

SENATE BILL 187

IN THE SENATE

January 20, 1979	Introduced and referred to Committee on Taxation.
January 22, 1979	Fiscal note requested.
January 26, 1979	Fiscal note returned.
February 6, 1979	Committee recommend bill, do pass.
February 7, 1979	Printed and placed on members' desks.
February 9, 1979	Second reading, do pass.
February 10, 1979	Considered correctly engrossed.
February 12, 1979	Third reading, passed.

IN THE HOUSE

February 13, 1979	Introduced and referred to Committee on Taxation.
April 2, 1979	Committee recommend bill, not concurred.
April 3, 1979	Objection.
April 4, 1979	Second reading, not concurred.

IN THE SENATE

April 5, 1979	Returned from House, not concurred.
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*Senate* BILL NO. *187*

INTRODUCED BY *Goodwin Moore STEPHENS Helstad Mark Olson Helstad Samson Hager, Dover Harold*

A BILL FOR AN ACT ENTITLED: "AN ACT TO LOWER AND EVENTUALLY ELIMINATE THE INDIVIDUAL INCOME TAX SURTAX OVER A 3-YEAR PERIOD; AMENDING SECTION 15-30-104, MCA; AND PROVIDING AN EFFECTIVE DATE." *McCallum Rasmussen E. Smith*

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

Section 1. Section 15-30-104, MCA, is amended to read:

"15-30-104. Surtax. (1) After the amount of tax liability has been computed each person filing a Montana individual income tax return shall add as a surtax:

(a) 6.7% of the tax liability for taxable years beginning after December 31, 1978;

(b) 3.4% of the tax liability for taxable years beginning after December 31, 1979; and

(c) 0% of the tax liability for taxable years beginning after December 31, 1980.

(2) ~~10% of the tax liability and the~~ The amount so arrived at is the amount due the state."

Section 2. Effective date. This act is effective on passage and approval.

-End-

SB 187

INTRODUCED BILL

## STATE OF MONTANA

REQUEST NO. 68-79

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, 19 79, there is hereby submitted a Fiscal Note for Senate Bill 187 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 and eventually eliminates the individual income tax surtax over a 3-year period and provides an effective date.

ASSUMPTION

- a) Individual income tax receipts during FY80 will reflect an average effective surtax rate of 6.7%, and receipts during FY81 will reflect an average effective surtax rate of 3.4%, under the proposed law.  
 b) Under continuation of the present law, individual income tax receipts will be \$154.268 M in FY80 and \$169.790 M in FY81.

FISCAL IMPACT

	<u>FY 80</u>	<u>FY 81</u>
Individual Income Tax Receipts		
under current law	\$154.268 M	\$169.790 M
under proposed law	<u>149.640 M</u>	<u>159.603 M</u>
Estimated Decrease	<u>(\$ 4.628 M)</u>	<u>(\$ 10.187 M)</u>

FUND INFORMATION

General Fund		
under current law	\$ 98.732 M	\$108.666 M
under proposed law	<u>95.770 M</u>	<u>102.146 M</u>
Estimated Decrease	<u>(\$ 2.962 M)</u>	<u>(\$ 6.520 M)</u>
Earmarked Revenue Fund		
under current law	\$ 38.567 M	\$ 42.447 M
under proposed law	<u>37.410 M</u>	<u>39.901 M</u>
Estimated Decrease	<u>(\$ 1.157 M)</u>	<u>(\$ 2.546 M)</u>
Linking Fund		
under current law	\$ 16.969 M	\$ 18.677 M
under proposed law	<u>16.460 M</u>	<u>17.556 M</u>
Estimated Decrease	<u>(\$ 0.509 M)</u>	<u>(\$ 1.121 M)</u>

*Richard L. Dancy*  
 BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/26/79

(CONTINUED ON PAGE 2)

It is noted that revenues to the Public School Equalization Earmarked Revenue Account are used to support the Public School Foundation Program; therefore, any decrease in revenues to that accounting entity either (1) results in a decrease in the Foundation Program schedules, (2) requires additional support from other contributors to the Foundation Program (oil and gas royalties, corporation license tax, individual income tax, State General Fund appropriation, etc.) or (3) requires a state deficiency levy.

Also, for all practicable purposes, revenue decreases to the Long-Range Building Sinking Account are decreases to the General Fund since collections in excess of debt service requirements are transferred to the General Fund.

LONG-RANGE EFFECTS

Individual income tax receipts would decrease by 9.09% from the amount which would be received under continuation of the present law.

Approved by Committee  
on Taxation

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SENATE BILL NO. 187  
INTRODUCED BY Senators Moore, Green, Klett, Matt Olson, Albert, Samson, Hager, Dover, Havelle  
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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Loeber, Hoff, Low, Story, Bob Brown

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-End-

LC 187  
SECOND READING

*Spencer  
Raskin  
O'Hara  
Nelson*

*Senate* BILL NO. *187*  
*Goodwin* *Nease* *Stromberg* *Keenan* *Walt*  
*Olson* *Adelstein* *Samson* *Hager* *Dover* *Harshbarger*

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SB 187  
THIRD READING