

HOUSE JOINT RESOLUTION NO. 2

INTRODUCED BY JOPEK

BY REQUEST OF THE REVENUE AND TRANSPORTATION INTERIM COMMITTEE

1
2
3
4
5 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN OFFICIAL
6 ESTIMATE OF THE STATE'S GENERAL FUND REVENUE FOR FISCAL YEAR 2009 AND EACH FISCAL YEAR OF THE 2010-2011 BIENNIUM FOR
7 THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS REQUIRED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION;
8 ACCEPTING A ~~PRELIMINARY~~ JUNE 30, 2008, UNRESERVED GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY
9 ACCEPTED ACCOUNTING PRINCIPLES; ESTABLISHING OFFICIAL ESTIMATES OF CERTAIN NONGENERAL FUND REVENUE; AND REQUESTING
10 THAT THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION
11 AS OFFICIAL REVENUE ESTIMATES FOR FISCAL YEARS 2009, 2010, AND 2011.

12
13 WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to the Legislature a budget for the ensuing fiscal
14 period, containing in detail for all operating funds the proposed expenditures and estimated revenue of the state; and

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

17 WHEREAS, section 5-5-227(2), MCA, requires the Revenue and Transportation Interim Committee to estimate the amount of revenue projected
18 to be available for legislative appropriation and to introduce a resolution setting forth the Committee's current revenue estimate; and

19 WHEREAS, section 5-5-227(3), MCA, expresses the Legislature's intent that its revenue estimates and the underlying assumptions used to derive
20 those estimates be used by all agencies in the development of fiscal notes; and

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



1 revenue estimating duties; and

2 WHEREAS, the Revenue and Transportation Interim Committee obtained the assistance of the Legislative Fiscal Analyst in the development of
3 the revenue estimates; and

4 WHEREAS, the Revenue and Transportation Interim Committee also obtained the assistance of Executive Branch agencies in the development
5 of the revenue estimates; and

6 WHEREAS, the Revenue and Transportation Interim Committee has adopted revenue estimates and the underlying assumptions used to derive
7 those estimates for the general fund and for specific nongeneral fund sources that are significant in the development of the state budget for fiscal year 2009
8 and the 2010-2011 biennium; and

9 WHEREAS, section 5-5-227(3), MCA, provides that the Revenue and Transportation Interim Committee's estimate, as introduced in the Legislature,
10 constitutes the Legislature's current revenue estimate until amended or until final adoption of the estimate by both houses; and

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

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

15

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

17 That the state general fund revenue for fiscal years 2009, 2010, and 2011 be estimated to be ~~\$1,915,651,000~~ ~~\$1,877,991,000~~ \$1,873,044,000,
18 ~~\$1,873,585,000~~ ~~\$1,770,914,000~~ \$1,754,561,000, and ~~\$1,941,532,000~~ ~~\$1,830,135,000~~ \$1,810,546,000, respectively.

19 BE IT FURTHER RESOLVED, that the Legislature accept for budget purposes the ~~preliminary~~ unreserved fiscal year 2008 fund balance of
20 ~~\$432,998,000~~ \$433,580,170 for the general fund, prepared according to generally accepted accounting principles.

21 BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use the revenue estimates and the underlying



1 assumptions contained in this resolution as the official revenue estimates for fiscal years 2009, 2010, and 2011.

2 GENERAL FUND REVENUE

3 Except for taxable values attributable to property reappraisal of classes three, four, and ten, the projections for total general fund revenue for fiscal
 4 years 2009, 2010, and 2011 are based on the assumption of a continuation of Montana law as it existed on January 1, 2009. The revenue estimates
 5 contained in the following tables are based on the assumptions listed in the tables that follow the general fund estimates and the assumptions for each
 6 general fund revenue source contained in the "Legislative Budget Analysis, 2011 Biennium, Volume 2 -- Revenue Estimates" (as adopted by the Revenue
 7 and Transportation Interim Committee) prepared by the Legislative Fiscal Division. CHANGES TO THE REVENUE ESTIMATES AND THE ASSUMPTIONS MAY BE MADE
 8 BY THE LEGISLATURE.

9 Current Law

10 General Fund Revenue Estimates

11 (In Millions of Dollars)

12		Actual	Estimated	Estimated	Estimated
13	Source of Revenue	FY 2008	FY 2009	FY 2010	FY 2011
14	Individual Income Tax	\$866.659	\$871.653	\$884.934	\$908.994
15			<u>\$856.506</u>	<u>\$845.333</u>	<u>\$859.007</u>
16			<u>\$852.615</u>	<u>\$838.750</u>	<u>\$850.014</u>
17	Statewide and Vo-Tech Property Taxes -- Without Reappraisal	205.044	211.495	222.983	228.933
18			<u>214.615</u>	<u>225.628</u>	<u>229.428</u>
19				<u>221.919</u>	<u>225.719</u>
20	Corporation Income Tax	160.342	156.132	136.293	149.352
21			<u>157.715</u>	<u>117.579</u>	<u>124.250</u>



1			<u>157.284</u>	<u>115.638</u>	<u>121.382</u>
2	Oil and Natural Gas Production Tax	149.994	116.771	100.066	105.177
3			<u>94.641</u>	<u>69.831</u>	<u>85.220</u>
4			<u>94.769</u>	<u>66.930</u>	<u>82.423</u>
5	Vehicle Tax	93.493	95.014	93.748	91.559
6			<u>93.493</u>	<u>92.247</u>	<u>90.093</u>
7	Insurance Tax and License Fees	64.004	49.769	47.144	49.268
8			<u>49.878</u>	<u>47.836</u>	<u>50.206</u>
9				<u>47.880</u>	<u>50.353</u>
10	Video Gambling Tax	63.134	66.554	69.003	71.973
11	Coal Trust Interest	28.855	29.392	28.787	28.606
12			<u>29.319</u>	<u>28.573</u>	<u>28.281</u>
13			<u>29.312</u>	<u>28.574</u>	<u>28.288</u>
14	U.S. Mineral Royalty	36.389	28.259	31.518	32.505
15			<u>24.986</u>	<u>28.374</u>	<u>31.061</u>
16			<u>24.885</u>	<u>27.796</u>	<u>30.418</u>
17	All Other Revenue	38.434	65.749	32.816	33.575
18			<u>65.415</u>	<u>32.126</u>	<u>32.831</u>
19	Cigarette Tax	36.004	36.373	36.720	37.082
20			<u>34.564</u>	<u>32.984</u>	<u>33.053</u>
21	Tobacco Settlement	3.808	3.962	4.013	4.077

1			<u>3.956</u>	<u>4.007</u>	<u>4.071</u>
2	Treasury Cash Account Interest	30.783	41.107	40.185	49.381
3			16.673	7.899	15.596
4			<u>16.507</u>	<u>7.967</u>	<u>15.905</u>
5	Telecommunications Excise Tax	22.350	21.614	21.701	21.798
6			<u>21.597</u>	<u>21.676</u>	<u>21.762</u>
7	Motor Vehicle Fee	18.995	49.227	49.969	49.771
8			<u>18.926</u>	<u>19.672</u>	<u>19.481</u>
9	Public Institution Reimbursements	15.335	13.658	14.412	14.675
10	3% Accommodations Sales Tax	13.390	43.339	43.796	44.382
11			<u>13.109</u>	<u>13.376</u>	<u>13.926</u>
12	Coal Severance Tax	11.894	12.410	12.183	12.959
13	Liquor Excise and License Tax	14.925	45.845	46.717	47.859
14			<u>15.787</u>	<u>16.570</u>	<u>17.627</u>
15	Investment License Fee	6.514	6.127	6.210	6.825
16	Lottery Profits	11.029	40.516	41.309	42.022
17			40.494	41.244	41.921
18			<u>10.275</u>	<u>10.906</u>	<u>11.453</u>
19	Liquor Profits	8.775	8.894	9.197	9.682
20			8.910	9.237	9.749
21			<u>8.651</u>	<u>8.837</u>	<u>9.194</u>

1	Nursing Facilities Fee	5.610	5.318	5.213	5.109
2	Electrical Energy Tax	5.179	4.707	4.717	4.727
3	Metalliferous Mines Tax	10.774	9.854	8.085	8.066
4			<u>6.777</u>	<u>3.248</u>	<u>3.279</u>
5	Highway Patrol Fines	4.049	4.052	4.055	4.058
6	Public Contractors Tax	5.063	4.058	4.322	4.357
7	Wholesale Energy Transaction Tax	3.856	3.870	3.931	3.993
8	Tobacco Products Tax	4.699	4.710	4.768	4.837
9				<u>4.738</u>	<u>4.796</u>
10	Driver's License Fee	3.866	4.667	3.920	4.739
11	4% Rental Car Sales Tax	3.157	3.173	3.282	3.422
12	Railroad Car Tax	2.064	2.166	2.295	2.336
13	Wine Tax	1.829	1.942	2.043	2.146
14	Beer Tax	3.124	3.160	3.221	3.282
15	Estate Tax	0.122	0.113	0.029	0.005
16	Total General Fund	\$1,953.540	\$1,915.654	\$1,873.585	\$1,941.532
17			<u>\$1,877.994</u>	<u>\$1,770.914</u>	<u>\$1,830.135</u>
18			<u>\$1,873.044</u>	<u>\$1,754.561</u>	<u>\$1,810.546</u>

SIGNIFICANT ASSUMPTIONS FOR GENERAL FUND REVENUE ESTIMATES

Revenue and Transportation Interim Committee

21	Year Assumption	2008	2009	2010	2011
----	-----------------	------	------	------	------



1 Individual Income Tax						
2	FY	Income Tax Audit Collections (Millions)	\$30.637	\$30.844	\$31.324	\$32.149
3	CY	Taxpayer Population (Percent Change)	0.79%	0.49%	1.40%	1.60%
4		<u>Income Indicators</u>				
5	CY	Wage and Salary Income (Percent Change)	4.52%	2.29%	3.09%	3.41%
6			<u>3.85%</u>	<u>0.75%</u>	<u>2.31%</u>	<u>2.87%</u>
7	CY	Net Farm Income (Percent Change)	0.00%	0.00%	0.00%	0.00%
8	CY	Interest Income (Percent Change)	1.14%	(1.46%)	(1.42%)	8.05%
9			<u>(0.66%)</u>	<u>(9.50%)</u>	<u>(3.59%)</u>	<u>6.99%</u>
10				<u>(10.75%)</u>	<u>(5.29%)</u>	<u>4.50%</u>
11	CY	Dividend Income (Percent Change)	6.09%	(1.18%)	1.33%	3.06%
12			<u>6.14%</u>	<u>(2.61%)</u>	<u>(1.52%)</u>	<u>0.09%</u>
13				<u>(4.31%)</u>	<u>(4.24%)</u>	<u>2.72%</u>
14	CY	Rent, Royalty, and Partnership Income (Percent Change)	0.00%	0.00%	0.00%	0.00%
15			<u>10.77%</u>	<u>(3.58%)</u>	<u>(6.43%)</u>	<u>3.40%</u>
16			<u>9.50%</u>	<u>(0.18%)</u>	<u>(7.57%)</u>	<u>3.35%</u>
17	CY	Net Business Income (Percent Change)	(0.24%)	2.46%	4.34%	4.36%
18			<u>5.39%</u>	<u>(6.17%)</u>	<u>(11.97%)</u>	<u>4.28%</u>
19			<u>3.27%</u>	<u>(3.71%)</u>	<u>(4.25%)</u>	<u>0.57%</u>
20	CY	Capital Gains and Losses (Percent Change)	(16.32%)	(17.35%)	11.63%	13.60%
21			<u>(17.32%)</u>	<u>(24.90%)</u>	<u>19.97%</u>	<u>14.09%</u>

1				<u>(36.55%)</u>	<u>21.50%</u>	
2	CY	Supplemental Gains (Percent Change)	5.32%	5.32%	5.32%	5.32%
3	CY	Social Security Income (Percent Change)	10.35%	10.35%	10.35%	10.35%
4	CY	IRA Income (Percent Change)	5.75%	5.75%	5.75%	5.75%
5				<u>1.50%</u>	<u>1.50%</u>	
6	CY	Pension Income (Percent Change)	6.06%	6.06%	6.06%	6.06%
7				<u>1.50%</u>	<u>1.50%</u>	
8	CY	Other Income (Percent Change)	7.07%	7.07%	7.07%	7.07%
9	CY	Bond Interest (Percent Change)	1.14%	(1.46%)	(1.42%)	8.05%
10	CY	Federal Income Tax Refunds (Percent Change)	0.00%	0.00%	0.00%	0.00%
11	CY	Other Additions to Income (Percent Change)	0.00%	0.00%	0.00%	0.00%
12	CY	IRA Reduction (Percent Change)	5.00%	5.00%	5.00%	5.00%
13	CY	Reductions to Income (Percent Change)	(6.42%)	4.44%	4.53%	5.55%
14	CY	Other Reductions to Income	5.00%	5.00%	5.00%	5.00%
15		<u>Deductions From Income</u>				
16	CY	Medical Premiums (Percent Change)	6.68%	6.68%	6.68%	6.68%
17	CY	Medical Deductions (Percent Change)	6.51%	6.51%	6.51%	6.51%
18	CY	Real Estate Tax (Percent Change)	5.63%	5.63%	5.63%	5.63%
19	CY	Other Taxes (Percent Change)	5.64%	5.64%	5.64%	5.64%
20	CY	Home Mortgage (Percent Change)	7.23%	7.23%	7.23%	7.23%
21	CY	Contributions (Percent Change)	7.84%	7.84%	7.84%	7.84%

1	CY	Gambling Losses (Percent Change)	6.62%	6.62%	6.62%	6.62%
2	FY	Bonus Depreciation (Millions)	(\$0.000)	(\$0.524)	(\$0.724)	(\$0.142)
3	CY	Homeowner and Renter Credit (Millions)	\$9.811	\$9.811	\$9.811	\$9.811
4	CY	All Other Credits (Percent Change)	6.65%	1.15%	2.11%	2.93%
5		<u>Other Individual Income Tax Assumptions</u>				
6	CY	All Filers Liability (Millions)	\$773.615	\$780.871	\$797.386	\$822.121
7	CY	Current Calendar Year to Fiscal Year Conversion	52.1%	52.1%	52.1%	52.1%
8	CY	Previous Calendar Year to Fiscal Year Conversion	47.9%	47.9%	47.9%	47.9%
9	FY	Fiscal Year 2008 Adjusted Base (Millions)	\$836.022			
10		Property Taxes: Taxable Value for Statewide General Fund				
11		Mill Levies and Other Property Tax Indicators				
12		<u>Taxable Value--40-Mill and 55-Mill Levies</u>				
13	FY	Property Class One (Millions)	\$3.840	\$4.013	\$4.013	\$4.013
14	FY	Property Class Two (Millions)	\$18.849	\$16.010	\$35.469	\$25.008
15				<u>\$24.540</u>	<u>\$48.377</u>	<u>\$15.373</u>
16	FY	Property Class Three -- Without Reappraisal (Millions)	\$141.329	\$142.057	\$142.057	\$142.057
17				<u>\$142.099</u>	<u>\$142.099</u>	<u>\$142.099</u>
18	FY	Property Class Four -- Without Reappraisal (Millions)	\$1,244.916	\$1,297.014	\$1,342.410	\$1,389.394
19				<u>\$1,296.595</u>	<u>\$1,341.975</u>	<u>\$1,388.945</u>
20	FY	Property Class Five (Millions)	\$35.418	\$35.066	\$35.767	\$36.481
21				<u>\$35.155</u>	<u>\$35.857</u>	<u>\$36.572</u>

1	FY	Property Class Seven (Millions)	\$1.096	\$1.214	\$1.244	\$1.274
2	FY	Property Class Eight (Millions)	\$138.658	\$149.006	\$156.412	\$164.186
3				<u>\$151.317</u>	<u>\$158.838</u>	<u>\$166.733</u>
4					<u>\$171.854</u>	<u>\$179.749</u>
5	FY	Property Class Nine (Millions)	\$264.324	\$263.378	\$278.274	\$294.013
6				<u>\$260.190</u>	<u>\$274.906</u>	<u>\$290.454</u>
7					<u>\$222.842</u>	<u>\$238.390</u>
8	FY	Property Class Ten -- Without Reappraisal (Millions)	\$6.822	\$6.817	\$6.817	\$6.817
9	FY	Property Class Twelve (Millions)	\$43.004	\$43.582	\$46.615	\$43.516
10				<u>\$43.567</u>	<u>\$43.615</u>	
11	FY	Property Class Thirteen (Millions)	\$152.942	\$154.587	\$162.382	\$170.570
12				<u>\$154.611</u>	<u>\$162.407</u>	<u>\$170.597</u>
13	<u>FY</u>	<u>PROPERTY CLASS FOURTEEN (MILLIONS)</u>	<u>\$2.944</u>	<u>\$3.179</u>	<u>\$3.434</u>	<u>\$3.708</u>
14	<u>FY</u>	<u>PROPERTY CLASS FIFTEEN (MILLIONS)</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>
15	<u>FY</u>	<u>PROPERTY CLASS SIXTEEN (MILLIONS)</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>
16	<u>FY</u>	<u>TAXABLE VALUE ADJUSTMENT FOR COURT DECISION ON RECLASSIFICATION OF PROPERTY (MILLIONS)</u>				
17			<u>\$0.000</u>	<u>\$0.000</u>	<u>(\$39.048)</u>	<u>(\$39.048)</u>
18	FY	Total Taxable Value 55-Mill and 40-Mill (Millions)	\$2,041.767	\$2,109.958	\$2,206.838	\$2,276.046
19				<u>\$2,117.330</u>	<u>\$2,218.526</u>	<u>\$2,265.108</u>
20					<u>\$2,179.478</u>	<u>\$2,226.060</u>
21		<u>Other Property Tax Indicators</u>				

1	FY	Tax Increment Finance Value (Millions)	\$30.120	\$25.752	\$24.821	\$24.737
2	FY	Property Tax Abatement Value (Millions)	\$18.099	\$20.021	\$20.021	\$20.021
3	FY	Taxable Value in 1.5-Mill Vo-Tech Counties --				
4		Without Reappraisal (Millions)	\$721.234	\$739.372	\$773.066	\$797.341
5				<u>\$747.522</u>	<u>\$778.279</u>	<u>\$802.589</u>
6		<u>Property Tax Nonlevy Revenue</u>				
7	FY	40-Mill Nonlevy Revenue (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
8	FY	40-Mill Adjustments (Millions)	(\$1.413)	\$0.000	\$0.000	\$0.000
9	FY	55-Mill Nonlevy Revenue (Millions)	\$0.000	\$13.040	\$15.273	\$14.612
10	FY	55-Mill Adjustments (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
11	FY	1.5-Mill Nonlevy Revenue (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
12	FY	1.5-Mill Adjustments (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
13		Vehicle Tax				
14	FY	Large Trucks Growth Rate (Percent Change)	(4.67%)	1.63%	(1.33%)	(2.33%)
15				<u>0.00%</u>		
16	FY	Motor Home Growth Rate (Percent Change)	(8.12%)	1.63%	(1.33%)	(2.33%)
17				<u>0.00%</u>		
18	FY	Light Vehicle Growth Rate (Percent Change)	(6.43%)	1.63%	(1.33%)	(2.33%)
19				<u>0.00%</u>		
20	FY	Boat and Snowmobile Growth Rate (Percent Change)	(4.41%)	1.63%	(1.33%)	(2.33%)
21				<u>0.00%</u>		

1	FY	Manufacturer's Certificate of Origin Growth Rate (Percent Change)	(8.40%)	1.63%	(1.33%)	(2.33%)
2				<u>0.00%</u>		
3		Corporation License Tax				
4	FY	U.S. Profits (Billions)	\$1,755.100	\$1,647.600	\$1,752.400	\$1,845.400
5			<u>\$1,749.800</u>	<u>\$1,493.000</u>	<u>\$1,499.100</u>	<u>\$1,706.500</u>
6			<u>\$1,740.700</u>	<u>\$1,439.600</u>	<u>\$1,426.400</u>	<u>\$1,680.400</u>
7		<u>Percent Change in Tax Liability by Industrial Sector</u>				
8	CY	Box Stores	(1.01%)	(1.04%)	3.11%	2.44%
9			<u>(1.78%)</u>	<u>(4.00%)</u>	<u>4.79%</u>	<u>3.93%</u>
10			<u>(1.87%)</u>	<u>(4.43%)</u>	<u>3.81%</u>	<u>3.61%</u>
11	CY	Financial Corporations	0.52%	2.45%	3.98%	3.86%
12			<u>(1.19%)</u>	<u>(2.15%)</u>	<u>5.28%</u>	<u>5.43%</u>
13			<u>(1.18%)</u>	<u>(3.62%)</u>	<u>5.49%</u>	<u>5.16%</u>
14	CY	Food Production and Transportation	0.43%	(0.14%)	2.24%	1.96%
15			<u>(0.05%)</u>	<u>(4.79%)</u>	<u>4.47%</u>	<u>3.59%</u>
16			<u>(0.11%)</u>	<u>(3.88%)</u>	<u>3.52%</u>	<u>3.27%</u>
17	CY	Health and Pharmaceuticals	(0.70%)	2.56%	5.59%	6.55%
18			<u>(0.76%)</u>	<u>1.36%</u>	<u>4.74%</u>	<u>4.94%</u>
19			<u>(1.01%)</u>	<u>(2.79%)</u>	<u>5.18%</u>	
20	CY	Minimum-Payment Corporations	0.00%	0.00%	0.00%	0.00%
21	CY	Mining	(13.74%)	(14.95%)	(0.79%)	1.09%

1			<u>(6.76%)</u>	<u>(68.22%)</u>	<u>(1.22%)</u>	<u>3.12%</u>
2	CY	Oil and Natural Gas	32.91%	(42.28%)	14.11%	(8.64%)
3			<u>25.21%</u>	<u>(62.58%)</u>	<u>36.30%</u>	<u>7.35%</u>
4			<u>25.32%</u>	<u>(63.03%)</u>	<u>31.27%</u>	<u>9.79%</u>
5	CY	Railroads	6.79%	5.40%	3.59%	3.47%
6	CY	Montana Corporations	(8.14%)	(12.17%)	2.50%	18.85%
7				<u>(3.22%)</u>	<u>(11.55%)</u>	<u>13.72%</u>
8				<u>(4.07%)</u>	<u>(15.05%)</u>	<u>16.21%</u>
9	CY	Telecommunications	0.29%	(0.07%)	0.18%	0.22%
10				<u>(0.14%)</u>	<u>0.14%</u>	<u>0.17%</u>
11					<u>0.12%</u>	<u>0.18%</u>
12	CY	Forest Products	(11.88%)	(17.71%)	5.87%	12.33%
13			<u>(13.24%)</u>	<u>(21.50%)</u>	<u>5.94%</u>	<u>12.62%</u>
14			<u>(13.49%)</u>	<u>(24.75%)</u>	<u>6.32%</u>	<u>15.15%</u>
15	CY	Utilities	1.42%	0.20%	0.20%	0.20%
16	CY	All Other	(8.14%)	(12.17%)	2.50%	18.85%
17				<u>(3.22%)</u>	<u>(11.55%)</u>	<u>13.72%</u>
18				<u>(4.07%)</u>	<u>(15.05%)</u>	<u>16.21%</u>
19	CY	Current Calendar Year to Fiscal Year Conversion	60.0%	60.0%	60.0%	60.0%
20	CY	Previous Calendar Year to Fiscal Year Conversion	40.0%	40.0%	40.0%	40.0%
21	FY	Bonus Depreciation (Millions)	(\$0.000)	(\$2.618)	(\$3.620)	\$0.708

1 **Insurance Premiums Tax and License Fees**

2	FY	General Fund Fee Revenue (Millions)	\$0.013	\$0.013	\$0.013	\$0.013
3	FY	Genetics Fee (Millions)	\$0.750	\$0.750	\$0.750	\$0.750
4	FY	Premiums Tax (Millions)	\$65.703	\$67.455	\$70.119	\$73.199
5	FY	Offsets (Millions)	\$1.576	\$1.510	\$1.510	\$1.510
6	FY	Refunds (Millions)	\$0.180	\$0.250	\$0.250	\$0.250
7	Video Gambling Tax					
8	FY	Video Machine Net Income (Millions)	\$420.985	\$443.698	\$460.022	\$479.820
9	Motor Vehicle Fee--General Fund Allocations					
10	FY	Motor Vehicle Registration Fee (Millions)	\$11.677	\$11.867	\$11.709	\$11.436
11				<u>\$11.677</u>	<u>\$11.522</u>	<u>\$11.253</u>
12	FY	Recording of Liens Fee (Millions)	\$0.719	\$0.661	\$0.652	\$0.637
13				<u>\$0.650</u>	<u>\$0.641</u>	<u>\$0.627</u>
14	FY	Title Fee (Millions)	\$2.464	\$2.504	\$2.470	\$2.413
15				<u>\$2.464</u>	<u>\$2.431</u>	<u>\$2.374</u>
16	FY	Personal License Plate Fee (Millions)	\$1.336	\$1.358	\$1.340	\$1.308
17				<u>\$1.336</u>	<u>\$1.318</u>	<u>\$1.287</u>
18	FY	New License Plate Fee (Millions)	\$1.493	\$1.511	\$2.489	\$2.700
19				<u>\$1.493</u>	<u>\$2.471</u>	<u>\$2.682</u>
20	FY	Senior Citizen Transit Fee (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
21	FY	Other Fees (Millions)	\$1.113	\$1.132	\$1.116	\$1.090

1			<u>\$1.113</u>	<u>\$1.099</u>	<u>\$1.073</u>
2	U.S. Mineral Royalty				
3	CY Oil Production (Millions of Barrels)	3.788	3.761	3.733	3.706
4	CY Coal Production (Millions of Tons)	25.846	23.608	22.448	22.041
5	CY Natural Gas Production (MMCF)	27.955	28.808	29.686	30.592
6	CY Oil Price (Per Barrel)	\$88.599	\$46.631	\$50.684	\$52.342
7		\$34.838	\$34.838	\$39.845	\$48.292
8		\$89.399	\$35.193	\$37.803	\$48.120
9	CY Coal Price (Per Ton)	\$11.307	\$11.991	\$13.538	\$14.075
10	CY Natural Gas Price (Per MCF)	\$6.603	\$5.179	\$6.182	\$6.402
11		\$6.676	\$3.930	\$4.976	\$5.762
12			\$3.812	\$4.760	\$5.307
13	CY Oil Royalty Rate (Percent)	11.03%	11.03%	11.03%	11.03%
14	CY Coal Royalty Rate (Percent)	12.11%	12.11%	12.11%	12.11%
15	CY Natural Gas Royalty Rate (Percent)	11.15%	11.15%	11.15%	11.15%
16	CY Other Royalties (Millions)	\$3.498	\$2.743	\$3.275	\$3.391
17	CY Rent and Bonus (Millions)	\$5.050	\$5.050	\$5.050	\$5.050
18	Telecommunications Excise Tax				
19	FY Taxable Gross Receipts (Millions)	\$563.408	\$563.038	\$564.038	\$565.285
20	Tobacco Settlement				
21	FY Volume Change (Percent Change)	(4.50%)	(1.37%)	(2.48%)	(2.55%)

1	FY	Cumulative Volume Change (Percent Change)	(34.32%)	(35.22%)	(36.83%)	(38.43%)
2	FY	CPI Change (Percent Change)	4.08%	3.96%	3.00%	3.00%
3	FY	Cumulative CPI Change (Percent Change)	33.21%	38.48%	42.63%	46.91%
4	FY	Operating Income Adjustment (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
5	FY	Subsequent Manufacturers' Payment (Millions)	\$430.210	\$441.292	\$443.593	\$445.634
6	FY	Nonparticipating Manufacturers' Adjustment (Millions)	(\$3.622)	(\$3.732)	(\$3.779)	(\$3.839)
7	Public Institution Reimbursements					
8	FY	Private Payments (Millions)	\$1.647	\$2.048	\$2.133	\$2.218
9	FY	Insurance Payments (Millions)	\$0.346	\$0.379	\$0.386	\$0.394
10	FY	Medicaid Payments (Millions)	\$9.392	\$11.202	\$11.691	\$11.671
11	FY	Medicare Payments (Millions)	\$3.456	\$2.459	\$2.612	\$2.781
12	FY	Debt Service MT Developmental Center (Millions)	(\$0.982)	(\$1.017)	(\$1.015)	(\$1.016)
13	FY	Debt Service MT State Hospital (Millions)	(\$1.797)	(\$1.910)	(\$1.913)	(\$1.913)
14	FY	Adjustments (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
15	Estate Tax					
16	FY	Annual Change in Tax (Percent Change)	(85.44%)	(7.13%)	(74.75%)	(81.33%)
17	Oil Production Tax					
18	CY	Oil Production (Million Barrels)	34.258	33.125	31.803	28.417
19			<u>31.570</u>	<u>28.653</u>	<u>26.431</u>	<u>24.612</u>
20	CY	Montana Oil Price (Weighted Price/Barrel)	\$89.200	\$47.779	\$56.368	\$56.217
21			<u>\$89.767</u>	<u>\$31.841</u>	<u>\$45.628</u>	<u>\$54.397</u>

1			<u>\$32.133</u>	<u>\$43.323</u>		
2	CY	Effective Tax Rate (Percent)	9.14%	9.49%	9.60%	10.23%
3			<u>9.48%</u>	<u>10.21%</u>	<u>10.19%</u>	<u>10.38%</u>
4		Natural Gas Production Tax				
5	CY	Natural Gas Production (MMCF)	121.729	123.350	123.808	119.875
6	CY	Montana Natural Gas Price (Weighted Price/MCF)	\$6.776	\$5.327	\$6.165	\$6.152
7			<u>\$6.752</u>	<u>\$3.693</u>	<u>\$5.318</u>	<u>\$5.526</u>
8			<u>\$6.777</u>	<u>\$3.502</u>	<u>\$5.093</u>	<u>\$5.093</u>
9	CY	Effective Tax Rate (Percent)	8.01%	8.25%	8.35%	8.95%
10		Treasury Cash Account Interest				
11	FY	TCA Average Balance (Millions)	\$750.831	\$711.992	\$581.992	\$581.992
12				<u>\$829.492</u>	<u>\$750.176</u>	<u>\$770.183</u>
13	FY	TCA Average Yield (Percent)	4.10%	4.56%	4.75%	3.33%
14				<u>2.01%</u>	<u>1.05%</u>	<u>2.03%</u>
15				<u>1.99%</u>	<u>1.06%</u>	<u>2.07%</u>
16	FY	TRANS Issue Size (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
17		Liquor Excise and License Tax				
18	FY	Gross Sales (Millions)	\$78.250	\$82.972	\$87.569	\$93.550
19	FY	Tribal Distributions (Millions)	\$0.288	\$0.295	\$0.317	\$0.338
20		Coal Severance Tax				
21	CY	Severance Tax Coal Production (Million Tons)	38.413	35.697	44.699	43.375

1	CY	Montana Contract Sales Price (Weighted CSP/Ton)	\$7.999	\$8.586	\$9.841	\$9.926
2		Cigarette Tax				
3	FY	Cigarette Packs (Millions)	50.306	50.817	51.333	51.855
4				<u>48.415</u>	<u>46.245</u>	<u>46.245</u>
5	FY	Effective Tax Rate Per Pack (Dollars)	\$1.70	\$1.70	\$1.70	\$1.70
6	FY	Tribal Distribution (Millions)	\$4.051	\$3.992	\$4.083	\$4.148
7					<u>\$3.889</u>	<u>\$3.737</u>
8		Lottery Profits				
9	FY	Total Lottery Sales (Millions)	\$43.822	\$43.041	\$44.243	\$45.478
10	FY	Lottery Interest Earnings (Millions)	\$0.179	\$0.081	\$0.096	\$0.194
11	FY	Other Revenue (Millions)	\$0.005	\$0.005	\$0.005	\$0.005
12	FY	Lottery Operating Budget (Millions)	\$7.575	\$7.662	\$7.389	\$7.293
13				<u>\$7.879</u>	<u>\$7.728</u>	<u>\$7.763</u>
14	FY	Lottery Prizes and Commissions (Millions)	\$25.403	\$24.950	\$25.647	\$26.362
15		Nursing Facilities Fee				
16	FY	Bed Days (Millions)	1.804	1.806	1.767	1.728
17	FY	Intermediate Care Revenue (Millions)	\$14.845	\$15.068	\$15.295	\$15.525
18		Liquor Profits				
19	FY	Gross Liquor Sales (Millions)	\$98.595	\$104.545	\$110.337	\$117.873
20	FY	Cost of Goods Sold (Millions)	\$55.688	\$59.192	\$62.548	\$67.110
21	FY	Liquor Discounts and Commissions (Millions)	\$12.114	\$12.846	\$13.557	\$14.483

1	FY	Liquor Operating Costs (Millions)	\$1.683	\$2.040	\$2.267	\$2.275
2				<u>\$2.298</u>	<u>\$2.670</u>	<u>\$2.834</u>
3	FY	Other Income (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
4		Investment License Fee				
5	FY	License Registration (Percent Change)	6.88%	(5.94%)	1.35%	9.90%
6	FY	Portfolio Growth (Percent Change)	12.41%	(1.25%)	4.24%	11.67%
7	FY	Expense Growth (Percent Change)	6.91%	46.82%	16.24%	0.76%
8		Electrical Energy Tax				
9	FY	Kilowatt Hours Produced (Millions)	23,488.256	23,536.031	23,583.903	23,631.873
10		Highway Patrol Fines				
11	FY	Highway Patrol Fines (Percent Change)	(2.55%)	0.07%	0.07%	0.07%
12		Metalliferous Mines Tax				
13	CY	Copper Production (Million lb)	73.969	70.998	71.028	71.059
14			<u>82.506</u>	<u>70.802</u>	<u>75.169</u>	<u>79.536</u>
15	CY	Silver Production (Million oz)	1.149	0.841	0.680	0.680
16			<u>2.034</u>		<u>1.122</u>	<u>1.565</u>
17	CY	Gold Production (Million oz)	0.196	0.025	0.010	0.010
18				<u>0.024</u>	<u>0.009</u>	<u>0.009</u>
19	CY	Lead Production (Million lb)	15.402	5.158	0.000	0.000
20	CY	Zinc Production (Million lb)	42.565	13.281	0.000	0.000
21	CY	Molybdenum Production (Million lb)		Not disclosed, confidential information		

1	CY	Palladium Production (Million oz)		Not disclosed, confidential information		
2	CY	Platinum Production (Million oz)		Not disclosed, confidential information		
3	CY	Nickel Production (Million lb)	0.986	1.015	1.046	1.077
4			<u>0.821</u>	<u>0.863</u>	<u>0.863</u>	<u>0.863</u>
5	CY	Rhodium Production (Million oz)		Not disclosed, confidential information		
6	CY	Sapphire Production (Million oz)	0.000	0.000	0.000	0.000
7	CY	Copper Sulfide Production (Million lb)	0.000	0.000	0.000	0.000
8	CY	Copper Price (Per lb)	\$3.893	\$3.465	\$3.503	\$3.503
9			<u>\$3.480</u>	<u>\$1.500</u>	<u>\$1.516</u>	<u>\$1.516</u>
10	CY	Silver Price (Per oz)	\$18.906	\$12.956	\$13.078	\$13.403
11			<u>\$16.310</u>	<u>\$10.000</u>	<u>\$10.094</u>	<u>\$10.345</u>
12	CY	Gold Price (Per oz)	\$927.948	\$730.474	\$744.581	\$770.418
13			<u>\$887.540</u>			
14	CY	Lead Price (Per lb)	\$1.205	\$1.205	\$1.205	\$1.205
15			<u>\$0.960</u>	<u>\$0.500</u>	<u>\$0.500</u>	<u>\$0.500</u>
16	CY	Zinc Price (Per lb)	\$0.987	\$0.987	\$0.987	\$0.987
17			<u>\$0.810</u>	<u>\$0.550</u>	<u>\$0.550</u>	<u>\$0.550</u>
18	CY	Molybdenum Price (Per lb)		Not disclosed, confidential information		
19	CY	Palladium Price (Per oz)		Not disclosed, confidential information		
20	CY	Platinum Price (Per oz)		Not disclosed, confidential information		
21	CY	Nickel Price (Per lb)	\$12.087	\$12.087	\$12.087	\$12.087

1		<u>\$8.380</u>	<u>\$5.000</u>	<u>\$5.000</u>	<u>\$5.000</u>
2	CY Rhodium Price (Per oz)		Not disclosed, confidential information		
3	CY Sapphire Price (Per oz)	\$0.000	\$0.000	\$0.000	\$0.000
4	CY Copper Sulfide Price (Per lb)	\$0.000	\$0.000	\$0.000	\$0.000
5	CY Effective Tax Rate (Percent)	1.72%	1.72%	1.72%	1.72%
6	Public Contractors Tax				
7	FY Tax Before Credits (Millions)	\$6.964	\$5.582	\$5.945	\$5.993
8	FY Credits and Refunds (Millions)	\$1.902	\$1.524	\$1.623	\$1.636
9	Wholesale Energy Transaction Tax				
10	FY Kilowatt Hours (Millions)	26,192.843	26,606.873	27,027.448	27,454.671
11	FY Credits for Taxes Paid (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
12	Beer Tax				
13	FY Beer Barrels (Millions)	0.987	0.999	1.018	1.038
14	FY Tribal Distribution (Millions)	\$0.061	\$0.062	\$0.063	\$0.065
15	FY Effective Tax Rate (Percent)	4.20%	4.20%	4.20%	4.20%
16	Driver's License Fees				
17	FY Driver's License Fees (Millions)	\$3.037	\$3.831	\$3.163	\$3.895
18	FY Duplicate License Fees (Millions)	\$0.285	\$0.362	\$0.299	\$0.368
19	FY Motorcycle Endorsement Fees (Millions)	\$0.013	\$0.018	\$0.014	\$0.019
20	FY Commercial Vehicle Endorsement (Millions)	\$0.377	\$0.385	\$0.385	\$0.385
21	Tobacco Tax				

1	FY	Value of Tobacco Products (Millions)	\$5.509	\$4.952	\$4.451	\$4.001
2	FY	Snuff Ounces (Millions)	8.759	9.161	9.606	10.051
3	FY	Tribal Distribution (Millions)	\$0.475	\$0.470	\$0.477	\$0.486
4	Railroad Car Tax					
5	CY	Total MT Market Value of Fleets (Millions)	\$113.859	\$120.002	\$124.313	\$128.624
6	CY	Taxable Value Rate (Percent)	3.52%	3.44%	3.41%	3.37%
7	CY	95% of Industrial and Commercial Mill Levy	520.320	524.788	541.558	539.179
8	Wine Tax					
9	FY	Wine Liters (Millions)	10.005	10.619	11.180	11.741
10	FY	Tribal Distribution (Millions)	\$0.036	\$0.036	\$0.039	\$0.041

11 **SELECTED NONGENERAL FUND REVENUE**

12 Except for taxable values attributable to property reappraisal of classes three, four, and ten, the estimates for selected nongeneral fund revenue for
 13 fiscal year 2009 and the 2010-2011 biennium are based on the assumption of a continuation of Montana law as it existed on January 1, 2009. The revenue
 14 estimates contained in the following table are based on the assumptions listed in the tables that follow the nongeneral fund estimates and the assumptions
 15 for each nongeneral fund revenue source contained in the "Legislative Budget Analysis, 2011 Biennium, Volume 2 -- Revenue Estimates" (as adopted
 16 by the Revenue and Transportation Interim Committee) prepared by the Legislative Fiscal Division. CHANGES TO THE REVENUE ESTIMATES AND THE
 17 ASSUMPTIONS MAY BE MADE BY THE LEGISLATURE.

18 **Current Law**

19 **Selected Nongeneral Fund Revenue Estimates**

20 (In Millions of Dollars)

21	Source of Revenue	Actual	Estimated	Estimated	Estimated
----	-------------------	--------	-----------	-----------	-----------



	FY 2008	FY 2009	FY 2010	FY 2011
1				
2 Gasoline Tax	\$127.433	\$119.787	\$119.161	\$118.536
3 Diesel Tax	71.488	65.085	66.018	66.951
4 Common School Interest and Income	83.026	88.354	70.091	55.764
5		<u>84.139</u>	<u>71.015</u>	<u>57.112</u>
6		<u>84.136</u>	<u>70.488</u>	<u>57.593</u>
7 GVW and Other Fees	30.238	30.727	31.192	31.672
8 Federal Forest Receipts	13.028	26.953	24.258	21.832
9 6-Mill Property Tax -- Without Reappraisal	13.313	13.658	14.601	14.990
10		<u>13.702</u>	<u>14.671</u>	<u>14.924</u>
11			<u>14.437</u>	<u>14.690</u>
12 Resource Indemnity Trust Interest	5.801	5.582	5.584	5.594
13		<u>5.580</u>	<u>5.577</u>	<u>5.583</u>
14		<u>5.579</u>	<u>5.576</u>	
15 Treasure State Endowment Trust Interest	9.194	9.339	9.989	10.938
16		<u>9.251</u>	<u>9.718</u>	<u>10.511</u>
17		<u>9.244</u>	<u>9.712</u>	<u>10.492</u>
18 Gasoline Storage Tank Tax	3.714	3.491	3.473	3.455
19 Resource Indemnity and Ground Water Assessment Tax	1.926	1.987	2.019	2.587
20 Diesel Storage Tank Tax	2.814	2.665	2.703	2.741
21 Parks Trust Interest Earnings	1.025	1.053	1.085	1.122

1			<u>1.051</u>	<u>1.079</u>	<u>1.112</u>
2				<u>1.078</u>	<u>1.110</u>
3	Capital Land Grant Interest and Income	0.983	0.898	0.966	0.617
4	Tobacco Trust Interest Earnings	4.546	5.299	6.121	6.987
5			<u>5.284</u>	<u>6.027</u>	<u>6.804</u>
6			<u>5.283</u>	<u>6.022</u>	<u>6.784</u>
7	Regional Water Trust Interest Earnings	2.175	2.369	2.690	3.136
8			<u>2.331</u>	<u>2.573</u>	<u>2.951</u>
9			<u>2.328</u>	<u>2.570</u>	<u>2.941</u>
10	Economic Development Trust Interest Earnings	1.801	2.117	2.431	2.830
11			<u>2.091</u>	<u>2.347</u>	<u>2.695</u>
12			<u>2.088</u>	<u>2.343</u>	<u>2.683</u>
13	Pine Hills Interest and Income	0.435	0.443	0.451	0.465
14				<u>0.450</u>	<u>0.460</u>
15	Cultural Trust Interest Earnings	0.584	0.634	0.650	0.671
16			<u>0.632</u>	<u>0.645</u>	<u>0.663</u>
17	Deaf and Blind Trust Interest and Income	0.334	0.334	0.338	0.347
18			<u>0.333</u>	<u>0.336</u>	<u>0.342</u>
19	Total Nongeneral Fund	\$373.856	\$380.775	\$363.821	\$351.234
20			<u>\$376.430</u>	<u>\$364.228</u>	<u>\$351.547</u>
21			<u>\$376.412</u>	<u>\$363.447</u>	<u>\$351.731</u>

SELECTED ASSUMPTIONS FOR NONGENERAL FUND REVENUE ESTIMATES				
Revenue and Transportation Interim Committee				
Year Assumption	2008	2009	2010	2011
Gasoline Tax				
FY Taxable Gallons of Gasoline (Millions)	485.278	456.161	453.779	451.397
FY Taxable Gallons of Gasoline -- Storage Tank Cleanup (Millions)	495.246	465.532		
	463.101	460.669		
FY Refunds (Millions)	(\$2.282)	(\$2.145)	(\$2.134)	(\$2.123)
FY Alcohol Incentive (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
Diesel Tax				
FY Taxable Gallons of Diesel (Millions)	277.333	252.493	256.112	259.732
FY Taxable Gallons of Diesel -- Storage Tank Cleanup (Millions)	375.173	355.289	360.382	365.475
FY Refunds (Millions)	(\$4.702)	(\$4.281)	(\$4.343)	(\$4.404)
GVW Fees				
FY GVW Fees (Millions)	\$9.266	\$9.412	\$9.560	\$9.713
FY Form 3 GVW Fees (Millions)	\$1.137	\$1.141	\$1.145	\$1.149
FY Trip Permit Fees (Millions)	\$0.642	\$0.684	\$0.729	\$0.777
FY County GVW Fees (Millions)	\$10.827	\$10.998	\$11.171	\$11.350
FY Overweight Trip Permit Fees (Millions)	\$3.185	\$3.205	\$3.224	\$3.244
FY Special Permit Fees (Millions)	\$1.229	\$1.242	\$1.255	\$1.269
FY Temporary Fuel Permits (Millions)	\$0.151	\$0.157	\$0.164	\$0.170

1	FY	Other Fees (Millions)	\$3.834	\$3.888	\$3.943	\$4.000
2	6-Mill Levy Property Tax Indicators (See General Fund Property					
3	Tax Assumptions for Other Detail)					
4	<u>FY</u>	<u>TAXABLE VALUE ADJUSTMENT FOR COURT DECISION ON RECLASSIFICATION OF PROPERTY (MILLIONS)</u>				
5			<u>\$0.000</u>	<u>\$0.000</u>	<u>(\$39.048)</u>	<u>(\$39.048)</u>
6	FY	Taxable Value -- Without Reappraisal (Millions)	\$2,071.887	\$2,135.710	\$2,231.659	\$2,300.783
7				<u>\$2,143.082</u>	<u>\$2,243.347</u>	<u>\$2,289.845</u>
8					<u>\$2,204.299</u>	<u>\$2,250.797</u>
9	FY	Nonlevy Revenue (Millions)	\$0.000	\$0.844	\$1.211	\$1.185
10	FY	6-Mill Adjustments (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
11			- END -			