

1 HOUSE BILL NO. 363 .
2 INTRODUCED BY HALVORSON (BY REQUEST), SLOAN, SCULLY
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 84,
5 CHAPTER 49, R.C.M. 1947, BY ADDING A NEW SECTION EXEMPTING
6 THE FIRST ONE THOUSAND DOLLARS (\$1,000) OF COMPENSATION
7 RECEIVED BY A MONTANA RESIDENT FOR SERVICE IN THE MONTANA
8 NATIONAL GUARD FROM IMPOSITION OF INCOME TAX."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. The first one thousand dollars (\$1,000) of
12 compensation received by Montana residents for service in
13 the Montana national guard shall be exempt from taxation
14 under this chapter.

-End-

STATE OF MONTANA

REQUEST NO. 205-75

FISCAL NOTE

Form BD-15

In compliance with a written request received February 11, 19 75, there is hereby submitted a Fiscal Note for House Bill 363 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:

House Bill 363 exempts the first \$1,000 of compensation received by a Montana resident for service in Montana National Guard from imposition of Montana personal income tax.

ASSUMPTIONS:

1. The present level of 3,350 Montana resident National Guardsmen will remain the same through the 1975-77 biennium.
2. The average compensation for a National Guardsman is \$950 per year.
3. Effective tax rates for relevant calendar years are:

CY 75	5.542%
CY 76	5.773%

4. State income tax is presently not withheld from National Guardsmen's income. Thus, all of CY 75 revenue loss will be realized in FY 76 and all of CY 76 revenue loss will be realized in FY 77.

FISCAL IMPACT:	FY 76	FY 77
Estimated revenue loss	\$ 176,374	\$ 183,726

CONCLUSION:

Enactment of House Bill 363 would result in an estimated loss in state personal income tax collections of \$360,100 during the 1975-77 biennium.

Michael B. Billings

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 14, 1975