

Montana Taxpayers Association

PO Box 4909
Helena, MT 59604

Montax.org

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STATE AND LOCAL GOVERNMENT SPENDING OVER TIME

On January 5th the 64th session of the Montana Legislature began. The main task of the legislature is to develop and pass a budget for the State of Montana. The Constitution requires that the budget be balanced. That does not mean that spending has to equal income. It just means that at the end of the budget cycle there cannot be a negative balance in the State's checking account. Spending can outpace income as long as there is enough money in the savings account to cover the bills.

I thought it might be interesting to look at spending and revenue amounts over a longer period of time than the two and four year cycle the legislature looks at. The following charts, developed by the Department of Revenue, show the growth in the major sources of state revenue over the last thirty years. The first chart is revenue in actual dollars. The second chart shows revenue growth adjusted backward for inflation.

