

Business Taxes

Corporation Income Tax
Driver's License Fees
Estate Tax
Individual Income Tax
Insurance Tax & License Fees
Investment License Fees

Lodging Facility Use Tax
Motor Vehicle Fees
Public Contractors Tax
Railroad Car Tax
Telecommunications Excise Tax
Vehicle Tax



Legislative Fiscal Division



www.leg.state.mt.us/ess/fiscal/

Legislative Fiscal Division

Revenue Estimate Profile Corporation Income Tax

Revenue Description: The corporation income tax is a license fee levied against a corporation's net income earned in Montana. The corporation income tax is imposed on corporations that, for reasons of jurisdiction, are not taxable under a license tax. The revenue from Montana's corporation license tax is correlated closely with profits from corporations in the rest of the country. Additional factors that affect corporation license tax receipts include tax credits and the audit efforts by the Department of Revenue. As with individual income tax, all forecasts are adjusted for allowable credits.

Applicable Tax Rate(s): The tax rate is 6.75%, except for corporations making a "water's edge" election (see 15-31-322, MCA), who pay a 7.0% tax on their net income.

Distribution: All corporation taxes are distributed to the general fund.

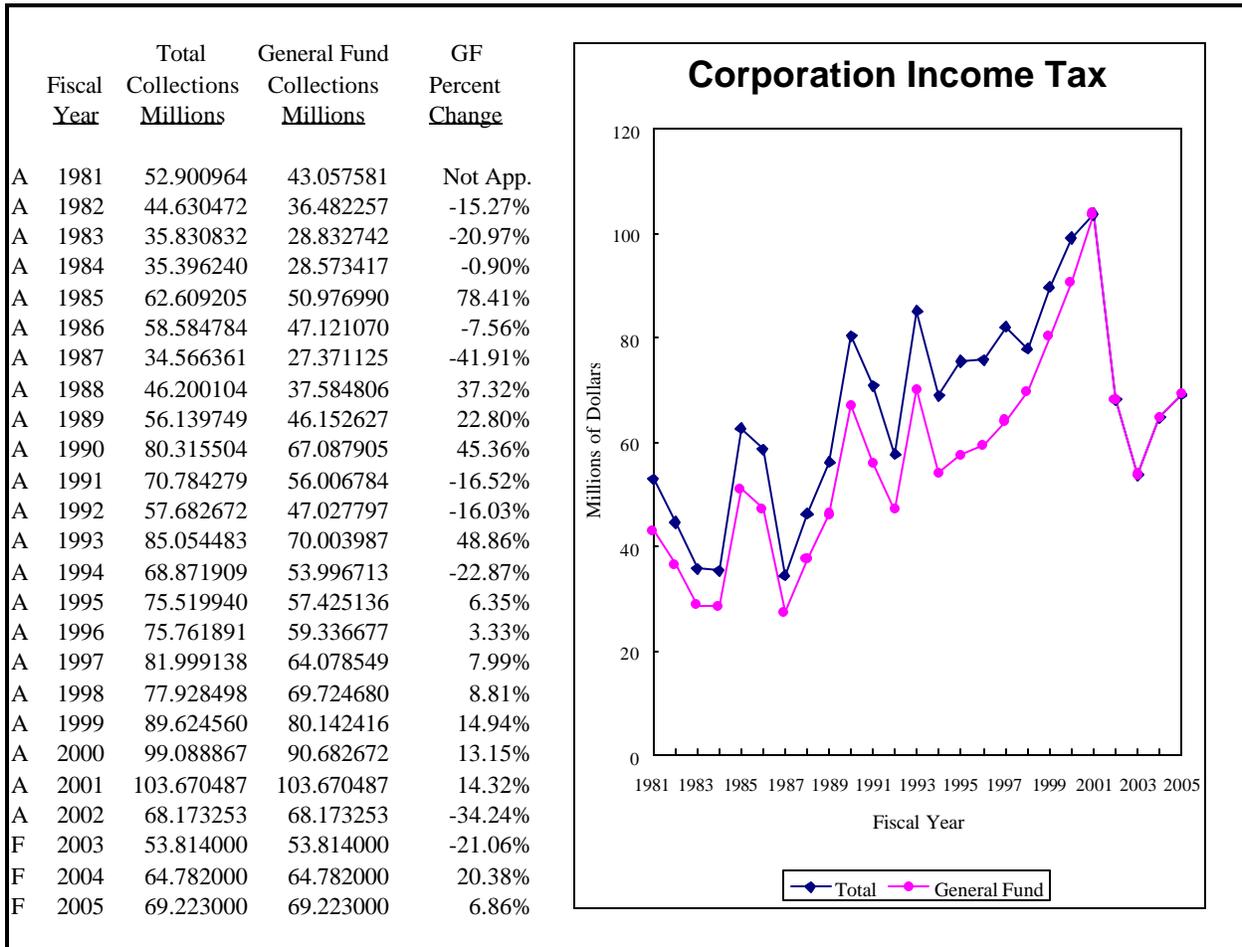
Statute: Title 15, Chapter 31, MCA

% of Total FY 2002 General Fund Revenue: 5.39%

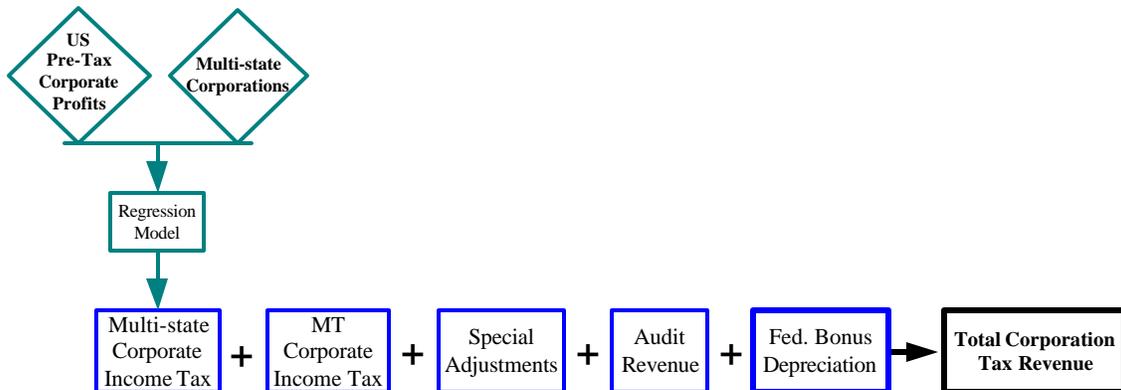
Revenue Projection:

Legislative Fiscal Division

Revenue Estimate Profile Corporation Income Tax



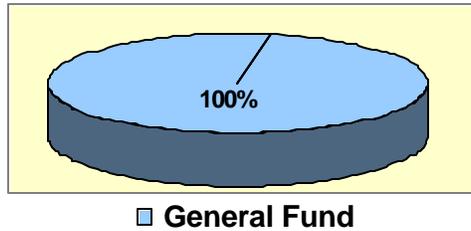
Forecast Methodology



Legislative Fiscal Division

Revenue Estimate Profile Corporation Income Tax

Distribution Methodology



Revenue Estimate Assumptions

	t	Total	GF Tax	US Profits	Tax	Montana	Multi-State
	Fiscal	Millions	Millions	Billions	Rate	Corporations	Corporations
						Millions	Millions
Actual	2000	99.088867	90.682672	744.200000	0.067500		
Actual	2001	103.670487	103.670487	698.300000	0.067500		
Actual	2002	68.173253	68.173253	666.200000	0.067500		
Forecast	2003	53.814000	53.814000	761.500000	0.067500	18.406801	44.907402
Forecast	2004	64.782000	64.782000	794.000000	0.067500	18.406801	45.874959
Forecast	2005	69.223000	69.223000	819.600000	0.067500	18.406801	46.635925

	t	Total	Total	P&I	Audit	Depreciation	Adjustments
	Fiscal	Millions	Financials	Millions	Millions	Millions	Millions
			Millions	Millions	Millions	Millions	Millions
Actual	2000	99.088867	10.507744	0.661232	1.424267		
Actual	2001	103.670487	0.000000	0.000000	6.500000		
Actual	2002	68.173253	0.000000	1.658539	4.257364		
Forecast	2003	53.814000	0.000000	0.000000	4.500000	-5.000000	-9.000000
Forecast	2004	64.782000	0.000000	0.000000	4.000000	-3.500000	0.000000
Forecast	2005	69.223000	0.000000	0.000000	3.500000	0.680000	0.000000

Legislative Fiscal Division

Revenue Estimate Profile

Driver's License Fees

Revenue Description: A resident of Montana must have a valid driver's license to operate a motor vehicle on any highway in the state. A driver's license is issued only if the applicant passes specified examinations and pays a fee. The fees are collected by Department of Justice, Motor Vehicle Division staff or county treasurers and are forwarded to the state treasurer for deposit. The fees included in this source are from regular driver's licenses, commercial driver's licenses, motorcycle endorsements, and duplicate driver's licenses.

Applicable Tax Rate(s): Driver's license fees are:

- driver's license, except a commercial driver's license - \$4.00 per year or fraction of a year
- motorcycle endorsement - \$0.50 per year or fraction of a year
- commercial driver's licenses:
 - interstate - \$5.00 per year or fraction of a year
 - intrastate - \$3.50 per year or fraction of a year
- duplicate license - \$5.00

Distribution: The distribution of license fee revenue varies by the type of license and who collects the fee. The table below shows the current statutory distribution. Note: the portion allocated to counties applies only when the county collects the fee. Otherwise, the county allocation is added to the general fund distribution.

Distribution of Driver's License Fees				
Recipient	Driver's License	Duplicate License	Motorcycle Endorsement	Commercial Driver's License
Montana Highway Patrol	16.70%	25.00%	0.00%	0.00%
Counties or DOJ	2.50%	3.75%	3.34%	2.50%
Traffic Education Account	26.25%	8.75%	63.46%	0.00%
General Fund	54.55%	62.50%	33.20%	97.50%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Statute: Title 61, Chapter 5, MCA

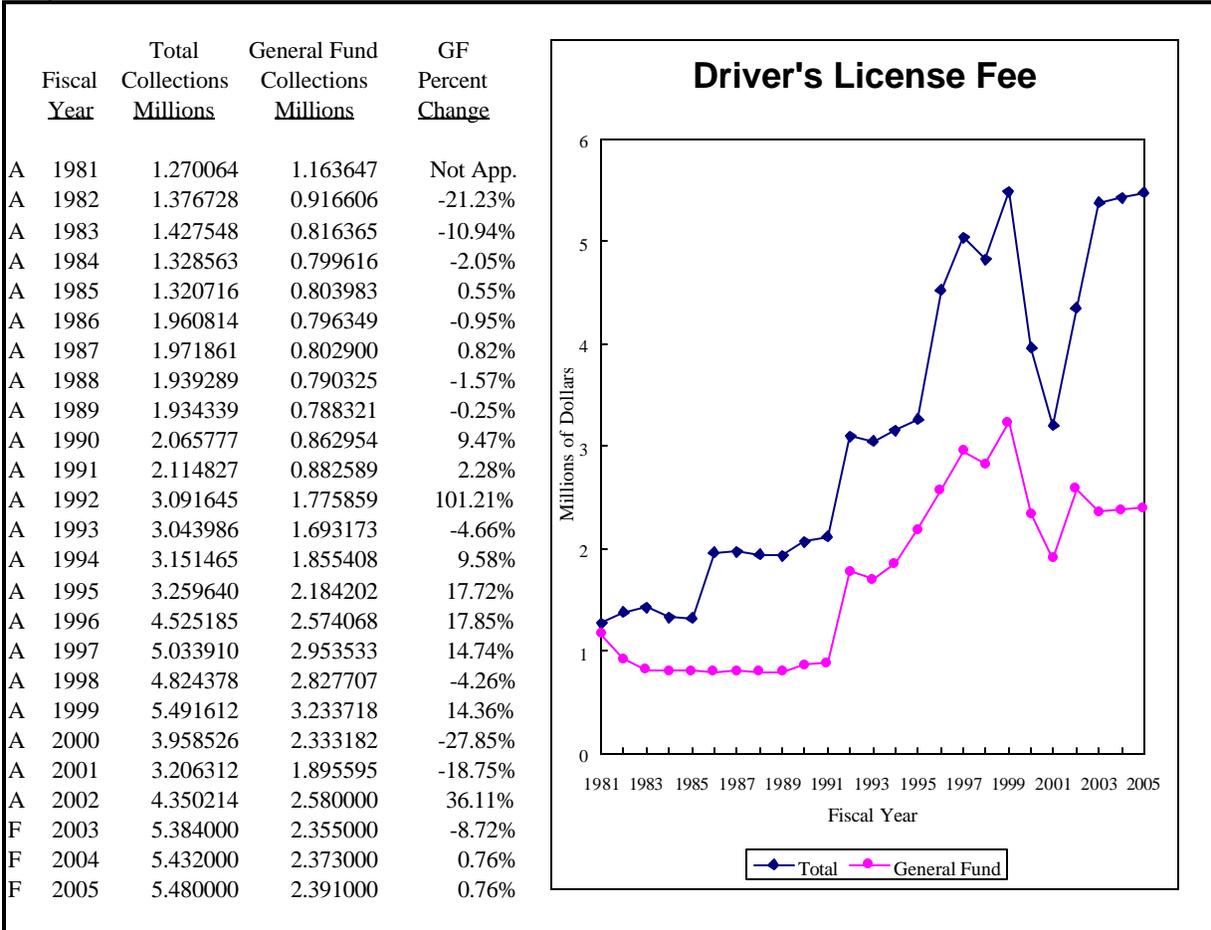
% of Total FY 2002 General Fund Revenue: 0.20%

Legislative Fiscal Division

Revenue Estimate Profile

Driver's License Fees

Revenue Projection:

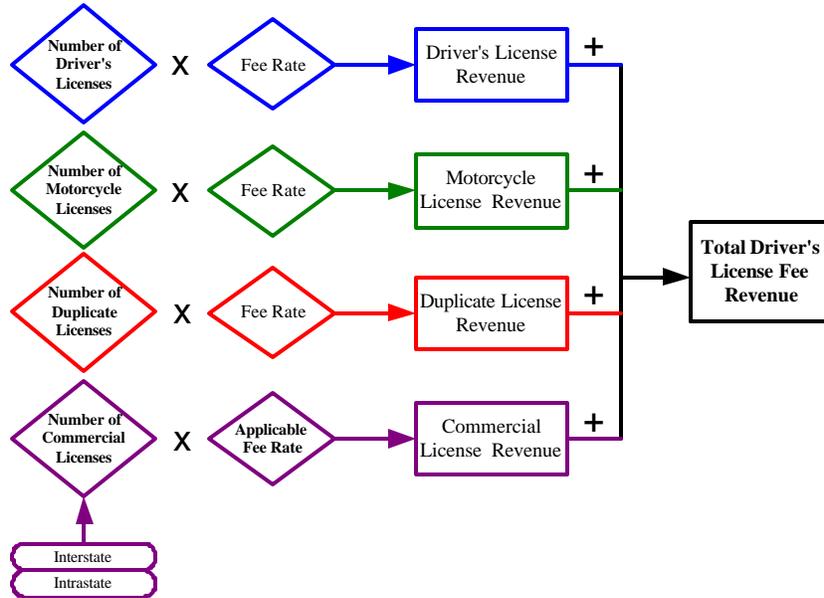


Legislative Fiscal Division

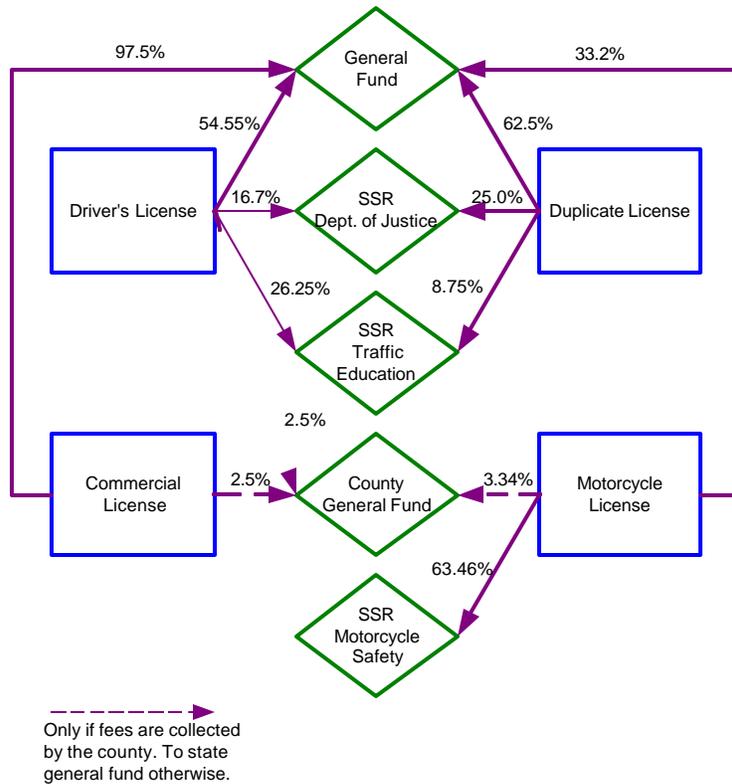
Revenue Estimate Profile

Driver's License Fees

Forecast Methodology



Distribution Methodology



Legislative Fiscal Division

Revenue Estimate Profile

Driver's License Fees

Revenue Estimate Assumptions

	t	Total Tax	GF Fee	GF Fee	GF Fee	GF Fee	GF Fee	
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Licenses</u>	<u>Duplicates</u>	<u>Cycle</u>	<u>Interstate</u>	
				<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	
							<u>Intrastate</u>	
							<u>Millions</u>	
Actual	2000	3.958526	2.333182	1.893082	0.032885	0.013929	0.289246	0.064534
Actual	2001	3.206312	1.895595	1.467106	0.080415	0.010062	0.276352	0.061416
Actual	2002	4.350214	2.580000	1.978721	0.095182	0.015104	0.419986	0.093347
Forecast	2003	5.384000	2.355000	1.633241	0.078563	0.129916	0.419986	0.093347
Forecast	2004	5.432000	2.373000	1.649208	0.079332	0.131187	0.419986	0.093347
Forecast	2005	5.480000	2.391000	1.665176	0.080102	0.132457	0.419986	0.093347

License	t	Proxy	Proxy	Proxy	Proxy	Proxy	Proxy
Count	<u>Fiscal</u>	<u>Licenses</u>	<u>Duplicates</u>	<u>Cycle</u>	<u>Interstate</u>	<u>Intrastate</u>	<u>Cycle Reg.</u>
Millions							
Actual	2000	0.110658	0.025272	0.010240	0.007801	0.002477	0.024511
Actual	2001	0.080396	0.024359	0.006932	0.006961	0.002210	0.028756
Actual	2002	0.108432	0.028832	0.010405	0.010579	0.003359	0.035482
Forecast	2003	0.089500	0.023798	0.089500	0.010579	0.003359	0.305203
Forecast	2004	0.090375	0.024031	0.090375	0.010579	0.003359	0.308187
Forecast	2005	0.091250	0.024264	0.091250	0.010579	0.003359	0.311171

GF Fee	t	Proxy	Proxy	Proxy	Proxy	Proxy	Proxy
<u>Rate in \$</u>	<u>Fiscal</u>	<u>Licenses</u>	<u>Duplicates</u>	<u>Cycle</u>	<u>Interstate</u>	<u>Intrastate</u>	<u>Cycle Reg.</u>
Actual	2000	17.107500	1.301250	1.360230	37.078125	26.053125	0.000000
Actual	2001	18.248500	3.301250	1.451580	39.700000	27.790000	0.000000
Actual	2002	18.248500	3.301250	1.451580	39.700000	27.790000	0.000000
Forecast	2003	18.248500	3.301250	1.451580	39.700000	27.790000	0.000000
Forecast	2004	18.248500	3.301250	1.451580	39.700000	27.790000	0.000000
Forecast	2005	18.248500	3.301250	1.451580	39.700000	27.790000	0.000000

Total Fee	t	Proxy	Proxy	Proxy	Proxy	Proxy	Proxy
<u>Rate in \$</u>	<u>Fiscal</u>	<u>Licenses</u>	<u>Duplicates</u>	<u>Cycle</u>	<u>Interstate</u>	<u>Intrastate</u>	<u>Cycle Reg.</u>
Actual	2000	30.0000	5.0000	3.7500	37.5000	26.2500	5.0000
Actual	2001	32.0000	5.0000	4.0000	40.0000	28.0000	5.0000
Actual	2002	32.0000	5.0000	4.0000	40.0000	28.0000	5.0000
Forecast	2003	32.0000	5.0000	4.0000	40.0000	28.0000	5.0000
Forecast	2004	32.0000	5.0000	4.0000	40.0000	28.0000	5.0000
Forecast	2005	32.0000	5.0000	4.0000	40.0000	28.0000	5.0000

Legislative Fiscal Division

Revenue Estimate Profile

Estate Tax

Revenue Description: Due to passage of Legislative Referendum 116 by the electorate in November 2000, the state inheritance tax was repealed. The tax had been imposed on the transfer of any decedent's property, interest in property, or income from property within the state, to any other person or corporation except a surviving spouse, child or lineal descendant, stepchild, or governmental or charitable organization. Although the referendum was effective immediately, it applied to deaths occurring after December 31, 2000. Thus, inheritance tax revenue will continue to produce revenue during the 2003 biennium, but the amount of revenue will decrease each year. In addition to the inheritance tax, an estate tax is imposed on estates transferred to heirs at death. The Montana estate tax is equal to the maximum estate tax credit allowed under federal estate tax law.

Since 1980, revenues from inheritance taxes have fluctuated because of federal and state law changes, changes in wealth, changes in the death rate of the population, accounting procedures, and the processing of several large estates.

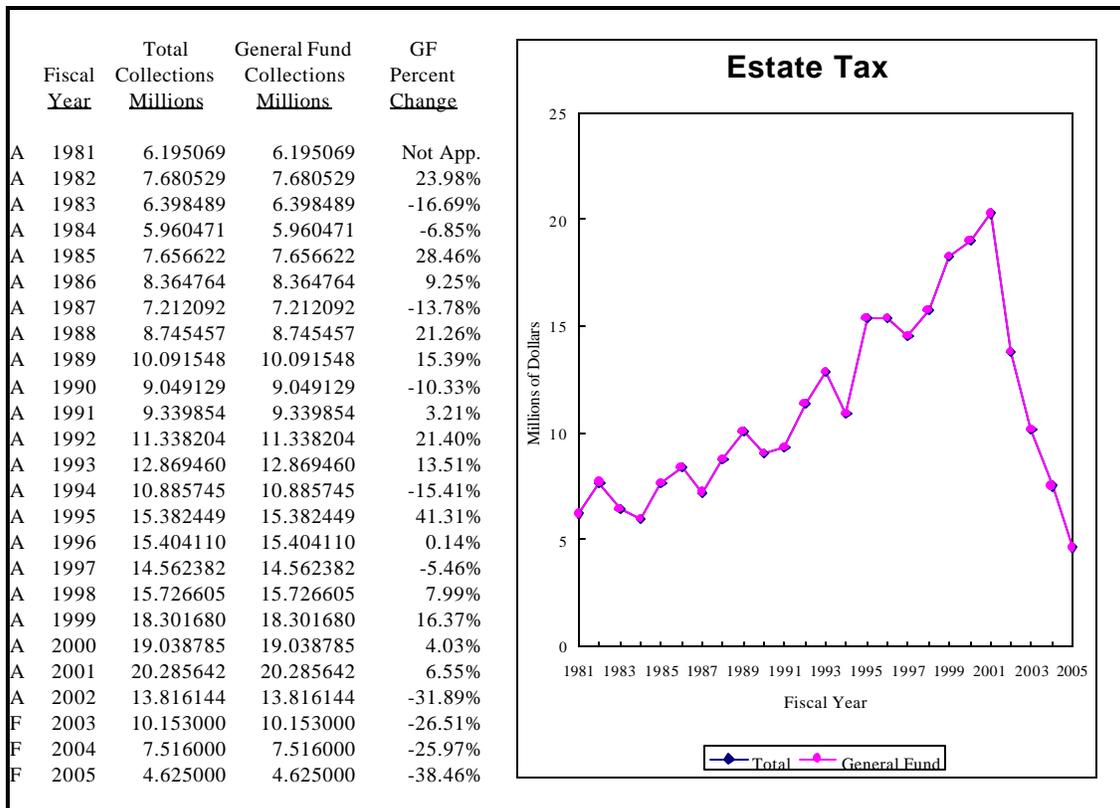
Applicable Tax Rate(s): The estate tax is equal to the maximum estate tax credit allowed under federal estate tax law.

Distribution: All proceeds are deposited into the general fund.

Statute: Title 72, Chapter 16, MCA

% of Total FY 2002 General Fund Revenue: 1.09%

Revenue Projection:

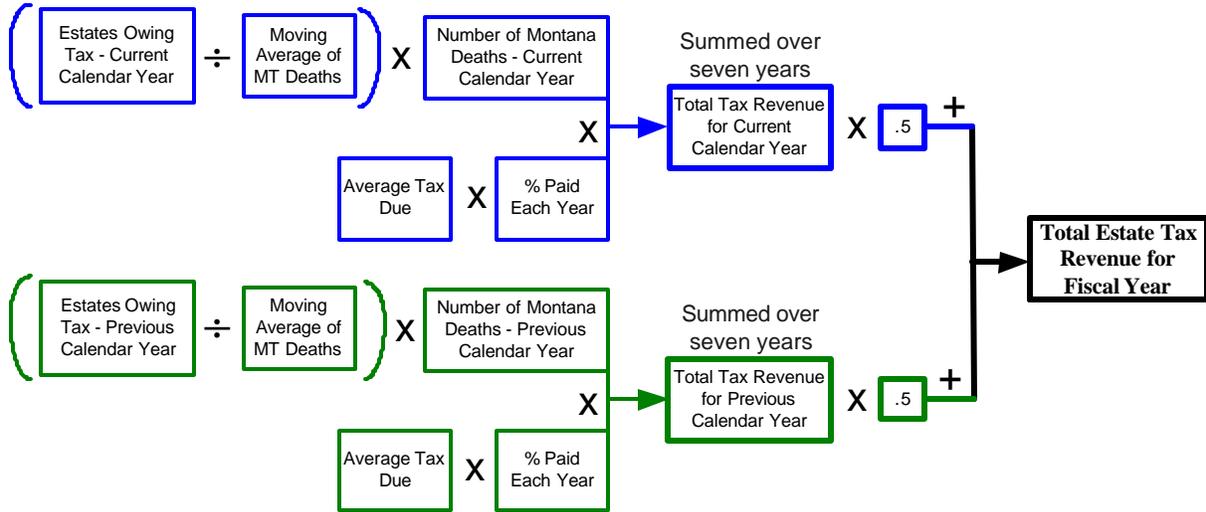


Legislative Fiscal Division

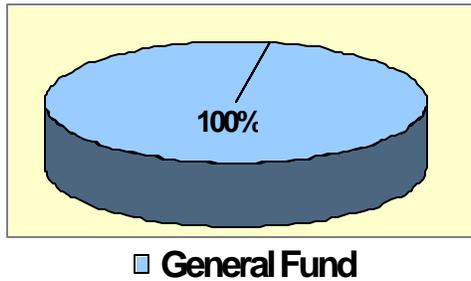
Revenue Estimate Profile

Estate Tax

Forecast Methodology



Distribution Methodology



Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Annual
	Fiscal	Millions	Millions	Growth
Actual	2000	19.038785	19.038785	0.040275
Actual	2001	20.285642	20.285642	0.065490
Actual	2002	13.816144	13.816144	-0.318920
Forecast	2003	10.153000	10.153000	-0.265138
Forecast	2004	7.516000	7.516000	-0.259773
Forecast	2005	4.625000	4.625000	-0.384663

Legislative Fiscal Division

Revenue Estimate Profile Individual Income Tax

Revenue Description: The tax is levied against taxable income, which is defined as Montana personal income adjusted for exemptions and deductions. Once tax liability is determined, the amount of tax due is computed by subtracting allowable credits.

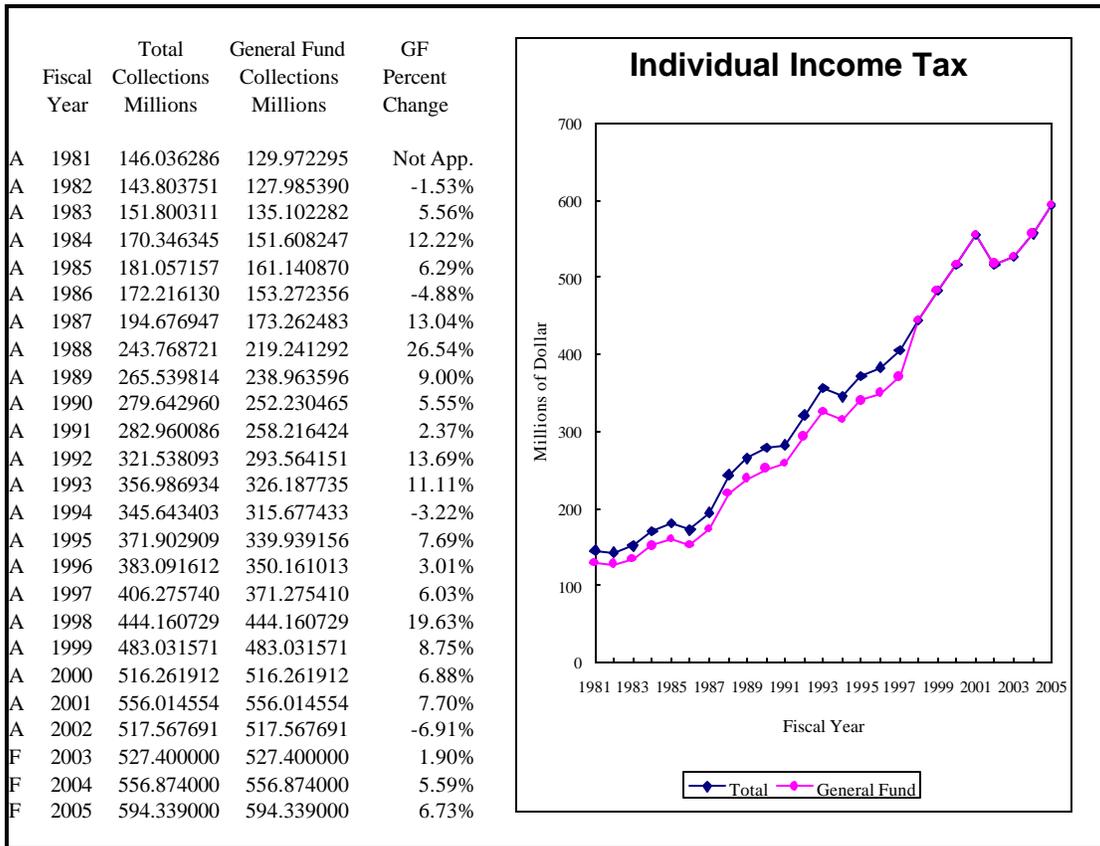
Applicable Tax Rate(s): Tax rates vary from 2.0% to 11.0%, depending on the level of taxable income. Tax brackets, personal exemption amounts, and the standard deduction are adjusted by the rate of inflation in each year.

Distribution: All proceeds are deposited into the general fund.

Statute: Title 15, Chapter 31, MCA

% of Total FY 2002 General Fund Revenue: 40.89%

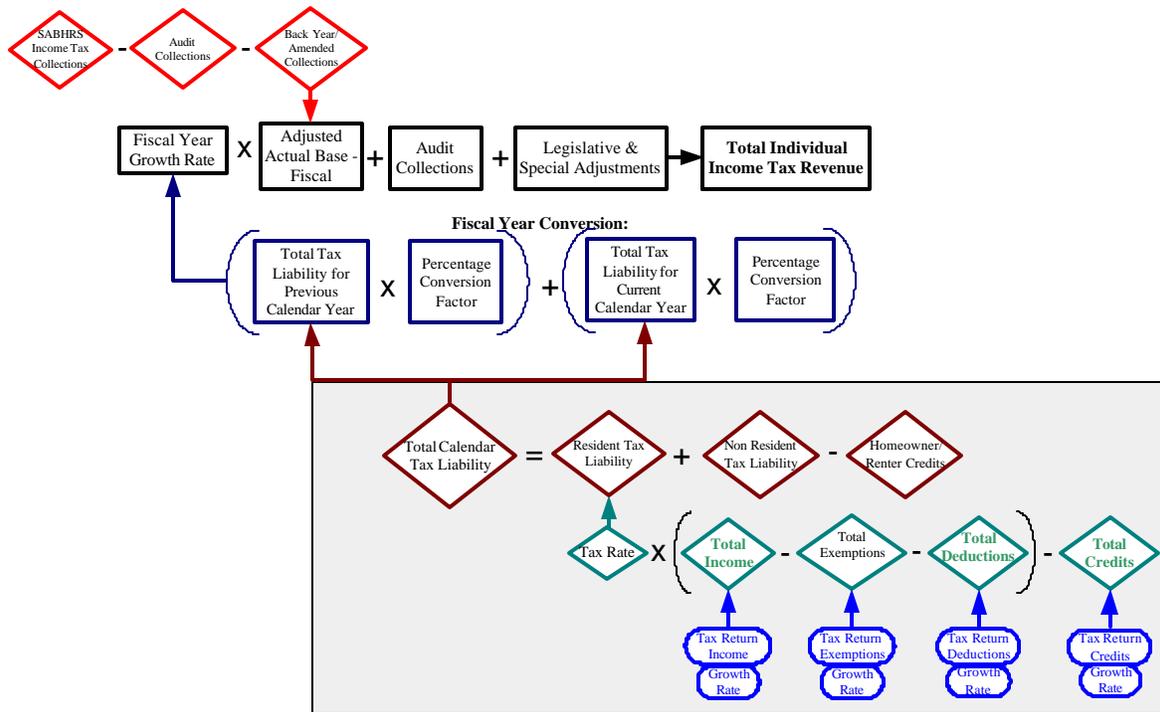
Revenue Projection:



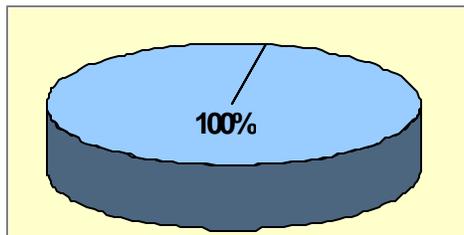
Legislative Fiscal Division

Revenue Estimate Profile Individual Income Tax

Forecast Methodology



Distribution Methodology



■ General Fund

Legislative Fiscal Division

Revenue Estimate Profile

Individual Income Tax

Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Audits	30% Bonus	Total	CY to FY	CY to FY
	Fiscal	Millions	Millions	Millions	Depreciation	Liability	Conversion	Conversion
					Millions	Millions	Percent	Percent
Actual	2000	516.261912	516.261912	10.500000	0.000000	506.167193	47.9%*CY t-1	52.1%*CY t
Actual	2001	556.014554	556.014554	14.680000	-1.500000	510.889397	47.9%*CY t-1	52.1%*CY t
Actual	2002	517.568000	517.568000	18.573000	-3.000000	501.731037	47.9%*CY t-1	52.1%*CY t
Forecast	2003	527.409642	527.409642	16.800000	-2.500000	512.839835	47.9%*CY t-2	52.1%*CY t
Forecast	2004	556.866912	556.866912	18.700000	-1.750000	539.633009	47.9%*CY t-3	52.1%*CY t
Forecast	2005	594.318459	594.318459	18.700000	0.340000	574.975961	47.9%*CY t-4	52.1%*CY t

	t	Total Tax	GF Tax	Audits	30% bonus	Total Liability
	Fiscal	Annual	Annual	Annual	Annual	Annual
		Change	Change	Change	Change	Change
Actual	2000					
Actual	2001	7.7001%	7.7001%	39.8095%		0.9329%
Actual	2002	-6.9147%	-6.9147%	26.5191%	100.0000%	-1.7926%
Forecast	2003	1.9015%	1.9015%	-9.5461%	-16.6667%	2.2141%
Forecast	2004	5.5853%	5.5853%	11.3095%	-30.0000%	5.2245%
Forecast	2005	6.7254%	6.7254%	0.0000%	-119.4286%	6.5494%

	t	Resident	Population	Homeowner	All	All Filers	All Filers	Taxable
	Cal.	Liability	Adjustment	Credit	Credits	Multiplier	Liability	Income
		Millions	Percent	Millions	Millions	Percent	Millions	Millions
Actual	2000	518.279456		8.734000	21.404000	1.071800	525.353921	8,226.369886
Actual	2001	498.341543	1.000000	9.540000	24.151000	1.066100	497.538802	8,087.111270
Forecast	2002	497.258373	1.007334	9.640000	19.517502	1.067510	505.563989	8,138.701843
Forecast	2003	508.832814	1.016587	9.736000	23.482156	1.068580	519.529144	8,326.191331
Forecast	2004	537.715000	1.029072	9.834000	23.937709	1.069650	558.116216	8,732.891854
Forecast	2005	559.739000	1.043342	10.031000	24.792000	1.070720	590.476572	9,060.832666

	t	Resident	Population	Homeowner	All Other	All Filers	All Filers	Taxable
	Cal.	Liability	Adjustment	Credit	Credits	Multiplier	Liability	Income
		Percent	Percent	Percent	Percent	Percent	Percent	Percent
Actual	2000							
Actual	2001	-3.8469%		9.2283%	12.8340%	-0.5318%	-5.2945%	-1.692832%
Forecast	2002	-0.2174%	0.7334%	1.0482%	-19.1855%	0.1323%	1.6130%	0.637936%
Forecast	2003	2.3277%	0.9185%	0.9959%	20.3133%	0.1002%	2.7623%	2.303678%
Forecast	2004	5.6762%	1.2281%	1.0066%	1.9400%	0.1001%	7.4273%	4.884593%
Forecast	2005	4.0959%	1.3867%	2.0033%	3.5688%	0.1000%	5.7981%	3.755237%

Legislative Fiscal Division

Revenue Estimate Profile

Individual Income Tax

	<u>t</u>	<u>Wages</u>	<u>Annual</u>	<u>Interest</u>	<u>Annual</u>	<u>Dividends</u>	<u>Annual</u>
	<u>Cal.</u>	<u>Millions</u>	<u>Growth</u>	<u>Millions</u>	<u>Growth</u>	<u>Millions</u>	<u>Growth</u>
Actual	2000	8,569.388406		652.743511		374.794193	
Actual	2001	9,013.441387	5.1819%	662.616830	1.5126%	302.464371	-19.2985%
Forecast	2002	9,346.938718	3.7000%	511.738978	-22.7700%	313.292595	3.5800%
Forecast	2003	9,739.510144	4.2000%	454.321864	-11.2200%	328.361969	4.8100%
Forecast	2004	10,207.006631	4.8000%	577.897412	27.2000%	337.260579	2.7100%
Forecast	2005	10,717.356963	5.0000%	635.687153	10.0000%	345.152476	2.3400%

	<u>t</u>	<u>Business</u>	<u>Annual</u>	<u>Capital</u>	<u>Annual</u>	<u>Supplemental</u>	<u>Annual</u>
	<u>Cal.</u>	<u>Income</u>	<u>Growth</u>	<u>Gains</u>	<u>Growth</u>	<u>Gains</u>	<u>Growth</u>
		<u>Millions</u>		<u>Millions</u>		<u>Millions</u>	
Actual	2000	606.597200		1,259.719705		46.175253	
Actual	2001	617.942632	1.8703%	785.759218	-37.6243%	42.906157	-7.0798%
Forecast	2002	625.481532	1.2200%	565.746637	-28.0000%	37.770290	-11.9700%
Forecast	2003	630.860673	0.8600%	565.746637	0.0000%	36.712722	-2.8000%
Forecast	2004	640.197411	1.4800%	608.177635	7.5000%	47.498920	29.3800%
Forecast	2005	644.806833	0.7200%	653.790957	7.5000%	46.254448	-2.6200%

	<u>t</u>	<u>Rents, Royalties</u>	<u>Annual</u>	<u>Farm Income</u>	<u>Annual</u>	<u>Social</u>	<u>Annual</u>
	<u>Cal.</u>	<u>S-Corps</u>	<u>Growth</u>	<u>Gains</u>	<u>Growth</u>	<u>Security</u>	<u>Growth</u>
		<u>Millions</u>		<u>Millions</u>		<u>Millions</u>	
Actual	2000	894.050325		-77.472732		255.296811	
Actual	2001	907.393972	1.4925%	-112.632772	45.3838%	257.153132	0.7271%
Forecast	2002	974.359647	7.3800%	-82.897720	-26.4000%	276.336756	7.4600%
Forecast	2003	1,056.205857	8.4000%	-83.386817	0.5900%	294.989487	6.7500%
Forecast	2004	1,141.336050	8.0600%	-71.821065	-13.8700%	313.219837	6.1800%
Forecast	2005	1,223.055711	7.1600%	-76.805447	6.9400%	331.042046	5.6900%

	<u>t</u>	<u>IRA</u>	<u>Annual</u>	<u>Pension</u>	<u>Annual</u>	<u>Other</u>	<u>Annual</u>
	<u>Cal.</u>	<u>Income</u>	<u>Growth</u>	<u>Income</u>	<u>Growth</u>	<u>Income</u>	<u>Growth</u>
		<u>Millions</u>		<u>Millions</u>		<u>Millions</u>	
Actual	2000	267.961035		938.299938		-32.693707	
Actual	2001	264.672173	-1.2274%	969.018087	3.2738%	-22.436200	-31.3746%
Forecast	2002	265.969067	0.4900%	973.766276	0.4900%	-22.436200	0.0000%
Forecast	2003	276.262070	3.8700%	1,011.451030	3.8700%	-22.436200	0.0000%
Forecast	2004	298.473540	8.0400%	1,071.025496	5.8900%	-22.436200	0.0000%
Forecast	2005	322.470813	8.0400%	1,134.108898	5.8900%	-22.436200	0.0000%

Legislative Fiscal Division

Revenue Estimate Profile

Individual Income Tax

	t	Total Income Cal.	Annual Growth	IRA Deductions Millions	Annual Growth	Fed Adjusted Gross Income Millions	Annual Growth
Actual	2000	13,754.859938		202.442859		13,552.417079	
Actual	2001	13,688.298987	-0.4839%	205.024224	1.2751%	13,483.274763	-0.5102%
Forecast	2002	13,786.066576	0.7142%	222.553795	8.5500%	13,563.512781	0.5951%
Forecast	2003	14,288.599438	3.6452%	234.527189	5.3800%	14,054.072249	3.6168%
Forecast	2004	15,147.836245	6.0134%	244.869838	4.4100%	14,902.966407	6.0402%
Forecast	2005	15,954.484650	5.3252%	262.916745	7.3700%	15,691.567905	5.2916%

	t	Bond Interest Millions	Annual Growth	FIT Refunds Millions	Annual Growth	Other Additions Millions	Annual Growth
Actual	2000	42.518667		184.885555		145.637746	
Actual	2001	44.552431	4.7832%	203.809786	10.2356%	146.694821	0.7258%
Forecast	2002	46.913710	5.3000%	235.359541	15.4800%	146.694821	0.0000%
Forecast	2003	48.907543	4.2500%	236.230371	0.3700%	146.694821	0.0000%
Forecast	2004	52.321289	6.9800%	256.782413	8.7000%	146.694821	0.0000%
Forecast	2005	56.527921	8.0400%	272.240715	6.0200%	146.694821	0.0000%

	t	Cap. Gains Exclusion Millions	Annual Growth	Int. Exc. Elderly Millions	Annual Growth	Savings Bond Millions	Annual Growth
Actual	2000	2.753579		46.732843		98.577472	
Actual	2001	1.792204	-34.9137%	46.773697	0.0874%	85.952848	-12.8068%
Forecast	2002	1.496490	-16.5000%	41.455528	-11.3700%	68.255157	-20.5900%
Forecast	2003	1.249569	-16.5000%	43.221533	4.2600%	62.767442	-8.0400%
Forecast	2004	1.043390	-16.5000%	44.008165	1.8200%	78.779416	25.5100%
Forecast	2005	0.871231	-16.5000%	44.760705	1.7100%	87.082767	10.5400%

	t	Exempt Retirement Millions	Annual Growth	Unemployment Millions	Annual Growth	Med. Savings Millions	Annual Growth
Actual	2000	156.465588		50.685840		6.777035	
Actual	2001	161.621214	3.2951%	59.504425	17.3985%	8.242749	21.6277%
Forecast	2002	142.925277	-11.5677%	50.566860	-15.0200%	9.790737	18.7800%
Forecast	2003	141.434508	-1.0430%	50.566860	0.0000%	11.338653	15.8100%
Forecast	2004	137.398388	-2.8537%	50.566860	0.0000%	12.886379	13.6500%
Forecast	2005	132.815045	-3.3358%	50.566860	0.0000%	14.434033	12.0100%

Legislative Fiscal Division

Revenue Estimate Profile

Individual Income Tax

	t	Family Education Cal.	Annual Growth	First Time Home Millions	Annual Growth	Other Reductions Millions	Annual Growth
Actual	2000	2.118416		0.739084		442.097368	
Actual	2001	3.415825	61.2443%	0.912566	23.4726%	470.668689	6.4627%
Forecast	2002	4.098990	20.0000%	0.912566	0.0000%	495.002260	5.1700%
Forecast	2003	4.782292	16.6700%	0.912566	0.0000%	520.593877	5.1700%
Forecast	2004	5.465681	14.2900%	0.912566	0.0000%	547.508581	5.1700%
Forecast	2005	6.148891	12.5000%	0.912566	0.0000%	575.814774	5.1700%

	t	Additions to Income Cal.	Additions Annual Growth	Reductions to Income Millions	Reductions Annual Growth	MT Adjusted Gross Income Millions	MAGI Annual Growth
Actual	2000	373.041968		806.947225		13,118.511822	
Actual	2001	395.057038	5.9015%	838.884217	3.9578%	13,039.447584	-0.6027%
Forecast	2002	428.968072	8.5838%	814.503865	-2.9063%	13,064.319543	0.1907%
Forecast	2003	431.832735	0.6678%	836.867300	2.7457%	13,407.828098	2.6294%
Forecast	2004	455.798523	5.5498%	878.569427	4.9831%	14,051.318642	4.7994%
Forecast	2005	475.463456	4.3144%	913.406873	3.9652%	14,599.154687	3.8988%

	t	Medical Premiums Cal.	Annual Growth	Medical Deductions Millions	Annual Growth	Long Term Care Millions	Annual Growth
Actual	2000	200.002957		184.849463		13.502837	
Actual	2001	217.940463	8.9686%	203.239099	9.9484%	14.061406	4.1367%
Forecast	2002	230.733568	5.8700%	237.479941	16.8476%	14.619644	3.9700%
Forecast	2003	244.277629	5.8700%	257.684624	8.5080%	15.178114	3.8200%
Forecast	2004	258.616725	5.8700%	273.667043	6.2023%	15.736669	3.6800%
Forecast	2005	273.797527	5.8700%	292.222478	6.7803%	16.295321	3.5500%

	t	Federal Income Tax Withheld Cal.	Annual Growth	Non-current Yr Fed Deduct Millions	Annual Growth	Real Estate Millions	Annual Growth
Actual	2000	1,518.673839		221.424540		239.539241	
Actual	2001	1,558.108639	2.5967%	233.916512	5.6416%	248.404235	3.7009%
Forecast	2002	1,562.753843	0.2981%	236.986252	1.3123%	255.856362	3.0000%
Forecast	2003	1,612.613212	3.1905%	244.872157	3.3276%	263.532053	3.0000%
Forecast	2004	1,675.120514	3.8761%	252.760441	3.2214%	271.438014	3.0000%
Forecast	2005	1,723.541870	2.8906%	260.656110	3.1238%	279.581155	3.0000%

Legislative Fiscal Division

Revenue Estimate Profile

Individual Income Tax

	t	Vehicle Taxes Cal.	Vehicle Annual Growth	Home Mortgage Millions	Annual Growth	Deductible Interest Millions	Annual Growth
Actual	2000	43.249518		674.783486		39.843897	
Actual	2001	35.414255	-18.1164%	722.240324	7.0329%	36.076803	-9.4546%
Forecast	2002	36.122540	2.0000%	728.379367	0.8500%	35.117160	-2.6600%
Forecast	2003	36.844991	2.0000%	755.912107	3.7800%	38.558642	9.8000%
Forecast	2004	37.581891	2.0000%	825.985159	9.2700%	40.683223	5.5100%
Forecast	2005	38.333529	2.0000%	908.170682	9.9500%	41.460272	1.9100%

	t	Contributions Cal.	Annual Growth	Child Care Millions	Annual Growth	Casualty Millions	Annual Growth
Actual	#REF!	275.164610		1.618924		3.058367	
Actual	2000	294.840519	7.1506%	1.776837	9.7542%	7.212024	135.8129%
Actual	2001	305.371553	3.5718%	1.642048	-7.5859%	3.158568	-56.2041%
Forecast	2002	329.312683	7.8400%	1.534658	-6.5400%	3.219213	1.9200%
Forecast	2003	362.112226	9.9600%	1.486930	-3.1100%	3.280056	1.8900%
Forecast	2004	389.053376	7.4400%	1.378682	-7.2800%	3.340737	1.8500%
Forecast	2005	416.209301	6.9800%	1.329876	-3.5400%	3.401538	1.8200%

	t	Miscellaneous Expense 1 Cal.	Annual Growth	Miscellaneous Expense 2 Millions	Annual Growth	Gambling Losses Millions	Annual Growth
Actual	2000	129.241069		3.770804		5.692095	
Actual	2001	140.956776	9.0650%	3.760967	-0.2609%	4.839289	-14.9823%
Forecast	2002	154.071980	9.3044%	4.273587	13.6300%	4.839289	0.0000%
Forecast	2003	159.537322	3.5473%	5.160356	20.7500%	4.839289	0.0000%
Forecast	2004	163.143047	2.2601%	5.807465	12.5400%	4.839289	0.0000%
Forecast	2005	166.716298	2.1903%	6.644901	14.4200%	4.839289	0.0000%

	t	Itemized Deductions Cal.	Annual Growth	Exemptions Millions	Annual Growth	Planned Gift Credit	Annual Growth
Actual	2000	4,036.333109		1,444.028900		7.121923	
Actual	2001	4,136.668940	2.4858%	1,488.611840	3.0874%	7.550411	6.0165%
Forecast	2002	4,128.466708	-0.1983%	1,505.921280	1.1628%	3.553978	-52.9300%
Forecast	2003	4,284.823325	3.7873%	1,549.194880	2.8736%	6.360911	78.9800%
Forecast	2004	4,474.967356	4.4376%	1,592.468480	2.7933%	5.699376	-10.4000%
Forecast	2005	4,662.599011	4.1929%	1,644.396800	3.2609%	5.423526	-4.8400%

Legislative Fiscal Division

Revenue Estimate Profile

Insurance Tax & License Fees

Revenue Description: The insurance premiums tax is levied on the net premiums or gross underwriting profit for each insurance company operating in Montana. Gross underwriting profit is essentially insurance premium income. In addition, various insurance fees and licenses are also collected.

Applicable Tax Rate(s): The current tax rate is 2.75% of net premiums on policies sold in Montana. In addition, for each Montana resident insured under any individual or group disability or health insurance policy, all insurers are required to pay \$0.70 to the State's Insurance Commissioner. This fee is used to fund the voluntary statewide genetics program established in statute (50-19-211, MCA).

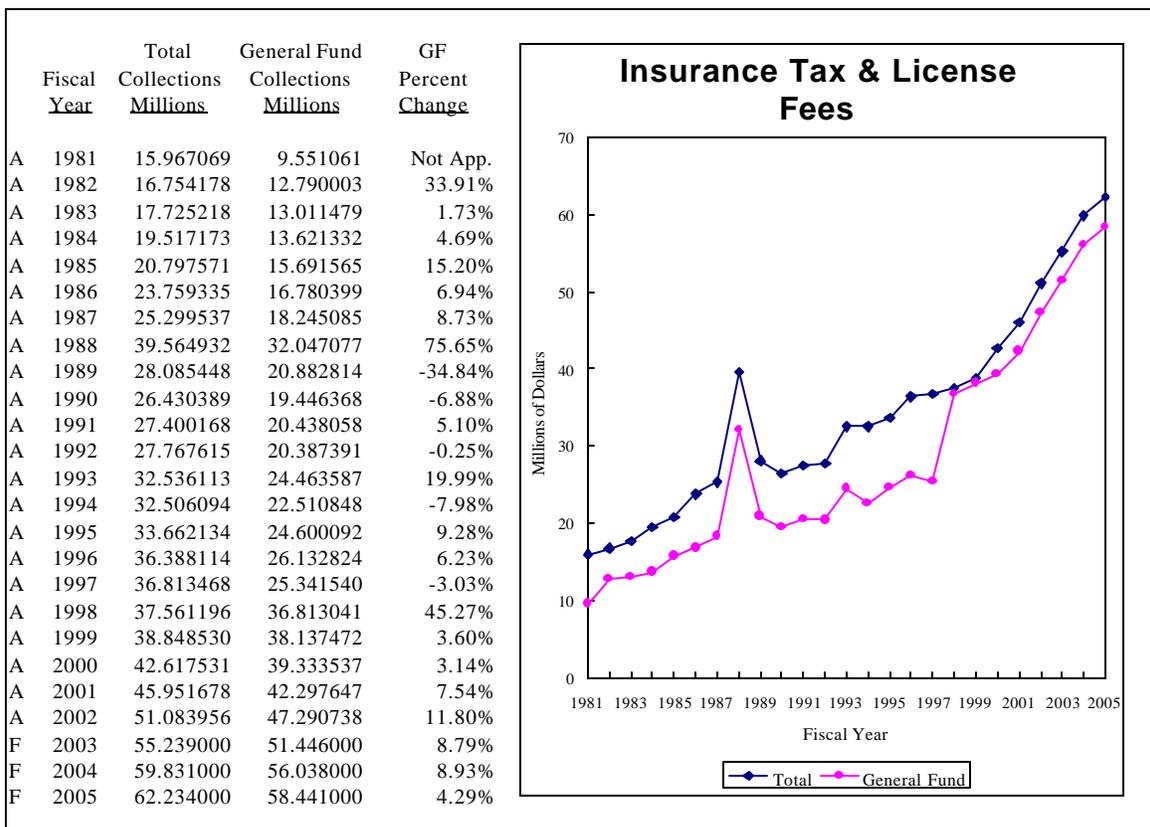
Senate Bill 132 (passed by the 1999 legislature) eliminated many disparate fees on insurance companies, which had partially been deposited into the general fund, and replaced them with a single company annual fee of \$1,900. Revenue from this fee is deposited to the state special revenue fund for administration of insurance activities.

Distribution: The majority of insurance tax and license fee proceeds are deposited into the general fund.

Statute: Title 33, Chapter 2 and Chapter 14, MCA

% of Total FY 2002 General Fund Revenue: 3.74%

Revenue Projection:

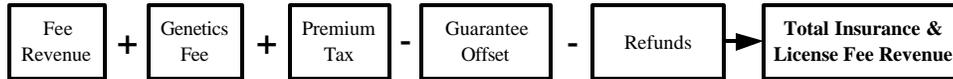


Legislative Fiscal Division

Revenue Estimate Profile

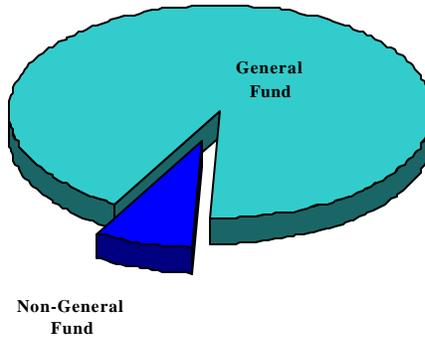
Insurance Tax & License Fees

Forecast Methodology



Distribution Methodology

Based on Actual Fiscal 2002



Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Non-GF Fees	GF Fees
	Fiscal	Millions	Millions	Millions	Millions
Actual	2000	42.617531	39.333537	3.283994	1.028229
Actual	2001	45.951678	42.297647	3.654031	0.444540
Actual	2002	51.083956	47.290738	3.793218	0.290736
Forecast	2003	55.239000	51.446000	3.793218	0.290736
Forecast	2004	59.831000	56.038000	3.793218	0.290736
Forecast	2005	62.234000	58.441000	3.793218	0.290736

	t	Genetics	Premium Tax	Offsets	Refunds
	Fiscal	Millions	Millions	Millions	Millions
Actual	2000	0.542398	40.121480	2.082935	1.881369
Actual	2001	0.634902	42.405287	0.861069	0.326014
Actual	2002	0.569711	47.678432	0.735584	0.512557
Forecast	2003	0.575000	52.822935	1.843000	0.400000
Forecast	2004	0.575000	56.790202	1.218000	0.400000
Forecast	2005	0.575000	59.192995	1.218000	0.400000

Legislative Fiscal Division

Revenue Estimate Profile Investment License Fee

Revenue Description: Investment advisors and investment companies pay various fees to the state. These fees are for the registration of securities and agents, for registration of securities by notification, or for notice of a federal filing of a federally secured security.

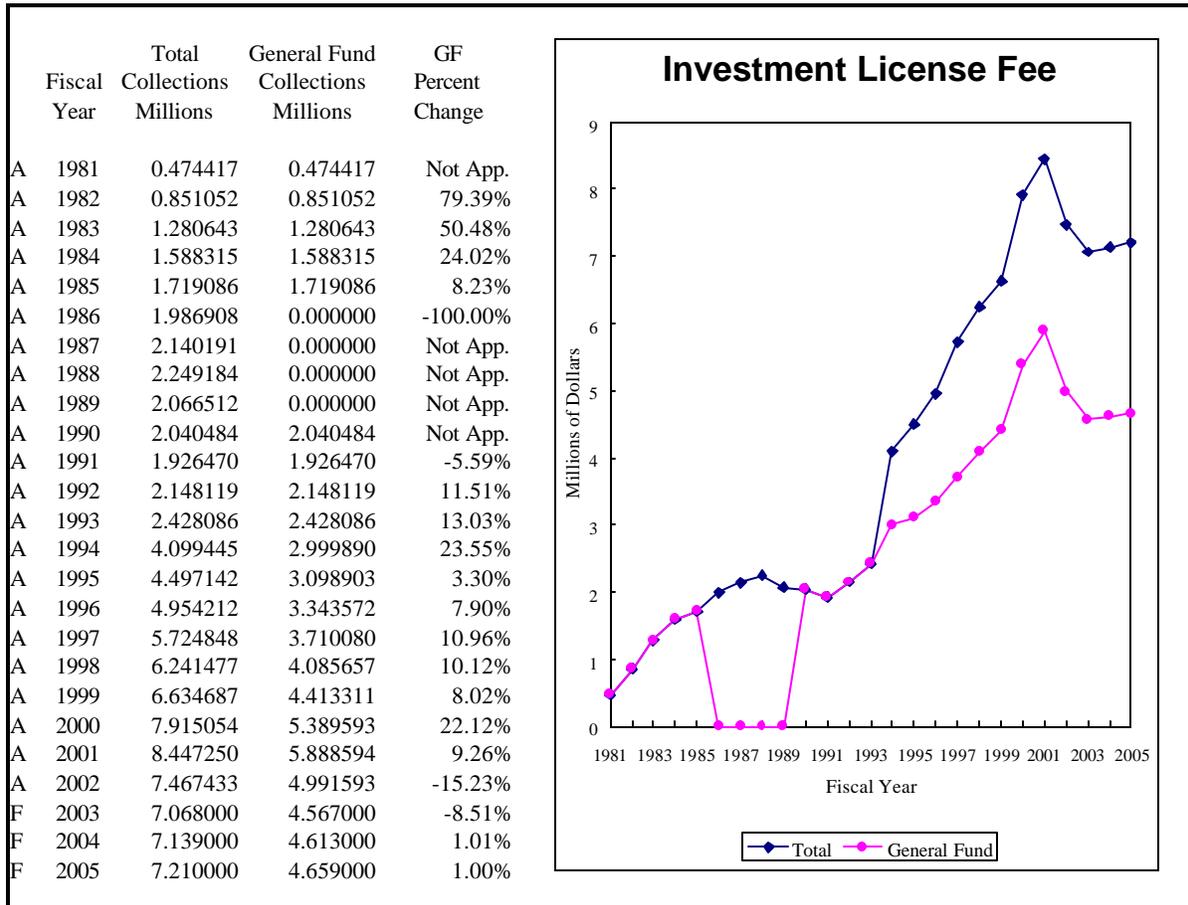
Applicable Tax Rate(s): Initial and annual security registration fees vary, but cannot be less than \$200 or more than \$1,000. Initial and annual registration fees for a broker-dealer, investment adviser, and federal covered adviser are \$200. Initial and annual registration fees for a salesperson or investment adviser are \$50.

Distribution: All such fees except portfolio notice filing fees and examination charges are deposited to the general fund. Portfolio notice filing fees and examination charges are deposited in a state special revenue account from which the State Auditor pays for expenses associated with the regulation of portfolio activities. The excess in this account is transferred to the general fund throughout the year as a non-budgeted transfer.

Statute: Title 30, Chapter 10, MCA

% of Total FY 2002 General Fund Revenue: 0.39%

Revenue Projection:



Legislative Fiscal Division

Revenue Estimate Profile Investment License Fee

Forecast Methodology

$$\left(\text{Base Year General Fund Fee Revenue} \times \text{Growth Rate} \right) + \left(\text{Base Year Non-general Fund Fee Revenue} \times \text{Growth Rate} \right) = \text{Total Investment License Fee Revenue}$$

Distribution Methodology

$$\text{General Fund Fees} = \text{General Fund Revenue}$$

$$\text{Total Investment License Fee Revenue} - \text{General Fund Revenue} = \text{Non-general Fund Revenue}$$

Revenue Estimate Assumptions

	t	Total Tax	GF Tax	GF Transfer	Licenses	Portfolio	Port. Exp.
	Fiscal	Millions	Millions	Millions	Millions	Millions	Millions
Actual	2000	7.915054	5.389593	2.296258	5.389593	2.525461	0.151983
Actual	2001	8.447250	5.888594	2.445000	5.888594	2.558656	0.135759
Actual	2002	7.467433	4.991593	2.179165	4.991593	2.475840	0.202493
Forecast	2003	7.068000	4.567000	2.292000	4.567308	2.500555	0.208568
Forecast	2004	7.139000	4.613000	2.317000	4.612981	2.525517	0.208568
Forecast	2005	7.210000	4.659000	2.342000	4.659111	2.550729	0.208568

	t	Licenses	Portfolio	Expense
	Fiscal	Growth	Growth	Growth
Actual	2000	0.221213	0.137475	0.044550
Actual	2001	0.092586	0.013144	-0.106749
Actual	2002	-0.152329	-0.034073	0.491562
Forecast	2003	-0.085000	0.010000	0.030000
Forecast	2004	0.010000	0.010000	0.000000
Forecast	2005	0.010000	0.010000	0.000000

Legislative Fiscal Division

Revenue Estimate Profile Lodging Facility Use Tax

Revenue Description: The state imposes a tax on room charges collected by lodging facilities. The tax only applies for rooms used for lodging. All percentage distributed tax collections (see below) are earmarked for specific purposes and are statutorily appropriated. All taxes paid by state employees are returned to the fund that paid the tax. Since general fund pays a portion of the tax, a portion is returned to the general fund. This amount is accounted for in the "All Other Revenue" profile.

Applicable Tax Rate(s): The tax is 4.0 percent of room charges.

Distribution: Fiscal 2003, the revenue is first distributed: 1) to the Department of Revenue in the amount appropriated for collection and disbursement costs; 2) to the various funds from which payment of the tax paid by state employees were made, including the general fund; 3) \$400,000 to the Montana heritage preservation and development fund which is statutorily appropriated for restoring and maintaining historic properties; and 4) \$1,700,000 to the general fund (HB 18 August 2002 Special Session). After these distributions, the remainder is distributed and statutorily appropriated:

- 67.5% to the Department of Commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.
- 22.5% to regional nonprofit tourism corporations.
- 6.5% to the Department of Fish, Wildlife and Parks for maintenance of state park facilities.
- 2.5% to the university system for the establishment and maintenance of a Montana travel research program.
- 1.0% to the Montana Historical Society to install and maintain roadside historical signs and historic sites.

Fiscal 2004 - 2007, the revenue is first distributed: 1) to the Department of Revenue in the amount appropriated for collection and disbursement costs; 2) to the various funds from which payment of the tax paid by state employees were made, including the general fund; and 3) \$400,000 to the Montana heritage preservation and development fund which is statutorily appropriated for restoring and maintaining historic properties. After these distributions, the remainder is distributed and statutorily appropriated:

- 67.5% to the Department of Commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.
- 22.5% to regional nonprofit tourism corporations.
- 6.5% to the Department of Fish, Wildlife and Parks for maintenance of state park facilities.
- 2.5% to the university system for the establishment and maintenance of a Montana travel research program.
- 1.0% to the Montana Historical Society to install and maintain roadside historical signs and historic sites.

Fiscal 2008 and beyond, the revenue is first distributed: 1) to the Department of Revenue in the amount appropriated for collection and disbursement costs; and 2) to the various funds from which payment of the tax paid by state employees were made, including the general fund. After these distributions, the remainder is distributed and statutorily appropriated:

- 67.5% to the Department of Commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.
- 22.5% to regional nonprofit tourism corporations.
- 6.5% to the Department of Fish, Wildlife and Parks for maintenance of state park facilities.
- 2.5% to the university system for the establishment and maintenance of a Montana travel research program.
- 1.0% to the Montana Historical Society to install and maintain roadside historical signs and historic sites.

Statute: Title 15, Chapter 65, MCA

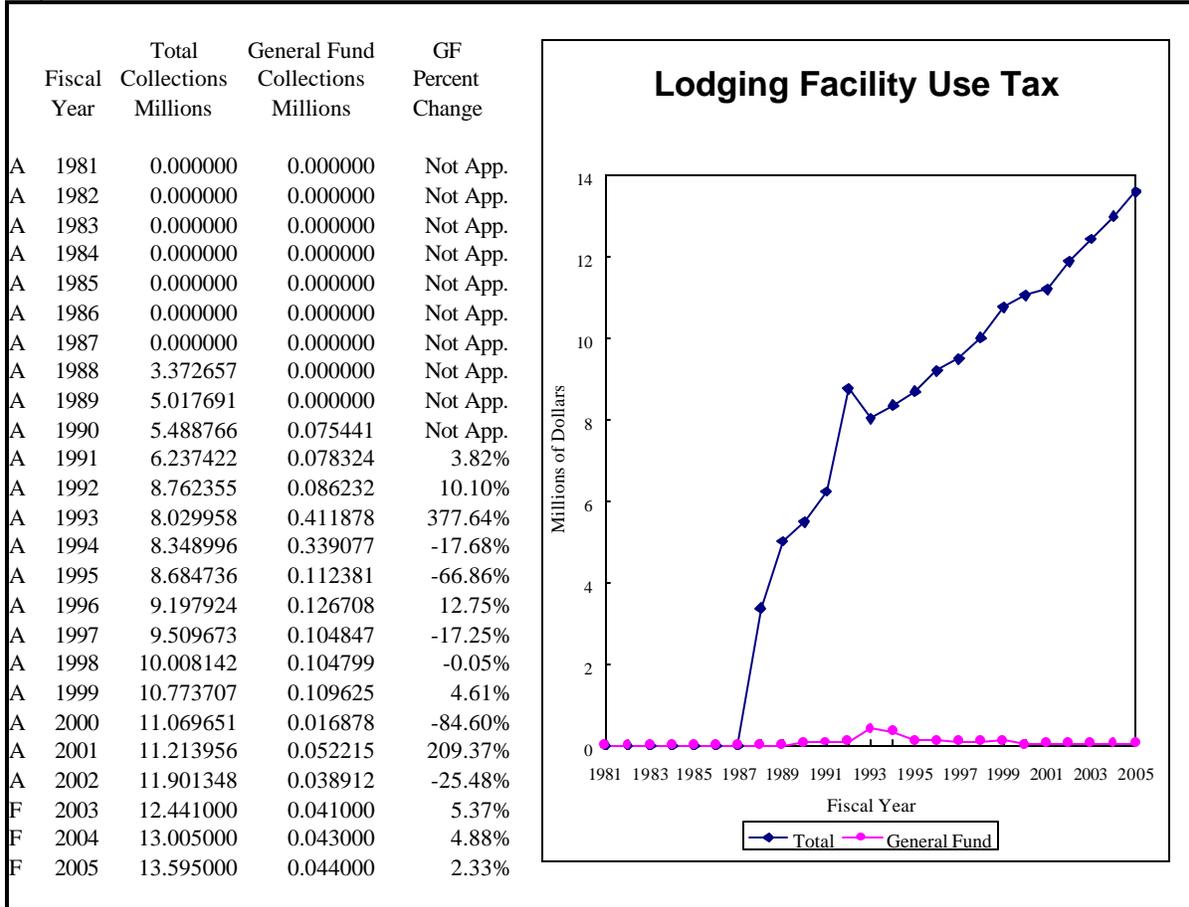
% of Total FY 2002 General Fund Revenue: 0.00% (included in "All Other General Fund Revenue")

Legislative Fiscal Division

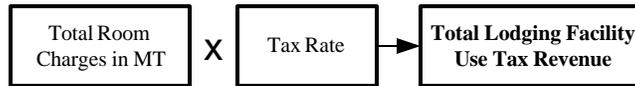
Revenue Estimate Profile

Lodging Facility Use Tax

Revenue Projection:



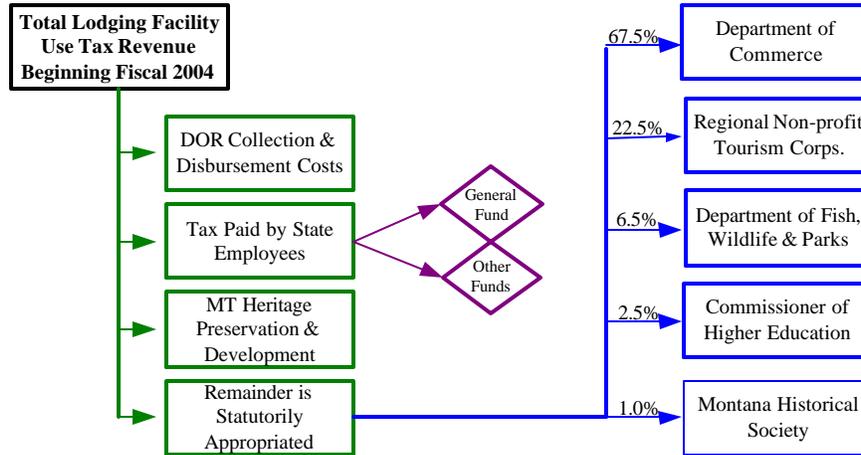
Forecast Methodology



Legislative Fiscal Division

Revenue Estimate Profile Lodging Facility Use Tax

Distribution Methodology



Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Room Charge	Tax	DOR
	Fiscal	Millions	Millions	Millions	Rate	Admin. Millions
Actual	2000	11.069651	0.016878	276.741275	4.0000%	0.114927
Actual	2001	11.213956	0.052215	280.348900	4.0000%	0.114525
Actual	2002	11.901348	0.038912	297.533700	4.0000%	0.126368
Forecast	2003	12.441000	0.040676	311.028043	4.0000%	0.133256
Forecast	2004	13.005000	0.042520	325.134409	4.0000%	0.137254
Forecast	2005	13.595000	0.044449	339.880555	4.0000%	0.141371

	t	Higher Ed.	DOC	Sites & Signs	Regional	FWP	MT. Heritage	All Other Entities
	Fiscal	Millions	Millions	Millions	Millions	Millions	Millions	Millions
Actual	2000	0.263447	7.113045	0.105379	2.371015	0.684960	0.400000	0.000000
Actual	2001	0.267061	7.210657	0.106824	2.403552	0.694358	0.400000	-0.035236
Actual	2002	0.283388	7.651483	0.113892	2.550494	0.736809	0.400000	0.000002
Forecast	2003	0.296677	8.010271	0.118671	2.670090	0.771359	0.400000	0.000000
Forecast	2004	0.310631	8.387028	0.124252	2.795676	0.807640	0.400000	0.000000
Forecast	2005	0.325230	8.781197	0.130092	2.927066	0.845597	0.400000	0.000000

Legislative Fiscal Division

Revenue Estimate Profile

Motor Vehicle Fee

Revenue Description: In accordance with statute, the state assesses a variety of motor vehicle fees, such as fees for the filing of motor vehicle liens, fees for new license plates, and title fees. The fees vary according to the type of vehicle (i.e., motor vehicle, snowmobile, etc.) and the type of license plate (regular, personal, military, etc.). With the enactment of House Bill 124, motor vehicle fees that had been collected and retained by counties are now deposited in the state general fund.

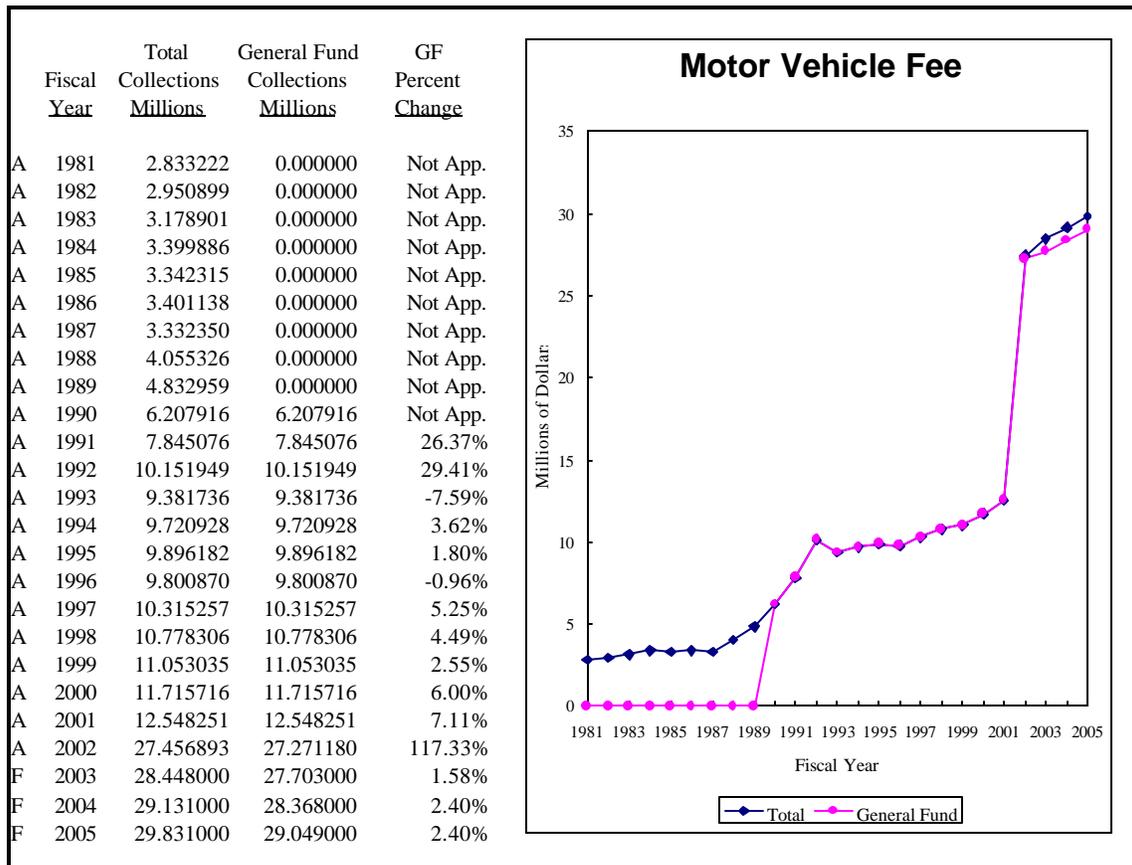
Applicable Tax Rate(s): Various

Distribution: Almost all motor vehicle fees are allocated to the general fund. The \$8 recording lien fee is distributed \$4 to the general fund and \$4 is deposited to the Motor Vehicle Information Technology Systems state special revenue account. The \$0.25 senior transportation fee is deposited in the general fund and then transferred to the senior transportation account in the Department of Transportation.

Statute: Title 61, Chapter 3, MCA.

% of Total FY 2002 General Fund Revenue: 2.15%

Revenue Projection:

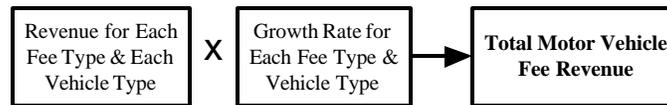


Legislative Fiscal Division

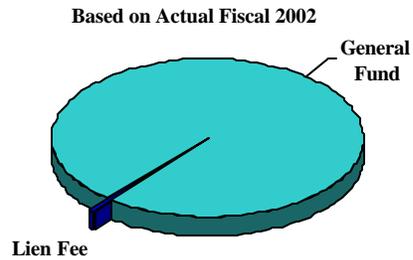
Revenue Estimate Profile

Motor Vehicle Fee

Forecast Methodology



Distribution Methodology



Legislative Fiscal Division

Revenue Estimate Profile

Motor Vehicle Fee

Revenue Estimate Assumptions

	t	Total Tax	GF Tax	GF Fee	GF Fee	GF Fee	GF Fee
	Fiscal	Millions	Millions	Registration	Record	Titles	Personal
				Millions	Millions	Millions	Millions
Actual	2000	11.729292	11.729292	6.233271	0.629295	1.292338	0.727670
Actual	2001	12.548251	12.548251	6.367734	0.635889	1.290092	0.712995
Actual	2002	27.456893	27.271180	21.180491	0.727958	2.352977	1.269593
Forecast	2003	28.448000	27.703000	21.491344	0.745429	2.409448	1.300063
Forecast	2004	29.131000	28.368000	22.007136	0.763319	2.467275	1.331265
Forecast	2005	29.831000	29.049000	22.535307	0.781639	2.526490	1.363215

	t	GF Fee	GF Fee	GF Fee	GF Fee	GF Fee	Non GF Fee
	Fiscal	New Plate	Computer	\$.25	Other	Transit	Lien
		Millions	Millions	Millions	Millions	Millions	Millions
Actual	2000	0.856821	1.304458	0.299821	0.385618		
Actual	2001	1.536103	1.335946	0.304236	0.365256		
Actual	2002	0.524575	-0.001199	0.024150	1.083974	0.108661	0.185713
Forecast	2003	0.537165	0.000000	0.000000	1.109989	0.111269	0.745429
Forecast	2004	0.550057	0.000000	0.000000	1.136629	0.113939	0.763319
Forecast	2005	0.563258	0.000000	0.000000	1.163908	0.116674	0.781639

	t	GF Fee	GF Fee	GF Fee	GF Fee	GF Fee	GF Fee
	Fiscal	Registration	Record	Titles	Personal	New Plate	Other
		Growth Rate	Growth Rate	Growth Rate	Growth Rate	Growth Rate	Growth Rate
Actual	2000	3.2150%	-0.0519%	2.1117%	4.8659%	84.1881%	-5.1653%
Actual	2001	2.1572%	1.0478%	-0.1738%	-2.0167%	79.2793%	-5.2804%
Actual	2002	232.6221%	14.4788%	82.3883%	78.0648%	-65.8503%	196.7710%
Forecast	2003	2.4000%	2.4000%	2.4000%	2.4000%	2.4000%	2.4000%
Forecast	2004	2.4000%	2.4000%	2.4000%	2.4000%	2.4000%	2.4000%
Forecast	2005	2.4000%	2.4000%	2.4000%	2.4000%	2.4000%	2.4000%

	t	GF Fee	Non GF Fee				
	Fiscal	New Plate	Computer	\$.25	Other	Transit	Lien
		Growth Rate					
Actual	2000	84.1881%	2.8335%	5.4012%	-5.1653%		
Actual	2001	79.2793%	2.4139%	1.4725%	-5.2804%		
Actual	2002	-65.8503%	-100.0897%	-92.0621%	196.7710%		
Forecast	2003	2.4000%	-100.0000%	-100.0000%	2.4000%	NA	2.4000%
Forecast	2004	2.4000%			2.4000%	NA	2.4000%
Forecast	2005	2.3999%			2.4000%	NA	2.4000%

Legislative Fiscal Division

Revenue Estimate Profile

Public Contractors Tax

Revenue Description: Contractors or subcontractors submitting a proposal to perform construction work in Montana for the federal government, state government, or any political subdivision, must be licensed as a public contractor. A license is not required in order to bid on contracts in which federal aid is used for highway construction, but a license is required once the bid is awarded.

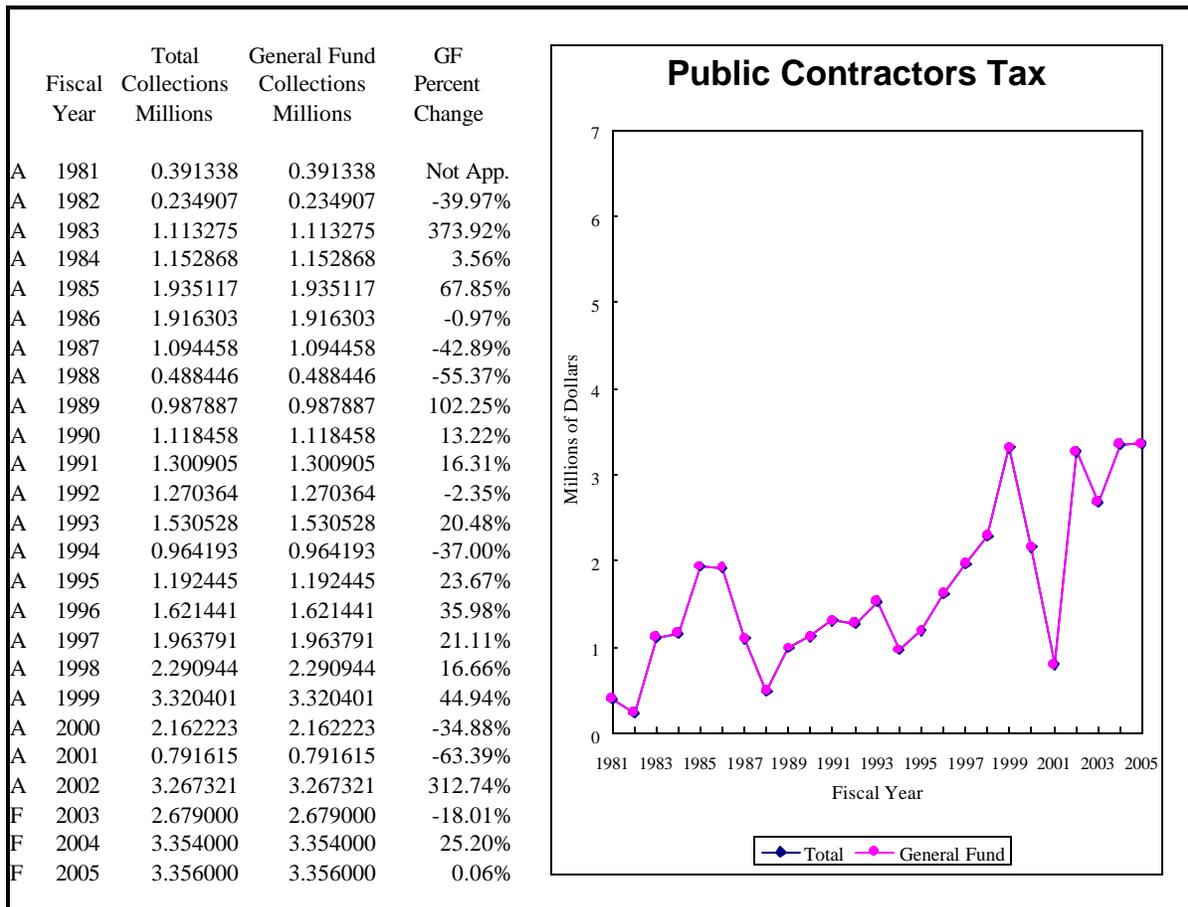
Applicable Tax Rate(s): A 1.0 percent license fee is applied to the gross receipts of each separate project let by any of the listed public entities. However, a credit (in the form of a refund) against the license fee is allowed for personal property taxes and certain motor vehicle fees paid in Montana on personal property or vehicles used in the business of the contractor. In addition, the amount of the net license fee paid (gross less the property tax refund) may be used as a credit on the contractor's corporate or individual tax return. Overpayments are also refunded.

Distribution: All public contractor tax revenue is deposited into the general fund.

Statute: Title 15, Chapter 50, MCA

% of Total FY 2002 General Fund Revenue: 0.26%

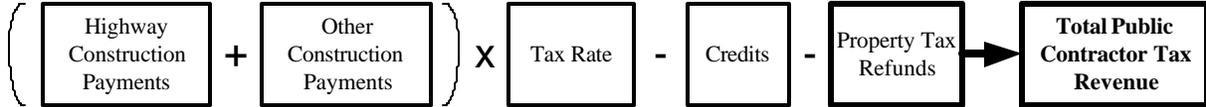
Revenue Projection:



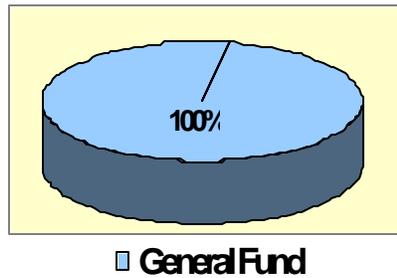
Legislative Fiscal Division

Revenue Estimate Profile Public Contractors Tax

Forecast Methodology



Distribution Methodology



■ General Fund

Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Gross Tax	Credits	Tax	DOT	Other
	Fiscal	Millions	Millions	Millions	& Refunds	Rate	Millions	Millions
					Millions			
Actual	2000	2.162223	2.162223	5.516069	3.444985	0.010000	234.875465	316.731435
Actual	2001	0.791615	0.791615	4.502749	3.711134	0.010000	200.507963	249.766937
Actual	2002	3.267321	3.267321	5.054973	1.787652	0.010000	217.749022	287.748278
Forecast	2003	2.679000	2.679000	5.281703	2.602623	0.010000	240.422000	287.748278
Forecast	2004	3.354000	3.354000	5.994510	2.640070	0.010000	311.702724	287.748278
Forecast	2005	3.356000	3.356000	6.037209	2.680621	0.010000	315.972588	287.748278

Legislative Fiscal Division

Revenue Estimate Profile

Railroad Car Tax

Revenue Description: All railroad property is subject to taxation as defined in the federal Railroad Revitalization and Regulatory Reform Act of 1976. The tax rate for class twelve property is the lesser of 12.0% or the average statutory tax rate for commercial and industrial property. Railroad car companies, which operate in several states, pay taxes on the portion of the property value allocated to Montana, based on the ratio of the car miles traveled within Montana to the total number of car miles traveled in all states, as well as time spent in the state relative to time spent in other states.

Applicable Tax Rate(s): The tax rate is equal to the previous year's average statewide tax rate for commercial and industrial property. This is multiplied by 95.0 percent of the average statewide mill levy for commercial and industrial property. The most current tax year rates are:

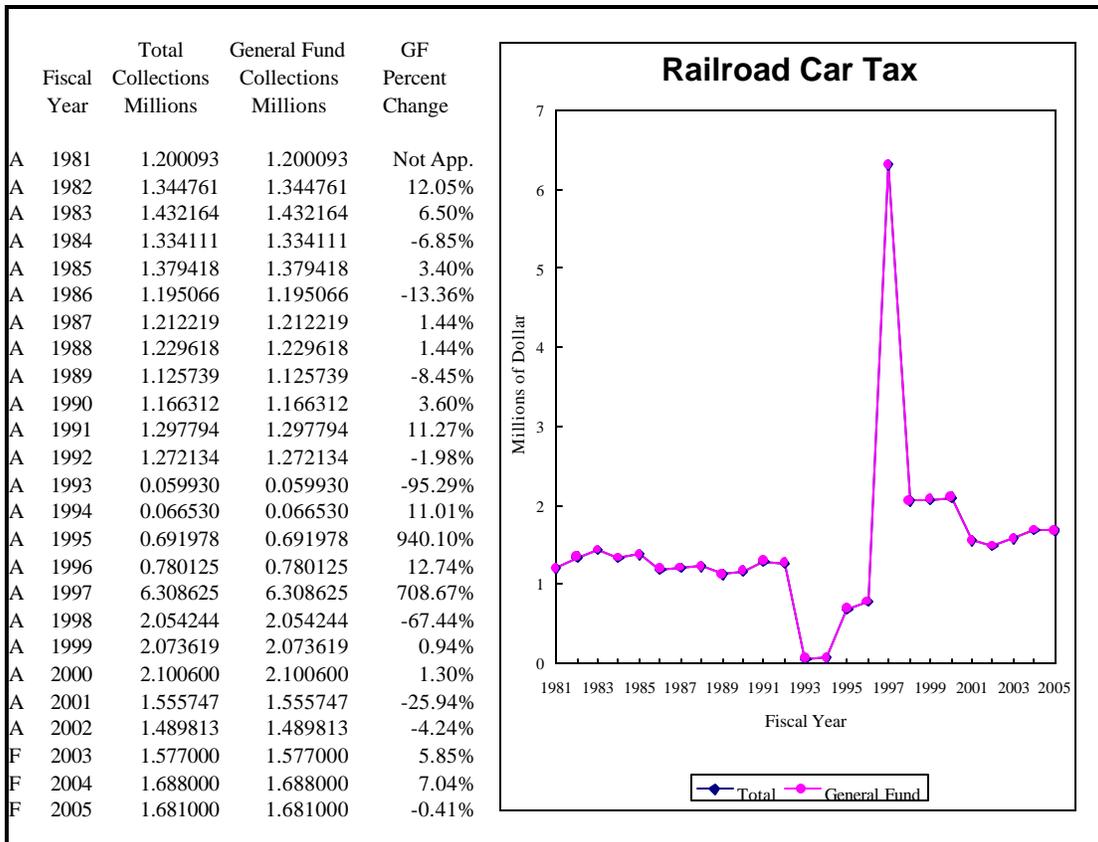
- 2003 – 4.02%
- 2004 – 4.00%
- 2005 – 3.92%

Distribution: All revenue from this tax is deposited into the general fund.

Statute: Title 15, Chapter 23, MCA

% of Total FY 2002 General Fund Revenue: 0.12%

Revenue Projection:

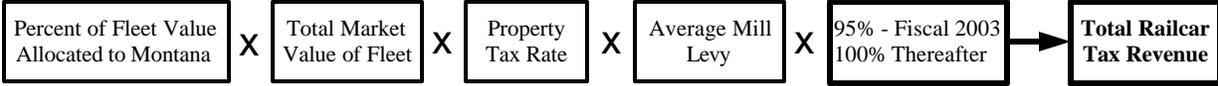


Legislative Fiscal Division

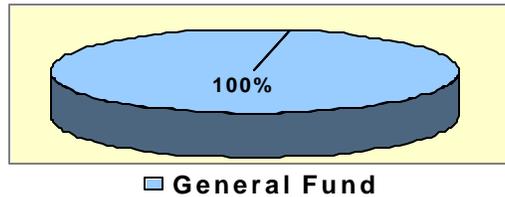
Revenue Estimate Profile

Railroad Car Tax

Forecast Methodology



Distribution Methodology



Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Total MV (CY)	Allocation	MT MV (CY)	Tax	Mills
	Fiscal	Millions	Millions	of Fleet	Percent	of Fleet	Rate	95 Percent
				Millions		Millions		
Actual	2000	2.100600	2.100600	17582.615541	0.005439	95.626964	0.060800	0.363540
Actual	2001	1.555747	1.555747	19335.425780	0.005021	97.074849	0.042700	0.380060
Actual	2002	1.489813	1.489813	20065.083606	0.004468	89.657366	0.042100	0.400980
Forecast	2003	1.577000	1.577000	19528.281944	0.004790	93.549680	0.040200	0.419250
Forecast	2004	1.688000	1.688000	20080.932323	0.004760	95.585238	0.040000	0.441320
Forecast	2005	1.681000	1.681000	20791.797327	0.004673	97.160069	0.039200	0.441320

Legislative Fiscal Division

Revenue Estimate Profile

Telecommunications Excise Tax

Revenue Description: The retail telecommunications excise tax is levied on the sales price of retail telecommunications services originating or terminating in the state. It is paid by the retail purchaser and collected by the provider.

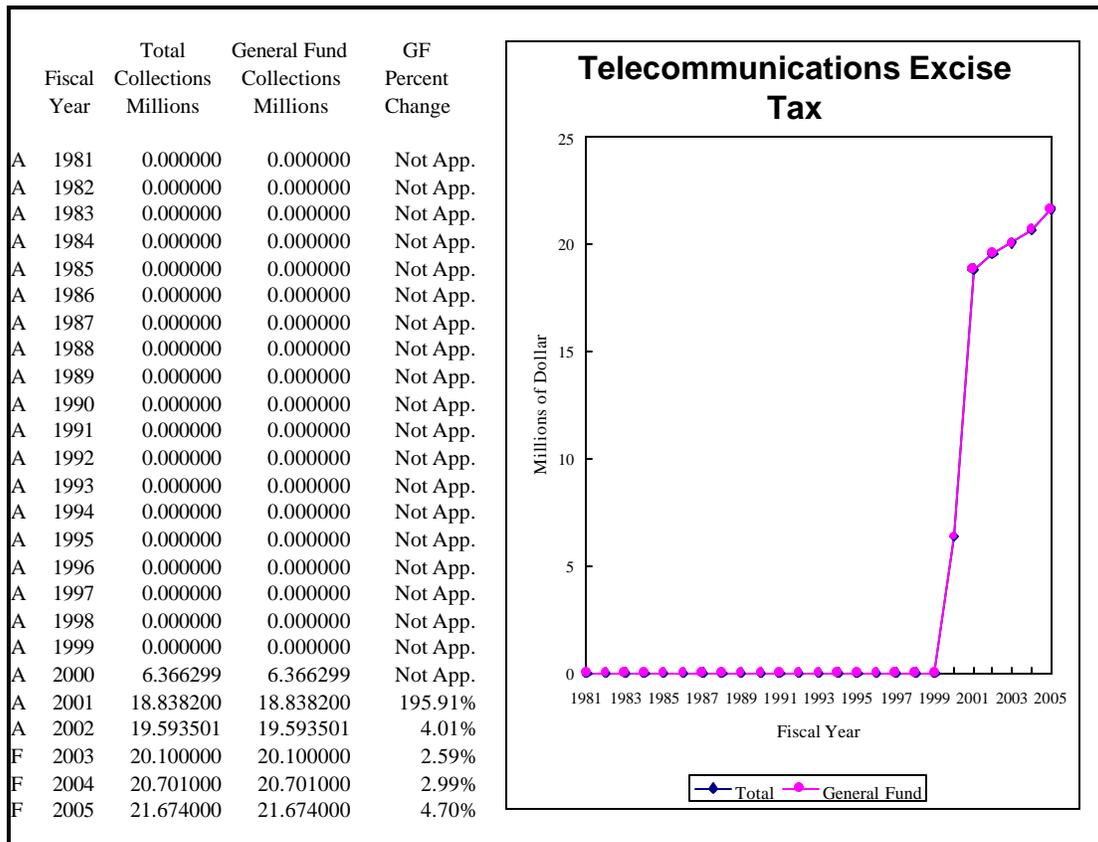
Applicable Tax Rate(s): The current tax rate of 3.75% is applied to the sales price of retail telecommunications services. Sales price includes payment for services such as distribution, supply, transmission, and delivery, but excludes federal taxes, relocation of service, equipment repair, prepaid calling cards, and other items. Gross receipts from the provision of internet services are also exempt. A credit is allowed for 20 percent of the costs of advanced telecommunications infrastructure improvements in the state up to a yearly maximum credit of \$2.0 million for all providers. However, Senate Bill 494 from the 2001 legislature suspended the credits for the 2003 biennium. The credit will become available for fiscal 2004 only.

Distribution: All proceeds are deposited into the general fund.

Statute: Title 15, Chapter 53, MCA

% of Total FY 2002 General Fund Revenue: 1.55%

Revenue Projection:



Legislative Fiscal Division

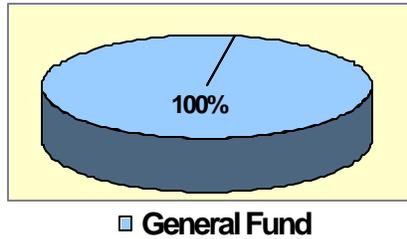
Revenue Estimate Profile

Telecommunications Excise Tax

Forecast Methodology



Distribution Methodology



Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Taxable	Tax	Credits	Audits
	Fiscal	Millions	Millions	Millions	Rate	Millions	Millions
Actual	2000	6.366299	6.366299		0.037500	0.000000	0.000000
Actual	2001	18.838200	18.838200	506.318091	0.037500	0.429045	1.820000
Actual	2002	19.593501	19.593501	525.235123	0.037500	0.134664	0.000000
Forecast	2003	20.100000	20.100000	535.990925	0.037500	0.000000	0.000000
Forecast	2004	20.701000	20.701000	560.012816	0.037500	0.300000	0.000000
Forecast	2005	21.674000	21.674000	585.963220	0.037500	0.300000	0.000000

Legislative Fiscal Division

Revenue Estimate Profile

Vehicle Tax

Revenue Description: Before January 1, 2001, light vehicles (including vans and sport utility vehicles) were taxed at 1.4 percent of the depreciated value of the manufacturer's suggested retail price (MSRP).

Buses, trucks, truck tractors having a manufacturer's rated capacity of more than 1 ton, and certain trailers, are taxed under a fee schedule that varies by age and weight. Motorcycles are taxed under a fee schedule based on age and engine size.

Effective January 1, 2001, light vehicles are charged a registration fee as a result of the passage of Legislative Referendum (LR) 115 (HB540) by the electorate in November 2000. The fee is \$195 for light vehicles of age between zero and four years, \$65 for vehicles between five and ten years of age, and \$6 for vehicles over ten years old. LR 115 also lowers the registration fees charged on motorcycles and quadricycles. Under the law before LR 115, motorcycles were charged a fee based on four age categories and three engine size categories. Under LR 115 and beginning January 1, 2001, the number of age categories was reduced to three and the number of engine size categories remains the same.

Effective January 1, 2003, the fee schedule on heavy trucks is reduced by $\frac{1}{6}^{\text{th}}$ for calendar 2003, by $\frac{1}{3}^{\text{rd}}$ for calendar 2004 and by $\frac{1}{2}$ for calendar 2005. These changes were enacted by HB 247 in the 2003 legislative session.

Applicable Tax Rate(s): Varies

Distribution: Before the enactment of House Bill 124 by the 2001 legislature, all registration fees from newly titled light vehicles were deposited into the highway restricted state special revenue account. Ten percent of registration fees collected on light vehicles was distributed to a state special revenue account to fund certain district court expenses. The remaining 90 percent of light vehicle registrations fees and fees in lieu of taxes for motorcycles and quadricycles were distributed in the relative proportions required by the levies for county, school district, and municipal purposes in the same manner as personal property taxes are distributed. No registration fee revenue from light vehicles and motorcycles and quadricycles was distributed to state mills, nor to the 9 mill welfare levy. The vo-tech levy (1.5 mills) continued to receive a share of this revenue. All other registration fees and fees in lieu of taxes (on large trucks, trailers, motor homes, campers etc.) were distributed in the relative proportions required by the levies for state, county, school district, and municipal purposes based on prior year mills. This revenue source represented one component used to calculate total non levy property tax revenue.

After the enactment of House Bill 124, all these fees are deposited into the state general fund beginning July 1, 2001.

Statute: Title 61, Chapter 3, MCA

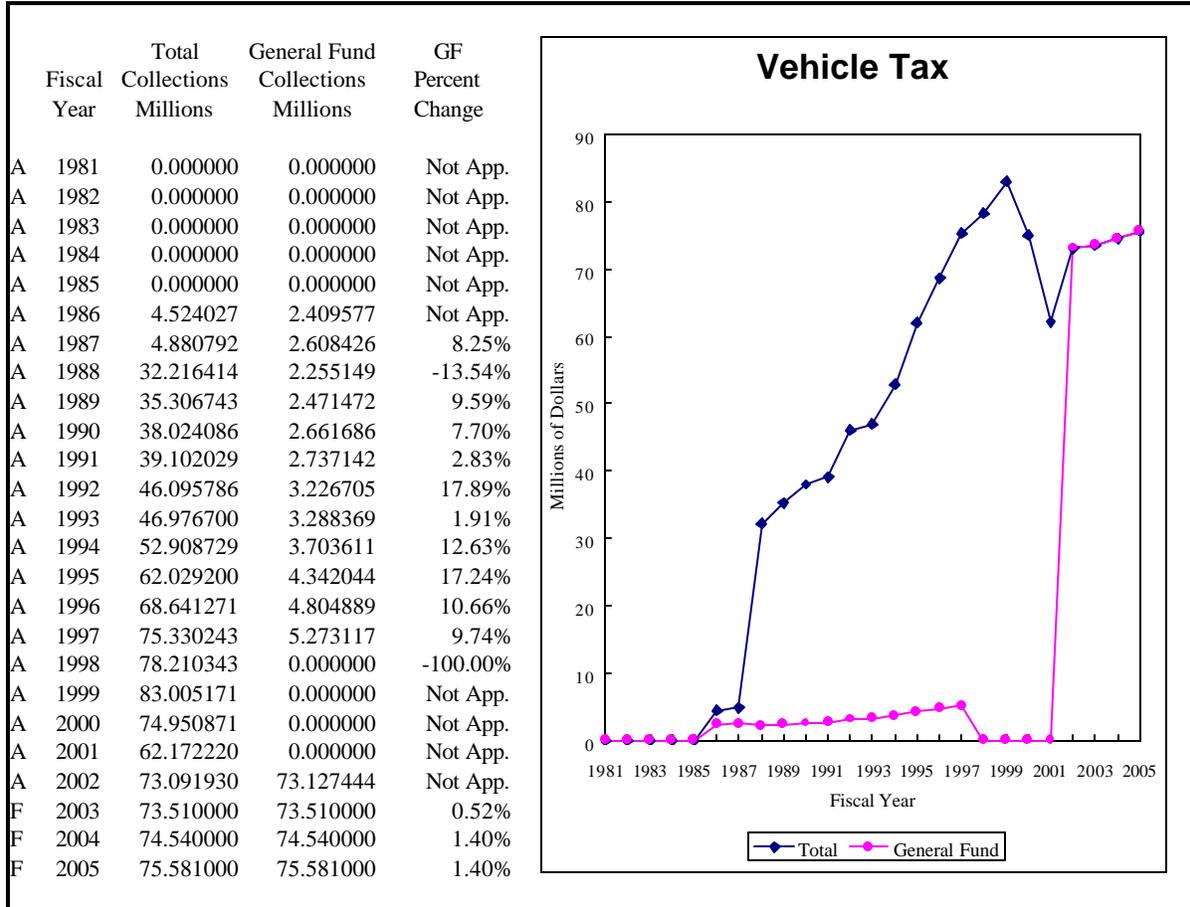
% of Total FY 2002 General Fund Revenue: 5.78%

Legislative Fiscal Division

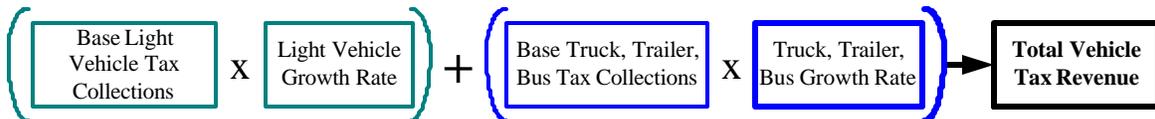
Revenue Estimate Profile

Vehicle Tax

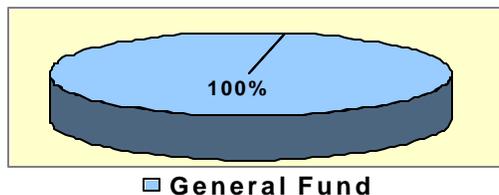
Revenue Projection:



Forecast Methodology



Distribution Methodology



Legislative Fiscal Division

Revenue Estimate Profile

Vehicle Tax

Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Non-GF Tax
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000			
Actual	2001			
Actual	2002	73.091930	73.127444	-0.035514
Forecast	2003	73.510000	73.510000	0.000000
Forecast	2004	74.540000	74.540000	0.000000
Forecast	2005	75.581000	75.581000	0.000000

	t	Large	Motor	Light	Boats/	MCO	District
	<u>Fiscal</u>	<u>Truck</u>	<u>Home</u>	<u>Vehicle</u>	<u>Snow</u>	<u>Registration</u>	<u>Courts</u>
		<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000						
Actual	2001						
Actual	2002	5.383664	3.607418	54.602101	2.075694	7.458568	-0.035514
Forecast	2003	5.496721	3.683174	55.058549	2.119284	7.615198	0.000000
Forecast	2004	5.612152	3.760521	56.214779	2.163789	7.775117	0.000000
Forecast	2005	5.730007	3.839492	57.395289	2.209229	7.938394	0.000000

	t	Large	Motor	Light	Boats/	MCO
	<u>Fiscal</u>	<u>Truck</u>	<u>Home</u>	<u>Vehicle</u>	<u>Snow</u>	<u>Registration</u>
		<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Actual	2000					
Actual	2001					
Actual	2002					
Forecast	2003	0.021000	0.021000	0.021000	0.021000	0.021000
Forecast	2004	0.021000	0.021000	0.021000	0.021000	0.021000
Forecast	2005	0.021000	0.021000	0.021000	0.021000	0.021000

