

HOUSE BILL 592

IN THE HOUSE

February 6, 1979

Introduced and referred to
Committee on Taxation.

March 24, 1979

Committee recommend bill, do
not pass.

March 26, 1979

Report adopted.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

House BILL NO. *592*
INTRODUCED BY *Wendell J. Remick Vincent*
Bellgin Hussaueh

A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE A 2%
EDUCATIONAL INVESTMENT TAX CREDIT."

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

Section 1. Educational investment tax credit. There is
allowed as a tax credit against the taxes imposed by
15-30-103 and 15-30-104 2% of the actual cost of tuition,
fees, and required books and supplies paid to a
postsecondary academic, vocational training, or technical
school, college, or university. Money or credit received for
scholarships or fellowships must be deducted from the total
paid before calculating the allowed credit.

-End-

HB 592
INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 282-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, 19 79, there is hereby submitted a Fiscal Note for House Bill 592 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

This proposed bill authorizes a 2% educational investment tax credit.

ASSUMPTIONS

- a) During the current academic year, it is estimated that there are 24,873 Montana residents attending colleges or universities in the state of Montana and 7987 Montana residents attending colleges outside the state of Montana (these figures were obtained from the office of the Commissioner of Higher Education). It is assumed that this number will remain constant throughout calendar years 1979 and 1980, and that these students will pay an average of \$600 per year for tuition, fees and required books and supplies, after deducting financial assistance payments received.
- b) In the fall of 1978, there were 3068 students enrolled at vocational/technical schools in Montana (this estimate was provided by the Office of the Superintendent of Public Instruction). It is assumed that the number will remain constant throughout calendar years 1979 and 1980, and that these students will pay an average of \$300 per year for tuition, fees and required books and supplies, after deducting financial assistance payments received.
- c) The Department of Revenue forecast of income tax receipts for the 80-81 biennium is the basis for comparison.
- d) It is assumed that there will be no change in administrative expense if the proposed law is adopted.

FISCAL IMPACT

	<u>FY 80</u>	<u>FY 81</u>
Individual Income Tax Collections		
under current law	\$154.268 M	\$169.790 M
under proposed law	<u>153.855 M</u>	<u>169.377 M</u>
Estimated Decrease	<u>(\$ 0.413 M)</u>	<u>(\$ 0.413 M)</u>

FUND INFORMATION

General Fund		
under current law	\$ 98.732 M	\$108.666 M
under proposed law	<u>98.467 M</u>	<u>108.401 M</u>
Estimated Decrease	<u>(\$ 0.265 M)</u>	<u>(\$ 0.265 M)</u>

CONTINUED ON PAGE 2

Richard L. Tracy for
 BUDGET DIRECTOR
 Office of Budget and Program Planning
 Date: 4/13/79

STATE OF MONTANA

REQUEST NO. 282-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, 19 79, there is hereby submitted a Fiscal Note for House Bill 592 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.

Page 2

FUND INFORMATION

Earmarked Revenue Fund		
under current law	\$ 38.567 M	\$ 42.447 M
under proposed law	38.464 M	42.344 M
Estimated Decrease	<u>(\$ 0.103 M)</u>	<u>(\$ 0.103 M)</u>
Sinking Fund*		
under current law	\$ 16.969 M	\$ 18.677 M
under proposed law	16.924 M	18.632 M
Estimated Decrease	<u>(\$ 0.045 M)</u>	<u>(\$ 0.045 M)</u>

*A portion of this account may be transferred to the general fund as long-range bond excess.

LONG-RANGE EFFECTS

Individual income tax receipts will be reduced by about \$400,000 from the levels which would obtain if the 2% educational investment tax credit is not adopted.

TECHNICAL NOTE

It should be pointed out that income to the indicated earmarked revenue fund is used to support the Public School Foundation Program; therefore, any reduction in receipts to that account may necessitate additional support from other sources.

Richard A. Drury
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/13/79