

SB 89 INTRODUCED BY KEATING, GAGE, HARDING, ET AL.  
REDUCING THE RESOURCE INDEMNITY TRUST TAX RATE FROM  
0.5 PERCENT TO 0.1 PERCENT

1/12 INTRODUCED  
1/12 REFERRED TO TAXATION  
1/13 FISCAL NOTE REQUESTED  
1/15 FISCAL NOTE RECEIVED  
1/16 HEARING  
1/30 ADVERSE COMMITTEE REPORT ADOPTED 40 9



## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB089, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

"An act to reduce the rate of the Resource Indemnity Trust Tax from 1/2 of 1 percent to 1/10 of 1 percent; amending section 15-38-104, MCA; and providing a retroactive applicability date."

ASSUMPTIONS:

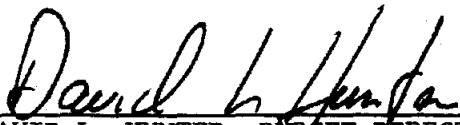
1. This proposal applies to taxable years beginning after December 31, 1986. Accordingly, it will affect RIT collections in FY88 and FY89.
2. Resource Indemnity Tax collections under the current law will be \$4,071,000 in FY88 and \$4,420,000 in FY89 (OBPP).
3. This proposal reduces the RIT rate by 80%; RIT collections under the proposed law will decline by an equal amount in FY88 and FY89.

FISCAL IMPACT:Revenue Impact:

	FY88			FY89		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Resource Indemnity Tax	\$4,071,000	\$ 908,000	(\$3,163,000)	\$4,420,000	\$ 884,000	(\$3,536,000)
Total	\$4,071,000	\$ 908,000	(\$3,163,000)	\$4,420,000	\$ 884,000	(\$3,536,000)

Fund Information:

	FY88			FY89		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Resource Indemnity Tax Deposits to the Trust	\$4,071,000	\$ 908,000	(\$3,163,000)	\$4,420,000	\$ 884,000	(\$3,536,000)
Total	\$4,071,000	\$ 908,000	(\$3,163,000)	\$4,420,000	\$ 884,000	(\$3,536,000)

 DATE 1/14/87  
 DAVID L. HUNTER, BUDGET DIRECTOR  
 Office of Budget and Program Planning

 DATE 1/15/87  
 THOMAS KEATING, PRIMARY SPONSOR

Fiscal Note for SB089, as introduced.

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Fiscal Year Request, SB009, as introduced.

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Interest Earnings:

	FY88			FY89		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Water Devel. (30%)	1.883	1.876	.007	2.001	1.909	.092
Dept. of Health (6%)	.377	.375	.002	.400	.382	.018
Remaining (64%)	4.018	4.002	.016	4.268	4.072	.196
Total Interest	\$6,278,000	\$6,253,000	\$ 25,000	\$6,669,000	\$6,363,000	\$306,000

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

N/A

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Total interest earnings loss in the FY90-91 biennium will be approximately \$1.561 million.

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

N/A