

HOUSE BILL NO. 16

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3 ASKER,  
4 ELLIS,  
5 KVAALEN,  
6 WYRICK,  
7 LORY,  
8 GOULD,  
9 UNDERDAL,  
10 SMITH,  
11 WOOD,  
GUTHERIE,  
SIEFERT

INTRODUCED BY LOCKREM, FABREGA, MERCER, JACK K. MOORE, BABCOCK,  
RASMUSSEN, SIVERTSEN, ELLISON, LUND, CASEY, MARKS, FAGG,  
BARRETT, KROPP, ELLERD, AAGESON, JOHN H. ANDERSON, JR., HAGER,

A BILL FOR AN ACT ENTITLED: "AN ACT TO REPEAL THE INCOME  
TAX SURCHARGE, SECTION 84-4902.1, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 84-4902.1, R.C.M. 1947, is  
repealed.

Section 2. This act is effective for all taxable years  
commencing after December 31, 1974.

-End-

*H.B. 16*

## STATE OF MONTANA

REQUEST NO. 12-75

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 7, 19 75, there is hereby submitted a Fiscal Note for House Bill 16 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of budget and Program Planning, to members of the Legislature upon request.

## DESCRIPTION OF PROPOSED LEGISLATION:

An act to repeal the income tax surcharge.

## ASSUMPTIONS:

1. Estimated total income tax collections are \$104.8 million in FY 76 and \$124.0 million in FY 77.
2. House Bill 16 will not be passed in time to affect FY 75 tax collections.

## FISCAL IMPACT:

	FY 76	FY 77
Estimated individual income tax collections under current law	\$104.8 million	\$124.0 million
Estimated collections under proposed law	<u>95.3</u>	<u>112.7</u>
Decrease in collections	<u>\$ 9.5 million</u>	<u>\$ 11.3 million</u>

## CONCLUSION:

Enactment of House Bill 16 would result in a maximum revenue loss of \$20.8 million during the biennium. Income tax collections are allocated 64% to the General Fund, 25% to School Equalization Aid Earmarked Revenue Fund and 11% to the Long-Range Building Program.

*Michael G. Billings*

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: January 10, 1975