

BUDGET ANALYSIS 1989 BIENNIUM VOL. I



**OFFICE OF THE
LEGISLATIVE
FISCAL ANALYST**



HELENA, MONTANA • JANUARY 1987

BUDGET ANALYSIS 1989 BIENNIUM VOL. II



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LEGISLATIVE
FISCAL ANALYST**



HELENA, MONTANA • JANUARY 1987

H. B. 2 NARRATIVE



OFFICE OF THE LEGISLATIVE FISCAL ANALYST



STATE OF MONTANA • 1987 SESSION



THE STATE OF MONTANA

Governor's Executive Budget

FISCAL YEARS 1988-1989

Ted Schwinden
TED SCHWINDEN, GOVERNOR

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

January 9, 1987

The first meeting of the Finance and Claims Committee met on the above date in room 108 of the State Capitol. Senator Regan, Chairman, called the meeting to order at 3:22 P.M. to hear House Bill 1.

ROLL CALL: All members were present.

Senator Regan asked each member to pick up an envelope which contained pins or tie clasps in the shape of a fireman's axe. She said they were fairly symbolic of the job that would be required of the committee if they were going to cut expenses and balance the budget.

CONSIDERATION OF HOUSE BILL 1: Representative Donaldson, the sponsor of House Bill 1 explained the bill, commonly called the feed bill. He said relative to the pay of the Legislators they will receive \$52.13 which was set by the last session and is effective during the 50th Legislative commitment.

Exhibit 1, attached to the minutes, as explained by Representative Donaldson, is the break down of the bill. It represents the cost of the session, the people who work for the Legislature, printing of bills, mailing, telephone, etc.

There were no further proponents, no opponents, and Senator Regan asked if there were questions from the Committee.

QUESTIONS AND DISCUSSION ON HOUSE BILL 1: Senator Bengtson asked if there was an explanation for the large increase in the Legislative Council budget between 1985 and 1987. Representative Donaldson said this was a Revenue Oversight Tax Consultant and was under contracted services in the council budget. Senator Bengtson asked if there had been an amendment in the House to try to take the consultancy fee out and was told that while there had been a lot of discussion, no amendment had been made. He said he felt what was critical was how we impact the individual taxpayer. In answer to another question he said the vote on HB 1 in the House was 10 or 12 against.

Senator Smith asked if he had interpreted the statement wrong, or if Representative Donaldson said if we vote for this bill we would automatically vote pay raises in the next session. He said no, grade 8, step 2 is automatically tied to any pay raise for state employees, but under the current law the Legislators will not receive a pay raise, no matter what.

Senator Himsel asked if this oversight tax consultant is a person or a service that will be available, and is it projected to be a Montana person or a Washington D. C. person?

Representative Donaldson said Washington D. C., and as he understood it here are other states receiving this service and much of the data is already plugged into the computer and the information will be much cheaper. They will provide it for \$18,000. He said the Oversight committee had discussed the Washington based firm and felt it was the way to go since so much of the needed data was already plugged in. He said there were people in the Legislative Council present who were much better informed than he, and Representatives Williams and Ramirez from the House could be called over to answer any questions the committee would like.

Senator Himsl asked if this would be revenue estimates in general or the new federal tax as it relates to Montana. We will have the Budget Office, the LFA, the Governor's Advisory committee, the Oversight Committee--we will have estimates flying all over the place.

Senator Regan asked if Bob Person, Legislative Council wanted to address the question.

Bob Person said this is not a person, but a policy economics group. It is not a firm, it is a large collection of persons. They would work for the Revenue Oversight Committee, and they felt this was the best proposal of several that had been submitted.

Senator Stimatz asked if the Representatives could come over since he would like to hear more about it. He said he felt it is a waste of \$18,000. He felt that to pay for having a person do business for the public was a little strange. He asked how much this tax thing was supposed to give Montana. Representative Donaldson said that \$78 million is the Department of Revenue figure which has been plugged in. The LFA had discounted it 10% and have approximately \$70 million. Representative Donaldson said he felt the Legislature needed more data to make a decision so that they could assess the impact on people.

Senator Regan mentioned that under operating expenses there is an increase of about \$70,000 in the Legislative Council. Representative Donaldson said the big increase was the \$18,000 for the consultant, and Senator Regan asked about the other \$50,000. Bob Person said this amount included bill printing distribution which was underfunded last time. He mentioned that they had to come back for another appropriation to finish and this amount was included this time in the budget. Judy Rippingale said part of the increase had been handled by their office in the last session--somewhere between \$5,000 and \$7,000 had been taken from their office last time, and that could be attributed from their office for that.

Senator Regan said she would like to have this in more detail since we seem to be going up at a pretty good clip and since she was going to be carrying the bill on the Senate floor she felt perhaps she should "go to school" with someone from

the Council. Bob Person arranged for a detailed explanation and said the estimates on printing and distribution had been put together by Publications and Graphics and they were within 41 impressions of being correct last time.

Amie Clark, Legislative Council, said last session in '85 the print shop down stairs asked for \$75,000 each and they were \$150,000 under budget and that amount is in the budget this time.

Representative Mel Williams, House District 85 and Chairman of the Revenue Oversight Committee said this study had been requested by the Special Session along with \$25,000 for a "comprehensive" study. Since this was unrealistic they had done the best they could, and had hired the university to do the study on the sales tax. He said they had had a bid out of a certified public accountant in Great Falls and one out of a consulting group in Washington D. C. and decided to go with the latter since it was much cheaper. He said the committee felt they should go a little further than just relying on the state agencies for the answers.

Representative Ramirez said in trying to put this in perspective the impact on the state would be \$70 million or \$78 million and we are not so concerned about how much but the winners or losers in it. He said according to the information from some of the CPA the impact could be 200 to 300 percent increase on some taxpayers and you have to have some fairly sophisticated information to see where the chips may fall. He said the Department was very candid with them and they do not have their data complete--they have to deal with averages and some of the data is pretty fuzzy, and that if you had a surtax to raise this much it would be 15% for '88 and 22 or 23% for '89. He said he felt they have to know who is going to be affected and how much we are going to be affected to make a meaningful decision.

Senator Stimatz asked if it were not true that over all the people who would be hit the hardest would be the very rich--the people who don't pay any taxes since they pay more federal tax and deducting it from the state tax, they are not paying state taxes. Ramirez said as a general rule the impact of the federal income tax changes will be primarily on the people of middle income. Senator Stimatz asked what was considered "middle income" and he answered it was probably around \$25,000 to \$30,000 per year and up.

Senator Haffey asked if we are going to get estimates of who is affected from the consultant firm since they seemed to think it was so important and Representative Ramirez said they will estimate and some facts are not accredited--they will have to use assumptions. Senator Haffey then asked who will be affected by the consultant group analysis since they are still making assumptions aren't you still having estimates? Representative Ramirez answered yes.

Representative Williams was asked by Senator Himsl if he were a member of the Revenue Oversight Committee and he answered yes. Senator Himsl then asked about the impact of the sales tax and the impact of the federal tax reforms on Montana. Representative Williams said the impact of a sales tax was a contract with the University and the other was \$4500 from these other people indicating the other 19 categories that were needed to come up with the answers. On being asked if the University people had not addressed this, Representative Williams answered no, that all they did was to review it based upon the Montana income, otherwise just the sales tax.

Senator Bengtson asked if when the information was received did they then have to make the decision based upon it as to whether we use the \$70 million in the general fund or if it is repaid to the taxpayer and Representative Ramirez answered that using it is extremely important. He said this is a committee decision and he agreed with it. Senator Stimatz asked when we would get the information assuming we hired them and Representative Ramirez answered in 2 weeks.

Senator Stimatz asked what kind of data and Representative Ramirez answered by showing the computer sheet. (If this does become available it will be attached as exhibit 2). He said there are about 19 different major changes in the federal tax reform, that each one has an impact on some segment of taxpayers. We can get each one and then choose the impact of each so far as dollars, percentages, etc and the combinations that could be used.

Senator Stimatz asked if the Montana Department of Revenue or the LFA had given its opinion as to the value of this service to the committee. Representative Ramirez said they had discussed it with John LaFaver and felt they believed in their data but recognized that they are assumptions--and just that. He said John LaFaver indicated he believes in his assumptions but realizes they are just that. Senator Stimatz pressed the point by asking if Mr. LaFaver had expressed his opinion, or if any of the other state agencies had done so. He was told no, not as such.

Senator Smith asked about the farmers who had bought a farm many years ago and was now forced to sell all or part of it. He would still be paying income tax on something he did not own. Representative Ramirez said this data would not answer a question like that specifically since it was all data that is based on average assumptions.

Senator Gage said he had already expressed his views to the Oversight Tax Committee that it was money down the drain. He felt sure there would be horrendous stories about how people were affected, but before Congress adjourned after passing the monster they were already talking about changing it and in the next 2 years there would be many changes that would affect Montana.

Senator Regan asked the amount of the contract with the University and Representative Williams said \$9,000. She then asked what if this group of consultants came up with a different answer than our own Revenue Department. Representative Williams said that is what we need to know. He said he had seen many critical questions come up before and we have questioned the information. The alternative then is to get an outside independent agency. If they agree then we are treading on good solid ground.

Representative Donaldson closed by giving a brief summary of the increases listed on the exhibit 1, listing percentage increases etc and urged the passage of the bill.

Senator Haffey discussed the two groups of people who were in trouble and commented as a follow up on Senator Smith's question. He said those who had forced sales, the state and federal would not handle capital gains the same and they would be forced to pay a much bigger tax liability. The second group was those who would be making it but had to reduce some of their holdings to get the cash flow to continue. Forced sales reduce the cash flow, the reduced cash flow causes more forced sales, and it is a vicious circle. He said Agriculture is in serious trouble.

DISPOSITION OF HOUSE BILL 1: MOTION by Senator Gage to take \$18,000 from the Legislative Council Budget. (Strike line 2, page 2 of the bill). Roll call vote, motion failed on a tie vote.

MOTION by Senator Story that House Bill 1 be concurred in. Voted, passed.

The meeting was adjourned at 4:30 p.m.



Senator Regan, Chairman

ROLL CALL

50th LEGISLATIVE SESSION - - 1987

Date 1-9-87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR REGAN	✓		
SENATOR HIMSL	✓		
SENATOR JACOBSON	✓		
SENATOR BENGTSO	✓		
SENATOR STIMATZ	✓		
SENATOR HARDING	✓		
SENATOR HAFHEY	✓		
SENATOR SMITH	✓		
SENATOR KEATING	✓		
SENATOR STORY	✓		
SENATOR BOYLAN	✓		
SENATOR JERGESON	✓		
SENATOR TVEIT	✓		
SENATOR MANNING	✓		
SENATOR HAMMOND	✓		
SENATOR GAGE	✓		

As Amended by Appropriations... 85-87 F.B. Comparison

HOUSE 1985 1987 SENATE 1985 1987 LEGIS COUNCIL 1985 1987 LEGIS PUBLICA 1985 1987 LEGIS PHONE 1985 1987 MAIL/D OF A 1985 1987

PERSONAL SERVICES	HOUSE 1985	HOUSE 1987	SENATE 1985	SENATE 1987	LEGIS COUNCIL 1985	LEGIS COUNCIL 1987	LEGIS PUBLICA 1985	LEGIS PUBLICA 1987	LEGIS PHONE 1985	LEGIS PHONE 1987	MAIL/D OF A 1985	MAIL/D OF A 1987
Salaries	992,429*	985,954	601,216	747,008	80,284	91,255			17,334	8,073		
Benefits	378,813	394,540	206,954	244,788	7,282	8,213			1,580	727		
Per Diem	486,000	535,000	243,000	267,500								
TOTAL PERSONAL SERV.	\$1,857,242	\$1,915,494	\$1,141,170	\$1,257,476	\$87,566	\$99,468	\$0	\$0	\$18,894	\$8,800	\$0	\$0

OPERATING EXPENSES	HOUSE 1985	HOUSE 1987	SENATE 1985	SENATE 1987	LEGIS COUNCIL 1985	LEGIS COUNCIL 1987	LEGIS PUBLICA 1985	LEGIS PUBLICA 1987	LEGIS PHONE 1985	LEGIS PHONE 1987	MAIL/D OF A 1985	MAIL/D OF A 1987
Contracted Serv.	23,500	20,000	13,000	15,000	262,719	330,200	146,446	100,376				
Supplies & Mats	26,842	32,000	21,426	26,500	3,225	3,520	500	500				
Telephone									120,948	144,036		
Communications	8,500	6,000	6,500	6,000	20,300	15,450	5,000	5,000				
Travel	45,806	46,088	27,766	28,383								
Pre Session 87	40,519		23,454									
Pre Session 89		93,951		76,869								
Rent	6,300	7,000	14,500	24,140	275							
Repairs & Maint	5,000	7,600	3,200	6,700								
Other	2,250	2,250	2,250	3,750								
TOTAL OPER. EXP.	\$158,807	\$214,979	\$112,096	\$187,342	\$286,519	\$349,170	\$151,946	\$105,876	\$120,948	\$144,036	\$0	\$0

CAPITAL EXPENSE	HOUSE 1985	HOUSE 1987	SENATE 1985	SENATE 1987	LEGIS COUNCIL 1985	LEGIS COUNCIL 1987	LEGIS PUBLICA 1985	LEGIS PUBLICA 1987	LEGIS PHONE 1985	LEGIS PHONE 1987	MAIL/D OF A 1985	MAIL/D OF A 1987
Equipment	157,502	26,000	26,502	5,000	500	750						
	\$157,502	\$26,000	\$26,502	\$5,000	\$500	\$750	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$2,173,551	\$2,166,473	\$0	\$1,449,818	\$0	\$374,585	\$449,388	\$0	\$151,946	\$105,876	\$0	\$152,836

PERCENT INCREASE/DECREASE	HOUSE 1985	HOUSE 1987	SENATE 1985	SENATE 1987	LEGIS COUNCIL 1985	LEGIS COUNCIL 1987	LEGIS PUBLICA 1985	LEGIS PUBLICA 1987	LEGIS PHONE 1985	LEGIS PHONE 1987	MAIL/D OF A 1985	MAIL/D OF A 1987
FEED BILLS												
1987 FEED BILL TOTAL			4,317,534									
1985 FEED BILL TOTAL			4,122,272									
OVERALL PERCENT INCREASE			4.74%									

SENATE FINANCE AND CLAIMS
 EXHIBIT NO. 1
 DATE 1-9-87
 BILL NO. HBI
 -30.32%
 -9.68%

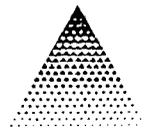
SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2
DATE 1-9-87
BILL NO. 101

RECEIVED

DEC 3 1986

MONTANA LEGISLATIVE
COUNCIL



Policy
Economics
Group

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December 2, 1986

Mr. J. Melvin Williams
Chairman
Revenue Oversight Committee
Montana State Legislature
Helena, Montana

State Street Centre
at 80 State Street
Suite 1003
Albany, NY 12207
(518) 462-4521

Dear Mr. Chairman:

This letter is in response to the request generated by the Committee to describe the scope of work and associated costs of an analysis by the Policy Economics Group of the impact of Federal tax reform on Montana individual income tax liabilities.

As I noted during my appearance, the Policy Economics Group has provided this service to a number of states, including California, New York, Virginia, Maryland, Kentucky, and Rhode Island. The service would analyze, provision-by-provision, the effect of each of the major provisions of the Tax Reform Act. These provisions, which are shown in Attachment 1, cover about 97 percent of the revenue losses in the Act and over 75 percent of the revenue gains. In recognition of the importance of Federal deductibility to Montana, the effect of the Tax Reform Act on the Federal tax deduction would be identified separately in the analysis.

\$18,000

The normal charge for the basic service provided by Policy Economics is ~~\$20,000~~ for a state the size of Montana. This basic service would provide the State with an assessment of the impact of changes in Federal and state tax liability for Montana residents at 1987 levels. The analysis would be made using the Policy Economics Group's model and data base (which uses actual Federal income tax returns filed by Montana taxpayers). The format of the two pages of model simulation output that would be generated for each simulated provision is shown in Attachment 2.

Normally, the Policy Economics Group charges \$3,500 for each additional year beyond 1987 for which a state wishes to have estimates made. This cost includes \$2,500 for developing the data base for an additional year and \$1,000 for performing the actual simulation. In recognition of the severe budget constraints facing the State of Montana, estimates for 1988 and 1989 would be provided at no additional charge.

To assure that our model results are of greatest use to the State, we would expect to receive as inputs to our analysis the State's economic forecast of the major components of personal income for the years for which the analysis is being performed.

It is important to note that with the purchase of the basic service described above, the State would have access to our modeling services for purposes of analyzing the impact of State tax reform issues. The cost for a model simulation would be \$400 plus a charge for staff time involved in preparing the simulation. The staff time involved would be very limited for tax law changes involving such factors as rates, exemptions, and standard deductions, which are parameters in the tax model. The time required for other tax law changes would depend on their overall complexity, but we would not expect the costs to be inordinate.

The Policy Economics Group also provides a corporate tax modeling service to states to analyze the impact of Federal tax reform on state corporation income taxes. The development of a corporate tax model would entail the construction of a corporate data base for the State of Montana based on information from the U.S. Statistics of Income Corporate Source Book file and specific income or tax liability data from Montana's corporations by industry and size of firm. The fee for developing this tax model and data base, and analyzing the impact of the Tax Reform Act on corporation income taxes of businesses operating in Montana would be \$37,000.

In addition to the tax modeling services described above, the Policy Economics Group also provides consulting services and data base and model development services. We have provided such services to a number of states. Since Montana already has an extensive sample of tax return data, the State might want to consider a long-term program to increase the State's analytic capability and utilize this data base more fully.

I enjoyed meeting with the Committee last week and having the opportunity to assist in the State's response to the Tax Reform Act of 1986. I recognize the importance of the issues that the Committee will be addressing in the weeks and months ahead and I am confident that our firm can make a valuable contribution to the Committee's deliberations.

Page 3
December 2, 1986

If you or your staff have any questions regarding the services provided by our firm, or how they might be best utilized by the State, please do not hesitate to give me a call.

Sincerely,

Thomas Vasquez
Thomas E. Vasquez
President

MW-07

*Finance and Claims
Exhibit - No 2
Date - 1-9-87
Bill - H.R. 1*



Attachment 1

**Coverage of the Conference Committee
Plan in The Policy Economics
Simulations**

1. Repeal dividend income exclusion
2. Tax all unemployment compensation
3. Repeal two-earner deduction
4. Restrict IRA deduction
5. Change depreciation provisions
6. Limit passive losses
7. Alter employee business expenses, moving expenses,
and miscellaneous deductions
8. Limit non-business interest deductions
9. Raise AGI floor on medical deductions
10. Repeal sales tax deduction
11. Repeal investment tax credit
12. Alter earned income credit
13. Repeal the political contributions credit
14. Change personal exemptions
15. Change zero bracket amount to a standard deduction
16. Change marginal rates
17. Modify minimum tax provisions
18. Eliminate capital gains exclusion
19. Include behavioral adjustment to charitable giving

Attachment 2
 Policy Economics Group Personal Income Tax Model

Senate Finance and La
 Exhibit No 2
 Date - 1-9-87
 Bill - H.B. 1



FEDERAL TAX LIABILITY FOR UNITED STATES

Policy Economics Group

Plan X: CONFERENCE BILL
 PROVISION #1

Income Classifier: FEDERAL PLAN X AGI

Plan Y: CONFERENCE BILL PROVISION #2
 TAX ALL UNEMPLOYMENT COMP

Data for: FEDERAL FILERS ONLY
 1986 Levels of Income

INCOME CLASS (DOLLARS)	NUMBER OF RETURNS		TAXABLE RETURNS		ADJUSTED GROSS INCOME			TAXABLE INCOME		
	SAMPLE (UNITS)	AGGREGATE (000'S)	PLAN X (000'S)	PLAN Y (000'S)	PLAN X (\$ MIL)	PLAN Y (\$ MIL)	CHANGE (\$ MIL)	PLAN X (\$ MIL)	PLAN Y (\$ MIL)	CHANGE (\$ MIL)
***** (5000	43508	18901.3	1456.2	1747.1	5407.9	8530.5	3122.6	11142.2	13135.3	1993.1
5000 (10000	31875	12933.6	8941.0	9103.6	80457.8	83012.7	2554.9	56351.9	58882.6	2530.7
10000 (15000	24373	12293.3	11757.9	11793.7	145257.2	146926.7	1669.5	113008.2	114680.1	1671.9
15000 (20000	19582	11636.0	11402.1	11402.5	197025.7	197693.6	667.9	159343.5	160010.0	666.5
20000 (30000	30300	17233.0	17023.7	17023.7	405052.5	405214.1	161.6	330842.7	330993.6	150.8
30000 (50000	37951	21261.2	21171.4	21171.4	760430.3	760431.3	1.0	617808.3	617809.4	1.0
50000 (100000	26738	8627.5	8610.6	8610.6	504099.7	504099.7	.0	402201.3	402201.3	.0
100000 (200000	12829	1656.7	1651.7	1651.7	208087.3	208087.3	.0	163268.8	163268.8	.0
200000 (*****	33010	395.1	392.6	392.6	143563.2	143563.2	.0	112522.3	112522.3	.0
TOTALS	260276	104037.7	82407.3	82897.0	2449381.7	2457559.2	8177.5	1966489.2	1973503.3	7014.1

INCOME CLASS (DOLLARS)	ITEMIZED RETURNS		RETURNS WITH OUTLAY EARNED INCOME CRED.		MINIMUM TAX		ALTERNATIVE MINTAX			
	PLAN X (000'S)	PLAN Y (000'S)	PLAN X (000'S)	PLAN Y (000'S)	PLAN X (\$ MIL)	PLAN Y (\$ MIL)	PLAN X (\$ MIL)	PLAN Y (\$ MIL)		
***** (5000	437.7	437.7	2005.5	1998.5	419.584	417.705	.000	.000	355.845	356.026
5000 (10000	531.4	531.4	2176.4	2064.5	1103.794	1038.486	.000	.000	11.615	11.718
10000 (15000	1369.1	1369.1	152.6	134.0	59.383	49.744	.000	.000	19.051	19.056
15000 (20000	2352.4	2352.4	.0	.0	.000	.000	.000	.000	62.082	62.082
20000 (30000	6437.5	6437.5	.0	.0	.000	.000	.000	.000	65.563	65.563
30000 (50000	14844.6	14844.6	.0	.0	.000	.000	.000	.000	248.932	248.932
50000 (100000	7884.6	7884.6	.0	.0	.000	.000	.000	.000	574.869	574.869
100000 (200000	1621.8	1621.8	.0	.0	.000	.000	.000	.000	1564.382	1564.382
200000 (*****	391.6	391.6	.0	.0	.000	.000	.000	.000	2437.915	2437.915
TOTALS	35870.6	35870.6	4334.6	4197.0	1582.761	1505.936	.000	.000	5340.253	5340.543

INCOME CLASS (DOLLARS)	TAX (POSITIVE PORTION)			OUTLAYS (NEGATIVE PORTION)			TAX (NET OF OUTLAYS)		
	PLAN X (\$ MIL)	PLAN Y (\$ MIL)	CHANGE (\$ MIL)	PLAN X (\$ MIL)	PLAN Y (\$ MIL)	CHANGE (\$ MIL)	PLAN X (\$ MIL)	PLAN Y (\$ MIL)	CHANGE (\$ MIL)
***** (5000	598.7	658.3	59.5	-418.8	-413.4	5.4	180.0	244.9	64.9
5000 (10000	3044.4	3314.9	270.5	-921.1	-840.0	81.0	2123.3	2474.8	351.5
10000 (15000	10074.0	10316.8	242.8	-7.8	-7.1	.8	10066.2	10309.7	243.5
15000 (20000	17727.5	17827.3	99.7	.0	.0	.0	17727.5	17827.3	99.7
20000 (30000	43003.9	43029.2	25.2	.0	.0	.0	43003.9	43029.2	25.2
30000 (50000	97107.7	97107.9	.2	.0	.0	.0	97107.7	97107.9	.2
50000 (100000	83516.1	83516.1	.0	.0	.0	.0	83516.1	83516.1	.0
100000 (200000	51111.6	51111.6	.0	.0	.0	.0	51111.6	51111.6	.0
200000 (*****	48337.7	48337.7	.0	.0	.0	.0	48337.7	48337.7	.0
TOTALS	354521.8	355219.7	698.0	-1347.7	-1260.5	87.2	353174.1	353959.2	785.1

DISTRIBUTION OF FEDERAL TAX CHANGE AND NUMBER OF RETURNS AFFECTED BY BILLS



Plan X: CONFERENCE BILL
PROVISION #1

Income Classifier: FEDERAL PLAN X AGI

Plan Y: CONFERENCE BILL PROVISION #2
TAX ALL UNEMPLOYMENT COMP

Data for: ALL RETURNS
1986 Levels of Income

INCOME CLASS (DOLLARS)	PRESENTLY TAXABLE RETURNS MADE NONTAXABLE		PRESENTLY NONTAXABLE RETURNS MADE TAXABLE		RETURNS WITH A CHANGE IN TAX LIABILITY				RETURNS WHICH CHANGED THEIR TYPE OF DEDUCTION	
	NUMBER OF RETURNS (UNITS)	AMOUNT OF TAX DECREASE (\$ MIL)	NUMBER OF RETURNS (UNITS)	AMOUNT OF TAX INCREASE (\$ MIL)	TAX DECREASES		TAX INCREASES		NUMBER OF RETURNS (UNITS)	AMOUNT OF TAX CHANGE (\$ MIL)
					NUMBER OF RETURNS (UNITS)	AMOUNT OF TAX DECREASE (\$ MIL)	NUMBER OF RETURNS (UNITS)	AMOUNT OF TAX INCREASE (\$ MIL)		
***** (5000	0.	.000	8436.	2.635	0.	.000	18030.	5.484	0.	.000
5000 (10000	0.	.000	13713.	3.183	0.	.000	55633.	13.911	0.	.000
10000 (15000	0.	.000	20105.	4.177	0.	.000	141919.	29.910	0.	.000
15000 (20000	0.	.000	404.	.023	0.	.000	149942.	27.342	0.	.000
20000 (30000	0.	.000	0.	.000	0.	.000	80585.	12.415	0.	.000
30000 (50000	0.	.000	0.	.000	0.	.000	1607.	.237	0.	.000
50000 (100000	0.	.000	0.	.000	0.	.000	0.	.000	0.	.000
100000 (200000	0.	.000	0.	.000	0.	.000	0.	.000	0.	.000
200000 (*****	0.	.000	0.	.000	0.	.000	0.	.000	0.	.000
ITEMIZE, Total	0.	.000	42557.	9.937	0.	.000	447716.	89.295	0.	.000
***** (5000	0.	.000	282501.	33.151	0.	.000	436909.	59.445	0.	.000
5000 (10000	0.	.000	148878.	64.703	0.	.000	1555234.	337.593	0.	.000
10000 (15000	0.	.000	15617.	2.165	0.	.000	1199782.	213.594	0.	.000
15000 (20000	0.	.000	0.	.000	0.	.000	444046.	72.375	0.	.000
20000 (30000	0.	.000	0.	.000	0.	.000	85084.	12.816	0.	.000
30000 (50000	0.	.000	0.	.000	0.	.000	0.	.000	0.	.000
50000 (100000	0.	.000	0.	.000	0.	.000	0.	.000	0.	.000
100000 (200000	0.	.000	0.	.000	0.	.000	0.	.000	0.	.000
200000 (*****	0.	.000	0.	.000	0.	.000	0.	.000	0.	.000
NON-ITEMIZE, Total	0.	.000	446996.	100.019	0.	.000	3721055.	695.823	0.	.000
***** (5000	0.	.000	290937.	35.786	0.	.000	454939.	64.930	0.	.000
5000 (10000	0.	.000	162591.	67.806	0.	.000	1610867.	351.503	0.	.000
10000 (15000	0.	.000	35721.	6.342	0.	.000	1341701.	243.504	0.	.000
15000 (20000	0.	.000	404.	.023	0.	.000	593988.	99.717	0.	.000
20000 (30000	0.	.000	0.	.000	0.	.000	165669.	25.231	0.	.000
30000 (50000	0.	.000	0.	.000	0.	.000	1607.	.237	0.	.000
50000 (100000	0.	.000	0.	.000	0.	.000	0.	.000	0.	.000
100000 (200000	0.	.000	0.	.000	0.	.000	0.	.000	0.	.000
200000 (*****	0.	.000	0.	.000	0.	.000	0.	.000	0.	.000
ALL RETURNS, Total	0.	.000	489653.	109.956	0.	.000	4168772.	785.122	0.	.000

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE AND CLAIMS

DATE

1-9-81

H

Bill No.

1

Time

NAME

YES

NO

SENATOR HIMSL

SENATOR JACOBSON

SENATOR BENGTON

SENATOR STIMATZ

SENATOR HARDING

SENATOR HAFPEY

SENATOR SMITH

SENATOR KEATING

SENATOR STORY

SENATOR BOYLAN

SENATOR JERGSON

SENATOR TVEIT

SENATOR MANNING

SENATOR HAMMOND

SENATOR GAGE

SENATOR REGAN

Sylvia Kinsey

Secretary

Senator Regan

Chairman

MOTION:

Under Vote

STANDING COMMITTEE REPORT

January 9

19 87

MR. PRESIDENT

We, your committee on **FINANCE AND CLAIMS**

having had under consideration **HOUSE**

No. **1**

third reading copy (blue)
color

Donaldson (Regan)

(FRED BILL)

Respectfully report as follows: That **House**

No. **1**

BE CONCURSED IN

~~XXXX DO PASS~~

DO NOT PASS

SENATOR PAT REGAN,

Chairman.