
Legislative Fiscal Division

Revenue Estimate Profile

Federal Forest Receipts

Revenue Description: Federal forest receipts are payments from the federal government in lieu of revenues from the sale of forest products of federal land. The federal government authorizes logging operations on forest lands located within the borders of Montana. The sale of timber generates revenue that the federal government shares with the state in the following year. The state sends the money to the county treasurer of the county in which the receipts were generated. Within thirty days, the county treasurer distributes the money to various county and state accounts.

Statutory Reference:

Tax Rate – NA

Tax Distribution (MCA) – 17-3-211, 17-3-212

Date Due – the state treasurer distributes the funds within 30 days after receiving full payment

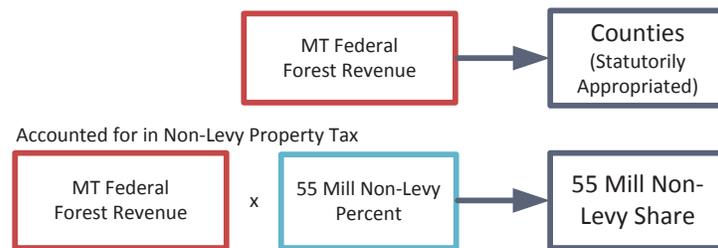
Applicable Tax Rate(s): N/A

Distribution: The county treasurer apportions federal forest receipts in the following manner:

- 66 2/3% to the road fund of the county
- 33 1/3% to the following county wide accounts, based on the mill ratios of each to total mills in the current year:
 - the county equalization accounts (55 mills)
 - the county transportation account
 - the county retirement accounts

This revenue source represents one component used to calculate total non-levy property tax revenue.

Distribution Chart:



Summary of Legislative Action: The 63rd Legislature did not enact legislation that impacted this source.

Collection Frequency: Twice annually (usually October and December)

% of Total General Fund Revenue: Non-levy is included in “Property Tax: 55 mills”.

Revenue Estimate Methodology: Federal forest receipts are receipts from the federal government in lieu of revenues from the sale of forest products on federal land. By state law, two-thirds of this revenue is distributed to the county road fund in the counties with federal forestland and the remaining one-third is distributed to the county equalization mills and the county retirement and transportation mills. The share distributed to the 55 mills is the proportion that 55 mills is to all countywide mills in the prior year. The proportion that the 55 mills is to all countywide mills is multiplied times 1/3 of the federal forest receipts. As before, not more than 20% but at least 15% must be used by county governments for projects on federal lands.

The previous formula for distributing federal forest payments to counties was sunset in FY 2008. In the Emergency Economic Stabilization Act of 2008, a new formula for the distribution of forest receipts was enacted. The formula for FY 2009 through 2013 considers acres of federal land within an eligible county, the average 3 highest 25% payments made to each eligible state for each eligible county, and an income adjustment based on the per capita personal income for each county. Beginning in FY 2014, because the federal law will sunset, it is assumed that the old method of distributing these monies will prevail – 25% of the value of timber sold averaged over the prior 3 years. As a result, the state share of federal forest receipts distributed to the 55 mills is expected to decline.

Legislative Fiscal Division

Revenue Estimate Profile

Federal Forest Receipts

Forecast Methodology:



Revenue Estimate Assumptions:

This section contains the assumptions used to generate the revenue estimates contained in Senate Joint Resolution 2. It does not reflect changes, if any, enacted by the 2013 Legislature that may affect future estimates of this revenue source.

	t	Total Tax	GF Tax	CPI Percent	50% CPI %	Secure Rural Schools
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Change</u>	<u>Change</u>	<u>Millions</u>
Actual	2002	13.475	0.000	1.6%		
Actual	2003	12.479	0.000	2.3%	0.8%	
Actual	2004	12.491	0.000	2.7%	1.1%	
Actual	2005	12.431	0.000	3.4%	1.3%	
Actual	2006	12.800	0.000	3.2%	1.7%	
Actual	2007	12.935	0.000	2.8%	1.6%	
Actual	2008	13.028	0.000	3.9%	1.4%	
Actual	2009	28.175	0.000	-0.3%	1.9%	
Actual	2010	24.619	0.000	1.6%	-0.2%	
Forecast	2011	23.345	0.000	3.1%	0.8%	
Forecast	2012	20.487	0.000	2.1%	1.6%	
Forecast	2013	18.101	0.000	1.4%	1.0%	
Forecast	2014	2.284	0.000	1.7%	0.7%	
Forecast	2015	2.138	0.000	1.6%	0.9%	

Total Tax = Secure Rural Schools Act - Federal Legislation

Total Tax = Total Tax Previous Year × (1+50% CPI %)

Legislative Fiscal Division

Revenue Estimate Profile

Federal Forest Receipts

Revenue Projection:

