

HOUSE BILL 629

IN THE HOUSE

February 7, 1979

Introduced and referred to  
Committee on Taxation.

1 House BILL NO. 629  
 2 INTRODUCED BY David Ramsey

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO LOWER THE SURTAX  
 5 IMPOSED ON INDIVIDUAL INCOME TAX; AMENDING SECTION  
 6 15-30-104, MCA; AND PROVIDING AN EFFECTIVE DATE."

7  
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 15-30-104, MCA, is amended to read:  
 10 "15-30-104. Surtax. (1) After the amount of tax  
 11 liability has been computed each person filing a Montana  
 12 individual income tax return shall add as a surtax ~~10%~~ 0% of  
 13 the tax liability~~-end-the~~

14 ~~(2) The amount so arrived at is the amount due the~~  
 15 ~~state."~~

16 Section 2. Effective date. This act is effective on  
 17 passage and approval and applies to taxable years beginning  
 18 after December 31, 1978.

-End-

HB 629  
 INTRODUCED BILL

## STATE OF MONTANA

REQUEST NO. 287-79

## 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 629 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 lowers the surtax imposed on individual income tax and provides an effective date.

ASSUMPTIONS

- a) Under the proposed law, all income tax receipts for the 80-81 biennium will reflect the removal of the surtax.
- b) The Department of Revenue forecast of individual income tax collections for the 80-81 biennium is the basis for comparison.

FISCAL IMPACT

## Individual Income Tax Collections

under current law	\$154.268 M	\$169.790 M
under proposed law	140.244 M	154.355 M
Estimated Decrease	<u>(\$ 14.024 M)</u>	<u>(\$ 15.435 M)</u>

FUND INFORMATION

## General Fund

under current law	\$ 98.732 M	\$108.666 M
under proposed law	89.756 M	98.787 M
Estimated Decrease	<u>(\$ 8.976 M)</u>	<u>(\$ 9.879 M)</u>

## Earmarked Revenue Fund

under current law	\$ 38.567 M	\$ 42.447 M
under proposed law	35.061 M	38.589 M
Estimated Decrease	<u>(\$ 3.506 M)</u>	<u>(\$ 3.858 M)</u>

## Sinking Fund\*

under current law	\$ 16.969 M	\$ 18.677 M
under proposed law	15.427 M	16.979 M
Estimated Decrease	<u>(\$ 1.542 M)</u>	<u>(\$ 1.698 M)</u>

\*A portion of this account may be transferred to the General Fund as long-range bond excess.

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*Richard L. Drayton*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/13/79

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EFFECT ON LOCAL GOVERNMENTS

No local impact.

LONG-RANGE EFFECTS

Individual income tax receipts would decrease by 9.09% from what they would be if the 10% surtax were allowed to continue in effect.

TECHNICAL NOTE

- (1) Assumption (a) is not quite correct, since FY80 and FY81 receipts will include a relatively small number of payments for which the surtax will be applicable.
- (2) Revenues to the indicated Earmarked Revenue Account are used to support the Public School Foundation Program. Therefore, any decreases in revenue to that program may necessitate additional support from other sources.

PREPARED BY DEPARTMENT OF REVENUE

.....  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: .....