



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0285

Title: Provide gas and fuel tax refund for agriculture

Primary Sponsor: Hinebauch, Steve

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$34,866	\$64,141	\$63,953	\$64,156
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$479,740)	(\$479,740)	(\$479,740)	(\$479,740)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 285 includes all retail purchases of gasoline as those eligible for refund of tax allowed as estimated for agricultural use per 15-70-430, MCA.

FISCAL ANALYSIS

Assumptions:

Montana Department of Transportation (MDT)

1. The number of refund applicants is estimated to increase by 15%.
2. The amount of refunds paid to current applicants is estimated to increase by 15%.
3. It is estimated that agricultural gasoline tax refunds will increase by 30%.
4. Averaging the previous three-years, MDT paid \$1,599,133 in gasoline tax refunds to qualified agricultural users.
5. Gasoline purchased in CY 2021 is generally claimed for refund at the beginning of the next calendar year (FY 2022).

Fiscal Note Request – As Introduced

(continued)

6. With an effective date of July 1, 2021, the total increase in gasoline tax refunds will be \$479,740 (\$1,599,133 x .30) starting in SFY 2022 and each fiscal year thereafter.
7. The department would need 1.00 FTE beginning in January 2022 to address the increased workload.
8. The cost of 1.00 FTE would be \$34,866 in FY 2022 (half a year), \$64,141 in FY 2023, \$63,953 in FY 2024, and \$64,156 in FY 2025.
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	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.50	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$31,816	\$63,633	\$63,438	\$63,633
Operating Expenses	\$3,050	\$508	\$515	\$523
TOTAL Expenditures	<u>\$34,866</u>	<u>\$64,141</u>	<u>\$63,953</u>	<u>\$64,156</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$34,866	\$64,141	\$63,953	\$64,156
TOTAL Funding of Exp.	<u>\$34,866</u>	<u>\$64,141</u>	<u>\$63,953</u>	<u>\$64,156</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$479,740)	(\$479,740)	(\$479,740)	(\$479,740)
TOTAL Revenues	<u>(\$479,740)</u>	<u>(\$479,740)</u>	<u>(\$479,740)</u>	<u>(\$479,740)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$514,606)	(\$543,881)	(\$543,693)	(\$543,896)

Effect on County or Other Local Revenues or Expenditures:

1. The impact to the Tribal Revenue Sharing Agreement is estimated to be \$16,594 per year.
2. Impacts to funds such as the restricted Highway State Special Revenue Account (HSSRA), and MDT's Bridge and Road Safety Accountability Act (BaRSAA), and to the Department of Justice (DOJ), the Department of Fish, Wildlife and Parks (FWP), etc., that are allocated a share of the gasoline tax, will depend on current gasoline tax rates and annual fund allocation percentages.

NO SPONSOR SIGNATURE

Sponsor's Initials	3/1	AS for KA	3/1/21
	Date	Budget Director's Initials	Date