%	3.87%	8.04%	8.04%
CY	Pension Income (Percent Change)	0.49%	3.87%	5.89%	5.89%

1	CY	Other Income (Percent Change)	0.00%	0.00%	0.00%	0.00%
2	CY	Bond Interest (Percent Change)	5.30%	4.25%	6.98%	8.04%
3	CY	Federal Income Tax Refunds				
4		(Percent Change)	15.48%	0.37%	8.70%	6.02%
5	CY	Other Additions to Income				
6		(Percent Change)	8.58%	0.67%	5.55%	4.31%
7	CY	IRA Deduction (Percent Change)	8.55%	5.38%	4.41%	7.37%
8	CY	Reductions to Income (Percent Change)	(2.91%)	2.75%	4.98%	3.97%
9		Deductions From Income				
10	CY	Medical Premiums (Percent Change)	5.87%	5.87%	5.87%	5.87%
11	CY	Medical Deductions (Percent Change)	16.85%	8.51%	6.20%	6.78%
12	CY	Real Estate Tax (Percent Change)	3.00%	3.00%	3.00%	3.00%
13	CY	Prior Year Federal Tax Payments				
14		(Percent Change)	1.31%	3.33%	3.22%	3.12%
15	CY	Motor Vehicle Taxes and Fees				
16		(Percent Change)	2.00%	2.00%	2.00%	2.00%
17	CY	Home Mortgage (Percent Change)	0.85%	3.78%	9.27%	9.95%
18	CY	Contributions (Percent Change)	7.84%	9.96%	7.44%	6.98%
19	CY	Gambling Losses (Percent Change)	0.00%	0.00%	0.00%	0.00%
20	CY	Total Itemized Deductions				
21		(Percent Change)	(0.20%)	3.79%	4.44%	4.19%

1		Credits				
2	CY	Home Owner and Renter Credit (Millions)	\$9.640	\$9.736	\$9.834	\$10.031
3	CY	All Credits (Percent Change)	(19.19%)	20.31	1.94%	3.57%
4	CY	Planned Gifts (Percent Change)	(52.93%)	78.98%	(10.40%)	(4.84%)
5		Other Individual Income Tax Assumptions				
6	CY	Tax Liability (Millions)	\$505.564	\$519.529	\$558.116	\$590.477
7	CY	Current Calendar Year to				
8		Fiscal Year Conversion	52.1%	52.1%	52.1%	52.1%
9	CY	Previous Calendar Year to				
10		Fiscal Year Conversion	47.9%	47.9%	47.9%	47.9%
11	FY	Fiscal Year 2002 Base (Millions)	\$517.568			
12		Property Taxes: Taxable Value and Other Property Tax Indicators				
13		Taxable Value--40-Mill, 55-Mill, and 1.5-Mill Levies				
14	FY	Property Class One (Millions)	\$7.843	\$8.691	\$8.691	\$8.691
15	FY	Property Class Two (Millions)	\$11.015	\$10.669	\$8.753	\$8.479
16	FY	Property Class Three (Millions)	\$139.057	\$138.900	<del>\$138.483</del>	<del>\$138.068</del>
17					<u>\$141.803</u>	<u>\$145.361</u>
18	FY	Property Class Four (Millions)	\$954.102	\$1,002.874	<del>\$1,042.989</del>	<del>\$1,084.708</del>
19					<u>\$1,061.830</u>	<u>\$1,143.202</u>
20	FY	Property Class Five (Millions)	\$35.668	\$35.382	\$36.373	\$37.391
21	FY	Property Class Six (Millions)	\$12.459	\$3.824	\$0.000	\$0.000



1	FY	Property Class Seven (Millions)	\$0.189	\$0.216	\$0.255	\$0.300
2	FY	Property Class Eight (Millions)	\$116.605	\$120.058	\$124.620	\$129.356
3	FY	Property Class Nine (Millions)	\$219.956	\$206.360	\$210.487	\$214.697
4	FY	Property Class Ten (Millions)	\$8.199	\$7.170	<del>\$7.497</del>	<del>\$7.562</del>
5					<u>\$6.838</u>	<u>\$6.894</u>
6	FY	Property Class Twelve (Millions)	\$48.658	\$46.688	\$47.896	\$48.394
7	FY	Property Class Thirteen (Millions)	\$144.488	\$137.185	\$139.929	\$142.727
8	FY	Total Taxable Value (Millions)	\$1,671.590	\$1,691.086	<del>\$1,737.421</del>	<del>\$1,790.115</del>
9					<u>\$1,758.923</u>	<u>\$1,855.234</u>
10		Other Property Tax Indicators				
11	FY	Tax Increment Finance Value (Millions)	\$30.530	\$30.803	\$32.423	\$34.129
12	FY	Property Tax Abatement Value (Millions)	\$3.880	\$3.870	\$3.870	\$3.870
13	FY	Taxable Value in Vo-Tech Counties				
14		(Millions)	\$563.452	\$587.107	<del>\$602.781</del>	<del>\$620.677</del>
15					<u>\$611.232</u>	<u>\$644.762</u>
16		Property Tax Nonlevy Revenue				
17	FY	40-Mill Nonlevy Revenue (Millions)	\$4.650	\$4.592	\$4.979	\$4.936
18	FY	40-Mill Adjustments (Millions)	(\$9.888)	(\$8.475)	(\$7.063)	(\$5.650)
19	FY	55-Mill Nonlevy Revenue (Millions)	\$16.144	\$16.056	\$16.734	\$16.572
20	FY	55-Mill Adjustments (Millions)	\$0.000	(\$0.430)	(\$0.430)	(\$0.430)
21	FY	1.5-Mill Nonlevy Revenue (Millions)	\$0.020	\$0.000	0.000	\$0.000

1	FY	1.5-Mill Adjustments (Millions)	\$0.034	\$0.000	\$0.000	\$0.000
2		Vehicle Tax				
3	FY	Large Trucks Growth Rate				
4		(Percent Change)	0.00%	2.10%	2.10%	2.10%
5	FY	Motor Home Growth Rate (Percent Change)	0.00%	2.10%	2.10%	2.10%
6	FY	Light Vehicle Growth Rate				
7		(Percent Change)	0.00%	2.10%	2.10%	2.10%
8	FY	Boat and Snowmobile Growth Rate				
9		(Percent Change)	0.00%	2.10%	2.10%	2.10%
10	FY	New Light Vehicle Registration				
11		Growth Rate (Percent Change)	0.00%	2.10%	2.10%	2.10%
12		Corporation License Tax				
13	FY	U.S. Profits (Billions)	\$666.200	\$761.500	\$794.000	\$819.600
14	FY	Penalty and Interest (Millions)	\$1.659	\$0.000	\$0.000	\$0.000
15	FY	Corporate Income Tax Audits (Millions)	\$4.257	\$4.500	\$4.000	\$3.500
16	FY	Depreciation (Millions)	\$0.000	(\$5.000)	(\$3.500)	\$0.680
17	FY	Adjustments (Millions)	\$0.000	(\$9.000)	\$0.000	\$0.000
18		Insurance Premiums Tax and License Fees				
19	FY	General Fund Fee Revenue (Millions)	\$0.291	\$0.291	\$0.291	\$0.291
20	FY	Genetics Fee (Millions)	\$0.570	\$0.575	\$0.575	\$0.575
21	FY	Premiums Tax (Millions)	\$47.678	\$52.823	\$56.790	\$59.193

1	FY	Offsets (Millions)	\$0.736	\$1.843	\$1.218	\$1.218
2	FY	Refunds (Millions)	\$0.513	\$0.400	\$0.400	\$0.400
3		Video Gambling Tax				
4	FY	Video Machine Net Income (Millions)	\$290.307	\$296.114	\$302.036	\$308.076
5		Motor Vehicle Fee--General Fund Allocations				
6	FY	Motor Vehicle Registration Fee				
7		(Millions)	\$21.180	\$21.491	\$22.007	\$22.535
8	FY	Recording of Liens Fee (Millions)	\$0.728	\$0.745	\$0.763	0.782
9	FY	Title Fee (Millions)	\$2.353	\$2.409	\$2.467	\$2.526
10	FY	Personal License Plate Fee (Millions)	\$1.270	\$1.300	\$1.331	\$1.363
11	FY	New License Plate Fee (Millions)	\$0.525	\$0.537	\$0.550	\$0.563
12	FY	Computer Fee (Millions)	(\$0.001)	\$0.000	\$0.000	\$0.000
13	FY	Highway Patrol Fee (Millions)	\$0.024	\$0.000	\$0.000	\$0.000
14	FY	Senior Citizen Transit Fee (Millions)	\$0.109	\$0.111	\$0.114	\$0.117
15	FY	Other Fees (Millions)	\$1.084	\$1.110	\$1.137	\$1.164
16		U.S. Mineral Royalty				
17	CY	Oil Production (Millions of Barrels)	2.920	2.955	2.987	3.101
18	CY	Coal Production (Millions of Tons)	24.299	22.001	23.315	20.827
19	CY	Natural Gas Production (MMCF)	23.708	25.719	27.569	29.271
20	CY	Oil Price (Per Barrel)	\$22.519	\$21.711	\$21.224	\$20.737
21	CY	Coal Price (Per Ton)	\$8.465	\$8.300	\$8.195	\$7.730

1	CY	Natural Gas Price (Per MCF)	\$2.574	\$3.842	\$3.727	\$3.624
2	CY	Oil Royalty Rate (Percent)	10.97%	10.94%	10.96%	10.93%
3	CY	Coal Royalty Rate (Percent)	12.34%	12.32%	12.32%	12.33%
4	CY	Natural Gas Royalty Rate (Percent)	12.28%	12.29%	12.29%	12.30%
5	CY	Other Royalties (Millions)	\$0.108	\$0.108	\$0.107	\$0.108
6	CY	Rent and Bonus (Millions)	\$4.432	\$4.450	\$4.426	\$4.226
7	CY	Administration Fee (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
8	FY	One-Time Settlement (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
9		Telecommunications Excise Tax				
10	FY	Taxable Gross Receipts (Millions)	\$525.235	\$535.991	\$560.013	\$585.963
11	FY	Credits (Millions)	\$0.135	\$0.000	\$0.300	\$0.300
12						
13		Tobacco Settlement				
14	FY	Volume Change (Percent Change)	(4.58%)	(1.50%)	(1.00%)	(1.00%)
15	FY	Cumulative Volume Change				
16		(Percent Change)	(19.22%)	(20.43%)	(21.23%)	(22.02%)
17	FY	CPI Change (Percent Change)	3.00%	3.00%	3.00%	3.00%
18	FY	Cumulative CPI Change (Percent Change)	9.68%	12.97%	16.36%	19.85%
19	FY	Operating Income Adjustment (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
20	FY	Subsequent Manufacturer's Payment				
21		(Millions)	\$144.418	\$163.154	\$189.850	\$227.543

1	Public Institution Reimbursements				
2	FY Private Payments (Millions)	\$1.483	\$2.165	\$2.181	\$2.200
3	FY Insurance Payments (Millions)	\$0.317	\$0.545	\$0.556	\$0.555
4	FY Medicaid Payments (Millions)	\$10.995	\$14.811	\$14.740	\$14.832
5	FY Medicare Payments (Millions)	\$1.488	\$2.578	\$2.629	\$2.624
6	FY Debt Service MT Developmental Center				
7	(Millions)	(\$1.075)	(\$1.075)	(\$1.079)	(\$1.076)
8	FY Debt Service MT State Hospital				
9	(Millions)	(\$1.911)	(\$1.911)	(\$1.909)	(\$1.909)
10	FY Adjustments (Millions)	\$0.000	(\$1.573)	(\$3.180)	(\$3.180)
11	Estate Tax				
12	FY Annual Change in Tax (Percent Change)	(31.89%)	(26.51%)	(25.98%)	(38.47%)
13	Oil Production Tax				
14	CY Oil Production (Million Barrels)	16.191	16.383	16.560	16.812
15	CY Montana Oil Price				
16	(Weighted Price/Barrel)	\$23.13	\$22.30	\$21.80	\$21.30
17	CY Exempt Value of Production (Millions)	\$13.632	\$13.308	\$13.158	\$13.035
18	CY Effective Tax Rate (Percent)	10.26%	10.17%	10.09%	9.98%
19	Natural Gas Production Tax				
20	CY Natural Gas Production (MMCF)	84.504	91.671	98.266	104.332
21	CY Montana Natural Gas Price				

1		(Weighted Price/MCF)	\$2.01	\$3.00	\$2.91	\$2.83
2	CY	Exempt Value of Production (Millions)	\$7.637	\$12.119	\$12.399	\$12.633
3	CY	Effective Tax Rate (Percent)	10.44%	10.29%	10.17%	10.06%
4		Treasury Cash Account Interest				
5	FY	TCA Average Balance w/TRANS (Millions)	\$273.343	\$302.847	\$302.176	\$302.345
6	FY	TCA Average Yield (Percent)	4.83%	3.70%	4.65%	5.73%
7	FY	TRANS Issue Size (Millions)	\$0.000	\$92.800	\$65.500	\$65.500
8		Liquor Excise and License Tax				
9	FY	Tribal Distributions (Millions)	(\$0.133)	(\$0.138)	(\$0.144)	(\$0.149)
10		Coal Severance Tax				
11	CY	Severance Tax Coal Production				
12		(Million Tons)	33.392	32.806	33.065	29.950
13	CY	Montana Contract Sales Price				
14		(Weighted CSP/Ton)	\$6.293	\$6.219	\$6.219	\$5.957
15		Cigarette Tax				
16	FY	Cigarette Packs (Millions)	67.334	67.195	66.288	65.459
17	FY	Effective Tax Rate Per Pack (Cents)	16.41	16.41	16.41	16.41
18	FY	Tribal Distribution (Millions)	(\$0.254)	(\$0.254)	(\$0.250)	(\$0.247)
19		Lottery Profits				
20	FY	Total Lottery Sales (Millions)	\$33.632	\$30.597	\$30.765	\$30.933
21	FY	Lottery Interest Earnings (Millions)	\$0.146	\$0.089	\$0.132	\$0.192

1	FY	Other Revenue (Millions)	\$0.039	\$0.039	\$0.039	\$0.039
2	FY	Lottery Operating Budget (Millions)	\$6.855	\$6.855	\$6.924	\$6.993
3	FY	Lottery Prizes and Commissions				
4		(Millions)	\$19.086	\$17.660	\$17.757	\$17.854
5		Nursing Facilities Fee				
6	FY	Bed Days (Millions)	2.073	2.044	2.025	2.009
7		Liquor Profits				
8	FY	Gross Liquor Sales (Millions)	\$62.515	\$64.730	\$67.260	\$69.791
9	FY	Cost of Goods Sold (Millions)	\$35.767	\$37.117	\$38.682	\$40.256
10	FY	Liquor Discounts and Commissions				
11		(Millions)	\$6.797	\$7.038	\$7.313	\$7.589
12	FY	Liquor Operating Costs (Millions)	\$1.416	\$1.530	\$1.519	\$1.523
13	FY	Other Income (Millions)	\$0.001	\$0.000	\$0.000	\$0.000
14		Investment License Fee				
15	FY	License Registration (Percent Change)	(15.23%)	(8.50%)	1.00%	1.00%
16	FY	Portfolio Growth (Percent Change)	(3.41%)	1.00%	1.00%	1.00%
17	FY	Expense Growth (Percent Change)	49.16%	3.00%	0.00%	0.00%
18		Electrical Energy Tax				
19	FY	Kilowatt Hours Produced (Millions)	21,642.219	21,645.402	22,040.741	22,417.203
20		Highway Patrol Fines				
21	FY	Highway Patrol Fines (Percent Change)	2.04%	1.98%	1.98%	1.98%

1	Metalliferous Mines Tax					
2	CY	Copper Production (Million lb)	0.343	0.391	0.391	0.391
3	CY	Silver Production (Million oz)	0.748	0.751	0.738	0.738
4	CY	Gold Production (Million oz)	0.184	0.219	0.076	0.076
5	CY	Lead Production (Million lb)	10.768	10.768	10.768	10.768
6	CY	Zinc Production (Million lb)	23.819	23.819	23.819	23.819
7	CY	Molybdenum Production (Million lb)	0.000	0.000	0.000	0.000
8	CY	Palladium Production (Million oz)	0.493	0.563	0.563	0.563
9	CY	Platinum Production (Million oz)	0.147	0.167	0.167	0.167
10	CY	Nickel Production (Million lb)	0.769	0.878	0.878	0.878
11	CY	Rhodium Production (Million oz)	0.004	0.005	0.005	0.005
12	CY	Sapphire Production (Million oz)	0.000	0.000	0.000	0.000
13	CY	Iron Oxide Production (Million lb)	0.000	0.000	0.000	0.000
14	CY	Copper Sulfide Production (Million lb)	0.000	0.000	0.000	0.000
15	CY	Copper Price (Per lb)	\$0.635	\$0.630	\$0.633	\$0.631
16	CY	Silver Price (Per oz)	\$4.630	\$4.440	\$4.680	\$4.900
17	CY	Gold Price (Per oz)	\$306.000	\$322.000	\$332.000	\$324.000
18	CY	Lead Price (Per lb)	\$0.219	\$0.215	\$0.213	\$0.216
19	CY	Zinc Price (Per lb)	\$0.378	\$0.378	\$0.378	\$0.378
20	CY	Molybdenum Price (Per lb)	\$0.000	\$0.000	\$0.000	\$0.000
21	CY	Palladium Price (Per oz)	\$321.000	\$321.000	\$321.000	\$321.000



1	CY	Platinum Price (Per oz)	\$500.000	\$500.000	\$500.000	\$500.000
2	CY	Nickel Price (Per lb)	\$2.025	\$2.025	\$2.025	\$2.025
3	CY	Rhodium Price (Per oz)	\$1,404.395	\$1,404.395	\$1,404.395	\$1,404.395
4	CY	Sapphire Price (Per oz)	\$0.000	\$0.000	\$0.000	\$0.000
5	CY	Iron Oxide Price (Per lb)	\$0.000	\$0.000	\$0.000	\$0.000
6	CY	Copper Sulfide Price (Per lb)	\$0.000	\$0.000	\$0.000	\$0.000
7	FY	Effective Tax Rate (Percent)	1.61%	1.61%	1.61%	1.61%
8		Public Contractor's Tax				
9	FY	Tax Before Credits (Millions)	\$5.055	\$5.282	\$5.995	\$6.037
10	FY	Credits and Refunds (Millions)	\$1.788	\$2.603	\$2.640	\$2.681
11		Wholesale Energy Tax				
12	CY	Kilowatt Hours (Millions)	22,987.512	23,398.127	23,794.854	24,218.358
13	FY	Kilowatt Hours (Millions)	22,775.158	22,489.410	22,880.160	23,278.167
14	FY	Credits for Taxes Paid (Million)	\$0.000	\$0.000	\$0.000	\$0.000
15		Beer Tax				
16	FY	Beer Barrels (Million)	0.881	0.924	0.968	1.014
17	FY	Tribal Distribution (Million)	(\$0.035)	(\$0.037)	(\$0.039)	(\$0.041)
18	FY	Effective Tax Rate (Percent)	4.17%	4.17%	4.17%	4.17%
19		Driver's License Fees				
20	FY	Driver's License Fees (Millions)	\$1.979	\$1.633	\$1.649	\$1.665
21	FY	Duplicate License Fees (Millions)	\$0.095	\$0.079	\$0.079	\$0.080

1	FY	Motorcycle Endorsement Fees (Millions)	\$0.015	\$0.130	\$0.131	\$0.132
2	FY	Interstate Commercial Vehicle				
3		Endorsement (Millions)	\$0.420	\$0.420	\$0.420	\$0.420
4	FY	Intrastate Commercial Vehicle				
5		Endorsement (Millions)	\$0.093	\$0.093	\$0.093	\$0.093
6		Tobacco Tax				
7	FY	Value of Tobacco Products (Millions)	\$17.828	\$18.473	\$19.218	\$19.963
8	FY	Tribal Distribution (Millions)	(\$0.046)	(\$0.047)	(\$0.049)	(\$0.051)
9		Railroad Car Tax				
10	CY	Total MT Market Value of Fleets				
11		(Millions)	\$89.657	\$93.550	\$95.585	\$97.160
12	CY	Taxable Value Rate (Percent)	4.21%	4.02%	4.00%	3.92%
13	CY	95% of Industrial and				
14		Commercial Mill Levy	400.980	419.250	441.320	441.320
15		Wine Tax				
16	FY	Wine Liters (Million)	6.725	6.905	7.007	7.109
17	FY	Tribal Distribution (Million)	(\$0.021)	(\$0.022)	(\$0.022)	(\$0.022)

18 SELECTED NONGENERAL FUND REVENUE

19 The projections for selected nongeneral fund revenue during the 2005 biennium are based on the assumption of a continuation of Montana law  
20 as it existed on January 1, 2003. The revenue estimates contained in the following table are based on the assumptions listed in the tables that follow the  
21 nongeneral fund estimates and the assumptions for each nongeneral fund revenue source contained in the "Revenue Estimates as Adopted by the

1 Revenue and Transportation Interim Committee" report prepared by the Legislative Fiscal Division.

2

Current Law

3

Selected Nongeneral Fund Revenue Estimates

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(In Millions of Dollars)

5

6 Source of Revenue	Actual	Estimated	Estimated	Estimated
7	FY 2002	FY 2003	FY 2004	FY 2005
8 Gasoline Tax	\$128.001	\$128.696	\$129.415	\$130.128
9 Diesel Tax	56.094	56.951	57.821	58.703
10 Common School Interest and Income	<del>50.875</del> <u>1.938</u>	51.175	49.745	49.631
11 GVW and Other Fees	27.266	27.037	26.729	26.377
12 Federal Forest Receipts	13.475	13.583	13.775	13.976
13 Lodging Facility Use Tax	11.901	12.441	13.005	13.595
14 6-Mill Property Tax	11.806	11.627	<del>11.989</del>	<del>12.292</del>
15			<u>12.120</u>	<u>12.685</u>
16 <u>PPL-MONTANA 6-MILL PROTESTED PROPERTY TAX PAYMENTS</u>	<u>0</u>	<u>(0.131)</u>	<u>(0.133)</u>	<u>(0.136)</u>
17 Resource Indemnity Trust Interest	7.321	7.376	7.377	7.379
18 Treasure State Endowment Trust Interest	6.805	7.201	7.871	8.472
19 Gasoline Storage Tank Tax	3.729	3.750	3.770	3.790
20 Resource Indemnity Trust Tax	2.201	1.080	1.055	1.062
21 Diesel Storage Tank Tax	2.166	2.229	2.220	2.200

1	Parks Trust Interest Earnings	1.106	1.114	1.127	1.153
2	Capital Land Grant Interest and Income	1.101	0.827	0.822	0.613
3	Tobacco Trust Interest Earnings	0.968	1.741	2.464	3.253
4	Regional Water Trust Interest Earnings	0.643	1.151	1.404	1.670
5	Pine Hills Interest and Income	0.355	0.348	0.358	0.363
6	Arts Trust Interest Earnings	0.305	0.314	0.322	0.337
7	9-Mill Property Tax	0.286	0.000	0.000	0.000
8	Deaf and Blind Trust Interest and Income	0.284	0.292	0.295	0.298
9	Total Nongeneral Fund	<del>326.689</del> <u>277.752</u>	<del>328.933</del>	<del>331.564</del>	<del>335.292</del>
10			<u>328.802</u>	<u>331.562</u>	<u>335.549</u>

SELECTED ASSUMPTIONS FOR NONGENERAL FUND REVENUE ESTIMATES

Revenue and Transportation Interim Committee

14	Year	Assumption	2002	2003	2004	2005
15		Gasoline Tax				
16	FY	Taxable Gallons of Gasoline (Millions)	504.614	507.328	510.057	512.800
17	FY	Taxable Gallons of Gasoline--				
18		Storage Tank Cleanup (Millions)	497.261	499.936	502.624	505.328
19	FY	Refunds (Millions)	(\$3.153)	(\$3.170)	(\$3.187)	(\$3.204)
20	FY	Tribal Distribution (Millions)	(\$3.729)	(\$3.743)	(\$3.736)	(\$3.740)
21	FY	Alcohol Incentive (Millions)	\$0.000	\$0.000	\$0.000	\$0.000

1	Diesel Tax				
2	FY Taxable Gallons of Diesel (Millions)	218.597	221.936	225.325	228.766
3	FY Taxable Gallons of Diesel--				
4	Storage Tank Cleanup (Millions)	288.854	297.210	296.035	293.265
5	FY Refunds (Millions)	(\$3.960)	(\$4.020)	(\$4.082)	(\$4.144)
6	GVW Fees				
7	FY GVW Fees (Millions)	\$8.814	\$8.868	\$8.922	\$8.977
8	FY Form 3 GVW Fees (Millions)	\$0.860	\$0.843	\$0.847	\$0.844
9	FY Trip Permit Fees (Millions)	\$0.441	\$0.441	\$0.441	\$0.441
10	FY County GVW Fees (Millions)	\$8.933	\$8.135	\$8.185	\$8.235
11	FY New Car Sales Tax (Millions)	(\$0.640)	\$0.000	\$0.000	\$0.000
12	FY Overweight Trip Permit Fees (Millions)	\$1.845	\$1.954	\$2.067	\$2.172
13	FY Special Permit Fees (Millions)	\$0.903	\$0.910	\$0.923	\$0.932
14	FY Temporary Fuel Permits (Millions)	\$0.108	\$0.111	\$0.111	\$0.111
15	FY Other Fees (Millions)	\$0.401	\$0.401	\$0.401	\$0.401
16	Other 6-Mill Levy Indicators (See General Fund Property Tax Assumptions for Other Detail)				
17	FY Taxable Value (Millions)	\$1,698.239	\$1,718.019	\$1,765.974	\$1,820.373
18				<u>\$1,791.346</u>	<u>\$1,889.363</u>
19	FY Nonlevy Revenue (Millions)	\$1.579	\$1.319	\$1.393	\$1.370
20	FY 6-Mill Adjustments (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
21		- END -			