

Dear Governor Bullock

In a recent media interview, you stated that you expect “significant revenue shortfalls going forward,” in regard to state finances.

As members of the Legislative Interim Revenue Committee we agree with your expectations. As we proceed into the remaining three months of the current fiscal year ending 06/30/20, we expect to see immediate reductions in oil taxes, gaming taxes, lodging taxes, rental car taxes, coal taxes, metal mine taxes, lottery profits and income withholding taxes, just to name a few.

As we proceed into our next fiscal year beginning on 07/01/20, we expect these reductions to continue along with a significant reduction in our collections of income tax withholding, estimated payments, and final tax revenue for calendar year 2020.

This loss in revenue will have a significant impact to our current state budget going forward along with budgets that will be prepared during the 2021 legislative session.

Fortunately, Montana has strong cash reserves that will allow for short-term revenue losses during the current and coming fiscal year. However, we feel that it would be prudent to be prepared for the possible continuation of revenue losses into the next biennium.

We are asking you to consider reducing current state spending during the remaining of this fiscal year ending 06/30/20, as well as into the next fiscal year. By reducing spending now, this small effort will help us moving forward in the 2021 legislative session from having to make some possible significant budget reductions that could have an adverse impact on the state of Montana as we come out of this state of emergency. We are also uncertain what the coming flu season may have upon our citizens and state finances during next fall and winter.

Many Montanans and small businesses are making similar reductions in their spending due to financial difficulties and uncertainties in their finances. We are asking that state government also make similar reductions to protect Montana from financial problems as we navigate through these uncertain times.

Respectfully,