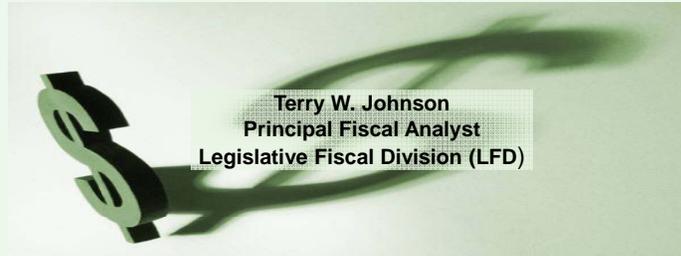




General Fund Update 2011 Biennium



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Revenue and Transportation Interim Committee

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Legislative Fiscal Division



Presentation Outline

- Current Revenue Trends
- Revised 2011 Biennium Ending Fund Balance
- Spending Reductions 17-7-140, MCA
- Structural Balance
- Summary





Fiscal 2010 To Date Summary General Fund Revenue Comparison

- Through January FY 2009 \$ 1,026.8 M
- Through January FY 2010 \$ 791.9 M

- Current Change and Rate (7 months) \$ -235.0 M -22.9%
- HJ 2* Growth and Rate (Full Year) \$ -35.1 M -1.9%

* Legislature's Revenue Estimating Resolution + Legislation



Fiscal 2010 To Date Summary By Significant Revenue Category

General Fund Revenue Collections Change From FY 2009		
Category	Change In Millions	Percent Change
Individual Income Tax	(\$117.0)	-22.23%
Corporation Income Tax	(66.5)	-70.95%
Oil & Gas Production Tax	(23.2)	-52.14%
Video Gaming Tax	(19.6)	-41.59%
Vehicle Fees/Taxes	(15.7)	-29.26%
TCA Interest	(8.9)	-85.20%
Property Tax	8.6	7.53%
Insurance Tax	9.7	69.09%
Remaining Sources	(2.4)	-2.00%
Total	(\$235.0)	-22.90%





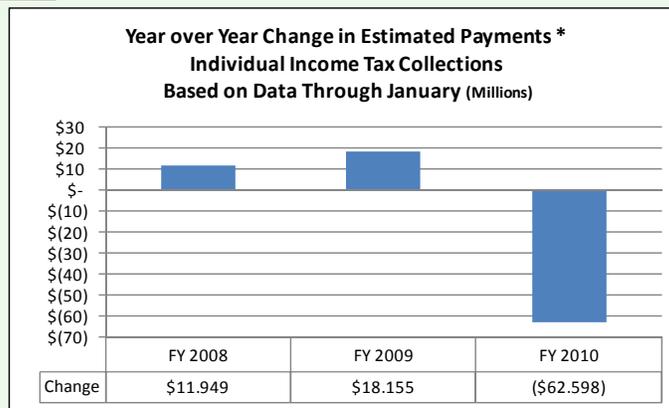
Individual Income Tax Comparison

Individual Income Tax Comparison - FY 2009 to FY 2010				
Revenue Description	Through 1/31/2009 FY 2009	Through 1/31/2010 FY 2010	Dollar Change	Percent Change
Withholding	365,400,636	354,017,686	(11,382,950)	-3.12%
Mineral Withholding	11,284,045	5,999,135	(5,284,910)	-46.84%
Estimated Payments *	177,402,744	114,804,809	(62,597,935)	-35.29%
Current Year Payments	13,404,496	5,985,445	(7,419,051)	-55.35%
Audit Revenue	14,697,649	17,231,166	2,533,517	17.24%
Refunds	(55,928,705)	(88,779,599)	(32,850,894)	58.74%
Total	\$526,260,865	\$409,258,642	(\$117,002,223)	-22.23%

* FY 2009 Includes a large estimated payment received in January



Fiscal 2010 Summary Individual Income Tax Estimated Payments

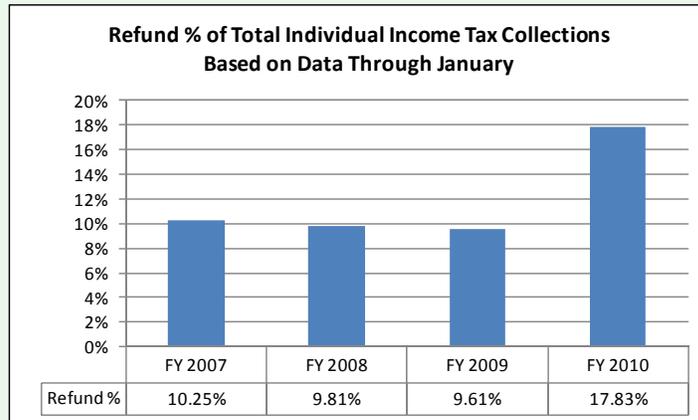


* FY 2009 Includes a large estimated payment received in January





Fiscal 2010 Summary Individual Income Tax Refund %



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Corporation Income Tax Comparison



Corporation Income Tax Comparison - FY 2009 to FY 2010				
Revenue Description	Through 1/31/2009 FY 2009	Through 1/31/2010 FY 2010	Dollar Change	Percent Change
Current Year Payments	19,543,431	5,803,322	(13,740,109)	-70.31%
Estimated Payments	71,730,544	36,148,399	(35,582,145)	-49.61%
Audit Revenue	14,246,582	7,628,790	(6,617,792)	-46.45%
Refunds	<u>(11,734,806)</u>	<u>(22,337,178)</u>	<u>(10,602,372)</u>	<u>90.35%</u>
Total	\$93,785,751	\$27,243,333	(\$66,542,418)	-70.95%



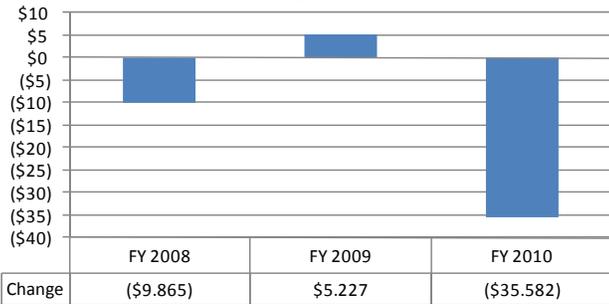
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Fiscal 2010 Summary Corporation Income Tax Estimated Payments



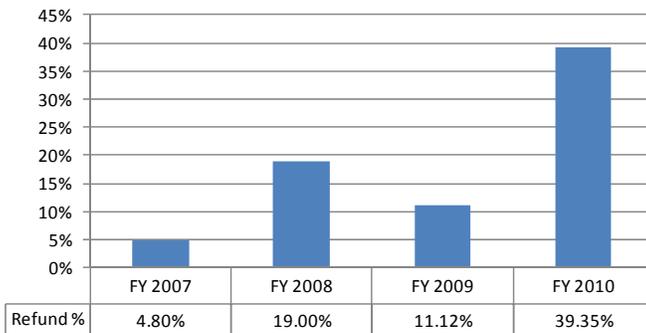
**Year over Year Change in Estimated Payments
Corporation Income Tax Collections
Based on Data Through January (Millions)**



Fiscal 2010 Summary Corporation Income Tax Refund %



**Refund % of Total Corporation Income Tax
Based on Data Through January**



Fiscal 2010 & FY 2011 Summary Estimated Revenue Changes

Estimated Revenue Changes From HJ 2 (Millions)			
Category	FY 2010	FY 2011	Biennium
Individual Income Tax	(\$118.1)	(\$95.0)	(\$213.1)
Corporation Income Tax	(58.2)	(52.7)	(110.9)
Oil & Gas Production Tax	21.3	12.3	33.6
TCA Interest	(4.5)	(6.4)	(10.9)
Video Gaming Tax	(11.5)	(11.1)	(22.6)
Vehicle Fees/Taxes	(7.0)	(4.8)	(11.8)
Remaining Sources	(4.1)	(10.1)	(14.2)
Current Estimate	(\$182.1)	(\$167.8)	(\$349.9)
January Estimate	(\$137.8)	(\$132.7)	(\$270.5)
Change From January Estimate	(\$44.3)	(\$35.1)	(\$79.4)

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2011 Biennium General Fund Revenue Impact on Legislative Projected Balance

2011 Biennium General Fund Outlook	
In Millions	
	Biennium
Legislative Projected Balance	\$282.4
FY 2009 Balance Change	5.0
Net Revenue Changes	(349.9)
Supplementals	?
New Projected Balance *	(\$62.5)

* Before executive spending reduction recommendations

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Legislative Fiscal Division

MCA 17-7-140, Reduction in Spending

- **Trigger Point \$36.4 million**
- **Executive Calculates Projected Deficit**
- **RTIC Reviews Estimated Revenue Shortfall**
- **LFC Reviews Executive Spending Reductions**
- **Governor Reviews all Recommendations and Determines Final Spending Reductions**

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Legislative Fiscal Division

MCA 17-7-140, Trigger Points

Period	Projected Ending General Fund Balance (Million \$)
June 2009 - September 2010	\$36.369
October 2010 - December 2010	\$13.638
January 2011 - February 2011	\$9.092
March 2011 - June 2011	\$4.546

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2011 Biennium General Fund Revenue Impact on Structural Balance



Fiscal 2011 General Fund Structural Balance Calculation		
	Legislature Millions	Revised Estimate Millions
Estimated On-Going Revenue	\$1,826.3	\$1,661.6
Estimated On-Going Disbursements	<u>1,830.7</u>	<u>1,830.7</u>
Structural Balance	(\$4.4)	(\$169.1)

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General Fund Summary



- **FY 2009 Balance Up : \$5 M**
- **2011 Biennium Estimated Revenue Down : \$349.9 M**
- **2011 Biennium Balance - New Projection : -\$62.5 M**
- **2011 Biennium Statutory Trigger : \$36.4 M**
- **Long-Term Revenue Growth Slow
with Significant Fiscal Issues**



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Questions ?

