

## HOUSE JOINT RESOLUTION NO. 2

INTRODUCED BY DEVLIN

BY REQUEST OF THE REVENUE AND TRANSPORTATION INTERIM COMMITTEE

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN OFFICIAL ESTIMATE OF THE STATE'S ANTICIPATED GENERAL FUND REVENUE FOR EACH YEAR OF THE 2004-05 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED GENERAL FUND BUDGET AS MANDATED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION; ACCEPTING A PRELIMINARY JUNE 30, 2002, UNRESERVED GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; ESTABLISHING OFFICIAL ESTIMATES OF CERTAIN NONGENERAL FUND REVENUE; AND REQUESTING THAT THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVENUE ESTIMATES FOR FISCAL YEARS 2003, 2004, AND 2005.

WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to the Legislature a budget for the ensuing fiscal period, containing in detail for all operating funds the proposed expenditures and estimated revenue of the state; and

WHEREAS, Article VIII, section 9, of the Montana Constitution prohibits the Legislature from appropriating funds in excess of the anticipated revenue of the state; and

WHEREAS, section 5-18-107, MCA, requires the Revenue and Transportation Interim Committee to estimate the amount of revenue projected to be available for legislative appropriation and to introduce a resolution setting forth the Committee's current revenue estimate for the biennium; and

WHEREAS, section 5-18-107(2), MCA, expresses the Legislature's intent that its revenue estimates and the underlying assumptions used to derive those estimates be used by all agencies in the development of fiscal notes; and

WHEREAS, section 5-12-302(6), MCA, requires the Legislative Fiscal Analyst to assist the Revenue and Transportation Interim Committee in its revenue estimating duties; and

WHEREAS, to assist in its revenue estimating responsibilities, the Revenue and Transportation Interim Committee requested the expert assistance of the Legislative Fiscal Analyst, as allowed in section 5-18-107(3), MCA, to provide information on taxes, the economy, and revenue sources; and

WHEREAS, the Revenue and Transportation Interim Committee obtains the assistance of Executive Branch agencies in the development of the revenue estimates; and

WHEREAS, the Revenue and Transportation Interim Committee has adopted revenue estimates and the underlying assumptions used to derive those estimates for the general fund and for specific nongeneral fund sources that are significant in the development of the state budget for the 2005 biennium; and

WHEREAS, PPL-MONTANA HAS DISPUTED THE ASSESSED VALUE OF ITS HYDROELECTRIC FACILITIES IN THE STATE AND HAS PAID A PORTION OF ITS PROPERTY TAXES UNDER PROTEST THEREBY REDUCING THE AMOUNT OF REVENUE AVAILABLE FOR THE STATE GENERAL FUND AND THE MONTANA UNIVERSITY SYSTEM 6-MILL LEVY; AND

WHEREAS, the amount of estimated revenue and the general fund balance affects policy decisions of the Executive Branch and the Legislative Branch; and

WHEREAS, the revenue estimates and the underlying assumptions contained in this resolution provide the basis for a comprehensive analysis of the state's revenue condition.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the state general fund revenue for fiscal years 2003, 2004, and 2005 be estimated to be ~~\$1,208,833,000~~ ~~\$1,207,542,000~~ \$1,195,014,000, ~~\$1,236,422,000~~ \$1,241,443,000, and ~~\$1,291,497,000~~ \$1,296,456,000, respectively.

BE IT FURTHER RESOLVED, that the Legislature accept for budget purposes the preliminary unreserved fiscal year 2002 fund balance of ~~\$83,228,000~~ \$81,316,000 for the general fund, prepared according to generally accepted accounting principles.

BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use the revenue estimates and the underlying assumptions contained in this resolution as the official revenue estimates for fiscal years 2003, 2004, and 2005.

GENERAL FUND REVENUE

The projections for total general fund revenue for fiscal years 2003, 2004, and 2005 are based on the assumption of a continuation of Montana law as it existed on January 1, 2003. ~~The~~ EXCEPT FOR FISCAL YEAR 2003, THE revenue estimates contained in the following tables are based on the assumptions listed in the tables that follow the general fund estimates and the assumptions for each general fund revenue source contained in the "Revenue Estimates as Adopted by the Revenue and Transportation Interim Committee" report prepared by the Legislative Fiscal Division.

## Current Law

## General Fund Revenue Estimates

(In Millions of Dollars)

Source of Revenue	Adjusted			
	Actual FY 2002	Estimated FY 2003	Estimated FY 2004	Estimated FY 2005
Individual Income Tax	\$517.568	<del>\$527.400</del> <u>\$520.764</u>	\$556.874	\$594.339
Statewide and Vo-Tech Property Taxes	169.339	<del>173.277</del> <u>172.309</u>	<del>180.179</del> <u>182.196</u>	<del>186.420</del> <u>192.538</u>
<u>PPL-MONTANA PROTESTED PROPERTY TAX PAYMENTS</u>	<u>0</u>	<u>(2.091)</u>	<u>(2.129)</u>	<u>(2.167)</u>
Vehicle Tax	73.127	<del>73.510</del> <u>74.773</u>	74.540	75.581
Corporation Income Tax	68.173	<del>53.814</del> <u>47.347</u>	64.782	69.223
Common School Interest and Income	48.938	0.000	0.000	0.000
Insurance Tax and License Fees	47.291	51.446	56.038	58.441
Video Gambling Tax	43.666	<del>44.417</del>	44.755	45.811

		<u>45.219</u>		
All Other Revenue	43.216	<del>25.808</del>	<del>18.783</del>	<del>18.877</del>
		<u>26.608</u>	<u>23.916</u>	<u>19.885</u>
Permanent Coal Trust Interest Earnings	37.605	36.825	37.249	37.920
Motor Vehicle Fee	27.271	27.703	28.368	29.049
U.S. Mineral Royalty	19.772	22.715	23.469	22.980
Telecommunications Excise Tax	19.594	20.100	20.701	21.674
Tobacco Settlement	18.647	19.025	3.105	3.182
Public Institution Reimbursements	14.283	15.541	13.939	14.046
Estate Tax	13.816	<del>40.153</del>	7.516	4.625
		<u>11.015</u>		
Oil and Natural Gas Production Tax	12.902	<del>46.043</del>	14.600	14.469
		<u>18.403</u>		
Treasury Cash Account Interest	12.414	<del>41.200</del>	14.060	17.331
		<u>7.456</u>		
Liquor Excise and License Tax	9.514	9.854	10.239	10.624
Coal Severance Tax	8.469	10.221	8.384	7.857
Cigarette Tax	7.887	7.870	7.764	7.667
Lottery Profits	7.467	6.210	6.255	6.318
Nursing Facilities Fee	5.918	5.723	5.670	5.624
Liquor Profits	5.600	5.637	5.399	5.365
Investment License Fee	4.992	4.567	4.613	4.659
Electrical Energy Producers' License Tax	4.197	4.329	4.408	4.483

Highway Patrol Fines	4.062	4.142	4.224	4.308
Metalliferous Mines Tax	3.329	4.842	2.967	2.753
Public Contractors Tax	3.267	2.679	3.354	3.356
Wholesale Energy Transaction Tax	2.906	3.373	3.432	3.492
Beer Tax	2.784	2.918	3.058	3.205
Driver's License Fee	2.580	2.355	2.373	2.391
Tobacco Tax	2.183	2.262	2.353	2.444
Railroad Car Tax	1.490	1.577	1.688	1.681
Wine Tax	1.232	1.264	1.283	1.302
Telephone License Tax	0.212	0.033	0.000	0.000
Total General Fund	\$1,265.713	<del>\$1,208.833</del>	<del>\$1,236.422</del>	<del>\$1,291.497</del>
		<u>\$1,207.542</u>	<u>\$1,241.443</u>	<u>\$1,296.456</u>
		<u>\$1,195.014</u>		

SIGNIFICANT ASSUMPTIONS FOR GENERAL FUND REVENUE ESTIMATES

Revenue and Transportation Interim Committee

Year	Assumption	2002	2003	2004	2005
Individual Income Tax					
FY	Income Tax Audit Collections (Millions)	\$18.573	\$16.800	\$18.700	\$18.700
CY	Taxpayer Population (Percent Change)	0.73%	0.92%	1.23%	1.39%
FY	30% Bonus Depreciation (Percent Change)	100.00%	(16.67%)	(30.00%)	(119.43%)
Income Indicators					
CY	Wage and Salary Income (Percent Change)	3.70%	4.20%	4.80%	5.00%
CY	Net Farm Income (Percent Change)	(26.40%)	0.59%	(13.87%)	6.94%

CY	Interest Income (Percent Change)	(22.77%)	(11.22%)	27.20%	10.00%
CY	Dividend Income (Percent Change)	3.58%	4.81%	2.71%	2.34%
CY	Rent, Royalty, and Partnership Income (Percent Change)	7.38%	8.40%	8.06%	7.16%
CY	Net Business Income (Percent Change)	1.22%	0.86%	1.48%	0.72%
CY	Capital Gains and Losses (Percent Change)	(28.00%)	0.00%	7.50%	7.50%
CY	Supplemental Gains (Percent Change)	(11.97%)	(2.80%)	29.38%	(2.62%)
CY	Social Security Income (Percent Change)	7.46%	6.75%	6.18%	5.69%
CY	IRA Income (Percent Change)	0.49%	3.87%	8.04%	8.04%
CY	Pension Income (Percent Change)	0.49%	3.87%	5.89%	5.89%
CY	Other Income (Percent Change)	0.00%	0.00%	0.00%	0.00%
CY	Bond Interest (Percent Change)	5.30%	4.25%	6.98%	8.04%
CY	Federal Income Tax Refunds (Percent Change)	15.48%	0.37%	8.70%	6.02%
CY	Other Additions to Income (Percent Change)	8.58%	0.67%	5.55%	4.31%
CY	IRA Deduction (Percent Change)	8.55%	5.38%	4.41%	7.37%
CY	Reductions to Income (Percent Change)	(2.91%)	2.75%	4.98%	3.97%
	Deductions From Income				
CY	Medical Premiums (Percent Change)	5.87%	5.87%	5.87%	5.87%
CY	Medical Deductions (Percent Change)	16.85%	8.51%	6.20%	6.78%
CY	Real Estate Tax (Percent Change)	3.00%	3.00%	3.00%	3.00%

CY	Prior Year Federal Tax Payments (Percent Change)	1.31%	3.33%	3.22%	3.12%
CY	Motor Vehicle Taxes and Fees (Percent Change)	2.00%	2.00%	2.00%	2.00%
CY	Home Mortgage (Percent Change)	0.85%	3.78%	9.27%	9.95%
CY	Contributions (Percent Change)	7.84%	9.96%	7.44%	6.98%
CY	Gambling Losses (Percent Change)	0.00%	0.00%	0.00%	0.00%
CY	Total Itemized Deductions (Percent Change)	(0.20%)	3.79%	4.44%	4.19%
	Credits				
CY	Home Owner and Renter Credit (Millions)	\$9.640	\$9.736	\$9.834	\$10.031
CY	All Credits (Percent Change)	(19.19%)	20.31	1.94%	3.57%
CY	Planned Gifts (Percent Change)	(52.93%)	78.98%	(10.40%)	(4.84%)
	Other Individual Income Tax Assumptions				
CY	Tax Liability (Millions)	\$505.564	\$519.529	\$558.116	\$590.477
CY	Current Calendar Year to Fiscal Year Conversion	52.1%	52.1%	52.1%	52.1%
CY	Previous Calendar Year to Fiscal Year Conversion	47.9%	47.9%	47.9%	47.9%
FY	Fiscal Year 2002 Base (Millions)	\$517.568			
	Property Taxes: Taxable Value and Other Property Tax Indicators				
	Taxable Value--40-Mill, 55-Mill, and 1.5-Mill Levies				
FY	Property Class One (Millions)	\$7.843	\$8.691	\$8.691	\$8.691

FY	Property Class Two (Millions)	\$11.015	\$10.669	\$8.753	\$8.479
FY	Property Class Three (Millions)	\$139.057	\$138.900	<del>\$138.483</del>	<del>\$138.068</del>
				<u>\$141.803</u>	<u>\$145.361</u>
FY	Property Class Four (Millions)	\$954.102	\$1,002.874	<del>\$1,042.989</del>	<del>\$1,084.708</del>
				<u>\$1,061.830</u>	<u>\$1,143.202</u>
FY	Property Class Five (Millions)	\$35.668	\$35.382	\$36.373	\$37.391
FY	Property Class Six (Millions)	\$12.459	\$3.824	\$0.000	\$0.000
FY	Property Class Seven (Millions)	\$0.189	\$0.216	\$0.255	\$0.300
FY	Property Class Eight (Millions)	\$116.605	\$120.058	\$124.620	\$129.356
FY	Property Class Nine (Millions)	\$219.956	\$206.360	\$210.487	\$214.697
FY	Property Class Ten (Millions)	\$8.199	\$7.170	<del>\$7.497</del>	<del>\$7.562</del>
				<u>\$6.838</u>	<u>\$6.894</u>
FY	Property Class Twelve (Millions)	\$48.658	\$46.688	\$47.896	\$48.394
FY	Property Class Thirteen (Millions)	\$144.488	\$137.185	\$139.929	\$142.727
FY	Total Taxable Value (Millions)	\$1,671.590	\$1,691.086	<del>\$1,737.421</del>	<del>\$1,790.115</del>
				<u>\$1,758.923</u>	<u>\$1,855.234</u>
	Other Property Tax Indicators				
FY	Tax Increment Finance Value (Millions)	\$30.530	\$30.803	\$32.423	\$34.129
FY	Property Tax Abatement Value (Millions)	\$3.880	\$3.870	\$3.870	\$3.870
FY	Taxable Value in Vo-Tech Counties (Millions)	\$563.452	\$587.107	<del>\$602.781</del>	<del>\$620.677</del>
				<u>\$611.232</u>	<u>\$644.762</u>
	Property Tax Nonlevy Revenue				



FY	40-Mill Nonlevy Revenue (Millions)	\$4.650	\$4.592	\$4.979	\$4.936
FY	40-Mill Adjustments (Millions)	(\$9.888)	(\$8.475)	(\$7.063)	(\$5.650)
FY	55-Mill Nonlevy Revenue (Millions)	\$16.144	\$16.056	\$16.734	\$16.572
FY	55-Mill Adjustments (Millions)	\$0.000	(\$0.430)	(\$0.430)	(\$0.430)
FY	1.5-Mill Nonlevy Revenue (Millions)	\$0.020	\$0.000	0.000	\$0.000
FY	1.5-Mill Adjustments (Millions)	\$0.034	\$0.000	\$0.000	\$0.000

Vehicle Tax

FY	Large Trucks Growth Rate (Percent Change)	0.00%	2.10%	2.10%	2.10%
FY	Motor Home Growth Rate (Percent Change)	0.00%	2.10%	2.10%	2.10%
FY	Light Vehicle Growth Rate (Percent Change)	0.00%	2.10%	2.10%	2.10%
FY	Boat and Snowmobile Growth Rate (Percent Change)	0.00%	2.10%	2.10%	2.10%
FY	New Light Vehicle Registration Growth Rate (Percent Change)	0.00%	2.10%	2.10%	2.10%

Corporation License Tax

FY	U.S. Profits (Billions)	\$666.200	\$761.500	\$794.000	\$819.600
FY	Penalty and Interest (Millions)	\$1.659	\$0.000	\$0.000	\$0.000
FY	Corporate Income Tax Audits (Millions)	\$4.257	\$4.500	\$4.000	\$3.500
FY	Depreciation (Millions)	\$0.000	(\$5.000)	(\$3.500)	\$0.680
FY	Adjustments (Millions)	\$0.000	(\$9.000)	\$0.000	\$0.000

Insurance Premiums Tax and License Fees

FY	General Fund Fee Revenue (Millions)	\$0.291	\$0.291	\$0.291	\$0.291
FY	Genetics Fee (Millions)	\$0.570	\$0.575	\$0.575	\$0.575
FY	Premiums Tax (Millions)	\$47.678	\$52.823	\$56.790	\$59.193
FY	Offsets (Millions)	\$0.736	\$1.843	\$1.218	\$1.218
FY	Refunds (Millions)	\$0.513	\$0.400	\$0.400	\$0.400
Video Gambling Tax					
FY	Video Machine Net Income (Millions)	\$290.307	\$296.114	\$302.036	\$308.076
Motor Vehicle Fee--General Fund Allocations					
FY	Motor Vehicle Registration Fee (Millions)	\$21.180	\$21.491	\$22.007	\$22.535
FY	Recording of Liens Fee (Millions)	\$0.728	\$0.745	\$0.763	0.782
FY	Title Fee (Millions)	\$2.353	\$2.409	\$2.467	\$2.526
FY	Personal License Plate Fee (Millions)	\$1.270	\$1.300	\$1.331	\$1.363
FY	New License Plate Fee (Millions)	\$0.525	\$0.537	\$0.550	\$0.563
FY	Computer Fee (Millions)	(\$0.001)	\$0.000	\$0.000	\$0.000
FY	Highway Patrol Fee (Millions)	\$0.024	\$0.000	\$0.000	\$0.000
FY	Senior Citizen Transit Fee (Millions)	\$0.109	\$0.111	\$0.114	\$0.117
FY	Other Fees (Millions)	\$1.084	\$1.110	\$1.137	\$1.164
U.S. Mineral Royalty					
CY	Oil Production (Millions of Barrels)	2.920	2.955	2.987	3.101
CY	Coal Production (Millions of Tons)	24.299	22.001	23.315	20.827
CY	Natural Gas Production (MMCF)	23.708	25.719	27.569	29.271
CY	Oil Price (Per Barrel)	\$22.519	\$21.711	\$21.224	\$20.737

CY	Coal Price (Per Ton)	\$8.465	\$8.300	\$8.195	\$7.730
CY	Natural Gas Price (Per MCF)	\$2.574	\$3.842	\$3.727	\$3.624
CY	Oil Royalty Rate (Percent)	10.97%	10.94%	10.96%	10.93%
CY	Coal Royalty Rate (Percent)	12.34%	12.32%	12.32%	12.33%
CY	Natural Gas Royalty Rate (Percent)	12.28%	12.29%	12.29%	12.30%
CY	Other Royalties (Millions)	\$0.108	\$0.108	\$0.107	\$0.108
CY	Rent and Bonus (Millions)	\$4.432	\$4.450	\$4.426	\$4.226
CY	Administration Fee (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
FY	One-Time Settlement (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
Telecommunications Excise Tax					
FY	Taxable Gross Receipts (Millions)	\$525.235	\$535.991	\$560.013	\$585.963
FY	Credits (Millions)	\$0.135	\$0.000	\$0.300	\$0.300
Tobacco Settlement					
FY	Volume Change (Percent Change)	(4.58%)	(1.50%)	(1.00%)	(1.00%)
FY	Cumulative Volume Change (Percent Change)	(19.22%)	(20.43%)	(21.23%)	(22.02%)
FY	CPI Change (Percent Change)	3.00%	3.00%	3.00%	3.00%
FY	Cumulative CPI Change (Percent Change)	9.68%	12.97%	16.36%	19.85%
FY	Operating Income Adjustment (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
FY	Subsequent Manufacturer's Payment (Millions)	\$144.418	\$163.154	\$189.850	\$227.543
Public Institution Reimbursements					

FY	Private Payments (Millions)	\$1.483	\$2.165	\$2.181	\$2.200
FY	Insurance Payments (Millions)	\$0.317	\$0.545	\$0.556	\$0.555
FY	Medicaid Payments (Millions)	\$10.995	\$14.811	\$14.740	\$14.832
FY	Medicare Payments (Millions)	\$1.488	\$2.578	\$2.629	\$2.624
FY	Debt Service MT Developmental Center (Millions)	(\$1.075)	(\$1.075)	(\$1.079)	(\$1.076)
FY	Debt Service MT State Hospital (Millions)	(\$1.911)	(\$1.911)	(\$1.909)	(\$1.909)
FY	Adjustments (Millions)	\$0.000	(\$1.573)	(\$3.180)	(\$3.180)
Estate Tax					
FY	Annual Change in Tax (Percent Change)	(31.89%)	(26.51%)	(25.98%)	(38.47%)
Oil Production Tax					
CY	Oil Production (Million Barrels)	16.191	16.383	16.560	16.812
CY	Montana Oil Price (Weighted Price/Barrel)	\$23.13	\$22.30	\$21.80	\$21.30
CY	Exempt Value of Production (Millions)	\$13.632	\$13.308	\$13.158	\$13.035
CY	Effective Tax Rate (Percent)	10.26%	10.17%	10.09%	9.98%
Natural Gas Production Tax					
CY	Natural Gas Production (MMCF)	84.504	91.671	98.266	104.332
CY	Montana Natural Gas Price (Weighted Price/MCF)	\$2.01	\$3.00	\$2.91	\$2.83
CY	Exempt Value of Production (Millions)	\$7.637	\$12.119	\$12.399	\$12.633
CY	Effective Tax Rate (Percent)	10.44%	10.29%	10.17%	10.06%

Treasury Cash Account Interest

FY	TCA Average Balance w/TRANS (Millions)	\$273.343	\$302.847	\$302.176	\$302.345
FY	TCA Average Yield (Percent)	4.83%	3.70%	4.65%	5.73%
FY	TRANS Issue Size (Millions)	\$0.000	\$92.800	\$65.500	\$65.500

Liquor Excise and License Tax

FY	Tribal Distributions (Millions)	(\$0.133)	(\$0.138)	(\$0.144)	(\$0.149)
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Coal Severance Tax

CY	Severance Tax Coal Production (Million Tons)	33.392	32.806	33.065	29.950
CY	Montana Contract Sales Price (Weighted CSP/Ton)	\$6.293	\$6.219	\$6.219	\$5.957

Cigarette Tax

FY	Cigarette Packs (Millions)	67.334	67.195	66.288	65.459
FY	Effective Tax Rate Per Pack (Cents)	16.41	16.41	16.41	16.41
FY	Tribal Distribution (Millions)	(\$0.254)	(\$0.254)	(\$0.250)	(\$0.247)

Lottery Profits

FY	Total Lottery Sales (Millions)	\$33.632	\$30.597	\$30.765	\$30.933
FY	Lottery Interest Earnings (Millions)	\$0.146	\$0.089	\$0.132	\$0.192
FY	Other Revenue (Millions)	\$0.039	\$0.039	\$0.039	\$0.039
FY	Lottery Operating Budget (Millions)	\$6.855	\$6.855	\$6.924	\$6.993
FY	Lottery Prizes and Commissions (Millions)	\$19.086	\$17.660	\$17.757	\$17.854

Nursing Facilities Fee

FY	Bed Days (Millions)	2.073	2.044	2.025	2.009
Liquor Profits					
FY	Gross Liquor Sales (Millions)	\$62.515	\$64.730	\$67.260	\$69.791
FY	Cost of Goods Sold (Millions)	\$35.767	\$37.117	\$38.682	\$40.256
FY	Liquor Discounts and Commissions (Millions)	\$6.797	\$7.038	\$7.313	\$7.589
FY	Liquor Operating Costs (Millions)	\$1.416	\$1.530	\$1.519	\$1.523
FY	Other Income (Millions)	\$0.001	\$0.000	\$0.000	\$0.000
Investment License Fee					
FY	License Registration (Percent Change)	(15.23%)	(8.50%)	1.00%	1.00%
FY	Portfolio Growth (Percent Change)	(3.41%)	1.00%	1.00%	1.00%
FY	Expense Growth (Percent Change)	49.16%	3.00%	0.00%	0.00%
Electrical Energy Tax					
FY	Kilowatt Hours Produced (Millions)	21,642.219	21,645.402	22,040.741	22,417.203
Highway Patrol Fines					
FY	Highway Patrol Fines (Percent Change)	2.04%	1.98%	1.98%	1.98%
Metalliferous Mines Tax					
CY	Copper Production (Million lb)	0.343	0.391	0.391	0.391
CY	Silver Production (Million oz)	0.748	0.751	0.738	0.738
CY	Gold Production (Million oz)	0.184	0.219	0.076	0.076
CY	Lead Production (Million lb)	10.768	10.768	10.768	10.768
CY	Zinc Production (Million lb)	23.819	23.819	23.819	23.819
CY	Molybdenum Production (Million lb)	0.000	0.000	0.000	0.000

CY	Palladium Production (Million oz)	0.493	0.563	0.563	0.563
CY	Platinum Production (Million oz)	0.147	0.167	0.167	0.167
CY	Nickel Production (Million lb)	0.769	0.878	0.878	0.878
CY	Rhodium Production (Million oz)	0.004	0.005	0.005	0.005
CY	Sapphire Production (Million oz)	0.000	0.000	0.000	0.000
CY	Iron Oxide Production (Million lb)	0.000	0.000	0.000	0.000
CY	Copper Sulfide Production (Million lb)	0.000	0.000	0.000	0.000
CY	Copper Price (Per lb)	\$0.635	\$0.630	\$0.633	\$0.631
CY	Silver Price (Per oz)	\$4.630	\$4.440	\$4.680	\$4.900
CY	Gold Price (Per oz)	\$306.000	\$322.000	\$332.000	\$324.000
CY	Lead Price (Per lb)	\$0.219	\$0.215	\$0.213	\$0.216
CY	Zinc Price (Per lb)	\$0.378	\$0.378	\$0.378	\$0.378
CY	Molybdenum Price (Per lb)	\$0.000	\$0.000	\$0.000	\$0.000
CY	Palladium Price (Per oz)	\$321.000	\$321.000	\$321.000	\$321.000
CY	Platinum Price (Per oz)	\$500.000	\$500.000	\$500.000	\$500.000
CY	Nickel Price (Per lb)	\$2.025	\$2.025	\$2.025	\$2.025
CY	Rhodium Price (Per oz)	\$1,404.395	\$1,404.395	\$1,404.395	\$1,404.395
CY	Sapphire Price (Per oz)	\$0.000	\$0.000	\$0.000	\$0.000
CY	Iron Oxide Price (Per lb)	\$0.000	\$0.000	\$0.000	\$0.000
CY	Copper Sulfide Price (Per lb)	\$0.000	\$0.000	\$0.000	\$0.000
FY	Effective Tax Rate (Percent)	1.61%	1.61%	1.61%	1.61%
Public Contractor's Tax					
FY	Tax Before Credits (Millions)	\$5.055	\$5.282	\$5.995	\$6.037

FY	Credits and Refunds (Millions)	\$1.788	\$2.603	\$2.640	\$2.681
Wholesale Energy Tax					
CY	Kilowatt Hours (Millions)	22,987.512	23,398.127	23,794.854	24,218.358
FY	Kilowatt Hours (Millions)	22,775.158	22,489.410	22,880.160	23,278.167
FY	Credits for Taxes Paid (Million)	\$0.000	\$0.000	\$0.000	\$0.000
Beer Tax					
FY	Beer Barrels (Million)	0.881	0.924	0.968	1.014
FY	Tribal Distribution (Million)	(\$0.035)	(\$0.037)	(\$0.039)	(\$0.041)
FY	Effective Tax Rate (Percent)	4.17%	4.17%	4.17%	4.17%
Driver's License Fees					
FY	Driver's License Fees (Millions)	\$1.979	\$1.633	\$1.649	\$1.665
FY	Duplicate License Fees (Millions)	\$0.095	\$0.079	\$0.079	\$0.080
FY	Motorcycle Endorsement Fees (Millions)	\$0.015	\$0.130	\$0.131	\$0.132
FY	Interstate Commercial Vehicle Endorsement (Millions)	\$0.420	\$0.420	\$0.420	\$0.420
FY	Intrastate Commercial Vehicle Endorsement (Millions)	\$0.093	\$0.093	\$0.093	\$0.093
Tobacco Tax					
FY	Value of Tobacco Products (Millions)	\$17.828	\$18.473	\$19.218	\$19.963
FY	Tribal Distribution (Millions)	(\$0.046)	(\$0.047)	(\$0.049)	(\$0.051)
Railroad Car Tax					
CY	Total MT Market Value of Fleets (Millions)	\$89.657	\$93.550	\$95.585	\$97.160



CY	Taxable Value Rate (Percent)	4.21%	4.02%	4.00%	3.92%
CY	95% of Industrial and Commercial Mill Levy	400.980	419.250	441.320	441.320
Wine Tax					
FY	Wine Liters (Million)	6.725	6.905	7.007	7.109
FY	Tribal Distribution (Million)	(\$0.021)	(\$0.022)	(\$0.022)	(\$0.022)

## SELECTED NONGENERAL FUND REVENUE

The projections for selected nongeneral fund revenue during the 2005 biennium are based on the assumption of a continuation of Montana law as it existed on January 1, 2003. The revenue estimates contained in the following table are based on the assumptions listed in the tables that follow the nongeneral fund estimates and the assumptions for each nongeneral fund revenue source contained in the "Revenue Estimates as Adopted by the Revenue and Transportation Interim Committee" report prepared by the Legislative Fiscal Division.

## Current Law

## Selected Nongeneral Fund Revenue Estimates

(In Millions of Dollars)

Source of Revenue	Actual FY 2002	Estimated FY 2003	Estimated FY 2004	Estimated FY 2005
Gasoline Tax	\$128.001	\$128.696	\$129.415	\$130.128
Diesel Tax	56.094	56.951	57.821	58.703
Common School Interest and Income	<del>50.875</del> <u>1.938</u>	51.175	49.745	49.631
GVW and Other Fees	27.266	27.037	26.729	26.377
Federal Forest Receipts	13.475	13.583	13.775	13.976
Lodging Facility Use Tax	11.901	12.441	13.005	13.595

6-Mill Property Tax	11.806	11.627	<del>11.989</del>	<del>12.292</del>
			<u>12.120</u>	<u>12.685</u>
<u>PPL-MONTANA 6-MILL PROTESTED PROPERTY TAX PAYMENTS</u>	<u>0</u>	<u>(0.131)</u>	<u>(0.133)</u>	<u>(0.136)</u>
Resource Indemnity Trust Interest	7.321	7.376	7.377	7.379
Treasure State Endowment Trust Interest	6.805	7.201	7.871	8.472
Gasoline Storage Tank Tax	3.729	3.750	3.770	3.790
Resource Indemnity Trust Tax	2.201	1.080	1.055	1.062
Diesel Storage Tank Tax	2.166	2.229	2.220	2.200
Parks Trust Interest Earnings	1.106	1.114	1.127	1.153
Capital Land Grant Interest and Income	1.101	0.827	0.822	0.613
Tobacco Trust Interest Earnings	0.968	1.741	2.464	3.253
Regional Water Trust Interest Earnings	0.643	1.151	1.404	1.670
Pine Hills Interest and Income	0.355	0.348	0.358	0.363
Arts Trust Interest Earnings	0.305	0.314	0.322	0.337
9-Mill Property Tax	0.286	0.000	0.000	0.000
Deaf and Blind Trust Interest and Income	0.284	0.292	0.295	0.298
Total Nongeneral Fund	<del>326.689</del> <u>277.752</u>	<del>328.933</del>	<del>331.564</del>	<del>335.292</del>
		<u>328.802</u>	<u>331.562</u>	<u>335.549</u>

SELECTED ASSUMPTIONS FOR NONGENERAL FUND REVENUE ESTIMATES

Revenue and Transportation Interim Committee

Year	Assumption	2002	2003	2004	2005
	Gasoline Tax				

FY	Taxable Gallons of Gasoline (Millions)	504.614	507.328	510.057	512.800
FY	Taxable Gallons of Gasoline--				
	Storage Tank Cleanup (Millions)	497.261	499.936	502.624	505.328
FY	Refunds (Millions)	(\$3.153)	(\$3.170)	(\$3.187)	(\$3.204)
FY	Tribal Distribution (Millions)	(\$3.729)	(\$3.743)	(\$3.736)	(\$3.740)
FY	Alcohol Incentive (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
Diesel Tax					
FY	Taxable Gallons of Diesel (Millions)	218.597	221.936	225.325	228.766
FY	Taxable Gallons of Diesel--				
	Storage Tank Cleanup (Millions)	288.854	297.210	296.035	293.265
FY	Refunds (Millions)	(\$3.960)	(\$4.020)	(\$4.082)	(\$4.144)
GVW Fees					
FY	GVW Fees (Millions)	\$8.814	\$8.868	\$8.922	\$8.977
FY	Form 3 GVW Fees (Millions)	\$0.860	\$0.843	\$0.847	\$0.844
FY	Trip Permit Fees (Millions)	\$0.441	\$0.441	\$0.441	\$0.441
FY	County GVW Fees (Millions)	\$8.933	\$8.135	\$8.185	\$8.235
FY	New Car Sales Tax (Millions)	(\$0.640)	\$0.000	\$0.000	\$0.000
FY	Overweight Trip Permit Fees (Millions)	\$1.845	\$1.954	\$2.067	\$2.172
FY	Special Permit Fees (Millions)	\$0.903	\$0.910	\$0.923	\$0.932
FY	Temporary Fuel Permits (Millions)	\$0.108	\$0.111	\$0.111	\$0.111
FY	Other Fees (Millions)	\$0.401	\$0.401	\$0.401	\$0.401
Other 6-Mill Levy Indicators (See General Fund Property Tax Assumptions for Other Detail)					
FY	Taxable Value (Millions)	\$1,698.239	\$1,718.019	<del>\$1,765.974</del>	<del>\$1,820.373</del>

				<u>\$1,791.346</u>	<u>\$1,889.363</u>
FY	Nonlevy Revenue (Millions)	\$1.579	\$1.319	\$1.393	\$1.370
FY	6-Mill Adjustments (Millions)	\$0.000	\$0.000	\$0.000	\$0.000

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