

State General Fund

Where It Comes From and Where It Goes

What is General Fund?

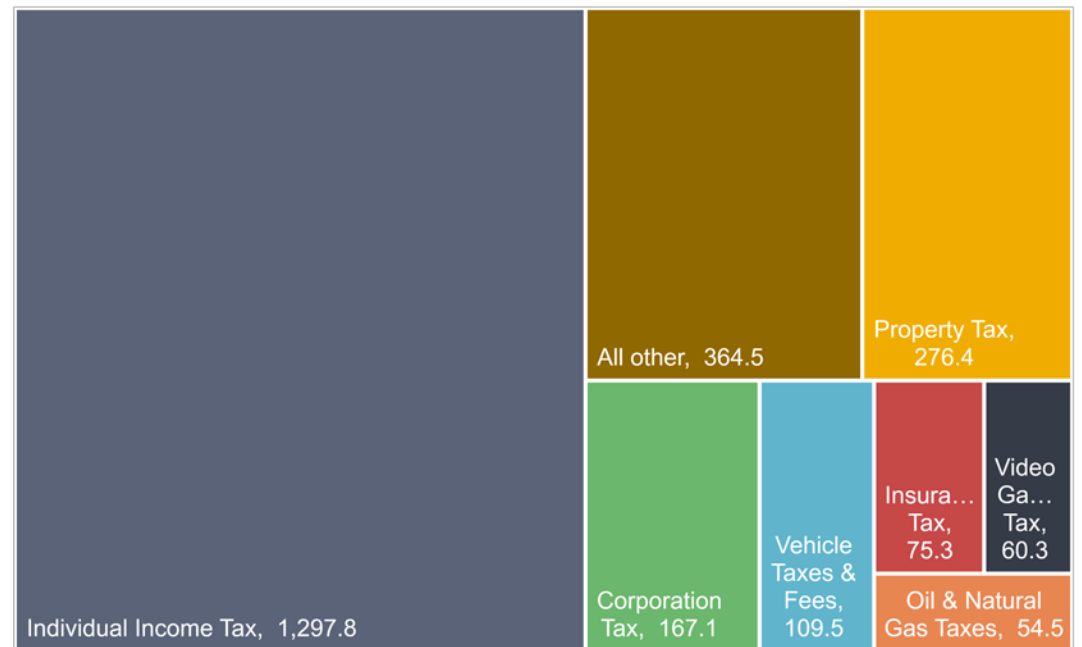
Main “checking account” of state government

- Not set aside for specific purpose, available for all government purposes
- Legislature prioritizes both revenues and expenditures

Where Does the Money Come From?

General Fund Revenues Come from Taxes and May be Used for Any Lawful Purpose

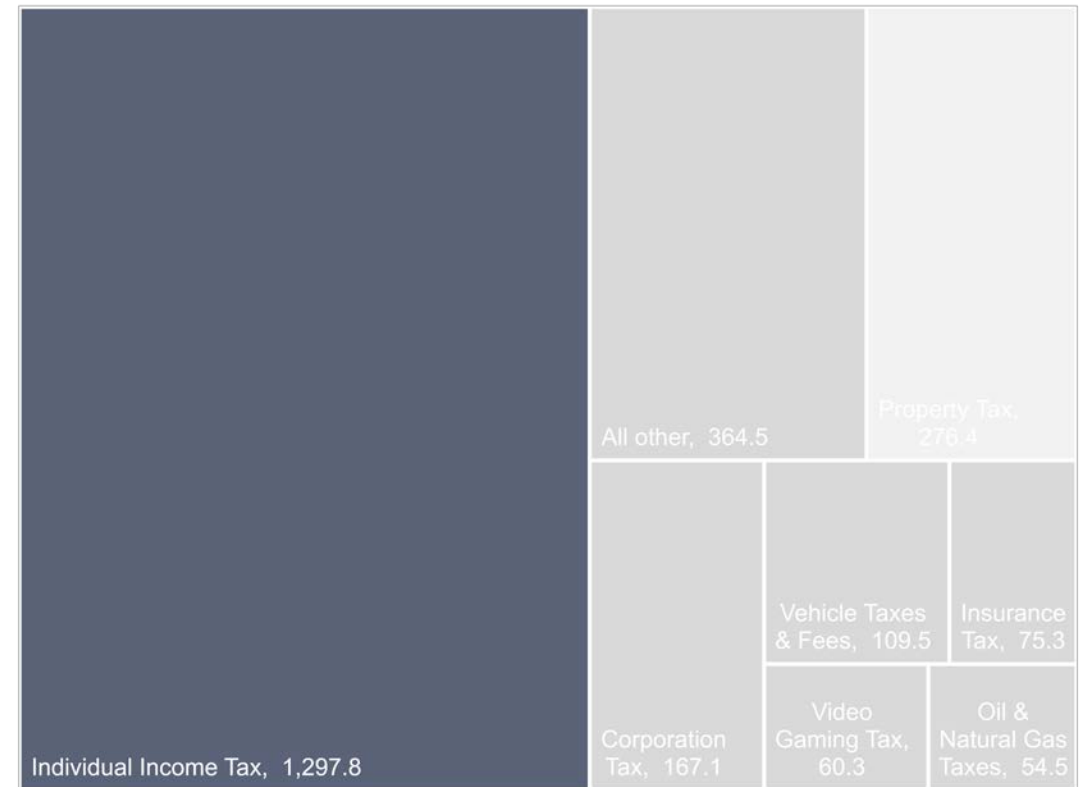
State General Fund Revenues FYE 2018 = \$2,405.4 million



Individual Income Tax Collections – Largest General Fund Source

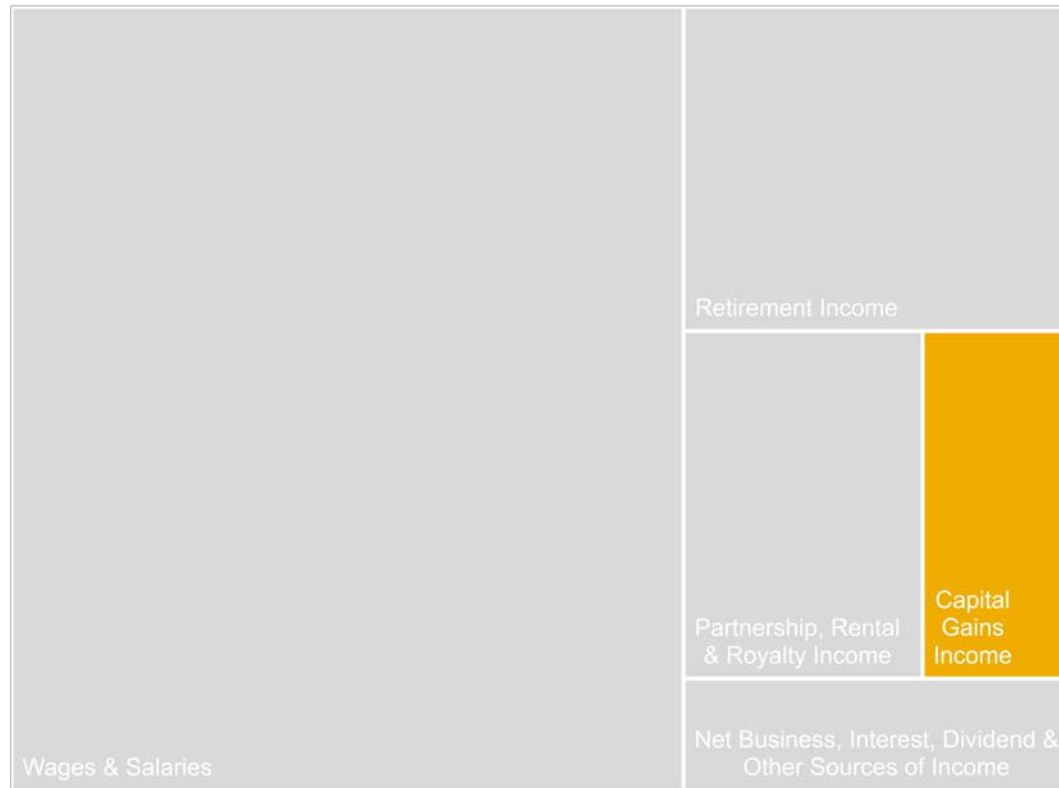
- Individual income taxes paid by Montana residents make up about 54% of total general fund revenue collections
- Individual income tax collections can be difficult to predict with changes in non-wage income (like capital gains income) being the primary reason for the volatility

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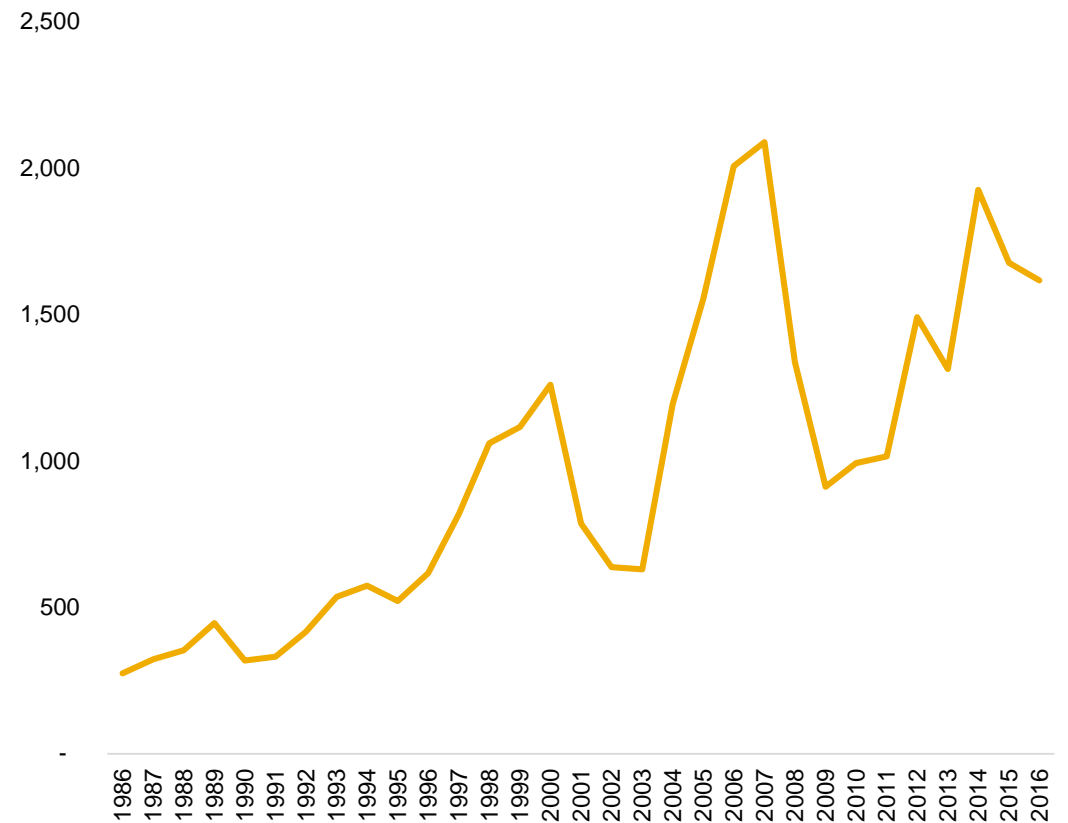


Deep Dive: Individual Income Volatility

Although Capital Gains Income is a Relatively Small Share of Total Income...



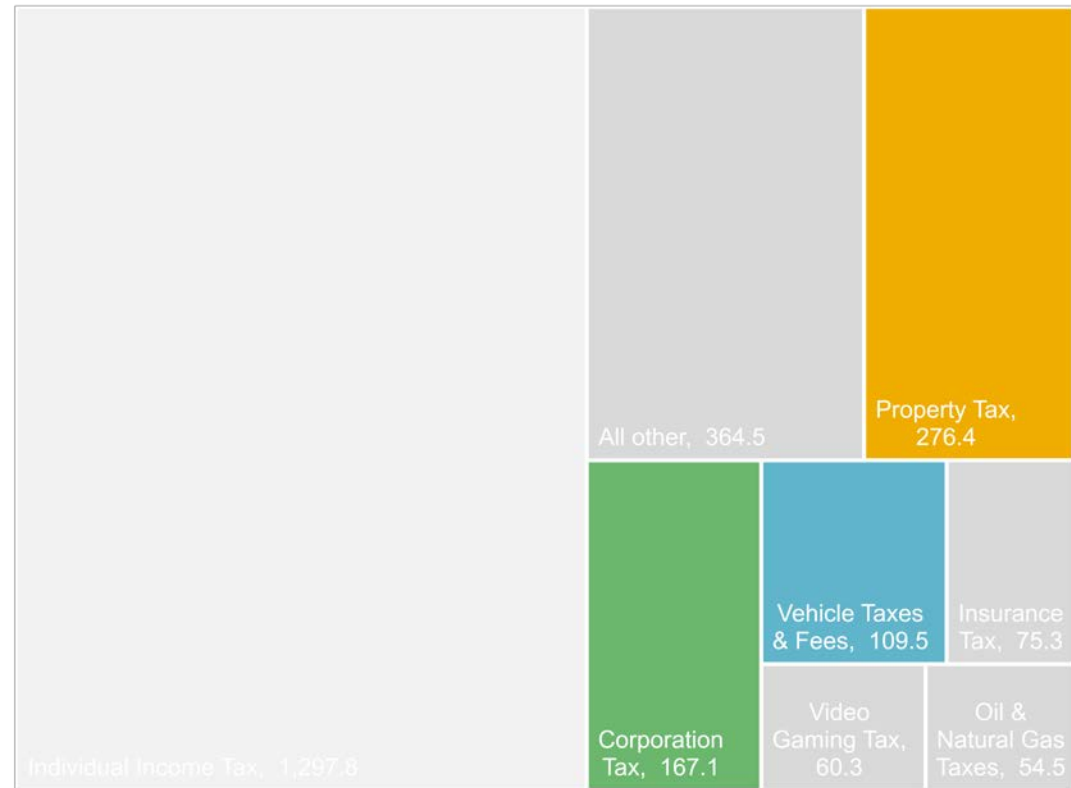
...it is the Primary Source of Income Volatility



Other Large General Fund Revenues by Sector Property, Corporation, & Vehicle Taxes

- Property taxes are paid by property owners
- Corporation taxes come from corporations doing business in Montana. This source can be difficult to predict as the complexities of different business choices contribute to the volatility
- Vehicle tax collections are constant due to flat registration fees and permanent registration

State General Fund Revenues FYE 2018 = \$2,405.4 million

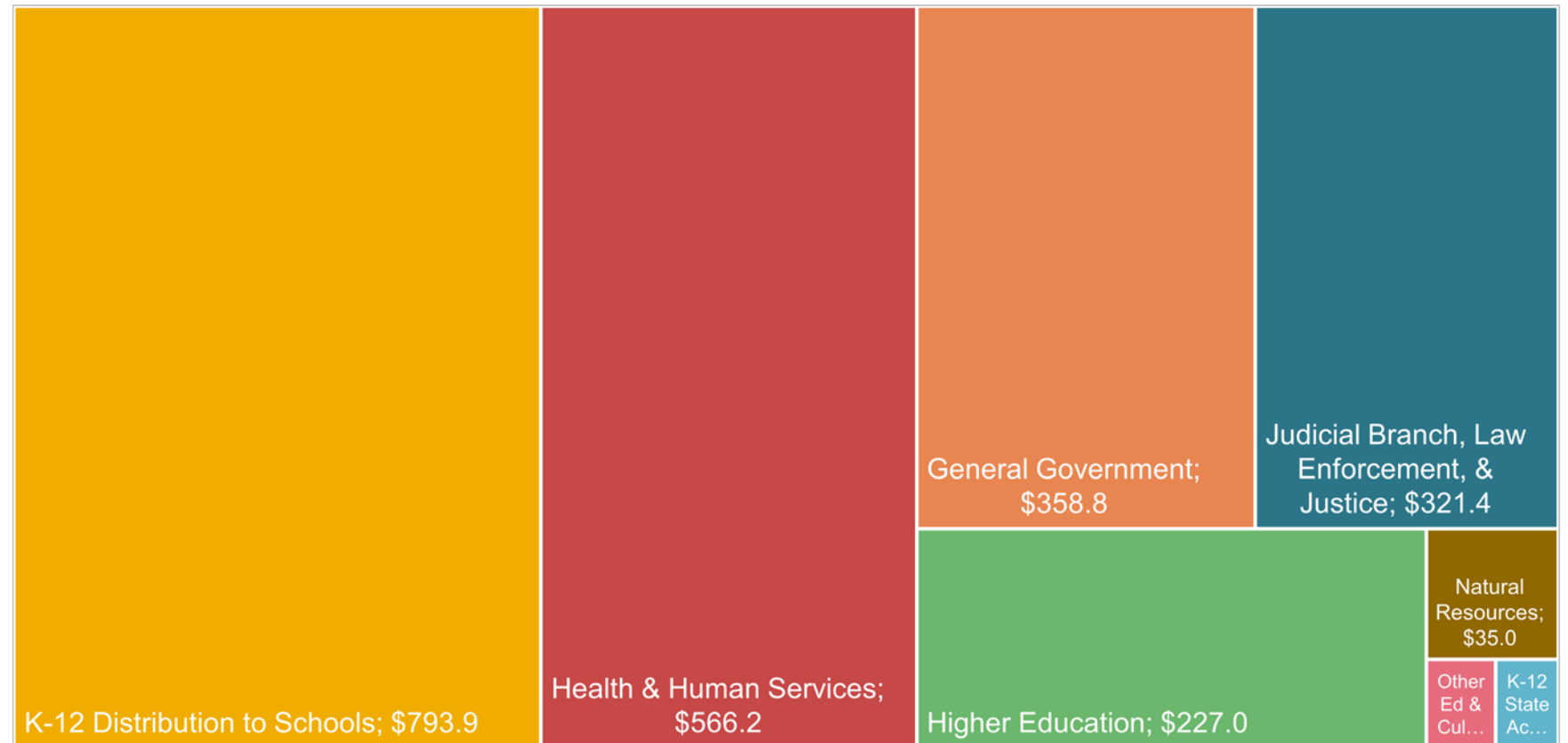


Where Do General Fund Revenues Go?

General Fund Appropriations – FY 2019

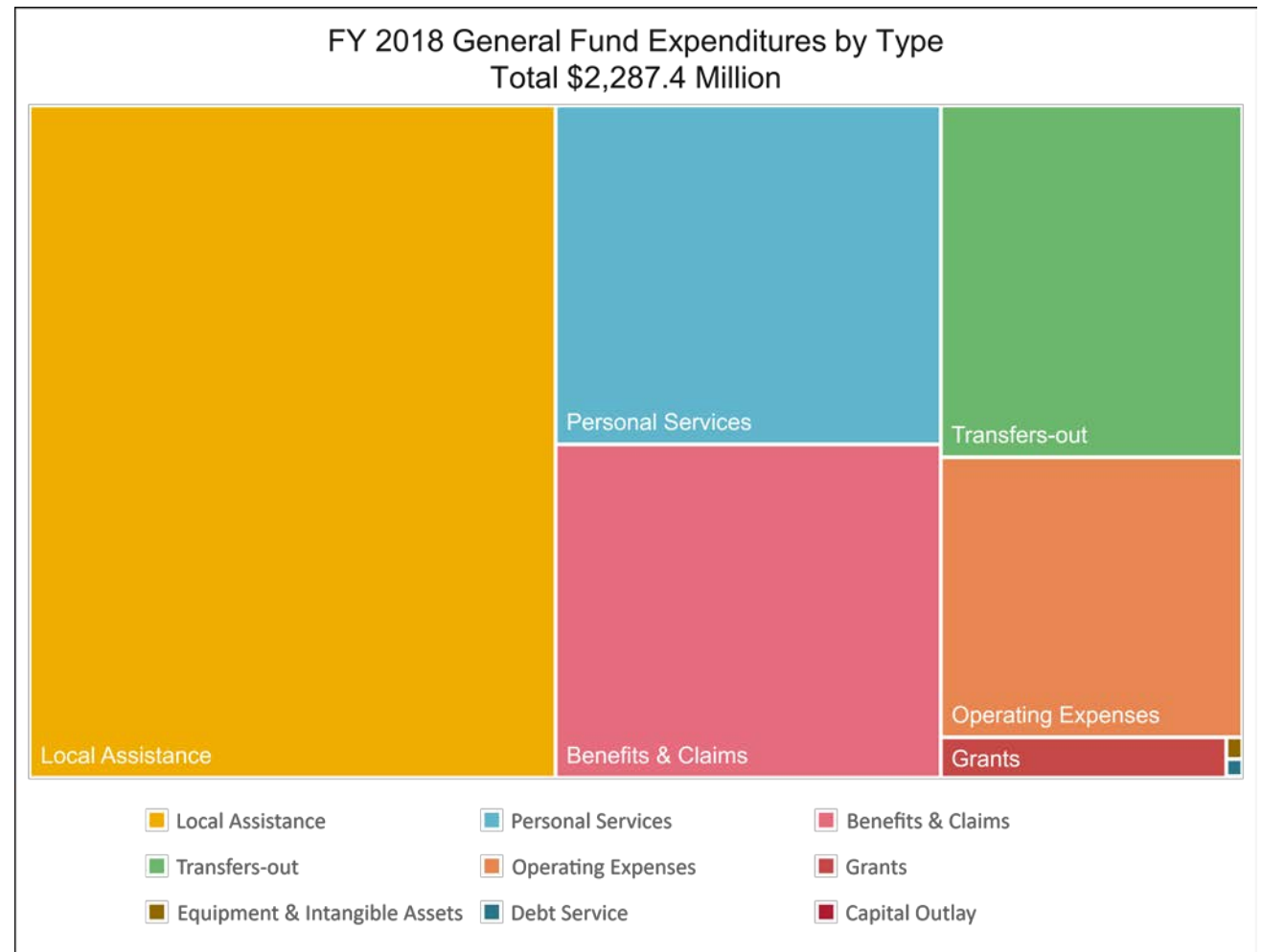
- Many of the largest programs and services are funded by the general fund
- K-12 Education is the largest general fund appropriation

FY 2019 Appropriations All Sources of Authority
General Fund - \$2,326.0 Million



FY 2018 Actual General Fund Expenses by Type

- Local assistance to K-12 schools and local governments is the largest general fund expenditure
- Benefits and claims are mostly medical benefits provided to citizens
- Transfers out include transfers to the university system, capital infrastructure accounts and more.



Questions?

Please contact the Legislative Fiscal Division:

<https://leg.mt.gov/lfd/staff/>