

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

April 24, 1985

The eightieth meeting of the Senate Taxation Committee was called to order by Chairman Thomas E. Towe at 8:12 am in Room 413-415 of the State Capitol.

ROLL CALL: All members were present at roll call except Senator Hirsch who arrived at 8:17 and Senator McCallum who arrived at 8:30.

MOTION: Senator Lybeck moved that Chairman Towe actively pursue adequate ventilation for the room before the beginning of the next session. Question was not called, but the Chairman and other members agreed that the point was well taken.

CONSIDERATION OF HJR 9: Exhibit 1 was a balance sheet from which the numbers in HJR 9 could be amended. Senator Towe discussed the nature of the differences and said that amendments to the resolution had been prepared to make it agree with the numbers from the Governor's Office of Budget and Program Planning.

Senator Mazurek noted that collections from the additional auditors for the Department of Revenue were not included by OBPP. Mr. Terry Johnson of that office said that was an insurance factor to be certain that the estimates made were solid. He said that to budget on audit collections is too great a risk.

Senator Halligan asked about SB 72. Senator Towe said it had been amended to handle the joint return problem.

Senator Hager asked about the \$4.9 million figure assigned to the bill. Mr. Johnson said that accounted for '85 receipts and that the fiscal note as amended was high because the railroad tier retirement was not included in the original note on the bill. Senator Hager said that he could accept a \$3.1 million figure with no retroactive clause on the bill.

In response to a question from Senator Lybeck, Senator Eck said that various amendments on SB 431 would result in different numbers being used.

Senator Towe then presented the committee with Exhibit 2.

Senator Mazurek said that he was tempted to move all the Governor's figures into the bill. Senator Eck said she agreed, but that she wanted to know the reasons for the differences. Senator Towe discussed those differences.

(Senators Halligan and McCallum were excused at 8:47 am to attend a conference committee meeting.)

MOTION: Senator Mazurek moved that HJR 9 be amended per Exhibit 3.

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Senator Towe noted that the Westmoreland law suit escrow account numbers were not included here. Senator Towe also said that his own figures were more accurate than OBPP's simply because they had been more recently updated.

Senator Eck said she wanted the record to note that the anticipated \$9 to \$11 million from the audit collections was not included.

Question was called on the amendments and the motion carried unanimously.

MOTION: Senator Mazurek moved that HJR 9 be concurred in as amended.

MOTION: Senator Eck moved that HJR 9 be amended to add an additional "Be it further resolved," to include the audit collections from the Department of Revenue.

Mr. Johnson noted that cash flow was another problem in counting these collections as there was no way to estimate when the money would actually be received.

Question was called and the motion to amend carried unanimously.

Question on the resolution was called and the motion carried unanimously.

Chairman Towe adjourned the meeting.



Chairman

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date April 24, 1985

8:12am

Location -- Room 413-415

Name Present Absent Excused

Senator Brown	✓		
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	<i>8:30</i>		
Senator Lybeck	✓		
Senator Mazurek	✓		
Senator McCallum	<i>8:30</i>		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe	✓		

Exhibit 1 -- HJR 9
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Senator Thomas E. Towe

BALANCE SHEET

(Figures in million dollars)
(23 April 1985)

	Gov. (OBPP)	LFA	House	Towe
Revenue:				
Beginning Fund Balance	22.5	11.0	17.5	22.5
General Fund Receipts	755.5	743.7	747.1	760.1
12 Mill Levy - from Counties	12.5	12.5	12.5	12.5
DOR Collections (Auditors)	-0-	9.0	11.0	11.0
	790.5	776.2	788.1	806.1
Less:				
HB 410 (Utility property tax)	-0-	-1.4	-1.6	-0-
SB 67 (Water, Sewer, Downhole)	-0-	-1.4	-1.4	-1.4
SB 72 (Soc. Security)	-0-	-0-	-0-	-4.9
HB 869 (Tax Reduction-- widows, etc.)	-0-	.4	.4	.4
SB 247 (Pension Expense)	-4.1	-4.1	-4.1	-4.1
Plus:				
SB 431 (Greenbelt)	-0-	1.8	1.5	3.0
HB 870 (Motor vehicle fees)*	-0-	-0-	-0-	-0-
SB 142 (Motor vehicle fees)	5.2	5.2	5.2	5.2
HB 443 (Child Support Enforcement)	-0-	1.9	1.9	1.9
HB 460 (Bank Examination Fees)	-0-	.25	.25	.25
Transfers:				
a) '85 Coal Board - HB 949	-0-	.75	.75	-0-
b) Junk Vehicle	.5	.5	.5	.5
c) Crime Victims	.5	.5	.5	.5
d) Coal Board	7.3	7.3	7.5	-0-
e) Alternative Energy	-0-	2.0	2.0	-0-
f) RIT	3.5	4.8	4.8	4.8
GAAP Fund Transfer - HB 958	-0-	15.0	15.0	15.0
Local Govt. Block Grant Return*	2.0	-0-	2.0	2.0
Total Revenue	805.40	809.7	822.5	828.45
Expenditures:				
HB 500 (Budget bill)	719.9	719.9	719.9	719.9
School Foundation Program	48.4	53.9	53.9	48.6
Pay Plan - HB 375	17.4	16.5	16.5	16.5
Long Term Debt Service	20.2	20.2	20.2	20.2
TANS Interest	6.2	6.2	6.2	6.2
Oil & Gas Payment to Counties	2.3	-0-	2.3	2.3
1987 Legislative Feed Bill	4.2	4.2	4.2	4.2
SB 25 (District Court Costs)	5.2	5.2	5.2	5.2
Cats and Dogs	--	--	.6	1.0
Total	823.8	826.1	829.0	824.1
Less Reversions	-13.0	-13.8	-13.1	-13.8
Ending Fund Balance	15.0	22.3	15.0	15.0
Total Expenditures	825.8	834.6	830.9	825.3
→ Deficit or Surplus	-20.4	-24.9	-8.40	+ 3.15
Plus extra GAAP money (School Reversion)	-0-	12.0	12.0	12.0
Plus Uncertain Revenue				
HB 236 (Poker machines)	-0-	4.4	-0-	4.4
SB 455 (Sec. 243 ded.)	3.65	-0-	-0-	5.0
HB 45 (Cigarette tax)	12.8	10.7	12.0	12.0

* If HB 870 passes, at \$7.4KK to the Local Govt. Block Grant, \$2KK will be returned to the General Fund.

There should be some money in HB 198 or HB 240 or both if they pass.

REVENUE PROJECTIONS DIFFERENCES

SOURCE	'85 OBPP	TOWE	'86 OBPP	TOWE	'87 OBPP	TOWE
Interest on Investments	26.482	26.876	22.656	25.322	22.961	22.903
Long range bond excess	38.437	37.904	39.237	38.654	41.288	40.656
Coal Severance Tax	17.444	18.374	19.735	19.735	18.732	18.732
Coal Trust Interest	24.378	24.369	28.158	29.799	32.259	34.711
Institution Reimbursement	12.213	12.213	14.758	15.001	15.310	15.497
Inheritance Tax	6.289	6.915	6.656	7.275	7.072	7.675
Telephone Tax	2.814	3.010	3.053	3.160	3.311	3.319
Metal Mines Tax	1.711	2.366	1.185	1.000	1.190	1.000
Electrical Energy Tax	1.986	2.212	2.042	2.273	2.169	2.405
Beer Tax	1.180	1.175	1.157	1.146	1.133	1.096
Drivers License fees	.817	.861	.835	.880	.854	.899
Other Revenue	13.474	13.962	15.030	14.395	14.922	15.387

Source of Revenue	OBPP FY 84 & 83	LFA FY 84 & 85	HJR 9 FY 84 & 83	TONE FY 84 & 85	OBPP FY 86 & 87	LFA FY 86 & 87	HJR 9 FY 86 & 87	TONE FY 86 & 87
Individual Income Tax	223,603,660	222,065,660	224,021,660	223,603,660	239,871,000	236,955,000	237,000,000	239,871,000
Oil Severance Tax	64,397,014	63,349,014	64,386,014	64,397,014	47,928,000	48,525,000	48,339,333	47,928,000
Interest on Investments	50,009,514	48,571,514	49,032,931	50,403,514	45,617,000	44,964,000	44,718,730	48,225,000
Corporation License Tax	55,564,177	51,764,177	55,564,177	55,564,177	62,261,000	61,949,000	62,261,000	62,261,000
Long Range Bond Excess	80,119,643	77,867,643	79,316,643	79,586,643	80,523,000	77,061,000	78,572,000	79,310,000
Coal Severance Tax	33,180,468	33,082,468	33,121,468	34,110,468	38,467,000	37,075,000	37,029,024	38,467,000
Coal Trust Interest	43,325,636	42,537,636	43,102,636	43,316,636	60,417,000	63,009,000	62,349,000	64,510,000
Insurance Tax	29,730,332	29,374,332	29,321,332	29,730,332	33,697,000	32,932,000	32,932,000	33,697,000
Institution Reimbursements	21,392,921	24,460,921	22,072,921	21,392,921	30,068,000	30,258,000	30,100,000	30,498,000
Inheritance Tax	12,249,471	12,207,471	12,584,471	12,875,471	13,728,000	12,494,000	13,400,000	14,950,000
Liquor Excise Tax	12,606,784	12,444,784	12,525,784	12,606,784	13,336,000	12,083,000	12,709,500	13,336,000
Liquor Profits	10,248,000	10,979,000	10,632,000	10,248,000	10,299,000	10,578,000	10,450,000	10,299,000
Natural Gas Tax	6,278,996	5,533,996	5,878,621	6,278,996	7,512,000	4,986,000	5,210,562	7,512,000
Telephone Tax	5,335,905	5,182,905	5,331,905	5,331,905	6,364,000	5,742,000	6,479,000	6,479,000
Metal Mines Tax	4,341,135	4,240,135	4,290,135	4,996,135	2,375,000	2,431,000	2,000,000	2,000,000
Electrical Energy Tax	4,399,172	4,497,172	4,625,172	4,625,172	4,211,000	4,239,000	4,678,000	4,678,000
Freight Line Tax	2,736,111	2,721,111	2,736,111	2,736,111	3,021,000	2,972,000	3,021,000	3,021,000
Beer Tax	2,384,236	2,379,236	2,379,236	2,379,236	2,290,000	2,242,000	2,242,000	2,242,000
Drivers' License Fees	1,616,616	1,704,616	1,660,616	1,660,616	1,689,000	1,810,000	1,779,000	1,779,000
Wine Tax	1,821,905	1,871,905	1,821,905	1,821,905	1,868,000	2,081,000	1,868,000	1,868,000
Other Revenue	26,064,802	26,954,802	27,064,802	26,532,802	29,932,000	29,739,000	29,782,000	29,782,000
Prior Year Adjustments	(866,898)	(866,898)	(866,898)	(866,898)	0	0	0	0
Totals	692,739,600	682,923,600	690,783,642	695,731,600	735,496,000	744,125,000	747,108,169	762,713,000

Source of Revenue	Actual FY 83	Actual FY 84	OBPP FY 83	LFA FY 83	HUR 9 FY 83	TONE FY 83	OBPP FY 86	LFA FY 86	HUR 9 FY 86	TONE FY 86	OBPP FY 87	LFA FY 87	HUR 9 FY 87	TONE FY 87
Individual Income Tax	97,152,215	109,021,660	116,582,000	113,044,000	113,000,000	116,582,000	125,541,000	123,442,000	124,000,000	125,541,000	134,330,000	133,513,000	133,000,000	134,330,000
Oil Severance Tax	43,787,960	32,686,014	31,911,000	30,663,000	31,680,000	31,911,000	24,654,000	23,446,000	24,300,000	24,654,000	23,214,000	25,059,000	23,833,333	23,214,000
Interest on Investments	29,918,421	23,527,514	26,482,000	25,044,000	25,505,417	26,876,000	22,655,000	23,044,000	22,635,417	25,322,000	22,961,000	21,920,000	22,083,333	22,903,000
Corporation License Tax	20,733,658	20,547,177	35,017,000	31,217,000	35,017,000	35,017,000	29,957,000	29,388,000	29,957,000	29,957,000	32,304,000	32,561,000	32,304,000	32,304,000
Long Range Bond Excess	22,797,971	41,682,643	38,437,000	36,185,000	37,634,000	37,994,000	39,237,000	37,479,000	38,311,000	38,654,000	41,288,000	39,582,000	40,261,000	40,656,000
Coal Severance Tax	15,208,581	15,736,468	17,444,000	17,346,000	17,385,000	18,374,000	19,735,000	19,040,000	19,152,000	19,735,000	18,732,000	18,035,000	17,817,024	18,732,000
Coal Trust Interest	18,466,762	18,947,636	24,378,000	23,590,000	24,155,000	24,369,000	28,156,000	28,844,000	28,807,000	29,799,000	32,259,000	34,165,000	33,736,000	34,711,000
Insurance Tax	13,011,479	13,621,332	16,109,000	15,753,000	15,700,000	16,109,000	16,139,000	16,195,000	16,199,000	16,199,000	17,558,000	16,737,000	16,737,000	17,558,000
Institution Reimbursements	11,406,505	9,179,921	12,213,000	13,281,000	12,893,000	12,213,000	14,758,000	14,902,000	14,800,000	15,001,000	15,310,000	15,356,000	15,300,000	15,497,000
Inheritance Tax	6,398,489	5,960,471	6,289,000	6,247,000	6,624,000	6,915,000	6,656,000	6,247,000	6,600,000	7,275,000	7,072,000	6,247,000	6,800,000	7,675,000
Liquor Excise Tax	6,559,727	6,415,784	6,191,000	6,029,000	6,110,000	6,191,000	6,600,000	6,045,000	6,322,500	6,600,000	6,736,000	6,038,000	6,387,000	6,736,000
Liquor Profits	4,500,000	5,782,000	4,466,000	5,197,000	4,850,000	4,466,000	5,222,000	5,263,000	5,250,000	5,222,000	5,077,000	5,315,000	5,200,000	5,077,000
Natural Gas Tax	2,325,059	2,797,996	3,481,000	2,736,000	3,080,625	3,481,000	3,650,000	2,486,000	2,772,562	3,650,000	3,862,000	2,500,000	2,438,000	3,862,000
Telephone Tax	2,463,670	2,521,905	2,814,000	2,661,000	3,010,000	3,010,000	3,053,000	2,798,000	3,160,000	3,160,000	3,311,000	2,944,000	3,319,000	3,319,000
Metal Mines Tax	1,542,061	2,630,135	1,711,000	1,610,000	1,660,000	2,366,000	1,185,000	1,149,000	1,000,000	1,000,000	1,190,000	1,282,000	1,000,000	1,000,000
Electrical Energy Tax	1,546,157	2,413,172	1,986,000	2,084,000	2,212,000	2,212,000	2,042,000	2,074,000	2,273,000	2,273,000	2,169,000	2,165,000	2,405,000	2,405,000
Freight Line Tax	1,432,164	1,394,111	1,402,000	1,387,000	1,402,000	1,402,000	1,465,000	1,450,000	1,465,000	1,465,000	1,556,000	1,522,000	1,556,000	1,556,000
Beer Tax	1,235,805	1,204,236	1,180,000	1,175,000	1,175,000	1,175,000	1,157,000	1,146,000	1,146,000	1,146,000	1,133,000	1,096,000	1,096,000	1,096,000
Drivers' License Fees	816,365	799,616	817,000	905,000	861,000	861,000	835,000	905,000	880,000	880,000	854,000	905,000	899,000	899,000
Wine Tax	895,884	904,905	917,000	967,000	917,000	917,000	928,000	1,015,000	928,000	928,000	940,000	1,066,000	940,000	940,000
Other Revenue	11,176,083	12,590,802	13,474,000	14,364,000	14,474,000	13,962,000	15,030,000	14,326,000	14,395,000	14,395,000	14,922,000	15,413,000	13,387,000	15,387,000
Prior Year Adjustments	8,369,749	(866,898)	0	0	0	0	0	0	0	0	0	0	0	0
Totals	321,944,765	329,438,600	363,301,000	353,485,000	361,345,042	366,313,000	368,658,000	360,704,000	364,349,479	372,796,000	386,838,000	383,421,000	382,558,690	389,917,000

Revised - House Floor

2/24/82

Source of Revenue	Actual FY 83	Actual FY 84	OBPP FY 85	LFA FY 85	HUR 9 FY 85	OBPP FY 86	LFA FY 86	HUR 9 FY 86	OBPP FY 87	LFA FY 87	HUR 9 FY 87	OBPP FY 86 & 87	LFA FY 86 & 87	HUR 9 FY 86 & 87
Individual Income Tax	97,152,215	109,021,660	116,582,000	113,044,000	115,000,000	123,541,000	123,442,000	124,000,000	134,330,000	133,513,000	133,000,000	239,871,000	256,935,000	257,000,000
011 Severance Tax	43,787,960	32,686,014	31,911,000	30,663,000	31,680,000	24,554,000	23,466,000	24,500,000	23,274,000	23,057,000	23,833,333	47,928,000	-48,523,000	48,333,333
Interest on Investments	29,918,421	23,327,514	26,482,000	23,044,000	25,505,417	22,656,000	23,044,000	22,655,417	22,961,000	21,920,000	22,083,333	43,617,000	44,764,000	44,718,750
Corporation License Tax	20,733,658	20,347,177	35,017,000	31,217,000	35,017,000	29,957,000	29,388,000	29,957,000	32,304,000	32,561,000	32,304,000	62,261,000	61,949,000	62,261,000
Long Range Bond Excess	22,797,911	41,682,643	38,437,000	36,185,000	37,634,000	39,237,000	37,479,000	38,311,000	41,288,000	39,582,000	40,261,000	80,523,000	77,061,000	78,572,000
Coal Severance Tax	15,288,581	15,736,468	17,444,000	17,346,000	17,385,000	19,735,000	19,040,000	19,152,000	18,732,000	18,035,000	17,877,324	38,467,000	37,075,000	37,029,024
Coal Trust Interest	18,466,762	18,947,636	24,378,000	23,590,000	24,155,000	28,158,000	28,844,000	28,807,000	32,259,000	34,165,000	33,736,000	60,417,000	63,009,000	62,543,000
Insurance Tax	13,011,479	13,621,332	16,107,000	15,753,000	15,700,000	16,139,000	16,125,000	16,195,000	17,558,000	16,737,000	16,737,000	33,697,000	32,932,000	32,932,000
Institution Reimbursements	11,406,535	9,179,921	12,213,000	12,281,000	12,893,000	14,758,000	14,902,000	14,800,000	15,310,000	15,356,000	15,300,000	30,066,000	30,256,000	30,100,000
Amberiance Tax	6,393,483	5,960,471	6,287,000	6,247,000	6,624,000	6,656,000	6,247,000	6,600,000	7,072,000	6,247,000	6,800,000	13,728,000	12,494,000	13,400,000
Liquor Excise Tax	6,559,727	6,415,764	6,171,000	6,025,000	6,110,000	6,600,000	6,045,000	6,322,500	6,736,000	6,038,000	6,387,000	13,386,000	12,083,000	12,709,500
Liquor Profits	4,550,000	5,782,000	4,466,000	5,137,000	4,530,000	5,222,000	5,263,000	5,250,000	5,077,000	5,315,000	5,200,000	10,299,000	10,578,000	10,450,000
Natural Gas Tax	2,525,059	2,777,996	3,481,000	2,736,000	3,080,625	3,650,000	2,486,000	2,772,562	3,862,000	2,500,000	2,438,000	7,512,000	4,986,000	5,210,562
Telephone Tax	2,463,670	2,521,905	2,614,000	2,661,000	3,010,000	3,053,000	2,798,000	3,160,000	3,311,000	2,944,000	3,319,000	6,364,000	5,742,000	6,479,000
Metal Mines Tax	1,542,061	2,630,135	1,711,000	1,610,000	1,660,000	1,185,000	1,149,000	1,000,000	1,190,000	1,282,000	1,000,000	2,375,000	2,431,000	2,000,000
Electrical Energy Tax	1,536,157	2,413,172	1,986,000	2,024,000	2,212,000	2,042,000	2,074,000	2,273,000	2,169,000	2,165,000	2,405,000	4,211,000	4,239,000	4,678,000
Freight Line Tax	1,432,164	1,334,111	1,402,000	1,387,000	1,402,000	1,465,000	1,450,000	1,465,000	1,556,000	1,522,000	1,556,000	3,021,000	2,972,000	3,021,000
Beer Tax	1,235,805	1,204,236	1,180,000	1,175,000	1,175,000	1,157,000	1,146,000	1,146,000	1,133,000	1,096,000	1,096,000	2,290,000	2,242,000	2,242,000
Drivers' License Fees	816,365	799,616	817,000	905,000	861,000	635,000	905,000	880,000	824,000	925,000	897,000	1,689,000	1,810,000	1,779,000
Wine Tax	895,884	904,905	917,000	967,000	917,000	928,000	1,015,000	928,000	940,000	1,066,000	740,000	1,868,000	2,081,000	1,868,000
Other Revenue	11,176,083	12,370,802	13,474,000	14,364,000	14,474,000	15,050,000	14,326,000	14,395,000	14,922,000	15,413,000	15,387,000	29,952,000	29,759,000	29,782,000
Prior Year Adjustments	8,369,749	(866,898)	0	0	0	0	0	0	0	0	0	0	0	0
Totals	321,944,765	329,438,600	363,301,000	353,485,000	361,345,042	368,658,000	360,704,000	364,549,479	386,838,000	389,421,000	382,558,670	753,496,000	744,123,000	747,108,169
ESTIMATES RESOLVED BY COMMITTEE	286,958,788	301,274,044	334,354,000	323,461,000	331,556,042	337,421,000	330,554,000	334,162,779	355,620,000	352,066,000	351,093,670	693,041,000	682,620,000	683,256,669
ALL OTHER	34,985,777	28,164,556	28,947,000	30,024,000	29,789,000	31,237,000	30,150,000	30,386,500	31,218,000	31,355,000	31,465,000	62,455,000	61,503,000	61,851,500
	321,944,765	329,438,600	363,301,000	353,485,000	361,345,042	368,658,000	360,704,000	364,549,479	386,838,000	389,421,000	382,558,670	753,496,000	744,123,000	747,108,169

Amend HJR9, Third Reading Copy

1. Page 3, line 1.

Strike: "\$747,108,169"

Insert: "\$754,396,000"

2. Page 3, line 8.

Following: "1985"

Insert: ",except as modified by SB247 and HB460"

3. Page 3, line 12.

Strike: "5.4%"

Insert: "5.5%"

4. Page 3, line 13.

Following: line 12

Strike: "drift"

5. Page 3, line 14.

Following: "1987"

Strike: "DOWNWARD"

Insert: "be stable"

6. Page 3, line 16.

Following: line 15

Strike: "and"

Insert: "but"

7. Page 4, line 7.

Following: "1985,"

Insert: "with the exception that SB247 impacts are included,"

8. Page 5, line 16.

Strike: "30,500,000 32,000,000 33,000,000 65,000,000"

Insert: "30,079,000 32,916,000 34,973,000 67,889,000"

9. Page 5, line 18.

Strike: "\$10.00 \$10.50 \$10.80"

Insert: "\$10.201 \$10.545 \$10.703"

10. Page 5.

Following: line 21

Insert: "County Portion of Oil Severance Tax

\$982,000 \$772,000 \$750,000 \$1,522,000"

11. Page 6, line 14.

Strike: "28,800,000 28,000,000 27,500,000 55,500,000"

Insert: "28,801,000 28,341,000 27,939,000 56,280,000"

12. Page 6, line 16.

Strike: "\$27.50 \$26.25 \$26.00"

Insert: "\$27.699 \$26.097 \$26.000"

13. Page 7, line 4.

Following: "ARE"

Strike: "10.25%"

Insert: "10.87%"

Following: "1985,"

Strike: "10.25%"

Insert: "10.75%"

14. Page 7, line 5.

Strike: "10.00%"

Insert: "10.90%"

15. Page 7, line 7.

Strike: "\$214,000,000"

Insert: "\$212,000,000"

16. Page 7, lines 8 and 9.

Strike: "\$175,000,000" on both lines

Insert: "\$169,000,000"

17. Page 7, lines 21 through 24.

Strike: all underlined language on lines 21 through 24

Insert: "Cigarette Sales

91,167,000 91,556,000 91,942,000 183,498,000

Tobacco Tax

\$748,000 \$828,000 \$916,000 \$1,744,000"

18. Page 8, line 17.

Following: "gradually"

Strike: "increase"

Insert: "decrease"

19. Page 8, line 18.

Following: line 17

Strike: "1986, THEN FALL SLIGHTLY FOR 1987"

Insert: "1987"

20. Page 8, line 20.

Following: "ARE"

Strike: "12.00%, 12.00%"

Insert: "12.51%, 11.86%"

Following: "AND"

Strike: "11.75%"

Insert: "11.59%"

21. Page 8, line 25.

Following: "8%"

Strike: "5.5%"

Insert: "8%"

22. Page 10, lines 4 through 6.

Following: "BASED" on line 4

Strike: remainder of line 4 through "YEARS" on line 6

Insert: "on anticipated federal tax increases scheduled to be effective October 1, 1985"

23. Page 10, lines 11 through 13.

Following: "on" on line 11

Insert: "approximately"

Following: "6%" on line 11

Strike: "SLIGHT DECREASE FROM 1985 TO 1986, THEN PROJECTED AT A 3%"

Following: "collections" on line 12

Strike: "FOR THE REMAINDER OF THE BIENNIUM"

24. Page 11, line 2.

Following: "modestly"

Strike: "REMAIN CONSTANT"

Insert: "increase modestly"

25. Page 11, lines 5 through 7.

Strike: underlined language in its entirety

26. Page 12, lines 13 through 16.

Strike: underlined language in its entirety

Insert: "2.0%"

27. Page 12.

Following: line 20

Insert: "County Portion of Natural Gas Severance Tax
\$191,000 \$202,000 \$214,000 \$416,000"

28. Page 12, line 22.

Following: "~~levels~~"

Strike: "DECREASE SLIGHTLY"

Insert: "remain at current levels"

29. Page 12, line 25.

Following: "~~1985~~"

Insert: "Prices are expected to increase only moderately despite deregulation of all new gas on January 1, 1985."

30. Page 12, line 25 through line 1, page 13.

Following: "~~moderately~~" on line 25

Strike: "ARE ANTICIPATED TO REMAIN CONSTANT"

Insert: "will increase only moderately"

Following: "even" on line 1, page 13

Strike: "DECLINE"

31. Page 13, line 8.

Strike: "46.5 46.5 45.0 91.5"

Insert: "49.787 49.589 49.448 99.04"

32. Page 13, line 10.

Strike: "\$2.50"

Insert: "\$2.638"

33. Page 13, line 11.

Strike: "\$2.25 \$2.00"

Insert: "\$2.778 \$2.947"

34. Page 13, line 15.

Following: "6%"

Strike: "5.26%"

Insert: "5%"

35. Page 14, line 1.

Strike: "\$14,474,000 \$14,395,000 \$15,387,000 \$29,782,000"

Insert: "\$13,962,000 \$13,930,000 \$14,922,000 \$28,852,000"

36. Page 14, lines 9 and 10.

Following: "account-" on line 9

Strike: remainder of line 9 through "7%" on line 10

Insert: "It is assumed this trend will continue during the biennium; however, a negative adjustment of \$465,000 was made to fiscal year 1986 and 1987 estimates to account for bank examination fees being deposited to a new state special revenue account."

37. Page 14, line 11.

Following: "A"

Strike: "\$1,000,000"

Insert: "\$488,000"

38. Page 14, line 15.

Strike: "\$361,345,042"

Insert: "\$363,789,000"

39. Page 14, line 16.

Strike: "\$364,549,479 \$382,558,690 \$747,108,169"

Insert: "\$367,558,000 \$386,838,000 \$754,396,000"

40. Page 14, line 24.

Strike: "\$526,310,000"

Insert: "\$531,895,000"

41. Page 14, line 2.

Following: "1985"

Insert: ", except as modified by SB247 and HB460"

42. Page 15.

Following: line 21

Insert: "BE IT FURTHER RESOLVED, that the legislature recognizes that several items of pending legislation will affect the figures set forth in this resolution, some of them with a negative fiscal impact, such as:

Bill Number	FY86	FY87
HB634	-\$259,041	-\$255,997
BH759	-\$648,478	-\$641,531"

STANDING COMMITTEE REPORT

Page 1 of 8.

April 24, 1985

MR. PRESIDENT

We, your committee on Taxation
having had under consideration House Joint Resolution No. 9
third reading copy (blue)
color

(Senator Towe)

AN ESTIMATE OF STATE'S ANTICIPATED REVENUE FOR THE 1986-87 BIENNium.

Respectfully report as follows: That House Joint Resolution No. 9
be amended as follows:

1. Page 3, line 1.
Strike: "\$747,108,169"
Insert: "\$754,396,000"
2. Page 3, line 8.
Following: "1985"
Insert: ", except as modified by Senate Bill 247 and House Bill 460"
3. Page 3, line 12.
Strike: "5.42"
Insert: "5.53"
4. Page 3, line 13.
Following: line 12
Strike: "drift"
5. Page 3, line 14.
Following: "1987"
Strike: "DOWNWARD"
Insert: "be stable"
6. Page 3, line 16.
Following: line 15
Strike: "and"
Insert: "but"

(continued)

XXXXXX

XXXXXXXXXX

continued

Chairman.

April 24, 1985

7. Page 3, line 24.

Strike: *\$115,000,000 \$124,000,000 \$133,000,000
\$257,000,000*
Insert: *\$116,582,000 \$125,541,000 \$134,330,000
\$259,871,000*

8. Page 4, line 7.

Following: "1985,"

Insert: "with the exception that Senate Bill 247 impacts are included,"

9. Page 4, line 20.

Strike: *\$17,385,000 \$19,152,000 \$17,877,024
\$37,029,024*
Insert: \$17,444,000, \$19,735,000 \$18,732,000 \$38,467,000*

10. Page 5, line 16.

Strike: *\$30,500,000 32,000,000 33,000,000 65,000,000*
Insert: *\$30,079,000 32,916,000 34,973,000 67,889,000*

11. Page 5, line 18.

Strike: *\$10.00 \$10.50 \$10.80*
Insert: *\$10.201 \$10.545 \$10.703*

12. Page 5, line 21.

Strike: *\$31,660,000 \$24,500,000 \$23,833,333
\$48,333,333*
Insert: *\$31,911,000 \$24,654,000 \$23,274,000
\$47,928,000*

13. Page 5, line 22.

Following: line 21

Insert: "County Portion of Oil Severance Tax
\$982,000 \$923,000 \$874,000 \$1,797,000"

14. Page 6, line 14.

Strike: *\$28,800,000 28,000,000 27,500,000 55,500,000*
Insert: *\$28,801,000 28,341,000 27,939,000 56,280,000*

15. Page 6, line 16.

Strike: *\$27.50 \$26.25 \$26.00*
Insert: *\$27.699 \$26.097 \$24.990

16. Page 6, line 19.

Strike: *\$25,505,417 \$22,635,417 \$22,083,333
\$44,718,750*
Insert: *\$26,482,000 \$22,656,000 \$22,961,000
\$45,617,000*

(continued)

continued

April 24, 1983

17. Page 7, line 4.

Following: "ARR"

Strike: "10.258"

Insert: "10.878"

Following: "1985,"

Strike: "10.258"

Insert: "10.758"

18. Page 7, line 5.

Strike: "10.008"

Insert: "10.908"

19. Page 7, line 7.

Strike: "\$214,000,000"

Insert: "\$212,000,000"

20. Page 7, lines 8 and 9.

Strike: "\$175,000,000" on both lines

Insert: "\$169,000,000"

21. Page 7, line 12.

Strike: "\$37,634,000 \$38,311,000 \$40,261,000
\$78,572,000"

Insert: "\$38,437,000 \$39,237,000 \$41,288,000
\$80,525,000"

22. Page 7, lines 21 through 24.

Following: "1987." on line 21

Strike: remainder of line 21 through line 24

Insert: "Cigarette Sales

91,167,000 91,556,000 91,942,000 183,498,000

Tobacco Tax
\$748,000 \$828,000 \$916,000 \$1,744,000"

23. Page 8, line 2.

Strike: "\$24,155,000 \$28,807,000 \$33,736,000
\$62,543,000"

Insert: "\$24,378,000 \$28,158,000 \$32,259,000
\$60,417,000"

24. Page 8, line 17.

Following: "gradually"

Strike: "increase"

Insert: "decrease"

25. Page 8, line 13.

Following: line 17

Strike: "1986, THEN FALL SLIGHTLY FOR 1987"

Insert: "1987"

(continued)

continued

April 24, 1985

26. Page 8, line 20.

Following: "ARE"

Strike: "12.00%, 12.00%"

Insert: "12.51%, 11.86%"

Following: "AND"

Strike: "11.75%"

Insert: "11.59%"

27. Page 8, line 23.

Strike: "\$15,700,000 \$16,195,000 \$16,737,000

\$32,932,000"

Insert: "\$16,109,000 \$16,139,000 \$17,558,000

\$33,697,000"

28. Page 8, line 25.

Following: "84"

Strike: "5.58"

Insert: "88"

29. Page 9, line 5.

Strike: "\$12,893,000 \$14,800,000 \$15,300,000

\$30,100,000"

Insert: "\$12,213,000 \$14,758,000 \$15,310,000

\$30,068,000"

30. Page 9, line 18.

Strike: "\$4,850,000 \$5,250,000 \$5,200,000

\$10,450,000"

Insert: "\$4,466,000 \$5,222,000 \$5,077,000

\$10,299,000"

31. Page 9, line 21.

Strike: "\$6,110,000 \$6,322,500 \$6,387,000

\$12,709,500"

Insert: "\$6,191,000 \$6,600,000 \$6,736,000

\$13,336,000"

32. Page 10, lines 4 through 6.

Following: "BASED" on line 4

Strike: remainder of line 4 through "YEARS" on line 6

Insert: "on anticipated federal tax increases scheduled to be effective October 1, 1985"

33. Page 10, line 9.

Strike: "\$6,624,000 \$6,600,000 \$6,800,000

\$13,400,000"

Insert: "\$6,289,000 \$6,656,000 \$7,072,000

\$13,728,000"

(continued)

continued

April 24, 1985

34. Page 10, lines 11 through 13.

Following: "on" on line 11

Insert: "approximately"

Following: "68" on line 11

Strike: "SLIGHT DECREASE FROM 1985 TO 1986, THEN PROJECTED AT A 38"

Following: "collections" on line 12

Strike: "FOR THE REMAINDER OF THE BIENNium"

35. Page 10, line 12.

Strike: "\$1,660,000 \$1,000,000 \$1,000,000 \$2,000,000"

Insert: "\$1,711,000 \$1,135,000 \$1,190,000 \$2,375,000"

36. Page 11, line 2.

Following: "modestly"

Strike: "REMAIN CONSTANT"

Insert: "increase modestly"

37. Page 11, lines 5 through 7.

Following: "1986." on line 5

Strike: remainder of line 5 through "MONTANA" on line 7

38. Page 11, line 10.

Strike: "\$2,212,000 \$2,273,000 \$2,405,000
\$4,678,000"

Insert: "\$1,986,000 \$2,042,000 \$2,169,000
\$4,211,000"

39. Page 11, line 22.

Strike: "\$861,000 \$830,000 \$899,000 \$1,779,000"

Insert: "\$817,000 \$835,000 \$834,000 \$1,689,000"

40. Page 12, line 4.

Strike: "\$3,010,000 \$3,160,000 \$3,319,000
\$6,479,000"

Insert: "\$2,814,000 \$3,053,000 \$3,311,000
\$6,364,000"

41. Page 12, line 10.

Strike: "\$1,175,000 \$1,146,000 \$1,096,000
\$2,242,000"

Insert: "\$1,100,000 \$1,157,000 \$1,133,000
\$2,290,000"

42. Page 12, lines 13 through 16.

Following: "1979r" on line 13

Strike: remainder of line 13 through "AGE" on line 13

Insert: "2.08"

(continued)

continued

April 24, 85
19

43. Page 12, line 19.

Strike: "\$3,080,625"

Insert: "\$3,481,000"

44. Page 12, line 20.

Strike: "\$2,772,562 \$2,438,000 \$5,210,562"

Insert: "\$3,650,000 \$3,862,000 \$7,512,000"

45. Page 12, line 21.

Following: line 20

Insert: "County Portion of Natural Gas Severance Tax
\$191,000 \$202,000 \$214,000 \$416,000"

46. Page 12, line 22.

Following: "levels"

Strike: "DECREASE SLIGHTLY"

Insert: "remain at current levels"

47. Page 12, line 25.

Following: "1985"

Insert: "Prices are expected to increase only moderately
despite deregulation of all new gas on January 1, 1985."

48. Page 12, line 25 through line 1, page 13.

Following: "moderately" on line 25

Strike: "ARE ANTICIPATED TO DECLINE"

Insert: "will increase only moderately"

49. Page 13, line 8.

Strike: "46.5 46.5 45.0 91.5"

Insert: "49.787 49.589 49.449 99.04"

50. Page 13, line 10.

Strike: "\$2.50"

Insert: "\$1.638"

51. Page 13, line 11.

Strike: "\$2.25 \$2.00"

Insert: "\$2.778 \$2.947"

52. Page 13, line 15.

Following: "69"

Strike: "5.268"

Insert: "58"

(continued)

continued

April 24, 85
..... 19.....

53. Page 14, line 1.

Strike: <u>"\$14,474,000</u>	<u>\$14,395,000</u>	<u>\$15,387,000</u>
<u>\$29,782,000"</u>		
Insert: <u>"\$13,962,000</u>	<u>\$13,930,000</u>	<u>\$14,922,000</u>
<u>\$28,832,000"</u>		

54. Page 14, lines 9 and 10.

Following: "account" on line 9

Strike: remainder of line 9 through "7%." on line 10

Insert: "It is assumed this trend will continue during the biennium; however, a negative adjustment of \$465,000 was made to fiscal year 1986 and 1987 estimates to account for back examination fees being deposited to a new state special revenue account."

55. Page 14, line 11.

Following: "A"

Strike: "\$1,000,000"

Insert: "\$ 488,000"

56. Page 14, line 15.

Strike: "\$361,345,042"

Insert: "\$363,789,000"

57. Page 14, line 16.

Strike: <u>"\$364,549,479</u>	<u>\$382,558,690</u>	<u>\$747,108,169"</u>
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Insert: <u>"\$367,558,000</u>	<u>\$386,838,000</u>	<u>\$754,398,000"</u>
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58. Page 14, line 24.

Strike: "\$526,310,000"

Insert: "\$531,895,000"

59. Page 15, line 2.

Following: "1985"

Insert: " , except as modified by Senate Bill 247 and House Bill 460"

(continued)

..... continued

April 24, 1983

60. Page 15.

Following: line 21

Insert: "BE IT FURTHER RESOLVED, that the legislature recognizes that several items of pending legislation will affect the figures set forth in this resolution, some of them with a negative fiscal impact, such as:

Bill Number	FY 86	FY 87
HB 634	-\$259,041	-\$255,997
HB 759	-\$648,473	-\$641,531

BE IT FURTHER RESOLVED, that the legislature recognizes that additional auditor positions in the department of revenue will result in an additional \$11,000,000 in the next biennium."

AND AS AMENDED
BE CONCURRED IN

Senator Thomas E. Towe, Chairman