

General Fund Revenue Update

April 9, 2013



Update Summary

- ▶ New data
 - IHS Global Insight
 - Oil & natural gas production data
- ▶ Strong year-to-date growth
- ▶ Increased capital gains income in 2012
- ▶ Model updates



New Data

Variable	Change	Impact on Estimate
WTI oil prices	↑	↑
S&P 500	↑	↑
Montana wages	↑	↑
Demographics	Aging	↑
Natural gas prices	↓	↓
Oil production	↑	↑
Natural gas production	↓	↓



Model Changes Relative to SJ 2

	FY 2013	FY 2014	FY 2015	Total
Individual Income Tax	\$26.1	\$10.5	\$13.5	\$50.1
Corporation License Tax	1.3	2.1	2.5	5.9
Oil & Natural Gas Tax	(4.3)	(1.8)	0.3	(5.9)
Remaining Sources	(0.2)	(0.4)	(0.6)	(1.2)
On-Going Revenue	\$2.8	\$10.3	\$15.8	\$28.9
One-Time-Only Revenue	20.0			20.0
Total General Fund Revenue	\$22.8	\$10.3	\$15.8	\$48.9

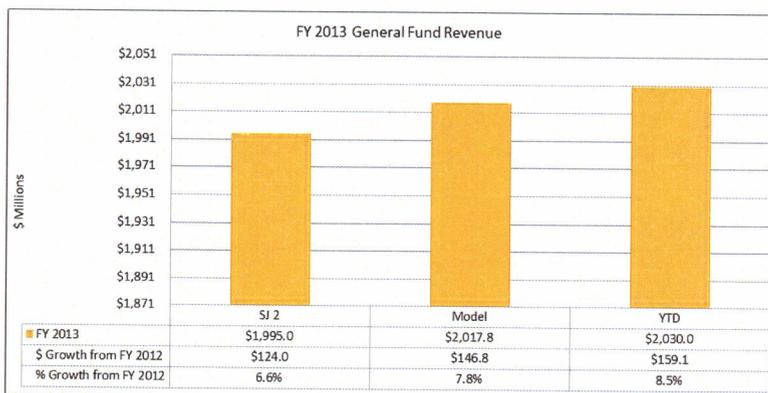


Year-to-Date Relative to SJ 2

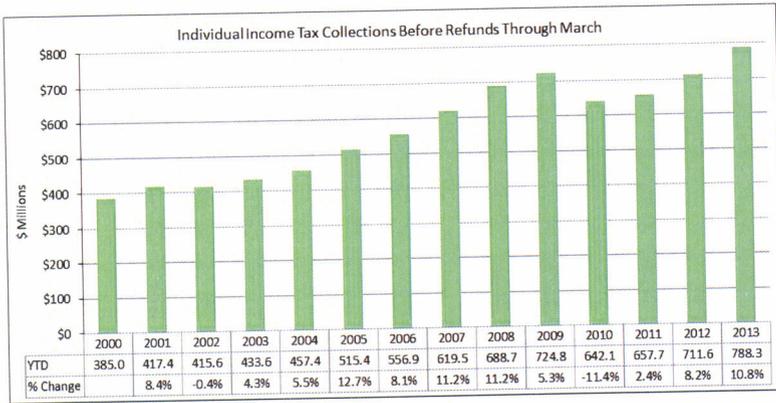
FY 2013 Comparison	
FY 2012 Actual Revenue	\$1,871.0
FY 2013 SJ 2 Revenue Growth	6.6%
FY 2013 YTD Revenue Growth	8.5%
FY 2013 SJ 2 Estimate	\$1,995.0
FY 2013 FYE Based on YTD	\$2,030.0
FY 2013 YTD FYE - SJ 2	\$35.1
FY 2013 Increase in SJ 2 Amendment	\$22.8



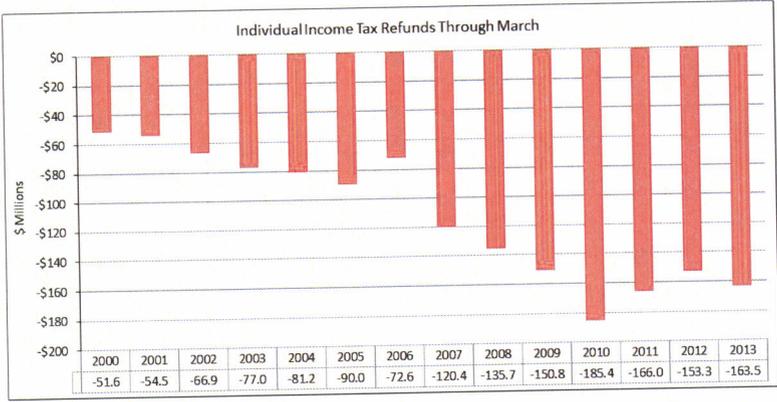
FY 2013 Comparison



Individual Income Tax



Individual Income Tax

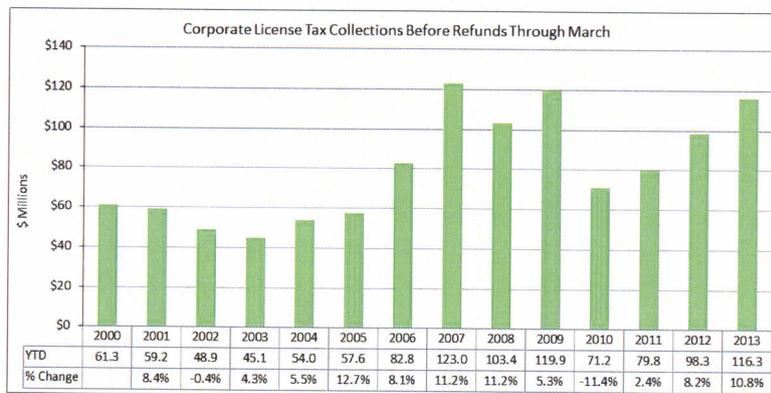


Federal Tax Uncertainty

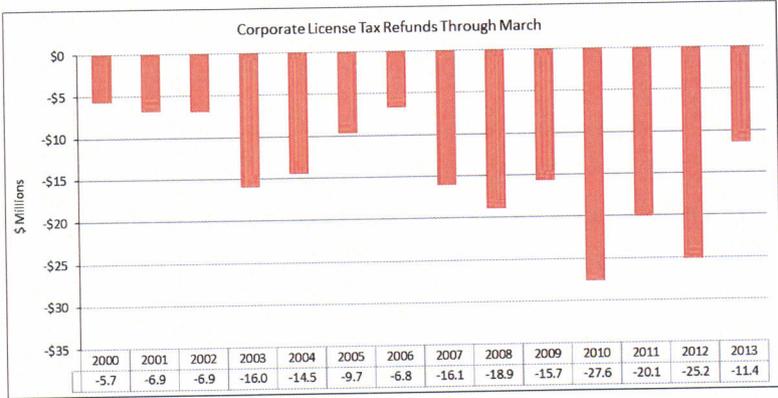
- ▶ Change in taxpayer behavior due to federal “fiscal cliff”
- ▶ Other states using a variety of methods to adjust for potentially higher taxes
- ▶ This revenue update includes a \$20 million adjustment in FY 2013



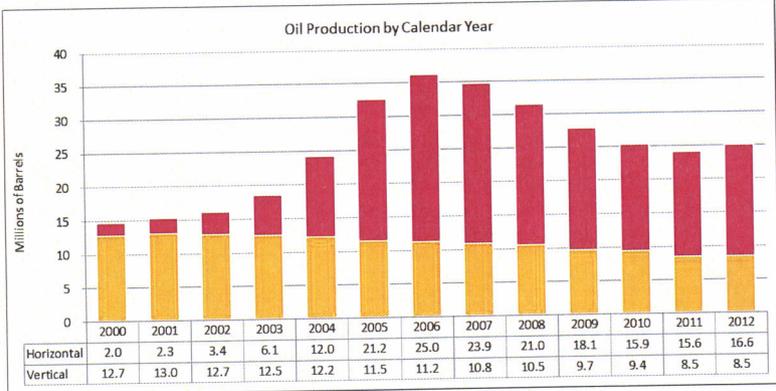
Corporation License Tax



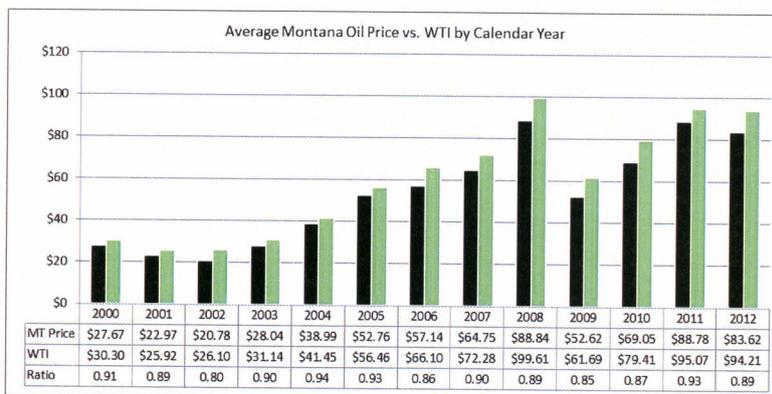
Corporation License Tax



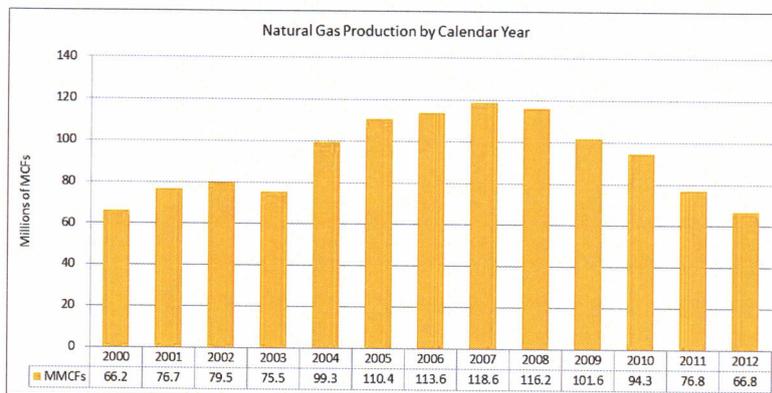
Oil Production



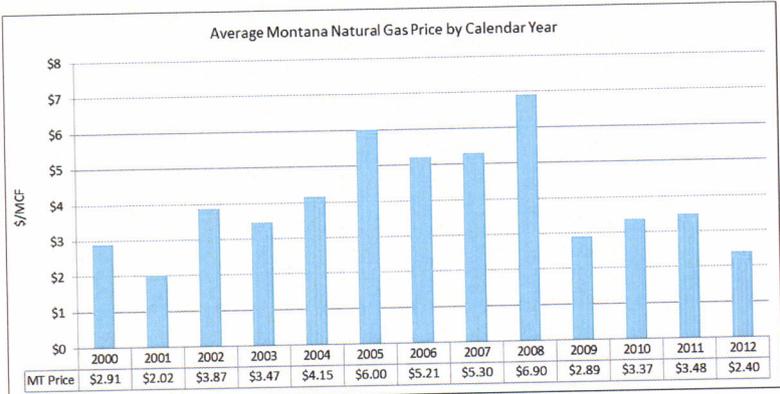
Oil Price



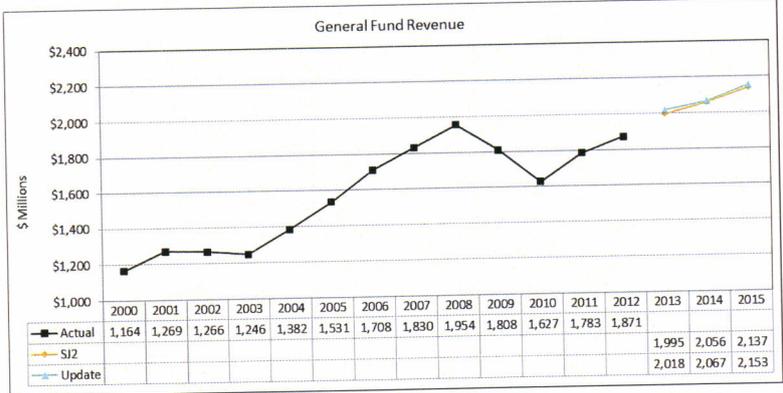
Gas Production



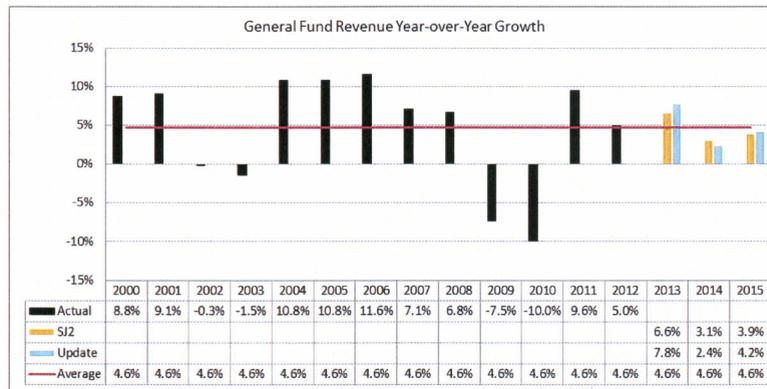
Gas Price



Total General Fund



Total General Fund Growth



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