

Senate Bill 248

In The Senate

January 23, 1981	Introduced and referred to Committee on Taxation.
	Fiscal note requested.
February 3, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

*Amended* BILL NO. *248*  
*Elect*

1 INTRODUCTION BY \_\_\_\_\_  
 2  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE INCOME  
 5 TAX RATES; PROVIDING TWO SETS OF RATE SCHEDULES, ONE FOR  
 6 MARRIED INDIVIDUALS WHO FILE JOINTLY AND FOR SINGLE  
 7 INDIVIDUALS WHO QUALIFY AS A HEAD OF A HOUSEHOLD AND THE  
 8 OTHER SCHEDULE FOR SINGLE INDIVIDUALS; AMENDING SECTION  
 9 15-30-103, MCA."

10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 12 Section 1. Section 15-30-103, MCA, is amended to read:  
 13 "15-30-103. Rate of tax. There shall be levied,  
 14 collected, and paid for each taxable year commencing on or  
 15 after December 31, 1968 1980, upon the taxable income of  
 16 every taxpayer subject to this tax, after making allowance  
 17 for exemptions and deductions as hereinafter provided, a tax  
 18 at the following rates:

- 19 (1) on the first \$1,000 of taxable income or any part  
 20 thereof - 2%
- 21 (2) on the next \$1,000 of taxable income or any part  
 22 thereof - 3%
- 23 (3) on the next \$2,000 of taxable income or any part  
 24 thereof - 4%
- 25 (4) on the next \$2,000 of taxable income or any part

- 1 thereof - 5%
- 2 (5) on the next \$2,000 of taxable income or any part
- 3 thereof - 6%
- 4 (6) on the next \$2,000 of taxable income or any part
- 5 thereof - 7%
- 6 (7) on the next \$4,000 of taxable income or any part
- 7 thereof - 8%
- 8 (8) on the next \$6,000 of taxable income or any part
- 9 thereof - 9%
- 10 (9) on the next \$15,000 of taxable income or any part
- 11 thereof - 10%
- 12 (10) on any taxable income in excess of \$35,000 or any
- 13 part thereof - 11%
- 14 (11) for married individuals who file jointly and
- 15 single individuals who qualify as a head of a household as
- 16 defined in section 2 of the Internal Revenue Code of 1954,
- 17 as amended:

TAXABLE INCOME		TAX RATE	
AT LEAST	BUT LESS THAN	PERCENT	OF THE EXCESS OVER
\$ 0	\$ 2,000	2% of taxable income	
2,000	4,000	\$ 40 plus 3%	\$ 2,000
4,000	8,000	100 plus 4%	4,000
8,000	12,000	260 plus 5%	8,000

-2- INTRODUCED BILL  
 SB 248

1	12,000	16,000	460 plus 6%	12,000
2	16,000	20,000	700 plus 7%	16,000
3	20,000	28,000	980 plus 8%	20,000
4	28,000	40,000	1,620 plus 9%	28,000
5	40,000	70,000	2,700 plus 10%	40,000
6	over 70,000		5,700 plus 11%	70,000

(2) for individuals who file separate returns:

8	TAXABLE INCOME		TAX RATE	
9	AT LEAST	BUT LESS THAN	PERCENT	OF THE EXCESS OVER
11	\$ 0	\$ 1,000	2% of taxable income	
12	1,000	2,000	\$ 20 plus 3%	\$ 1,000
13	2,000	4,000	50 plus 4%	2,000
14	4,000	6,000	130 plus 5%	4,000
15	6,000	8,000	230 plus 6%	6,000
16	8,000	10,000	350 plus 7%	8,000
17	10,000	14,000	490 plus 8%	10,000
18	14,000	20,000	810 plus 9%	14,000
19	20,000	35,000	1,350 plus 10%	20,000
20	over 35,000		2,850 plus 11%	35,000*

-End-

STATE OF MONTANA

REQUEST NO. 211-81 REVISED

FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 81, there is hereby submitted a Fiscal Note for SENATE BILL 248 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

An act to revise the income tax rates, providing two sets of rate schedules, one for married individuals who file jointly and for single individuals who qualify as a head of household and the other schedule for single individuals.

ASSUMPTIONS

1. The Department of Revenue forecast of individual income tax receipts for the 82-83 biennium is the basis for comparison.
2. The base personal exemption allowance is \$800.
3. The relative proportions of the various categories of filing status will reflect the 1978 distributions, with about 14.2% of all single filers being unmarried heads of households.

FISCAL IMPACT

	FY 82	FY 83
Individual Income Tax Receipts		
Under current law	\$161.556 M	\$167.993 M
Under proposed law	<u>137.460 M-137.559 M</u>	<u>147.087 M-147.207 M</u>
Estimated Decrease	(\$23.997 M- 24.096 M)	(\$20.786 M- 20.906 M)
FUND INFORMATION		
General Fund		
Under current law	\$103.396 M	\$107.516 M
Under proposed law	<u>87.975 M-88.064 M</u>	<u>94.136 M-94.213 M</u>
Estimated Decrease	(\$15.332 M-15.421 M)	(\$13.303 M-13.380 M)
Earmarked Revenue Fund		
Under current law	\$ 40.389 M	\$ 41.998 M
Under proposed law	<u>34.365 M-34.400 M</u>	<u>36.772 M-36.801 M</u>
Estimated Decrease	(\$ 5.989 M- 6.024 M)	(\$ 5.197 M- 5.226 M)
Sinking Fund *		
Under current law	\$ 17.771 M	\$ 18.479 M
Under proposed law	<u>15.120 M-15.136 M</u>	<u>16.179 M-16.193 M</u>
Estimated Decrease	(\$ 2.635 M- 2.651 M)	(\$ 2.286 M- 2.300 M)

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

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: \_\_\_\_\_

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EFFECT ON LOCAL GOVERNMENT

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.

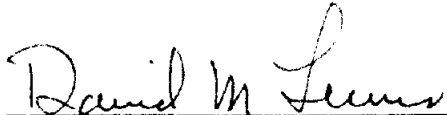
LONG RANGE EFFECTS

Individual income tax receipts would decrease by about 12.4% from what they would be without the proposed change.

TECHNICAL NOTE

Section 2 of Initiative 86 may require some further clarification, in order for SB 248 to be compatible with the inflation-adjustment provisions of that law.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-3-81