

**2019-20 Draft Revenue Interim Committee
Draft Work Plan Decision Matrix**

The following study was assigned to the RTIC by Legislative Council.

HJ 35: Study State and Local Tax Policy

Topic	Option A	Option B	Option C	Resources Allocated
	0.7 FTE	0.52 FTE	0.35 FTE	
General Overview of Tax System	°Option B °Develop alternative policies for underperforming tax sources	°Option C °Rate Montana’s current tax system using the principles through staff research, public input, committee discussion. °Identify tax sources that are underperforming	°Review NCSL principles for evaluating state tax sources °Evaluate Montana’s tax system using the principles °Conduct public survey on certain principles	
Revenue Reliability	°Option B °Develop alternative tax policies to promote revenue reliability	°Option C °Identify revenue sources with reliability concerns	°Evaluate reliability of Montana’s sources of revenue	
Changing Economy and Demographics	°Option B °Develop alternative tax policies due to changing economy and demographics	°Option C °Identify tax sources to be revised due to the changing economy and demographics	°Review research on changing economy and demographics °Evaluate tax source performance relative to the changing economy and demographics	
Local Government	°Option B °Develop alternative tax policies for local governments	°Option C °Update report on local government sources of revenue °Identify revisions to the local government tax system	°Identify local government challenges (panel discussions)	
Other	°Option B °Develop alternative policies	°Option C °Identify relevant tax sources	°Background presentation	
Deliverables	°Option B °Policy proposals to address identified revisions (legislation)	°Option C °Identification of possible revisions to the tax system	°Report evaluating Montana’s tax system with recommendations for further research	

The following are the RTIC’s statutory duties

Topic	Why is this a topic?	Option A	Option B	Resources Allocated
Monitor DOR	Statute	0.002 FTE ° Agency updates at each meeting on topics selected by agency, staff, and committee members °Quarterly reports from LFD on agency budget	0.0018 FTE ° Agency updates at each meeting on topics selected by agency, staff, and committee members	
Monitor MTAB	Statute	0.0015 FTE ° Agency updates at each meeting on topics selected by agency, staff, and committee members	0.001 FTE ° Agency updates at <i>alternating meetings</i> on topics selected by agency, staff, and committee members	
Review administrative rules	Statute	0.09 FTE ° Legal staff provides RIC a brief written description of each proposed or adopted rule prior to each meeting with issues of concern noted (Members to inform staff or Chair if they want more information) ° Committee receives copies of rules from agencies for personal review	0.085 FTE ° Legal staff provides RIC a brief written description of each proposed or adopted rule prior to each meeting with issues of concern noted (Members to inform staff or Chair if they want more information)	
Review statutorily established advisory councils	Statute	0.005 FTE per advisory council ° Review advisory council and make recommendations on retention or elimination ° Advisory councils: Multistate Tax Compact advisory council, Agricultural Advisory Committee, Forest Lands Taxation Advisory Committee	0 FTE* *If no committee member requests review	
Review agency legislation	Statute	0.005 FTE ° Committee reviews proposals from the DOR and MTAB and decides if staff should draft legislation for pre-introduction		
Department of Revenue required reports (see full list in draft work plan)	Statute	0.023 FTE (assuming 2 reports result in legislation) °Have staff provide background info on report topic in advance of receiving report °Review report °Make recommendations about whether to keep receiving report °Make recommendations about topic of report (based on content of report) °Request legislation based on recommendations	0.007 FTE (total for all DOR reports) °Review report provided by Department of Revenue	

Topic	Why is this a topic?	Option A	Option B	Resources Allocated	
Film Tax Credit report	Statute	0.012 FTE ° Option B ° Request legislation to achieve DOC or committee recommendations	0.002 FTE ° Committee reviews Department of Commerce-contracted film tax credit report, receives DOC recommendations, and decides whether to make additional Committee recommendations		
Receipts Less Than Revenue Projections report	Statute	As needed/0.002 FTE ° Committee receives report of receipts less than projected revenue and, within 20 days, provides budget director with recommendations on amount of receipts.			
Medical Marijuana Reports	Statute	0.002 FTE ° Committee receives reports in packet and requests agency presentation of reports at some or all meetings	0.001 FTE ° Committee receives reports in meeting packet, no meeting time scheduled for presentations except upon request of the committee		
Revenue estimating and monitoring	Statute	0.005 FTE ° Option B ° Receive presentations from economists and forecasters in September 2020 in preparation for November adoption of revenue estimate	0.001 FTE ° FYE 2019 Quarterly Report (9/19) ° YTD GF Revenue Collections (12/19) ° FY 2020 Quarterly Report (3/20) ° FY 2020 General Fund Update (5/20) ° 2023 Biennium Revenue Outlook and FY 2020 Quarterly Report (7/20) ° FYE 2020 Quarterly Report (9/20) ° 2023 Biennium Revenue Estimate and Comparison to Executive (11/20)		
Review tax credits °income taxes imposed by foreign states or countries (Sept.) °credit for contractor's gross receipts (Sept.) °new or expanded manufacturing (Dec.) °alternative energy system (March) °energy-conserving expenditures (March) °elderly homeowners and renters (May)	Statute	0.15 FTE °Option B °Review other states for similar credits and compare to Montana °Have staff draft a report summarizing the credit review, including recommendations °Request committee legislation to make recommended changes	0.09 FTE °Review credits at each meeting (with follow-up at following meeting as needed) °Overview of credit including legislative history, intended purpose °Analysis of who benefits from credit (incl. non-residents) and timing of costs and benefits °Analysis of whether credit changes taxpayer decisions (look to before credit existed) °Consider impacts of elimination of credit °Consider economic impact of credit °Include recommendation about whether to revise or repeal credit and whether to review again		
The following topics are optional, and it is up to RIC committee members whether to pursue them as studies or as potential agenda items.					
Implementation of SB 253	Constituent referred to staff	0.015 FTE °Panel on implementation of SB 253 including treasurers and tax lien investors °Request suggestions for revisions or alternatives to policy in SB 253	0.001 FTE °Request update from county treasurers on implementation of SB 253		
LFD HB 715 study	Staff suggested	Option A 0.02 FTE °Option B °RIC staff to monitor HB 715 studies by attending LFC meetings °RIC staff to provide updates to LFC on HJ 35 study	Option B 0.002 FTE °Option C °Receive LFD updates on HB 715 studies at each meeting °Take public comment on feedback given on HB 715 budget stabilization assumptions	Option C 0.001 FTE °LFD update on HB 715 budget stabilization study at 9/19 meeting °Provide feedback to LFD on HB 715 budget stabilization assumptions	Option D No Action
Total Resources Available				0.9 FTE	

FTE Available to RTIC

- .05 FTE = 144 hrs = 18 days
- .10 FTE = 288 hrs = 36 days
- .25 FTE = 720 hrs = 90 days
- .50 FTE = 1440 hrs = 180 days
- .75 FTE = 2160 hrs = 270 days
- 1 Interim FTE = 16.5 months = 2880 hrs

A member may request the committee learn about an issue as an agenda item as opposed to incorporating it into the work plan. Additional topics also may be requested as agenda items that do not need to be incorporated into the work plan.