EXHIBIT 2
DATE 1-28-09
HJ 2

General Fund Revenue Estimates FY 2009, 2010, 2011

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Legislative Fiscal Division (LFD)

January 28, 2009

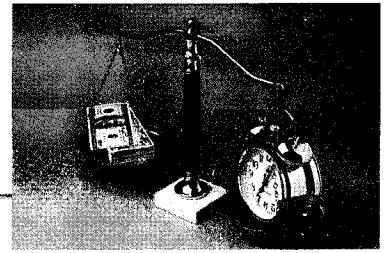
House Taxation

Legislative Fiscal Division

www.leg.mt.gov/css/fiscal

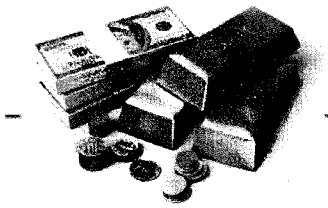
Presentation Outline

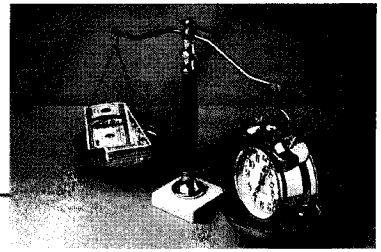
- Revenue Estimate Process
- Data Sources
- Revenue Estimate Revisions
- Significant Assumptions



Revenue Estimate Process

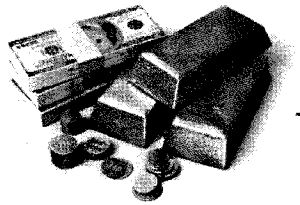
- Revenue & Transportation Statutory Requirement
- LFD Staff Role
- Additional Input
  - Executive Budget Office
  - Bureau Business & Economic Research
  - MSU Agricultural Economics Department
  - Others as Needed

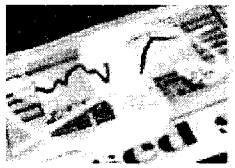


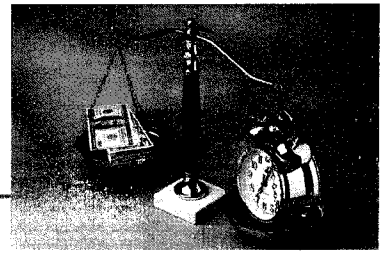


Revenue Estimate Process

- **HJ2 Revenue Estimating Resolution**
  - **Major Assumptions**
  - **Estimates for FY 2009, 2010, 2011**
- **House Taxation Committee**

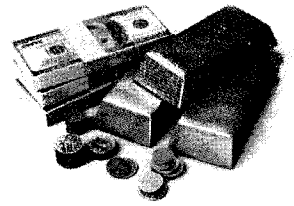


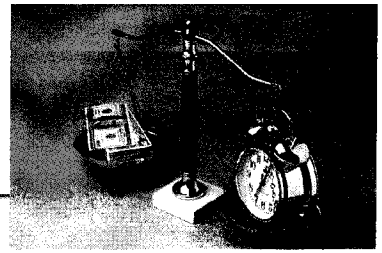




Data Sources

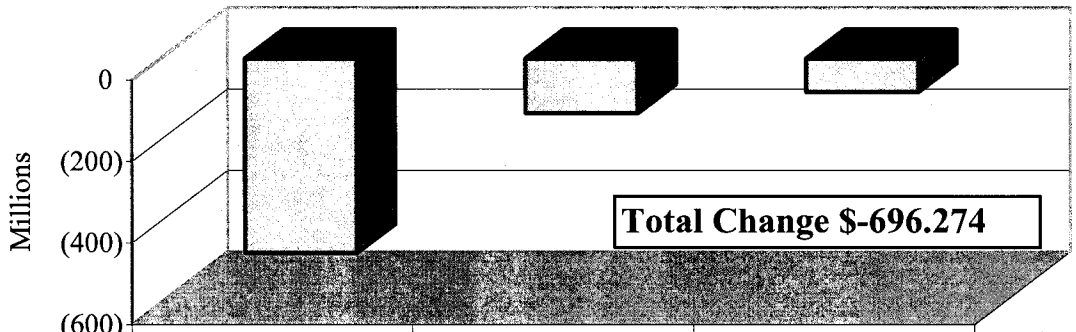
- IHS Global Insight – National & State
- Statewide Budgeting & Accounting System
- Department of Revenue Selected Tax Returns
- Other State Agencies
- Federal Entities



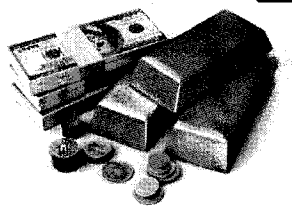


Revenue Estimate Revisions

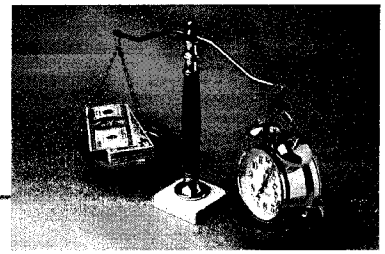
LFD General Fund Revenue Estimate Adjustments Since October - FY 2009,2010,2011



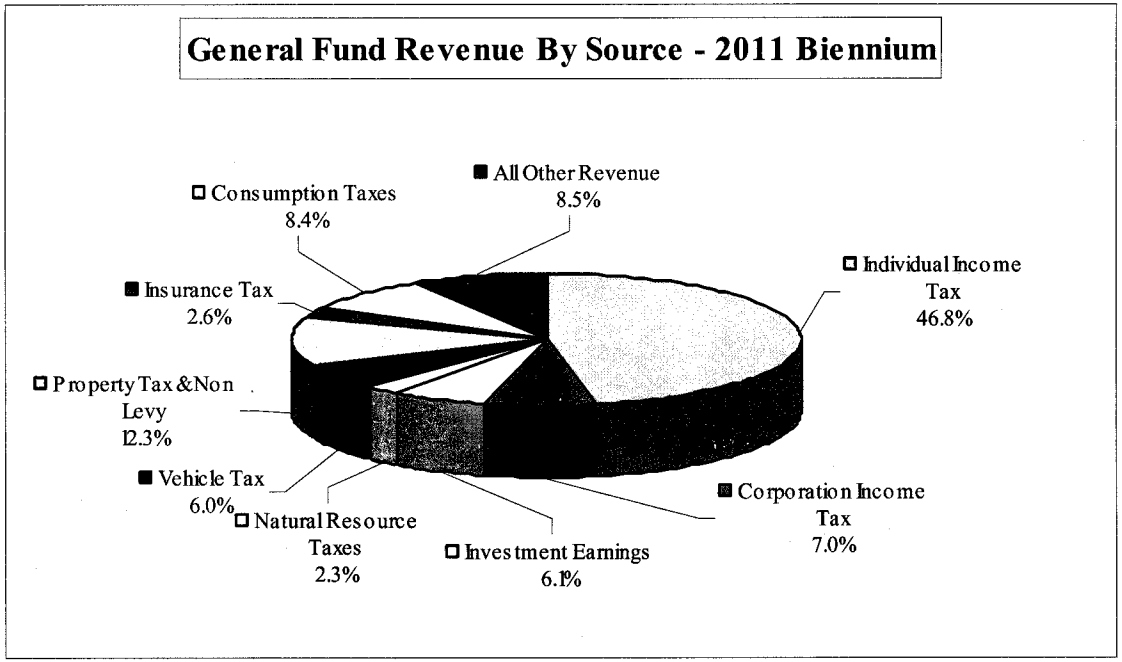
	RTIC November	LFD December	LFD January
Sequence	($478.263)	($135.084)	($82.927)



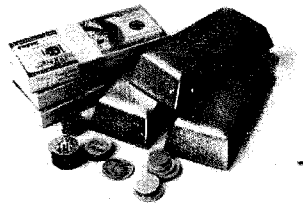
Key Economic Assumptions



- Montana Wage & Salaries
- Montana Capital Gains
- Corporation Income Tax
- Interest Rates
- Oil Prices & Production

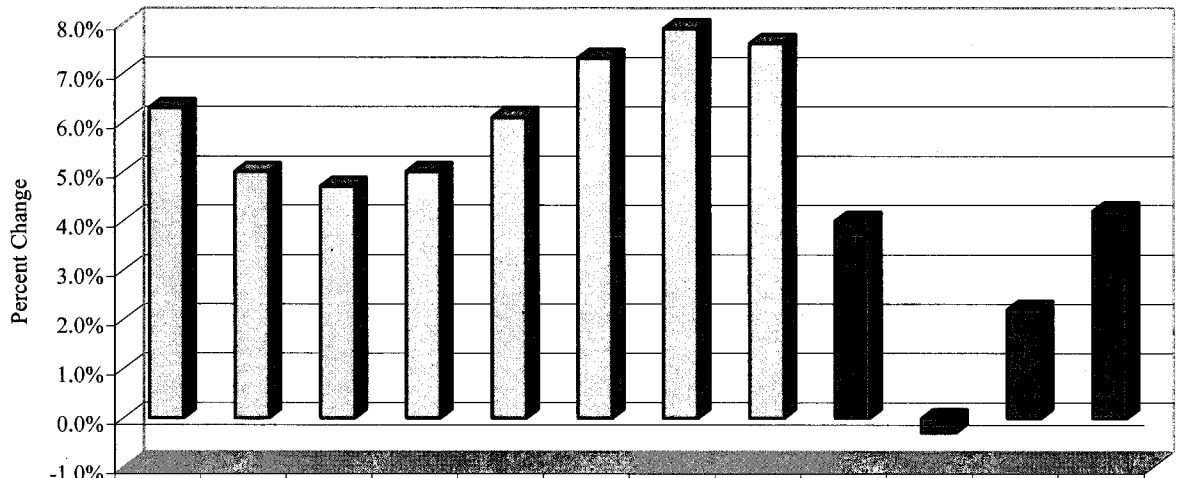


Income,Investment,Natural Resources 62.2%



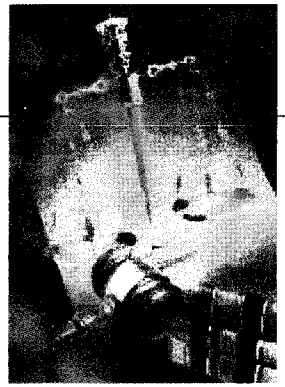
LFD Economic Assumptions

Montana Wage & Salary Income
Percent Change

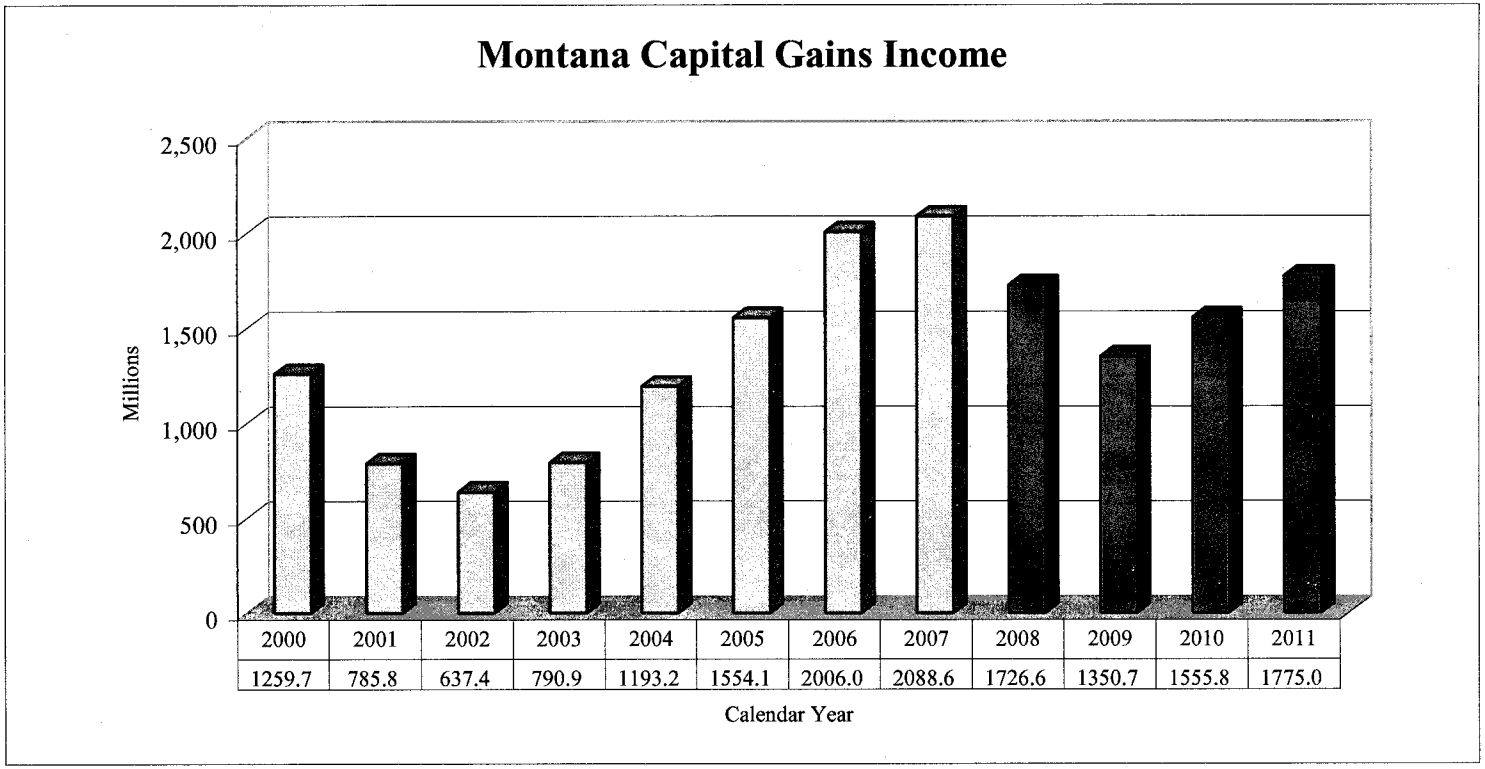


2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.3%	5.0%	4.7%	5.0%	6.1%	7.3%	7.9%	7.6%	4.0%	-0.3%	2.2%	4.2%

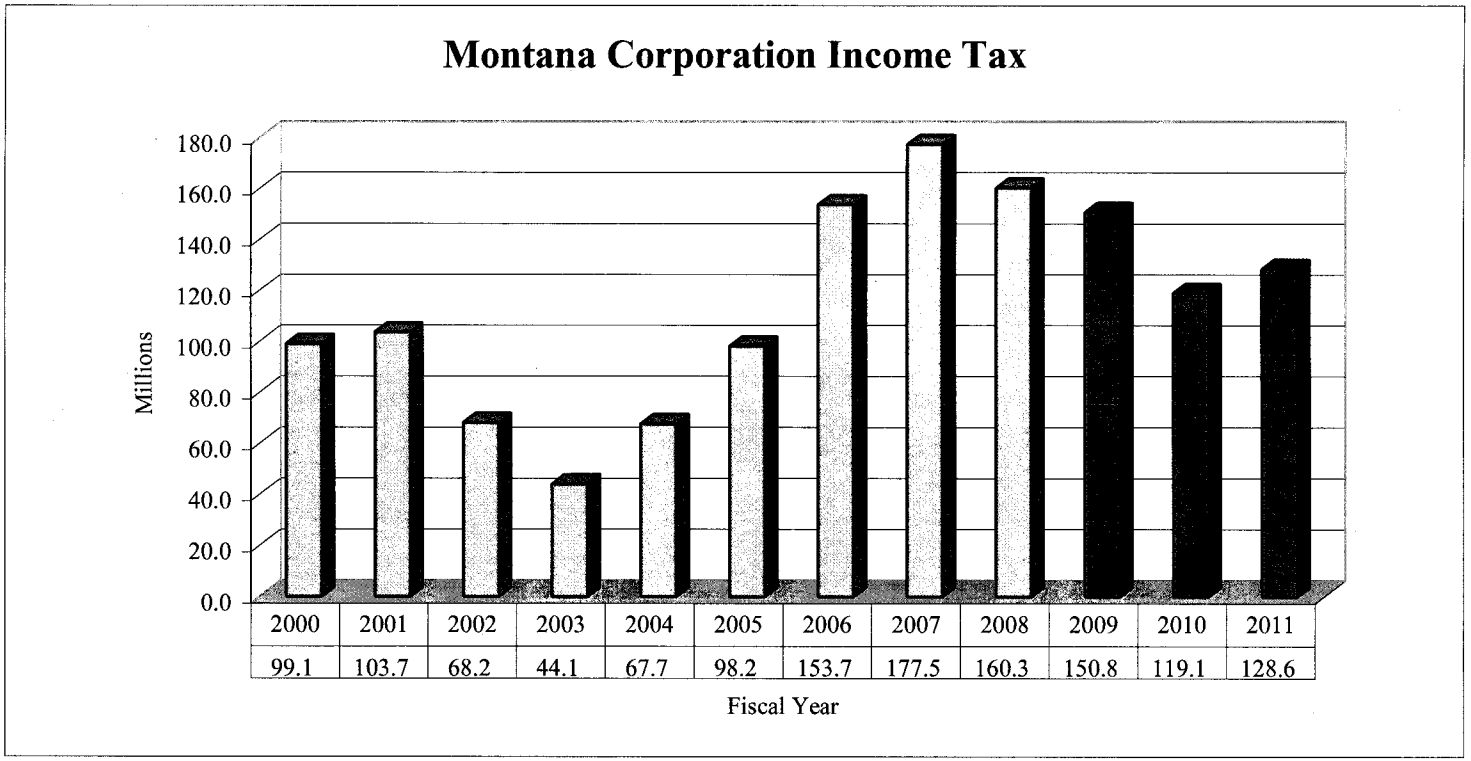
Calendar Year

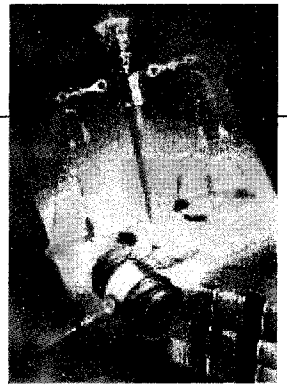


LFD Economic Assumptions

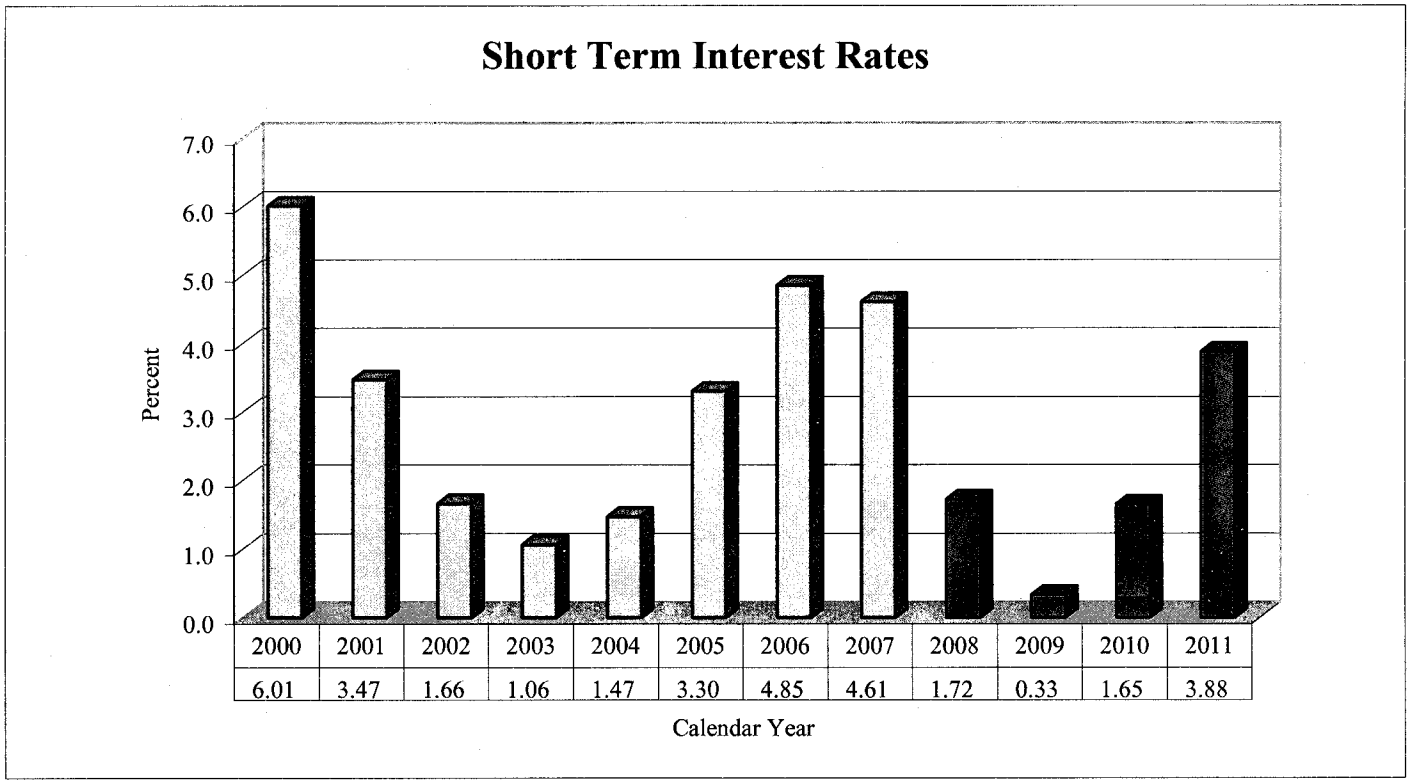


LFD Economic Indicators

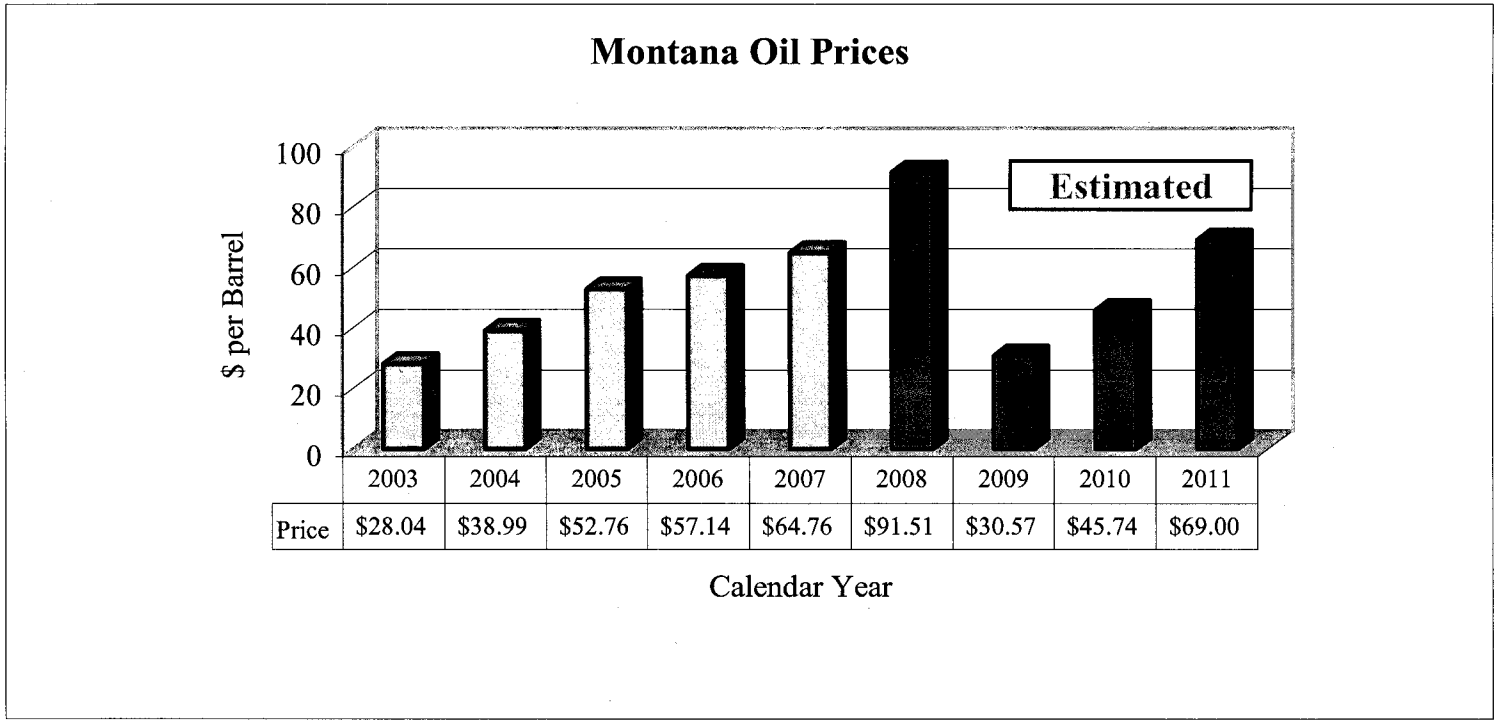


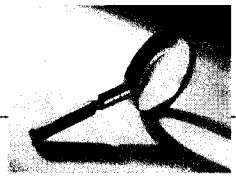


LFD Economic Assumptions

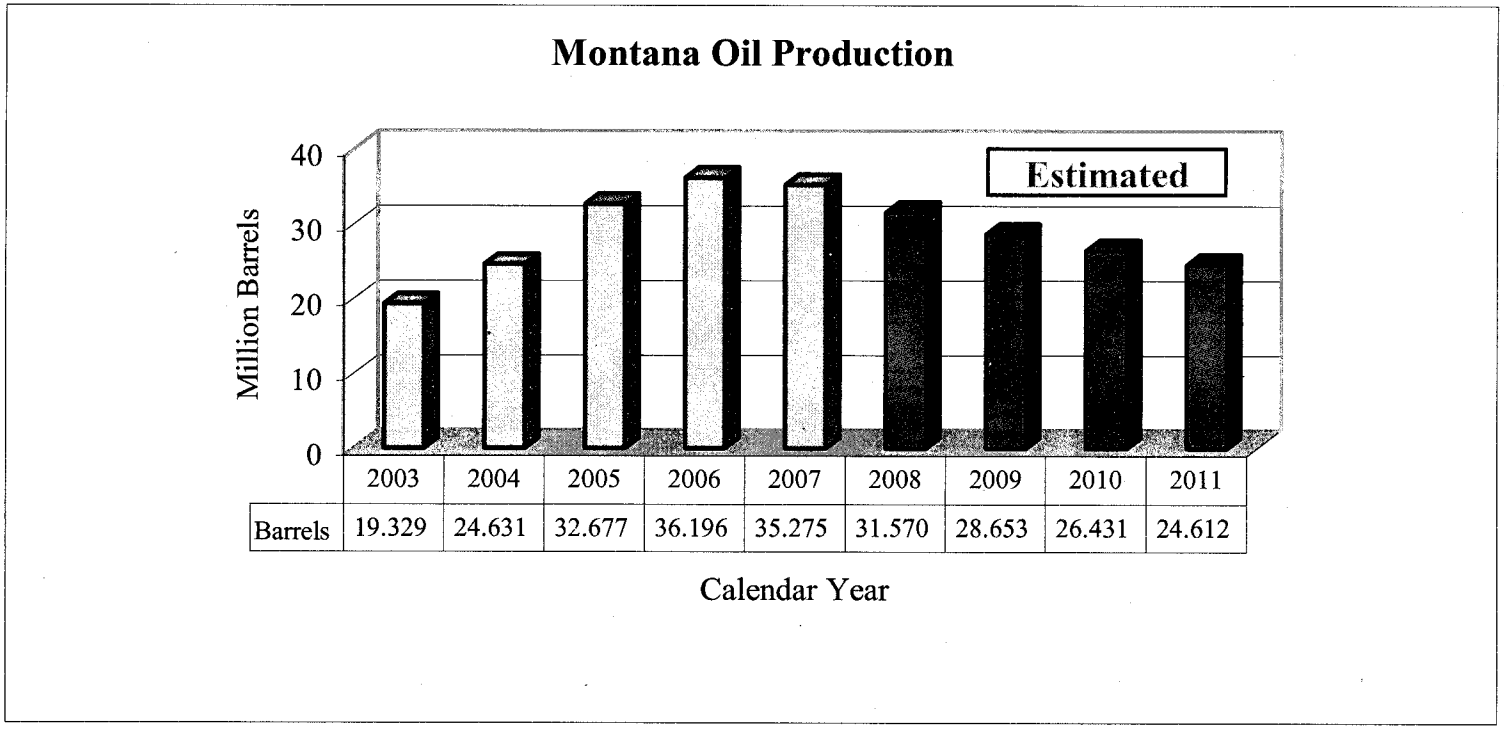
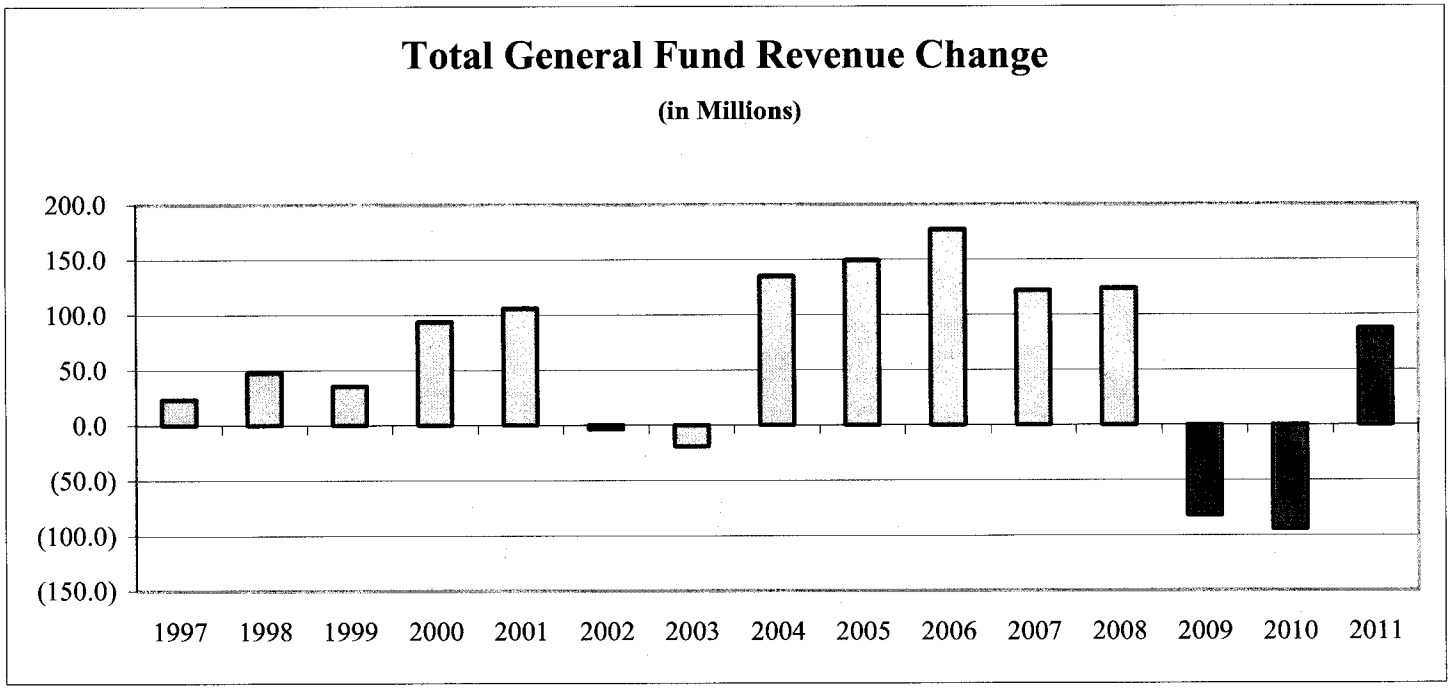


LFD Economic Assumptions





LFD Economic Assumptions



General Fund Revenue Trends