

House Bill 559

In The House

January 29, 1981	Introduced and referred to Committee on Taxation.
January 31, 1981	Fiscal note requested.
February 5, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

1 HOUSE BILL NO. 559
 2 INTRODUCED BY Thurman Dennis Leslie McGraw Agnew
 3 Bob John John John
 4 Glennell Aug Dey Harrington Jackson Julie
 5 Walt Barbara McCally Alvarez Holiday
 6 John McGrath Kibbitts
 7 VARYING WITH ADJUSTED GROSS INCOME; AMENDING SECTION
 8 15-30-104, MCA; AND PROVIDING AN APPLICABILITY DATE.
 9 Waldron Shelton Hart Manuel

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

11 Section 1. Section 15-30-104, MCA, is amended to read:
 12 "15-30-104. Surtax. (1) After the amount of tax
 13 liability has been computed, each person filing a Montana
 14 individual income tax return shall add as a surtax 10% a
 15 percentage of the tax liability as specified in subsection
 16 (2), and the amount so arrived at is the amount due the
 17 state.

18 (2) The surtax percentage is based on Montana adjusted
 19 gross income according to the following schedule:

Montana Adjusted Gross Income	Surtax
More Than	Percentage
or Equal To	But Less Than
	0%
\$20,000	1%
\$20,000	2%
22,000	2%

	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000
1	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000
2	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000
3	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000
4	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000
5	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000
6	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000
7	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000	37,000
8	30,000	31,000	32,000	33,000	34,000	35,000	36,000	37,000	38,000

9 Section 2. Applicability. This act applies to tax
 10 years beginning after December 31, 1980.

-End-

-2- INTRODUCED BILL

HB 557

STATE OF MONTANA

REQUEST NO. 277-81

FISCAL NOTE

Form BD-15

In compliance with a written request received February 3, 1981, there is hereby submitted a Fiscal Note for HOUSE BILL 559 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 replace the 10 percent income tax surtax with a graduated percentage surtax varying with adjusted gross income; and providing an applicability date.

ASSUMPTION

The base personal exemption allowance is \$800.

FISCAL IMPACT

Individual Income Tax Receipts	FY 82	FY 83
Under current law	\$161.556 M	\$167.993 M
Under proposed law	<u>150.150 M</u>	<u>158.225 M</u>
Estimated Decrease	(\$ 11.406 M)	(\$ 9.768 M)
FUND INFORMATION		
General Fund		
Under current law	\$103.396 M	\$107.516 M
Under proposed law	<u>96.096 M</u>	<u>101.264 M</u>
Estimated Decrease	(\$ 7.300 M)	(\$ 6.252 M)
Earmarked Revenue Fund		
Under current law	\$ 40.389 M	\$ 41.998 M
Under proposed law	<u>37.538 M</u>	<u>39.556 M</u>
Estimated Decrease	(\$ 2.851 M)	(\$ 2.442 M)
Sinking Fund *		
Under current law	\$ 17.771 M	\$ 18.479 M
Under proposed law	<u>16.516 M</u>	<u>17.405 M</u>
Estimated Decrease	(\$ 1.255 M)	(\$ 1.074 M)

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

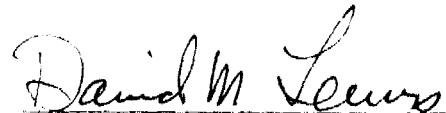
EFFECT ON LOCAL GOVERNMENT

Revenues to the indicated Earmarked Revenue Fund are used to support the Public School Foundation Program. Therefore, any decrease in revenues to that program may necessitate additional support from other sources.

LONG RANGE EFFECTS

Individual income tax receipts would decrease by about 5.8% from what they would be without the proposed change.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-5-81