

HOUSE BILL 188

Introduced by Roth

1/14	Introduced
1/16	Referred to Taxation
1/17	Fiscal Note Requested
1/23	Fiscal Note Received
1/24	Fiscal Note Printed
	Died in Committee

1 House BILL NO. 188
2 INTRODUCED BY Boyd
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE
5 DEPARTMENT OF REVENUE TO REFUND THE 10 PERCENT SURTAX
6 WITHHELD OR PAID FOR THE 1988 TAX YEAR ON MONTANA INDIVIDUAL
7 INCOME TAX; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A
8 RETROACTIVE APPLICABILITY DATE."
9

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

11 NEW SECTION. Section 1. Refund of surtax withheld or
12 paid for 1988 tax year. The department of revenue shall
13 refund the 10% surtax imposed under 15-30-108 for the 1988
14 tax year. The department shall, for individual income tax
15 returns filed for the 1988 tax year:

16 (1) recalculate the income tax liability if a tax
17 return includes the surtax; and

18 (2) refund the excess tax withheld or paid for the
19 1988 tax year if the recalculated return shows a refund is
20 due.

21 NEW SECTION. Section 2. Extension of authority. Any
22 existing authority to make rules on the subject of the
23 provisions of [this act] is extended to the provisions of
24 [this act].

25 NEW SECTION. Section 3. Effective date -- retroactive

1 applicability. [This act] is effective on passage and
2 approval and applies retroactively, within the meaning of
3 1-2-109, to the 1988 tax year.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB188, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring the department of revenue to refund the 10 percent surtax withheld or paid for the 1988 tax year on Montana individual income tax; and providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

1. Individual income tax collections will be \$239,124,000 in FY90, and \$254,428,000 in FY91 (REAC).
2. Calendar year 1988 individual income tax liabilities total \$240,000,000; of this amount \$21,818,000 represents the 10 percent surtax (OBPP).
3. All revenue and expenditure impacts from this proposal will occur in FY90.
4. Refund of the surtax is contingent upon the filing of a 1988 individual income tax form.
5. All returns for 1988 will be processed by the end of calendar year 1989; this results in no impact in FY91.
6. Additional administrative expenses associated with tracking and refunding the credit will be \$169,405 in FY90.

FISCAL IMPACT:Revenue Impact:

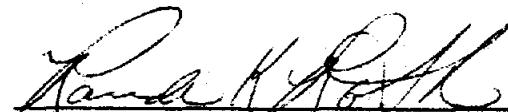
	FY90			FY91		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Individual Income Tax	\$239,124,000	\$217,306,000	(\$21,818,000)	\$254,428,000	\$254,428,000	\$ 0
<u>Fund Information:</u>						
General Fund	\$139,170,168	\$126,472,092	(\$12,698,076)	\$148,077,096	\$148,077,096	\$ 0
Foundation Program	76,041,432	69,103,308	(6,938,124)	80,908,104	80,908,104	0
Sinking Fund	23,912,400	21,730,600	(2,181,800)	25,442,800	25,442,800	0
Total	\$239,124,000	\$217,306,000	(\$21,818,000)	\$254,428,000	\$254,428,000	\$ 0
<u>Expenditure Impact:</u>						
General Fund						
Personal Services \$	0	\$ 71,716	\$ 71,716	\$ 0	\$ 0	\$ 0
Operating Expense	0	97,689	97,689	0	0	0
Total	\$ 0	\$ 169,405	\$ 169,405	\$ 0	\$ 0	\$ 0



1/23/89

RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

DATE



1/24/89

RANDE K. ROTH, PRIMARY SPONSOR

DATE

Fiscal Note for HB188, as introduced

HB188