

Senate Bill 31

In The Senate

January 5, 1981	Introduced and referred to Committee on Taxation.
March 16, 1981	Fiscal note requested.
March 19, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

1 SENATE BILL NO. 31

2 INTRODUCED BY GOODOVER

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PHASE OUT THE
5 INDIVIDUAL INCOME TAX SURTAX OVER A 3-YEAR PERIOD; AMENDING
6 SECTION 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%~~ of
13 ~~the tax liability, and the~~

14 (a) 6.7% of the tax liability for taxable years
15 beginning after December 31, 1980, and before January 1,
16 1982; and

17 (b) 3.4% of the tax liability for taxable years
18 beginning after December 31, 1981, and before January 1,
19 1983.

20 (2) The amount so arrived at is the amount due the
21 state.

22 (3) No surtax is required to be added for taxable years
23 beginning after December 31, 1982."

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

-End-

INTRODUCED BILL

SB 31

STATE OF MONTANA

REQUEST NO. 434-81

FISCAL NOTE

Form BD-15

In compliance with a written request received March 16, 19 81, there is hereby submitted a Fiscal Note for SENATE BILL 31 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 phase out the individual income tax surtax over a 3 year period; and providing an effective date.

ASSUMPTIONS

1. The base personal exemption allowance is \$800.
2. The Department of Revenue forecast of total individual income tax liabilities and receipts is the basis for comparison.

FISCAL IMPACT

	FY 82	FY 83
Individual Income Tax Collections		
Under current law	\$161.556 M	\$167.993 M
Under proposed law	<u>154.816 M</u>	<u>156.926 M</u>
Estimated Decrease	(\$ 6.740 M)	(\$ 11.067 M)
FUND INFORMATION		
General Fund		
Under current law	\$103.396 M	\$107.516 M
Under proposed law	<u>99.082 M</u>	<u>100.433 M</u>
Estimated Decrease	(\$ 4.314 M)	(\$ 7.083 M)
Earmarked Revenue Fund		
Under current law	\$ 40.389 M	\$ 41.998 M
Under proposed law	<u>38.704 M</u>	<u>39.231 M</u>
Estimated Decrease	(\$ 1.685 M)	(\$ 2.767 M)
Sinking Fund *		
Under current law	\$ 17.771 M	\$ 18.479 M
Under proposed law	<u>17.030 M</u>	<u>17.262 M</u>
Estimated Decrease	(\$ 0.741 M)	(\$ 1.217 M)

* A portion of this account may be transferred to the General Fund as Long-Range Bond Excess if debt service requirements are sufficiently low.

EFFECT ON LOCAL GOVERNMENTS

Revenues to the indicated earmarked revenue account 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 EFFECT

In FY 84 and thereafter, individual income tax receipts would be reduced by 9.09% from the levels which would be obtained without the proposed change.

David M. Lewis
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-20-81