

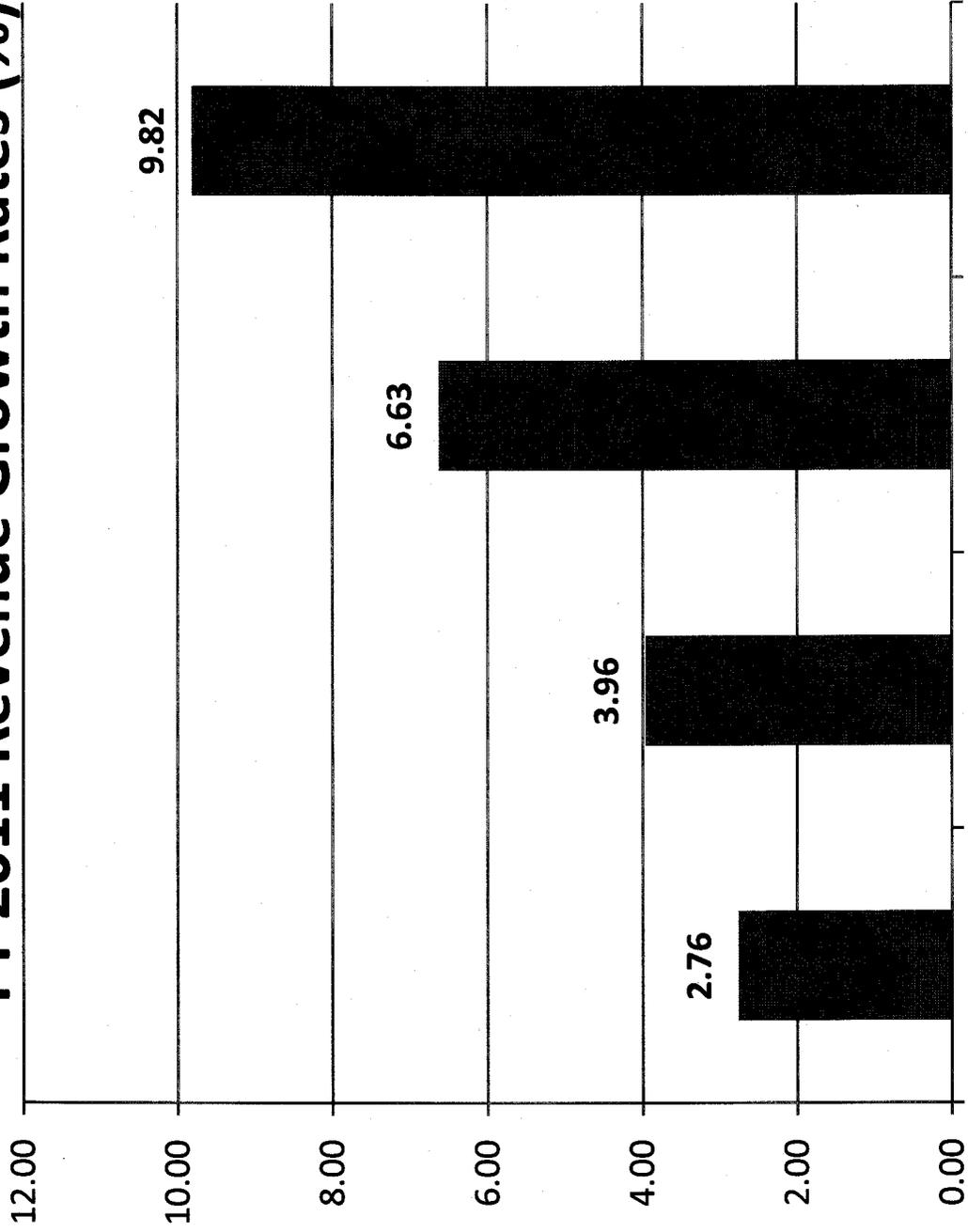
General Fund Revenue and Economic Data Points

- As of March 1, current year general fund revenue is **9.82% higher** than last year.
- Personal income tax withholding for February 2011 was the **highest February** in history.
- Personal income tax withholding for January 2011 was the **highest monthly total** for any month in history.
- On a year to date basis, at the end of 8 months of FY 2011, wage withholding is 6.58% above last year—meaning **wages are 6.58% higher** than last year.
- As of March 1, total **personal income tax** collections are **10.0% higher** than last year.
- As of March 1, total **corporation license tax** collections are **67.6% higher** than last year.
- As of March 16, 2011 general fund cash is **\$285.2 million**. This is **22.23% higher** than the cash balance on March 16, 2010.
- Other economic indicators pertinent to Montana:
  - Record 215.36 million bushels of wheat
  - Record tourism to our parks
  - Biggest hay crop in history
  - Grain and Cattle prices are high at the same time
  - Copper over \$4.40 a pound
  - Oil over \$98 a barrel and climbing
  - Palladium over \$838 an ounce
  - Gold over \$1400 an ounce and climbing
  - 12% increase in coal production
- Although February general fund collections for FY 11 were 16% (\$8.6 million) lower than February collections for FY 10, it is important to note that February is one of the two smallest months in terms of collections – encompassing only approximately 4% of the total annual revenue, based on prior year’s collection patterns. Additionally, of the \$8.6 million decrease, approximately \$7.9 million can be attributed to timing of collections pertaining to vehicles taxes, electrical energy taxes and wholesale energy taxes.
- Based on a recent study conducted by Pew and the Rockefeller Institute of Government, between 1987 and 2009, Montana was second worst in the country (only ahead of Alaska) in terms of estimating error for general fund revenue. On average, Montana has underestimated revenues by a median percentage error of 6.14%. Please see [http://www.rockinst.org/pdf/government finance/2011-03-01-States Revenue Estimating Report.pdf](http://www.rockinst.org/pdf/government%20finance/2011-03-01-States%20Revenue%20Estimating%20Report.pdf)

**General Fund Revenue Monitoring Report**  
**Fiscal Year 2011 - Revenue Through February**  
(\$ millions)

Revenue Source	Actual FY 2010	HJR 2 FY 2011	\$ Change	% Change	FY 2010 YTD	FY 2011 YTD	\$ Change	% Change
<b>MAJOR TAXES</b>								
Individual Income Tax	\$717.834	\$738.761	\$20.927	2.92%	\$421.848	\$464.012	\$42.164	10.00%
Property Tax	\$222.510	\$229.084	\$6.574	2.95%	\$128.327	\$131.872	\$3.544	2.76%
Vehicle Taxes and Fees	\$103.858	\$107.025	\$3.167	3.05%	\$53.659	\$59.232	\$5.574	10.39%
Corporation License Tax	\$87.901	\$103.320	\$15.419	17.54%	\$29.177	\$48.899	\$19.722	67.60%
Insurance Premiums Tax	\$54.892	\$54.587	(\$0.305)	(0.56%)	\$24.161	\$24.448	\$0.288	1.19%
Video Gambling Tax	\$52.396	\$55.340	\$2.944	5.62%	\$27.520	\$24.557	(\$2.964)	(10.77%)
<b>Total Major Taxes</b>	<b>\$1,239.392</b>	<b>\$1,288.117</b>	<b>\$48.725</b>	<b>3.93%</b>	<b>\$684.691</b>	<b>\$753.020</b>	<b>\$68.328</b>	<b>9.98%</b>
<b>NATURAL RESOURCE TAXES</b>								
Oil and Gas Production Taxes	\$95.491	\$101.421	\$5.930	6.21%	\$21.315	\$23.061	\$1.746	8.19%
U.S. Mineral Royalties	\$30.288	\$29.674	(\$0.614)	(2.03%)	\$15.257	\$16.393	\$1.135	7.44%
Coal Severance Tax	\$10.322	\$14.848	\$4.526	43.85%	\$6.078	\$6.675	\$0.597	9.83%
Metalliferous Mines Tax	\$6.541	\$6.481	(\$0.060)	(0.92%)	\$0.007	\$0.006	(\$0.001)	(20.45%)
Electrical Energy Tax	\$4.713	\$4.452	(\$0.261)	(5.55%)	\$2.107	\$2.507	\$0.400	18.99%
Wholesale Energy Transactions Tax	\$3.556	\$3.657	\$0.101	2.84%	\$1.785	\$2.024	\$0.239	13.40%
<b>Total Natural Resource Taxes</b>	<b>\$150.911</b>	<b>\$160.533</b>	<b>\$9.622</b>	<b>6.38%</b>	<b>\$46.549</b>	<b>\$50.666</b>	<b>\$4.117</b>	<b>8.84%</b>
<b>INTEREST EARNINGS</b>								
Coal Trust Interest Earnings	\$26.914	\$26.512	(\$0.402)	(1.49%)	\$13.615	\$13.640	\$0.025	0.18%
Treasury Cash Account Interest	\$2.692	\$1.666	(\$1.026)	(38.12%)	\$1.723	\$1.534	(\$0.189)	(10.97%)
<b>Total Interest Earnings</b>	<b>\$29.606</b>	<b>\$28.178</b>	<b>(\$1.428)</b>	<b>(4.82%)</b>	<b>\$15.338</b>	<b>\$15.174</b>	<b>(\$0.164)</b>	<b>(1.07%)</b>
<b>LIQUOR TAXES</b>								
Liquor Excise and License Taxes	\$15.626	\$16.104	\$0.478	3.06%	\$6.368	\$9.412	\$3.044	47.80%
Liquor Profits	\$9.000	\$9.511	\$0.511	5.68%	\$0.000	\$0.000	\$0.000	
Beer Tax	\$3.032	\$3.142	\$0.110	3.63%	\$1.820	\$1.754	(\$0.066)	(3.61%)
Wine Tax	\$1.933	\$2.098	\$0.165	8.55%	\$1.173	\$1.177	\$0.004	0.38%
<b>Total Liquor Taxes</b>	<b>\$29.591</b>	<b>\$30.855</b>	<b>\$1.264</b>	<b>4.27%</b>	<b>\$9.361</b>	<b>\$12.343</b>	<b>\$2.982</b>	<b>31.86%</b>
<b>TOBACCO TAXES</b>								
Cigarette Tax	\$32.218	\$31.029	(\$1.189)	(3.69%)	\$20.500	\$19.720	(\$0.780)	(3.80%)
Tobacco Products Tax	\$5.334	\$5.680	\$0.346	6.48%	\$3.185	\$3.228	\$0.043	1.36%
Tobacco Settlement	\$3.469	\$3.565	\$0.096	2.78%	\$0.000	\$0.000	\$0.000	
<b>Total Tobacco Taxes</b>	<b>\$41.021</b>	<b>\$40.274</b>	<b>(\$0.747)</b>	<b>(1.82%)</b>	<b>\$23.685</b>	<b>\$22.948</b>	<b>(\$0.737)</b>	<b>(3.11%)</b>
<b>SALES TAXES</b>								
Telecommunications Excise Tax	\$23.523	\$21.772	(\$1.751)	(7.45%)	\$6.034	\$7.979	\$1.945	32.24%
Institutional Reimbursements	\$22.000	\$17.555	(\$4.445)	(20.21%)	\$10.498	\$10.129	(\$0.369)	(3.51%)
Accommodations Tax	\$12.331	\$12.852	\$0.521	4.23%	\$7.086	\$8.065	\$0.980	13.83%
Health Care Facility Utilization Fees	\$5.300	\$5.039	(\$0.261)	(4.93%)	\$2.657	\$2.614	(\$0.043)	(1.62%)
Rental Car Sales Tax	\$2.807	\$2.999	\$0.192	6.82%	\$1.701	\$1.872	\$0.171	10.03%
<b>Total Sales Taxes</b>	<b>\$65.962</b>	<b>\$60.217</b>	<b>(\$5.745)</b>	<b>(8.71%)</b>	<b>\$27.976</b>	<b>\$30.660</b>	<b>\$2.684</b>	<b>9.59%</b>
<b>OTHER TAXES AND REVENUES</b>								
Lottery Profits	\$10.631	\$12.327	\$1.696	15.95%	\$2.795	\$2.251	(\$0.543)	(19.44%)
Highway Patrol Fines	\$4.646	\$4.666	\$0.020	0.42%	\$2.531	\$2.517	(\$0.014)	(0.55%)
Investment Licenses and Permits	\$6.225	\$6.008	(\$0.217)	(3.48%)	\$5.354	\$6.011	\$0.657	12.28%
Contractors' Gross Receipts Tax	\$6.969	\$6.477	(\$0.492)	(7.07%)	\$5.595	\$6.332	\$0.738	13.19%
Driver's License Fee	\$4.156	\$3.561	(\$0.595)	(14.32%)	\$2.464	\$2.529	\$0.066	2.66%
Rail Car Tax	\$2.579	\$2.031	(\$0.548)	(21.26%)	\$1.977	\$1.675	(\$0.302)	(15.29%)
Other Revenue	\$35.454	\$28.888	(\$6.566)	(18.52%)	\$15.958	\$21.036	\$5.079	31.83%
<b>Total Other Revenue Sources</b>	<b>\$70.661</b>	<b>\$63.958</b>	<b>(\$6.703)</b>	<b>(9.49%)</b>	<b>\$36.672</b>	<b>\$42.352</b>	<b>\$5.680</b>	<b>15.49%</b>
<b>Total General Fund</b>	<b>\$1,627.145</b>	<b>\$1,672.132</b>	<b>\$44.987</b>	<b>2.76%</b>	<b>\$844.273</b>	<b>\$927.164</b>	<b>\$82.891</b>	<b>9.82%</b>

# FY 2011 Revenue Growth Rates (%)



HJR 2 November 2010    LFD March 2011    OBPP February 2011    YTD March 1

**OBPP General Fund Revenue Estimates as of February 2011**

<b>Revenue Category</b>	<b>Actual FY 2010</b>	<b>Forecast FY 2011</b>	<b>Forecast FY 2012</b>	<b>Forecast FY 2013</b>	<b>2013 Biennium</b>
<b>MAJOR TAXES</b>					
Individual Income Tax	\$717.834	\$765.943	\$795.040	\$856.431	\$1,651.470
Property Tax	\$222.510	\$229.577	\$237.219	\$241.673	\$478.892
Vehicle Taxes and Fees	\$103.858	\$108.208	\$110.419	\$110.454	\$220.873
Corporation License Tax	\$87.901	\$126.526	\$142.011	\$133.858	\$275.869
Insurance Premiums Tax	\$54.892	\$56.850	\$59.200	\$60.930	\$120.130
Video Gambling Tax	\$52.396	\$50.515	\$53.489	\$55.730	\$109.219
<b>Total Major Taxes</b>	<b>\$1,239.392</b>	<b>\$1,337.619</b>	<b>\$1,397.377</b>	<b>\$1,459.075</b>	<b>\$2,856.453</b>
<b>NATURAL RESOURCE TAXES</b>					
Oil and Gas Production Taxes	\$95.491	\$105.433	\$109.008	\$114.537	\$223.545
U.S. Mineral Royalties	\$30.288	\$33.228	\$33.108	\$32.713	\$65.822
Coal Severance Tax	\$10.322	\$13.005	\$12.401	\$12.101	\$24.502
Metalliferous Mines Tax	\$6.541	\$7.864	\$9.825	\$10.689	\$20.514
Electrical Energy Tax	\$4.713	\$4.688	\$4.697	\$4.729	\$9.426
Wholesale Energy Transactions Tax	\$3.847	\$3.847	\$3.854	\$3.880	\$7.735
<b>Total Natural Resource Taxes</b>	<b>\$151.202</b>	<b>\$168.065</b>	<b>\$172.893</b>	<b>\$178.650</b>	<b>\$351.543</b>
<b>INTEREST EARNINGS</b>					
Coal Trust Interest Earnings	\$26.914	\$25.329	\$25.580	\$26.721	\$52.301
Treasury Cash Account Interest	\$2.692	\$3.086	\$6.584	\$15.938	\$22.521
<b>Total Interest Earnings</b>	<b>\$29.606</b>	<b>\$28.415</b>	<b>\$32.163</b>	<b>\$42.659</b>	<b>\$74.822</b>
<b>LIQUOR TAXES</b>					
Liquor Excise and License Taxes	\$15.626	\$15.704	\$15.861	\$16.019	\$31.880
Liquor Profits	\$9.000	\$9.010	\$9.110	\$9.161	\$18.271
Beer Tax	\$3.032	\$3.084	\$3.116	\$3.146	\$6.262
Wine Tax	\$1.933	\$2.042	\$2.153	\$2.265	\$4.418
<b>Total Liquor Taxes</b>	<b>\$29.591</b>	<b>\$29.840</b>	<b>\$30.240</b>	<b>\$30.591</b>	<b>\$60.831</b>
<b>TOBACCO TAXES</b>					
Cigarette Tax	\$32.218	\$31.099	\$31.603	\$31.249	\$62.852
Tobacco Products Tax	\$5.334	\$5.483	\$5.649	\$5.818	\$11.467
Tobacco Settlement	\$3.469	\$3.681	\$3.646	\$3.611	\$7.257
<b>Total Tobacco Taxes</b>	<b>\$41.021</b>	<b>\$40.264</b>	<b>\$40.898</b>	<b>\$40.678</b>	<b>\$81.576</b>
<b>SALES TAXES</b>					
Telecommunications Excise Tax	\$23.523	\$23.489	\$23.881	\$24.280	\$48.161
Institutional Reimbursements	\$22.000	\$18.113	\$17.092	\$17.254	\$34.346
Accommodations Tax	\$12.331	\$14.126	\$15.247	\$16.414	\$31.661
Health Care Facility Utilization Fees	\$5.300	\$5.380	\$5.309	\$5.229	\$10.537
Rental Car Sales Tax	\$2.807	\$3.012	\$3.221	\$3.471	\$6.692
<b>Total Sales Taxes</b>	<b>\$65.962</b>	<b>\$64.121</b>	<b>\$64.749</b>	<b>\$66.647</b>	<b>\$131.397</b>
<b>OTHER TAXES AND REVENUES</b>					
Lottery Profits	\$10.631	\$11.673	\$11.317	\$11.983	\$23.300
Highway Patrol Fines	\$4.646	\$4.604	\$4.613	\$4.661	\$9.273
Investment Licenses and Permits	\$6.225	\$6.570	\$7.050	\$7.510	\$14.560
Contractors' Gross Receipts Tax	\$6.969	\$5.437	\$4.397	\$4.440	\$8.837
Driver's License Fee	\$4.182	\$3.900	\$4.393	\$4.194	\$8.586
Rail Car Tax	\$2.579	\$2.028	\$2.072	\$2.052	\$4.123
Other Revenue	\$35.454	\$32.424	\$29.446	\$30.175	\$59.621
<b>Total Other Taxes and Revenues</b>	<b>\$70.688</b>	<b>\$66.636</b>	<b>\$63.288</b>	<b>\$65.014</b>	<b>\$128.301</b>
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$1,627.461</b>	<b>\$1,734.959</b>	<b>\$1,801.608</b>	<b>\$1,883.314</b>	<b>\$3,684.922</b>

**Difference Between OBPP February 2011 Revenue Estimates  
and HJR 2 (November 2010)**

Revenue Category	Forecast FY 2011	Forecast FY 2012	Forecast FY 2013	2013 Biennium
<b>MAJOR TAXES</b>				
Individual Income Tax	\$27.182	\$13.149	\$30.841	\$43.989
Property Tax	\$0.493	(\$0.590)	(\$1.186)	(\$1.776)
Vehicle Taxes and Fees	\$1.183	\$3.804	\$3.455	\$7.259
Corporation License Tax	\$23.206	\$18.696	\$5.679	\$24.375
Insurance Premiums Tax	\$2.263	\$1.700	\$0.141	\$1.841
Video Gambling Tax	(\$4.825)	(\$4.073)	(\$4.469)	(\$8.542)
<b>Total Major Taxes</b>	<b>\$49.502</b>	<b>\$32.685</b>	<b>\$34.460</b>	<b>\$67.146</b>
<b>NATURAL RESOURCE TAXES</b>				
Oil and Gas Production Taxes	\$4.012	\$7.205	\$14.418	\$21.623
U.S. Mineral Royalties	\$3.554	\$3.394	\$3.837	\$7.232
Coal Severance Tax	(\$1.843)	(\$0.899)	(\$1.451)	(\$2.350)
Metalliferous Mines Tax	\$1.383	\$2.388	\$2.936	\$5.324
Electrical Energy Tax	\$0.236	\$0.217	\$0.194	\$0.411
Wholesale Energy Transactions Tax	\$0.190	\$0.116	\$0.062	\$0.179
<b>Total Natural Resource Taxes</b>	<b>\$7.532</b>	<b>\$12.421</b>	<b>\$19.997</b>	<b>\$32.418</b>
<b>INTEREST EARNINGS</b>				
Coal Trust Interest Earnings	(\$1.183)	(\$1.485)	(\$0.697)	(\$2.182)
Treasury Cash Account Interest	\$1.420	\$0.411	(\$1.460)	(\$1.050)
<b>Total Interest Earnings</b>	<b>\$0.237</b>	<b>(\$1.075)</b>	<b>(\$2.157)</b>	<b>(\$3.232)</b>
<b>LIQUOR TAXES</b>				
Liquor Excise and License Taxes	(\$0.400)	(\$0.917)	(\$1.468)	(\$2.385)
Liquor Profits	(\$0.501)	(\$0.617)	(\$0.847)	(\$1.464)
Beer Tax	(\$0.058)	(\$0.069)	(\$0.084)	(\$0.153)
Wine Tax	(\$0.056)	(\$0.038)	(\$0.021)	(\$0.059)
<b>Total Liquor Taxes</b>	<b>(\$1.015)</b>	<b>(\$1.641)</b>	<b>(\$2.420)</b>	<b>(\$4.061)</b>
<b>TOBACCO TAXES</b>				
Cigarette Tax	\$0.070	\$0.720	\$1.336	\$2.056
Tobacco Products Tax	(\$0.197)	(\$0.369)	(\$0.562)	(\$0.931)
Tobacco Settlement	\$0.116	\$0.082	\$0.052	\$0.134
<b>Total Tobacco Taxes</b>	<b>(\$0.010)</b>	<b>\$0.433</b>	<b>\$0.826</b>	<b>\$1.259</b>
<b>SALES TAXES</b>				
Telecommunications Excise Tax	\$1.717	\$2.122	\$2.393	\$4.515
Institutional Reimbursements	\$0.558	(\$0.080)	(\$0.120)	(\$0.200)
Accommodations Tax	\$1.274	\$1.732	\$2.400	\$4.132
Health Care Facility Utilization Fees	\$0.341	\$0.380	\$0.409	\$0.788
Rental Car Sales Tax	\$0.013	\$0.046	\$0.183	\$0.229
<b>Total Sales Taxes</b>	<b>\$3.904</b>	<b>\$4.199</b>	<b>\$5.264</b>	<b>\$9.464</b>
<b>OTHER TAXES AND REVENUES</b>				
Lottery Profits	(\$0.654)	(\$0.599)	(\$0.657)	(\$1.256)
Highway Patrol Fines	(\$0.062)	(\$0.072)	(\$0.043)	(\$0.116)
Investment Licenses and Permits	\$0.562	\$0.554	\$0.770	\$1.324
Contractors' Gross Receipts Tax	(\$1.040)	(\$1.319)	(\$1.265)	(\$2.584)
Driver's License Fee	\$0.339	\$0.227	\$0.582	\$0.808
Rail Car Tax	(\$0.003)	(\$0.024)	(\$0.103)	(\$0.128)
Other Revenue	\$3.536	\$2.052	\$2.098	\$4.150
<b>Total Other Taxes and Revenues</b>	<b>\$2.678</b>	<b>\$0.819</b>	<b>\$1.381</b>	<b>\$2.199</b>
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$62.826</b>	<b>\$47.841</b>	<b>\$57.351</b>	<b>\$105.192</b>

**FY 2011 Projected Revenue Trends**

(\$ millions)

	Collections Through February	FYE Collections	March Through FYE Collections
<b>LFD</b>			
FY 2010	\$844.273	\$1,627.145	\$782.872
<u>FY 2011</u>	<u>\$927.164</u>	<u>\$1,691.626</u>	<u>\$764.462</u>
<b>Change \$</b>	<b>\$82.891</b>	<b>\$64.481</b>	<b>(\$18.410)</b>
<b>Change %</b>	<b>9.82%</b>	<b>3.96%</b>	<b>(2.35%)</b>

	Collections Through February	FYE Collections	March Through FYE Collections
<b>OBPP</b>			
FY 2010	\$844.273	\$1,627.145	\$782.872
<u>FY 2011</u>	<u>\$927.164</u>	<u>\$1,734.960</u>	<u>\$807.796</u>
<b>Change \$</b>	<b>\$82.891</b>	<b>\$107.815</b>	<b>\$24.924</b>
<b>Change %</b>	<b>9.82%</b>	<b>6.63%</b>	<b>3.18%</b>