

House Bill 391

In The House

January 21, 1981	Introduced and referred to Committee on Taxation.
January 23, 1981	Fiscal note requested.
January 27, 1981	Fiscal note returned.
January 28, 1981	Fiscal note revised.
February 2, 1981	Fiscal note revised.
February 7, 1981	Committee recommend bill do not pass.

1 HOUSE BILL NO. 391
 2 INTRODUCED BY Wesley David O'Neil Hamrick
 3 Loeffel SPILKER Burnett Curtis Mueller
 4 Adrian W. Anderson
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE A
 6 DEDUCTION FOR CHARITABLE CONTRIBUTIONS AS A PART OF THE
 7 STANDARD DEDUCTION OF A RESIDENT INDIVIDUAL IN COMPUTING
 8 TAXABLE INCOME; AMENDING SECTION 15-30-122, MCA."

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

10 Section 1. Section 15-30-122, MCA, is amended to read:
 11 "15-30-122. Standard deduction. In the case of a
 12 resident individual, a standard deduction ~~equal to 15%~~ of
 13 ~~adjusted gross income shall be~~ is allowed if elected by the
 14 taxpayer on his return equal to 15% of adjusted gross income
 15 plus the deduction allowable for charitable contributions
 16 and gifts under section 170 of the Internal Revenue Code
 17 whether or not the taxpayer claimed the deduction on his
 18 federal return. The standard deduction shall be in lieu of
 19 all deductions allowed under 15-30-121. The maximum standard
 20 deduction shall be \$1,000, except in the case of a single
 21 joint return of husband and wife the maximum standard
 22 deduction shall be \$2,000. The standard deduction shall not
 23 be allowed to either the husband or the wife if the tax of
 24 one of the spouses is determined without regard to the
 25 standard deduction. For purposes of this section, the

1 determination of whether an individual is married shall be
 2 made as of the last day of the taxable year; provided,
 3 however, if one of the spouses dies during the taxable year,
 4 the determination shall be made as of the date of death."

-End-

STATE OF MONTANA

REQUEST NO. 199-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 391 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

An act to authorize a deduction for charitable contributions as a part of the standard deduction of a resident individual in computing taxable income.

ASSUMPTIONS

There are no data available regarding charitable contributions attributable to individuals by income class, therefore a precise estimate of the fiscal impact of this proposal cannot be made. However, if one assumes that charitable contributions constitute 1% of Montana Adjusted Gross Income for those persons who would benefit from this measure (in general, married taxpayers having incomes less than \$12,000, and single taxpayers having incomes less than \$6,000), then an estimate can be made.

FISCAL IMPACT

	FY 82	FY 83
Individual Income Tax Receipts		
Under current law	\$161.556 M	\$167.993 M
Under proposed law	<u>161.400 M</u>	<u>167.857 M</u>
Estimated Decrease	(\$ 0.156 M)	(\$ 0.136 M)

FUND INFORMATION

General Fund		
Under current law	\$103.396 M	\$107.516 M
Under proposed law	<u>103.296 M</u>	<u>107.428 M</u>
Estimated Decrease	(\$ 0.100 M)	(\$ 0.088 M)
Earmarked Revenue Fund		
Under current law	\$ 40.389 M	\$ 41.998 M
Under proposed law	<u>40.350 M</u>	<u>41.964 M</u>
Estimated Decrease	(\$ 0.039 M)	(\$ 0.034 M)
Sinking Fund		
Under current law	\$ 17.771 M	\$ 18.479 M
Under proposed law	<u>17.754 M</u>	<u>18.464 M</u>
Estimated Decrease	(\$ 0.017 M)	(\$ 0.015 M)

LONG RANGE EFFECT

Individual income tax receipts would be reduced by about 0.08% from what they would be without the proposed change.

PREPARED BY THE DEPARTMENT OF REVENUE

David M. Lewis
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-27-81

STATE OF MONTANA

REQUEST NO. 199-81 REVISED

FISCAL NOTE

Form BD-15

In compliance with a written request received January 29, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 391 - AMENDED pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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

An act to authorize a deduction for charitable contributions as an addition to the standard deduction of a resident individual in computing taxable income.

ASSUMPTIONS

There are no data available regarding charitable contributions attributable to individuals by income class, therefore a precise estimate of the fiscal impact of this proposal cannot be made. However, if one assumes that charitable contributions constitute 1% of Montana Adjusted Gross Income then an estimate can be made.

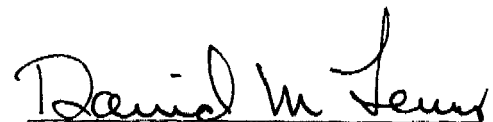
FISCAL IMPACT

	FY 82	FY 83
Individual Income Tax Receipts		
Under current law	\$161.556 M	\$167.993 M
Under proposed law	<u>161.336 M</u>	<u>167.802 M</u>
Estimated Decrease	(\$ 0.220 M)	(\$ 0.191 M)
FUND INFORMATION		
General Fund		
Under current law	\$103.396 M	\$107.516 M
Under proposed law	<u>103.255 M</u>	<u>107.394 M</u>
Estimated Decrease	(\$ 0.141 M)	(\$ 0.122 M)
Earmarked Revenue Fund		
Under current law	\$ 40.289 M	\$ 41.998 M
Under proposed law	<u>40.334 M</u>	<u>41.950 M</u>
Estimated Decrease	(\$ 0.055 M)	(\$ 0.048 M)
Sinking Fund		
Under current law	\$ 17.771 M	\$ 18.479 M
Under proposed law	<u>17.747 M</u>	<u>18.458 M</u>
Estimated Decrease	(\$ 0.024 M)	(\$ 0.021 M)

LONG RANGE EFFECT

Individual income tax receipts would be reduced by about 0.11% from what they would be without the proposed change.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-2-81