

HOUSE JOINT RESOLUTION NO. 13

INTRODUCED BY REAM, SCHYE, ELLISON, GIACOMETTO, DRISCOLL,
PATTERSON, ECK, WALKER, MAZUREK, B. BROWN, GAGE, HARP

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

IN THE HOUSE

JANUARY 24, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 25, 1989	FIRST READING.
MARCH 10, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 11, 1989	PRINTING REPORT.
MARCH 14, 1989	SECOND READING, DO PASS.
MARCH 15, 1989	ENGROSSING REPORT.
MARCH 16, 1989	THIRD READING, CONCURRED IN. AYES, 87; NOES, 9.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 17, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 19, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
	SECOND READING, CONCURRED IN.
	ON MOTION, RULES SUSPENDED TO PLACE BILL ON THIRD READING THIS DAY.
	THIRD READING, CONCURRED IN. AYES, 46; NOES, 0.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 20, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 21, 1989

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE JOINT RESOLUTION NO. 13
2 INTRODUCED BY Ream, Schuyler, Simon, Donald Favas
3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING
4 C. L. Walker, Thasual, Bob Pinner, HARP

5 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA
6 ESTABLISHING AN OFFICIAL ESTIMATE OF THE STATE'S ANTICIPATED REVENUE FOR EACH YEAR OF THE 1990-91
7 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS MANDATED BY ARTICLE VIII, SECTION 9, OF
8 THE MONTANA CONSTITUTION; ACCEPTING A JUNE 30, 1988, GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED
9 ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; REQUESTING THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM
10 PLANNING TO USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVENUE ESTIMATES FOR
11 FISCAL YEARS 1989-90 AND 1990-91; AND ESTABLISHING AN ESTIMATE OF THE NONGENERAL FUND REVENUES FOR
12 THE SCHOOL FOUNDATION PROGRAM.

13
14 WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to
15 the Legislature a budget for the ensuing fiscal period, containing in detail the estimated revenue
16 of the state; and

17 WHEREAS, Article VIII, section 9, of the Montana Constitution requires that the Legislature may
18 not appropriate funds in excess of the anticipated revenue of the state; and

19 WHEREAS, section 5-12-302(2), MCA, requires the Office of the Legislative Fiscal Analyst to
20 estimate revenue from existing and proposed taxes, and section 17-7-123(1), MCA, requires the
21 Governor to submit a budget showing a balance between total proposed disbursements and total
22 anticipated receipts; and

23 WHEREAS, due to the complexity of economic variables involved in revenue forecasting and the
24 diversity of sources from which state revenues are obtained, it has become increasingly difficult to
25 project revenues in order to prepare a balanced budget for the ensuing biennium; and



INTRODUCED BILL
HJR 13

1 WHEREAS, past legislatures have not agreed on revenue projections until the last days of the
2 session, when there is little time for comprehensive analysis or reasoned criticism; and

3 WHEREAS, it is in the best interests of the state that revenue forecasts be discussed and
4 arrived at in public hearings at which all the people may attend and participate.

5
6 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
7 MONTANA:

8 That the state general fund revenue for fiscal years 1989, 1990, and 1991 is estimated to be
9 \$377,357,000, \$369,008,000, and \$380,150,000, respectively. The school foundation revenue for fiscal
10 years 1989, 1990, and 1991 is estimated to be \$287,217,000, \$252,855,000, and \$258,635,000,
11 respectively.

12 BE IT FURTHER RESOLVED, that the Legislature accepts for budget purposes the unreserved fund
13 balance for the general fund of \$39,472,000, prepared according to generally accepted accounting
14 principles as published in the audited state financial statements as of June 30, 1988.

15 BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use the
16 revenue estimates contained in this resolution as the official revenue estimates for fiscal years
17 1989-90 and 1990-91.

18 GENERAL FUND REVENUE

19 The projections for total general fund revenue during the 1990-91 biennium are based on an
20 assumption of a continuation of Montana law as it existed on January 1, 1989. It is also assumed
21 that all public institutions currently certified for medicaid will remain certified.

22 The revenue estimates contained in the following tables are based on the assumptions stated
23 previously herein and those listed in the following tables.

ECONOMIC ASSUMPTIONS

Revenue Estimating Advisory Council

Economic Assumptions

		CY/FY	CY/FY	CY/FY	CY/FY
Year	Assumption	88	89	90	91
CY	Oil Production (Millions)	22.500	21.500	20.000	19.000
CY	Oil Price	\$14.500	\$15.000	\$15.500	\$16.000
CY	Natural Gas Production (M MCF's)	40.420	39.447	38.524	38.135
CY	Natural Gas Production (M NGL)	9.666	9.433	9.212	9.119
CY	Natural Gas Price (MCF's)	\$1.803	\$1.792	\$1.875	\$1.980
CY	Natural Gas Price (NGL)	\$0.225	\$0.224	\$0.234	\$0.247
CY	Coal Production (Millions)	34.428	31.000	29.633	30.833
CY	Coal Price	\$7.769	\$7.687	\$7.780	\$7.780
CY	Coal Tax Credits (Millions)	\$5.800	\$4.357	\$2.764	\$1.842
CY	Copper Production (M lbs)	134.612	128.290	113.990	114.773
CY	Gold Production (M ozs)	0.264	0.302	0.300	0.302
CY	Silver Production (M ozs)	5.981	5.954	6.079	6.121
CY	Lead Production (M lbs)	15.400	15.400	15.400	15.506
CY	Zinc Production (M lbs)	53.000	53.000	53.000	53.364
CY	Molybdenum Production (M lbs)	11.426	11.898	12.074	12.157
CY	Palladium Production (M ozs)	0.160	0.150	0.182	0.183
CY	Platinum Production (M ozs)	0.047	0.044	0.054	0.054
CY	Copper Price	\$0.850	\$0.850	\$0.600	\$0.625
CY	Gold Price	\$425.000	\$425.000	\$450.000	\$450.000
CY	Silver Price	\$5.900	\$6.250	\$6.500	\$6.500

1			CY/FY	CY/FY	CY/FY	CY/FY
2	Year	Assumption	88	89	90	91
3	CY	Lead Price	\$0.320	\$0.320	\$0.320	\$0.320
4	CY	Zinc Price	\$0.430	\$0.420	\$0.420	\$0.420
5	CY	Molybdenum Price	\$3.200	\$3.300	\$3.300	\$3.300
6	CY	Palladium Price	\$123.830	\$124.400	\$124.400	\$124.400
7	CY	Platinum Price	\$537.500	\$550.000	\$550.000	\$550.000
8	FY	Forest Receipts (Millions)	\$6.500	\$6.892	\$5.689	\$5.391
9		MT Population July 1 (Thousands)	812.000	816.000	821.000	826.000
10		MT Population M= 16 July 1 (Thousands)	613.000	616.000	621.000	625.000
11		MT Population 18-24 July 1 (Thousands)	81.000	78.000	75.000	72.000
12	CY	CPI Percent Change	4.140%	4.650%	4.850%	5.320%
13	CY	GNPD Percent Change	3.140%	4.610%	4.490%	4.670%
14	CY	PCE Percent Change	4.100%	4.900%	4.900%	5.190%
15	CY	Short-Term Interest Rate	7.500%	7.500%	7.100%	6.800%
16	CY	Long-Term Interest Rate	10.140%	9.000%	8.750%	8.750%
17	CY	Prime Interest Rate	9.440%	11.240%	9.940%	8.900%
18	FY	Treasury Cash Average Balance (Millions)	\$222.374	\$190.993	\$204.377	\$205.489
19	FY	TRANS Issue (Millions)	\$56.000	\$0.000	\$0.000	\$0.000
20	FY	Permanent Trust Bond Calls (Millions)	\$0.614	\$0.000	\$0.000	\$0.000
21	FY	Education Trust Bond Calls (Millions)	\$0.218	\$0.000	\$0.000	\$0.000
22	FY	Common School Trust Bond Calls (Millions)	\$0.527	\$0.000	\$0.000	\$0.000
23	FY	Resource Ind. Trust Bond Calls (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
24	FY	Park Acq. Trust Bond Calls (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
25	CY	MT Personal Income (Billions)	\$10.300	\$11.000	\$11.500	\$12.000

1			CY/FY	CY/FY	CY/FY	CY/FY
2	Year	Assumption	88	89	90	91
3	CY	MT Non-Farm Employment (Thousands)	275.500	277.100	278.600	280.400
4	FY	Income Tax Audits (Millions)		\$10.307	\$10.786	\$11.266
5	CY	Individual Federal Tax Reform (Millions)	\$39.233	\$48.120	\$58.079	\$69.383
6	CY	MT Corporate Taxable Income (Millions)	\$546.698	\$559.286	\$581.776	\$641.576
7	CY	Corporate Federal Tax Reform (Millions)	\$5.890	\$6.350	\$6.750	\$7.175
8	FY	Corporation Tax Audits (Millions)	\$9.203	\$7.000	\$7.000	\$7.000
9	FY	Liquor Unit Sales (Millions)	5.094	4.723	4.379	4.060
10	FY	Wine Unit Sales (Millions)	0.180	0.160	0.142	0.126
11	FY	Liquor Cost Per Unit	\$4.644	\$4.700	\$4.758	\$4.816
12	FY	Wine Cost Per Unit	\$3.161	\$3.328	\$3.471	\$3.619
13	FY	Liquor Division Budget (% Change)	-5.100%	-5.310%	-1.900%	-1.250%
14	FY	Cigarette Packs (Millions)	72.909	69.194	65.956	63.033
15	FY	Tobacco Value (Millions)	\$5.948	\$6.152	\$6.315	\$6.469
16	FY	Net/Gross Proceeds (Millions)	\$383.272	\$410.315	\$360.798	\$309.763
17	FY	All Other Valuation (Millions)	\$1,594.619	\$1,532.599	\$1,534.301	\$1,540.088
18	FY	Institution Reimbursements (Millions)	\$15.395	\$16.090	\$12.211	\$12.352
19	FY	Insurance Revenue Growth (% Change)	60.360%	-27.610%	5.800%	5.800%
20	FY	Police & Firemen Retirement (Millions)	\$5.626	\$5.826	\$5.989	\$6.149
21	FY	Telephone Taxable Income (% Change)	4.880%	4.890%	4.520%	3.910%
22	FY	Kilowatt Hours Produced (Millions)	18,007.053	18,835.723	19,384.688	19,610.710
23	FY	Inheritance Tax (Millions)	\$8.745	\$8.727	\$8.905	\$9.151
24	FY	Drivers' License Fees (Millions)	\$1.939	\$1.972	\$1.943	\$1.997
25	FY	Barrels of Beer (Millions)	0.697	0.689	0.691	0.698

1		CY/FY	CY/FY	CY/FY	CY/FY
2	Year Assumption	88	89	90	91
3	CY Freight Line Earnings (Millions)	\$22.357	\$21.477	\$20.308	\$21.460
4	FY Liters of Wine (Millions)	5.812	5.634	5.423	5.219
5	FY Poker Total Receipts (Millions)	\$7.684	\$10.660	\$10.766	\$10.874
6	FY Vehicle Total Receipts (Millions)	\$32.173	\$34.300	\$37.138	\$40.376
7	FY Other Receipts (Millions)	\$16.117	\$15.807	\$16.104	\$16.554
8	FY Interest & Income Receipts (Millions)	\$34.079	\$32.496	\$33.699	\$34.770
9	Current Law				
10	General Fund Revenue Estimates				
11	(In Millions)				
12	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991	
13	Individual Income Tax	\$141.114000	\$139.170000	\$148.077000	
14	Corporation License Tax	28.694000	28.855000	29.010000	
15	Coal Severance Tax	8.918000	7.235000	6.249000	
16	Oil Severance Tax	13.536000	14.439000	13.836000	
17	Interest on Investments	14.324000	14.920000	14.282000	
18	Long-Range Bond Excess	38.444000	37.760000	38.977000	
19	Coal Trust Interest Income	39.002000	35.913000	37.510000	
20	Insurance Premiums Tax	21.371000	22.187000	23.685000	
21	Public Institutions Reimbursement	16.090000	12.211000	12.352000	
22	Liquor Profits	3.623000	3.153000	2.680000	
23	Liquor Excise Tax	4.998000	4.691000	4.402000	
24	Inheritance Tax	8.727000	8.905000	9.151000	
25	Metal Mines Tax	3.691000	4.145000	3.595000	

1	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
2	Electrical Energy Tax	3.389000	3.488000	3.528000
3	Drivers' License Tax	0.804000	0.791000	0.812000
4	Telephone License Tax	3.656000	3.821000	3.971000
5	Beer License Tax	1.242000	1.244000	1.260000
6	Natural Gas Severance Tax	1.143000	0.999000	1.035000
7	Freight Line Tax	1.181000	1.117000	1.180000
8	Wine Tax	0.901000	0.868000	0.835000
9	Other Revenue Sources	22.509000	23.096000	23.723000
10	GRAND TOTAL	\$377.357000	\$369.008000	\$380.150000

Current Law

Foundation Program Revenue Estimates

(In Millions)

14	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
15	State Revenue			
16	Income Tax	77.104000	76.042000	80.908000
17	Corporation Tax	11.209000	11.271000	11.332000
18	Coal Severance Tax	9.781000	2.010000	1.736000
19	Interest & Income	32.465000	33.485000	34.353000
20	U.S. Oil & Gas Royalties	23.524000	22.686000	23.494000
21	Education Trust Interest	0.825000	0.926000	1.148000
22	Miscellaneous Revenue	24.650000	0.000000	0.000000
23	County Levy Surplus	0.000000	0.000000	0.000000
24	Total State	\$179.558000	\$146.420000	\$152.971000
25	Statewide Taxable Valuation	1942.914000	1899.969000	1869.831000

1	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
2	County Revenue			
3	Mandatory Levy	87.431000	85.499000	84.142000
4	Elementary Transportation	-3.717000	-3.717000	-3.717000
5	Cash Reappropriated	1.566000	2.487000	3.126000
6	Forest Funds	1.465000	1.465000	1.465000
7	Taylor Grazing	0.102000	0.102000	0.102000
8	Miscellaneous Revenue	4.310000	4.310000	4.310000
9	High School Tuition	-0.838000	-0.838000	-0.838000
10	Total County	\$90.319000	\$89.308000	\$88.590000
11	District Revenue			
12	Permissive Levy	16.113000	15.756000	15.507000
13	Miscellaneous Revenue	1.227000	1.371000	1.567000
14	Total District	\$17.340000	\$17.127000	\$17.074000
15	Total State, County, District	\$287.217000	\$252.855000	\$258.635000
16	Current Law			
17	Other Revenue Estimates			
18	(In Millions)			
	-End-			

APPROVED BY COMMITTEE
ON TAXATION

HOUSE JOINT RESOLUTION NO. 13

INTRODUCED BY REAM, SCHYE, ELLISON, GIACOMETTO, DRISCOLL,
PATTERSON, ECK, WALKER, MAZUREK, B. BROWN, GAGE, HARP
BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN OFFICIAL ESTIMATE OF THE STATE'S ANTICIPATED REVENUE FOR EACH YEAR OF THE 1990-91 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS MANDATED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION; ACCEPTING A JUNE 30, 1988, GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; REQUESTING THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING TO USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVENUE ESTIMATES FOR FISCAL YEARS 1989-90 AND 1990-91; AND ESTABLISHING AN ESTIMATE OF THE NONGENERAL FUND REVENUES FOR THE SCHOOL FOUNDATION PROGRAM.

WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to the Legislature a budget for the ensuing fiscal period, containing in detail the estimated revenue of the state; and

WHEREAS, Article VIII, section 9, of the Montana Constitution requires that the Legislature may not appropriate funds in excess of the anticipated revenue of the state; and

WHEREAS, section 5-12-302(2), MCA, requires the Office of the Legislative Fiscal Analyst to estimate revenue from existing and proposed taxes, and section 17-7-123(1), MCA, requires the Governor to submit a budget showing a balance between total proposed disbursements and total anticipated receipts; and

WHEREAS, due to the complexity of economic variables involved in revenue forecasting and the diversity of sources from which state revenues are obtained, it has become increasingly difficult to project revenues in order to prepare a balanced budget for the ensuing biennium; and

WHEREAS, past legislatures have not agreed on revenue projections until the last days of the session, when there is little time for comprehensive analysis or reasoned criticism; and



SECOND READING
HJR 13

1 WHEREAS, it is in the best interests of the state that revenue forecasts be discussed and arrived at in public
2 hearings at which all the people may attend and participate.

3
4 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

5 That the state general fund revenue for fiscal years 1989, 1990, and 1991 is estimated to be \$977,357,000
6 \$402,470,000, \$969,808,000 \$390,016,000, and \$988,150,000 \$405,866,000, respectively. The school foundation revenue for
7 fiscal years 1989, 1990, and 1991 is estimated to be \$287,217,000 \$278,427,000, \$252,855,000 \$255,786,000, and
8 \$258,635,000 \$262,304,000, respectively.

9 BE IT FURTHER RESOLVED, that the Legislature accepts for budget purposes the unreserved fund balance for the
10 general fund of \$39,472,000, prepared according to generally accepted accounting principles as published in the audited
11 state financial statements as of June 30, 1988.

12 BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use the revenue estimates
13 contained in this resolution as the official revenue estimates for fiscal years 1989-90 and 1990-91.

14 GENERAL FUND REVENUE

15 The projections for total general fund revenue during the 1990-91 biennium are based on an assumption of a
16 continuation of Montana law as it existed on January 1, 1989. It is also assumed that all public institutions currently
17 certified for medicaid will remain certified.

18 The revenue estimates contained in the following tables are based on the assumptions stated previously herein and
19 those listed in the following tables.

ECONOMIC ASSUMPTIONS
Revenue Estimating Advisory Council
Economic Assumptions

		CY/FY	CY/FY	CY/FY	CY/FY
		88	89	90	91
Year	Assumption				
CV	Oil Production (Millions)	22.500	21.500	20.000	19.000
CV	Oil Price	\$14.500	\$15.000	\$15.500	\$16.000
EV	Natural Gas Production (M-MCF's)	40.420	39.447	38.524	38.135
EV	Natural Gas Production (M-NGL)	9.666	9.433	9.212	9.119
EV	Natural Gas Price (MCF's)	\$1.883	\$1.792	\$1.875	\$1.980
EV	Natural Gas Price (NGL)	\$8.225	\$8.224	\$8.234	\$8.247
CV	Coal Production (Millions)	34.428	31.800	29.633	30.833
		<u>36.879</u>	<u>31.796</u>	<u>32.000</u>	<u>32.000</u>
CV	Coal Price	\$7.769	\$7.687	\$7.788	\$7.788
		<u>\$7.385</u>	<u>\$7.360</u>	<u>\$7.460</u>	<u>\$7.410</u>
CV	Coal Tax Credits (Millions)	\$5.800	\$4.957	\$2.764	\$1.842
		<u>\$6.479</u>	<u>\$4.133</u>	<u>\$2.552</u>	<u>\$0.949</u>
CV	Copper Production (M lbs)	134.612	128.298	113.998	114.773
		<u>158.442</u>	<u>140.951</u>	<u>117.079</u>	--
CV	Gold Production (M ozs)	8.264	8.302	8.900	8.302
		<u>0.302</u>	<u>0.309</u>	<u>0.291</u>	--
CV	Silver Production (M ozs)	5.981	5.954	6.079	6.121
		<u>6.341</u>	<u>6.902</u>	<u>6.922</u>	--
CV	Lead Production (M lbs)	15.400	15.400	15.400	15.506
		<u>16.330</u>	<u>16.330</u>	<u>16.330</u>	--

			CY/FY	CY/FY	CY/FY	CY/FY
1						
2	Year	Assumption	88	89	90	91
3	CY	Zinc Production (M lbs)	59:888	59:888	59:888	59:964
4			<u>40.449</u>	<u>40.449</u>	<u>40.449</u>	--
5	CY	Molybdenum Production (M lbs)	11:426	11:898	12.074	12:157
6			<u>12.954</u>	<u>12.514</u>		--
7	CY	Palladium Production (M ozs)	8:168	0.150	0.182	8:189
8			<u>0.137</u>			--
9	CY	Platinum Production (M ozs)	8:847	0.044	0.054	8:854
10			<u>0.041</u>			--
11	CY	Copper Price	\$8:858	\$8:858	\$8:688	\$8:625
12			<u>\$0.900</u>	<u>\$0.750</u>	<u>\$0.750</u>	--
13	CY	Gold Price	\$425.000	\$425.000	\$458:888	\$458:888
14					<u>\$400.000</u>	--
15	CY	Silver Price	\$5:988	\$6:258	\$6:588	\$6:588
16			<u>\$6.350</u>	<u>\$6.500</u>	<u>\$6.000</u>	--
17	CY	Lead Price	\$8:328	\$8:328	\$8:328	\$8:328
18			<u>\$0.360</u>	<u>\$0.400</u>	<u>\$0.400</u>	--
19	CY	Zinc Price	\$8:438	\$8:428	\$8:428	\$8:428
20			<u>\$0.650</u>	<u>\$0.700</u>	<u>\$0.700</u>	--
21	CY	Molybdenum Price	\$3.200	\$3.300	\$3.300	\$3:988
22						--
23	CY	Palladium Price	\$128:838	\$124:488	\$124:488	\$124:488
24			<u>\$124.000</u>	<u>\$124.000</u>	<u>\$124.000</u>	--
25	CY	Platinum Price	\$587:588	\$550.000	\$558:888	\$558:888

			CY/FY	CY/FY	CY/FY	CY/FY
	Year	Assumption	88	89	90	91
3			<u>\$550.000</u>		<u>\$525.000</u>	<u>--</u>
4	FY	Forest Receipts (Millions)	\$6.500	\$6.892	\$5.689	\$5.391
5				<u>\$8.239</u>	<u>\$6.006</u>	<u>\$5.743</u>
6		MT Population July 1 (Thousands)	812.888	816.888	821.888	826.888
7			<u>804.000</u>	<u>809.000</u>	<u>815.000</u>	<u>819.000</u>
8		MT Population M= 16 July 1 (Thousands)	613.000	616.000	621.000	625.000
9		MT Population 18-24 July 1 (Thousands)	81.000	78.000	75.000	72.000
10	CY	CPI Percent Change	4.140%	4.658%	4.858%	5.328%
11				<u>4.700%</u>	<u>4.700%</u>	<u>3.650%</u>
12	EY	GNPB-Percent-Change	3.148%	4.618%	4.498%	4.678%
13	EY	PCE-Percent-Change	4.188%	4.988%	4.988%	5.198%
14	EY	Short-Term Interest Rate	7.500%	7.588%	7.188%	6.888%
15	<u>FY</u>			<u>8.500%</u>	<u>8.000%</u>	<u>8.000%</u>
16	EY	Long-Term Interest Rate	10.140%	9.888%	8.758%	8.758%
17	<u>FY</u>			<u>9.750%</u>	<u>10.000%</u>	<u>10.000%</u>
18	CY	Prime Interest Rate	9.440%	11.240%	9.940%	8.900%
19	FY	Treasury Cash Average Balance (Millions)	\$222.374	\$198.993	\$284.377	\$285.489
20				<u>\$248.000</u>	<u>\$251.214</u>	<u>\$247.573</u>
21	FY	TRANS Issue (Millions)	\$56.000	\$0.000	\$8.888	\$8.888
22					<u>\$51.000</u>	<u>\$62.000</u>
23	FY	Permanent Trust Bond Calls (Millions)	\$0.614	\$0.000	\$0.000	\$0.000
24	FY	Education Trust Bond Calls (Millions)	\$0.218	\$0.000	\$0.000	\$0.000
25	FY	Common School Trust Bond Calls (Millions)	\$0.527	\$0.000	\$0.000	\$0.000

		CV/FY	CV/FY	CV/FY	CV/FY
1					
2	Year Assumption	88	89	90	91
3	FY Resource Ind. Trust Bond Calls (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
4	FY Park Acq. Trust Bond Calls (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
5	CY MT Personal Income (Billions)	\$10.300	\$11.000	\$11.500	\$12.000
6			<u>\$11.100</u>	<u>\$11.600</u>	<u>\$12.100</u>
7	<u>CY MT NONFARM LABOR INCOME (BILLIONS)</u>	<u>\$6.300</u>	<u>\$6.600</u>	<u>\$7.000</u>	<u>\$7.500</u>
8	<u>CY U.S. CORPORATE PROFITS BEFORE TAXES (BILLIONS)</u>	<u>\$299.200</u>	<u>\$314.600</u>	<u>\$330.008</u>	
9	CY MT Nonfarm Employment (Thousands)	275.500	277.100	278.600	280.400
10		<u>279.000</u>	<u>280.700</u>	<u>282.200</u>	<u>284.100</u>
11	FY Income Tax Audits (Millions)		\$10.307	\$10.786	\$11.266
12	CY Individual Federal Tax Reform (Millions)	\$39.289	\$48.128	\$58.079	\$69.383
13		<u>\$49.434</u>	<u>\$60.631</u>	<u>\$73.180</u>	<u>\$87.423</u>
14	CY MT Corporate Taxable Income (Millions)	\$546.698	\$559.286	\$581.776	\$641.576
15		<u>\$548.793</u>	<u>\$572.479</u>	<u>\$595.605</u>	<u>\$643.962</u>
16	CY Corporate Federal Tax Reform (Millions)	\$5.898	\$6.950	\$6.750	\$7.175
17		<u>\$7.421</u>	<u>\$8.001</u>	<u>\$8.505</u>	<u>\$9.041</u>
18	FY Corporation Tax Audits (Millions)	\$9.203	\$7.000	\$7.000	\$7.000
19			<u>\$8.000</u>		
20	FY Liquor Unit Sales (Millions)	5.094	4.723	4.379	4.068
21			<u>4.789</u>	<u>4.741</u>	<u>4.741</u>
22	FY Wine Unit Sales (Millions)	0.180	0.160	0.142	0.126
23			<u>0.161</u>	<u>0.154</u>	<u>0.154</u>
24	FY Liquor Cost Per Unit	\$4.644	\$4.700	\$4.758	\$4.816
25		<u>\$8.340</u>	<u>\$8.530</u>	<u>\$8.720</u>	<u>\$8.920</u>

		CY/FY	CY/FY	CY/FY	CY/FY
1					
2	Year Assumption	88	89	90	91
3	FY Wine Cost Per Unit	\$3-+6+	\$3-328	\$3-47+	\$3-6+9
4		<u>\$5.690</u>	<u>\$5.940</u>	<u>\$6.210</u>	<u>\$6.490</u>
5	FY Liquor Division Budget (% Change)	-5-+00%	-5-3+0%	-+900%	-+250%
6		<u>-5.101%</u>	<u>-2.000%</u>	<u>-1.000%</u>	<u>0.000%</u>
7	FY Cigarette Packs (Millions)	72.909	69-+94	65-956	63-093
8			<u>73.422</u>	<u>73.422</u>	<u>73.422</u>
9	FY Tobacco Value (Millions)	\$5.948	\$6.152	\$6-3+5	\$6-469
10				<u>\$6.312</u>	<u>\$6.472</u>
11	FY Net/Gross Proceeds (Millions)	\$383.272	\$410.315	\$360-798	\$309-763
12				<u>\$366.410</u>	<u>\$330.941</u>
13	FY All Other Valuation (Millions)	\$1,594.619	\$+532-599	\$+534-30+	\$+540-088
14			<u>\$1,532.635</u>	<u>\$1,536.598</u>	<u>\$1,551.253</u>
15	FY Institution Reimbursements (Millions)	\$15.395	\$16.090	\$12.211	\$12.352
16	FY Insurance Revenue Growth (% Change)	60.360%	-27.610%	5.800%	5.800%
17	FY Police & Firemen Retirement (Millions)	\$5.626	\$5.826	\$5.989	\$6.149
18	FY Telephone Taxable Income (% Change)	4.880%	4.890%	4.520%	3.910%
19	FY Kilowatt Hours Produced (Millions)	18,007.053	+0-095-729	+9-304-688	+9-6+0-7+0
20			<u>19,860.115</u>	<u>17,805.115</u>	<u>17,805.115</u>
21	FY Inheritance Tax (Millions)	\$8.745	\$8-727	\$8-985	\$9-+5+
22			<u>\$10.514</u>	<u>\$9.550</u>	<u>\$9.980</u>
23	FY Drivers' License Fees (Millions)	\$1.939	\$1-972	\$1.943	\$1-997
24			<u>\$1.976</u>		<u>\$1.996</u>
25	FY Barrels of Beer (Millions)	0.697	0-689	0-69+	0-690

		CY/FY	CY/FY	CY/FY	CY/FY
1					
2	Year Assumption	88	89	90	91
3			<u>0.690</u>	<u>0.690</u>	<u>0.700</u>
4	CY Freight Line Earnings (Millions)	\$22.357	\$21.477	\$20.988	\$21.468
5			<u>\$21.527</u>	<u>\$23.418</u>	<u>\$24.400</u>
6	FY Liters of Wine (Millions)	5.812	5.694	5.423	5.249
7			<u>5.206</u>	<u>4.962</u>	<u>4.962</u>
8	FY Poker Total Receipts (Millions)	\$7.684	\$10.660	\$10.766	\$10.874
9			<u>\$12.372</u>	<u>\$12.495</u>	<u>\$12.620</u>
10	FY Vehicle Total Receipts (Millions)	\$32.173	\$94.988	\$37.138	\$48.976
11			<u>\$33.000</u>	<u>\$36.000</u>	<u>\$38.000</u>
12	FY Other Receipts (Millions)	\$16.117	\$15.807	\$16.104	\$16.554
13			<u>\$16.898</u>	<u>\$16.184</u>	<u>\$16.729</u>
14	FY Interest & Income Receipts (Millions)	\$34.079	\$32.496	\$33.699	\$34.770
15	FY <u>PER CAPITA LOTTERY SALES</u>	<u>\$26.20</u>	<u>\$17.09</u>	<u>\$17.09</u>	<u>\$17.09</u>

Current Law

General Fund Revenue Estimates

(In Millions)

19	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
20	Individual Income Tax	\$141.114000	\$139.170000	\$148.077000
21		<u>\$150.536000</u>	<u>\$149.351000</u>	<u>\$159.894000</u>
22	Corporation License Tax	28.694000	28.055000	29.010000
23		<u>30.184000</u>	<u>29.932000</u>	<u>30.165000</u>
24	Coal Severance Tax	8.910000	7.295000	6.249000
25		<u>9.115000</u>	<u>7.237000</u>	<u>6.412000</u>

	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
1	Oil Severance Tax	13.536000	14.439000	13.836000
2			<u>13.165000</u>	<u>12.613000</u>
3	Interest on Investments	14.324000	14.920000	14.282000
4		<u>21.080000</u>	<u>20.097000</u>	<u>19.806000</u>
5	Long-Range Bond Excess	38.444000	37.760000	38.977000
6		<u>40.839000</u>	<u>40.612000</u>	<u>42.484000</u>
7	Coal Trust Interest Income	39.882000	35.913000	37.510000
8		<u>39.720000</u>	<u>36.540000</u>	<u>38.646000</u>
9	Insurance Premiums Tax	21.371000	22.187000	23.685000
10	Public Institutions Reimbursement	16.090000	12.211000	12.352000
11	Liquor Profits	3.623000	3.153000	2.680000
12		<u>3.524000</u>	<u>3.714000</u>	<u>3.942000</u>
13	Liquor Excise Tax	4.998000	4.691000	4.482000
14		<u>5.188000</u>	<u>5.252000</u>	<u>5.370000</u>
15	Inheritance Tax	8.727000	8.985000	9.151000
16		<u>10.514000</u>	<u>9.550000</u>	<u>9.980000</u>
17	Metal Mines Tax	3.691000	4.145000	3.595000
18		<u>4.242000</u>	<u>4.336000</u>	<u>3.703000</u>
19	Electrical Energy Tax	3.989000	3.488000	3.528000
20		<u>3.632000</u>	<u>3.221000</u>	<u>3.221000</u>
21	Drivers' License Tax	0.804000	0.791000	0.812000
22	Telephone License Tax	3.656000	3.821000	3.971000
23	Beer License Tax	1.242000	1.244000	1.260000
24	Natural Gas Severance Tax	1.143000	8.999000	1.835000

	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
1 Revenue Component			
2	<u>1.100000</u>	<u>1.000000</u>	<u>1.100000</u>
3 Freight Line Tax	1-181888	1-117888	1-188888
4	<u>1.184000</u>	<u>1.288000</u>	<u>1.342000</u>
5 Wine Tax	8-981888	8-868888	8-895888
6	<u>0.833000</u>	<u>0.794000</u>	<u>0.794000</u>
7 Other Revenue Sources	22-589888	23-896888	23-723888
8	<u>24.080000</u>	<u>23.673000</u>	<u>24.314000</u>
9 GRAND TOTAL	\$377-957888	\$369-888888	\$388-158888
10	<u>\$402.470000</u>	<u>\$390.016000</u>	<u>\$405.866000</u>

Current Law

Foundation Program Revenue Estimates

(In Millions)

	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
14 Revenue Component			
15 State Revenue			
16 Income Tax	77-184888	76-842888	88-988888
17	<u>\$82.252000</u>	<u>\$81.604000</u>	<u>\$87.365000</u>
18 Corporation Tax	11-289888	11-271888	11-332888
19	<u>11.791000</u>	<u>11.692000</u>	<u>11.783000</u>
20 Coal Severance Tax	9-781888	2.010000	1-736888
21	<u>9.997000</u>		<u>1.781000</u>
22 Interest & Income	32-465888	33-485888	34-953888
23	<u>32.496000</u>	<u>33.699000</u>	<u>34.770000</u>
24 U.S. Oil & Gas Royalties	23-524888	22-686888	23-494888
25	<u>20.955000</u>	<u>17.119000</u>	<u>17.404000</u>

	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
1	Education Trust Interest	8-825000	8-926000	†-†48000
2		<u>0.848000</u>	<u>1.564000</u>	<u>1.831000</u>
3	Miscellaneous Revenue	24-658000	0.000000	0.000000
4		<u>9.732000</u>		
5	County Levy Surplus	0.000000	0.000000	0.000000
6	Total State	\$179-558000	\$146-420000	\$152-971000
7		<u>\$168.071000</u>	<u>\$147.688000</u>	<u>\$154.934000</u>
8	Statewide Taxable Valuation	†942-914000	†899-969000	†869-831000
9		<u>1942.950000</u>	<u>1903.008000</u>	<u>1882.194000</u>
10	County Revenue			
11	Mandatory Levy	87-431000	85-499000	84-†42000
12		<u>87.433000</u>	<u>85.635000</u>	<u>84.699000</u>
13	Elementary Transportation	-3-717000	-3.717000	-3.717000
14		<u>-4.419000</u>		
15	Cash Reappropriated	†-566000	2-487000	9-†26000
16		<u>3.737000</u>	<u>2.604000</u>	<u>2.955000</u>
17	Forest Funds	†-465000	1.465000	1.465000
18		<u>1.163000</u>		
19	Taylor Grazing	8-†02000	0.102000	0.102000
20		<u>0.108000</u>		
21	Miscellaneous Revenue	4-910000	4.310000	4.310000
22		<u>4.213000</u>		
23	High School Tuition	-8-838000	-0.838000	-0.838000
24		<u>-0.759000</u>		
25				

1	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
2	Total County	\$98,319,000	\$89,908,000	\$88,598,000
3		<u>\$91,476,000</u>	<u>\$89,561,000</u>	<u>\$88,976,000</u>
4	District Revenue			
5	Permissive Levy	16,113,000	15,756,000	15,587,000
6		<u>17,487,000</u>	<u>17,127,000</u>	<u>16,940,000</u>
7	Miscellaneous Revenue	1,227,000	1,371,000	1,567,000
8		<u>1,393,000</u>	<u>1,410,000</u>	<u>1,454,000</u>
9	Total District	\$17,348,000	\$17,127,000	\$17,874,000
10		<u>\$18,880,000</u>	<u>\$18,537,000</u>	<u>\$18,394,000</u>
11	Total State, County, District	\$287,217,000	\$252,855,000	\$258,635,000
12		<u>\$278,427,000</u>	<u>\$255,786,000</u>	<u>\$262,304,000</u>
13		Current Law		
14		Other Revenue Estimates		
15		(In Millions)		

-End-

HOUSE JOINT RESOLUTION NO. 13

INTRODUCED BY REAM, SCHYE, ELLISON, GIACOMETTO, DRISCOLL,
PATTERSON, ECK, WALKER, MAZUREK, B. BROWN, GAGE, HARP
BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN OFFICIAL ESTIMATE OF THE STATE'S ANTICIPATED REVENUE FOR EACH YEAR OF THE 1990-91 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS MANDATED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION; ACCEPTING A JUNE 30, 1988, GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; REQUESTING THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING TO USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVENUE ESTIMATES FOR FISCAL YEARS 1989-90 AND 1990-91; AND ESTABLISHING AN ESTIMATE OF THE NONGENERAL FUND REVENUES FOR THE SCHOOL FOUNDATION PROGRAM.

WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to the Legislature a budget for the ensuing fiscal period, containing in detail the estimated revenue of the state; and

WHEREAS, Article VIII, section 9, of the Montana Constitution requires that the Legislature may not appropriate funds in excess of the anticipated revenue of the state; and

WHEREAS, section 5-12-302(2), MCA, requires the Office of the Legislative Fiscal Analyst to estimate revenue from existing and proposed taxes, and section 17-7-123(1), MCA, requires the Governor to submit a budget showing a balance between total proposed disbursements and total anticipated receipts; and

WHEREAS, due to the complexity of economic variables involved in revenue forecasting and the diversity of sources from which state revenues are obtained, it has become increasingly difficult to project revenues in order to prepare a balanced budget for the ensuing biennium; and

WHEREAS, past legislatures have not agreed on revenue projections until the last days of the session, when there is little time for comprehensive analysis or reasoned criticism; and



THIRD READING
HJR 13

1 WHEREAS, it is in the best interests of the state that revenue forecasts be discussed and arrived at in public
2 hearings at which all the people may attend and participate.

3
4 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

5 That the state general fund revenue for fiscal years 1989, 1990, and 1991 is estimated to be ~~\$377,357,000~~
6 \$402,470,000, ~~\$969,088,000~~ \$390,016,000, and ~~\$380,150,000~~ \$405,866,000, respectively. The school foundation revenue for
7 fiscal years 1989, 1990, and 1991 is estimated to be ~~\$287,217,000~~ \$278,427,000, ~~\$252,855,000~~ \$255,786,000, and
8 ~~\$258,695,000~~ \$262,304,000, respectively.

9 BE IT FURTHER RESOLVED, that the Legislature accepts for budget purposes the unreserved fund balance for the
10 general fund of \$39,472,000, prepared according to generally accepted accounting principles as published in the audited
11 state financial statements as of June 30, 1988.

12 BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use the revenue estimates
13 contained in this resolution as the official revenue estimates for fiscal years 1989-90 and 1990-91.

14 GENERAL FUND REVENUE

15 The projections for total general fund revenue during the 1990-91 biennium are based on an assumption of a
16 continuation of Montana law as it existed on January 1, 1989. It is also assumed that all public institutions currently
17 certified for medicaid will remain certified.

18 The revenue estimates contained in the following tables are based on the assumptions stated previously herein and
19 those listed in the following tables.

ECONOMIC ASSUMPTIONS

Revenue Estimating Advisory Council

Economic Assumptions

			CY/FY	CY/FY	CY/FY	CY/FY
Year	Assumption		88	89	90	91
CV	Oil Production (Millions)		22.500	21.500	20.000	19.000
CV	Oil Price		\$14.500	\$15.000	\$15.500	\$16.000
EV	Natural Gas Production (M-MCF's)		48.428	39.447	38.524	38.135
EV	Natural Gas Production (M-NGL)		9.666	9.439	9.212	9.119
EV	Natural Gas Price (MCF's)		\$1.883	\$1.792	\$1.875	\$1.988
EV	Natural Gas Price (NGL)		\$8.225	\$8.224	\$8.234	\$8.247
CV	Coal Production (Millions)		34.428	31.888	29.633	38.833
			<u>36.879</u>	<u>31.796</u>	<u>32.000</u>	<u>32.000</u>
CV	Coal Price		\$7.769	\$7.687	\$7.788	\$7.788
			<u>\$7.385</u>	<u>\$7.360</u>	<u>\$7.460</u>	<u>\$7.410</u>
CV	Coal Tax Credits (Millions)		\$5.888	\$4.857	\$2.764	\$1.842
			<u>\$6.479</u>	<u>\$4.133</u>	<u>\$2.552</u>	<u>\$0.949</u>
CV	Copper Production (M lbs)		134.612	128.298	113.998	114.773
			<u>158.442</u>	<u>140.951</u>	<u>117.079</u>	--
CV	Gold Production (M ozs)		8.264	8.382	8.988	8.382
			<u>0.302</u>	<u>0.309</u>	<u>0.291</u>	--
CV	Silver Production (M ozs)		5.981	5.954	6.879	6.121
			<u>6.341</u>	<u>6.902</u>	<u>6.922</u>	--
CV	Lead Production (M lbs)		15.488	15.488	15.488	15.588
			<u>16.330</u>	<u>16.330</u>	<u>16.330</u>	--

			CY/FY	CY/FY	CY/FY	CY/FY
1						
2	Year	Assumption	88	89	90	91
3	CY	Zinc Production (M lbs)	53.000	53.000	53.000	53.364
4			<u>40.449</u>	<u>40.449</u>	<u>40.449</u>	--
5	CY	Molybdenum Production (M lbs)	11.426	11.898	12.074	12.157
6			<u>12.954</u>	<u>12.514</u>		--
7	CY	Palladium Production (M ozs)	0.160	0.150	0.182	0.183
8			<u>0.137</u>			--
9	CY	Platinum Production (M ozs)	0.047	0.044	0.054	0.054
10			<u>0.041</u>			--
11	CY	Copper Price	\$0.850	\$0.850	\$0.600	\$0.625
12			<u>\$0.900</u>	<u>\$0.750</u>	<u>\$0.750</u>	--
13	CY	Gold Price	\$425.000	\$425.000	\$450.000	\$450.000
14					<u>\$400.000</u>	--
15	CY	Silver Price	\$5.900	\$6.250	\$6.500	\$6.500
16			<u>\$6.350</u>	<u>\$6.500</u>	<u>\$6.000</u>	--
17	CY	Lead Price	\$0.320	\$0.320	\$0.320	\$0.320
18			<u>\$0.360</u>	<u>\$0.400</u>	<u>\$0.400</u>	--
19	CY	Zinc Price	\$0.430	\$0.420	\$0.420	\$0.420
20			<u>\$0.650</u>	<u>\$0.700</u>	<u>\$0.700</u>	--
21	CY	Molybdenum Price	\$3.200	\$3.300	\$3.300	\$3.300
22						--
23	CY	Palladium Price	\$120.000	\$124.400	\$124.400	\$124.400
24			<u>\$124.000</u>	<u>\$124.000</u>	<u>\$124.000</u>	--
25	CY	Platinum Price	\$537.500	\$550.000	\$550.000	\$550.000

			CY/FY	CY/FY	CY/FY	CY/FY
	Year	Assumption	88	89	90	91
1						
2						
3			<u>\$550.000</u>		<u>\$525.000</u>	--
4	FY	Forest Receipts (Millions)	\$6.500	\$6.892	\$5.689	\$5.391
5				<u>\$8.239</u>	<u>\$6.006</u>	<u>\$5.743</u>
6		MT Population July 1 (Thousands)	812.888	816.888	821.888	826.888
7			<u>804.000</u>	<u>809.000</u>	<u>815.000</u>	<u>819.000</u>
8		MT Population M= 16 July 1 (Thousands)	613.000	616.000	621.000	625.000
9		MT Population 18-24 July 1 (Thousands)	81.000	78.000	75.000	72.000
10	CY	CPI Percent Change	4.140%	4.658%	4.858%	5.328%
11				<u>4.700%</u>	<u>4.700%</u>	<u>3.650%</u>
12	EY	GNPD-Percent-Change	3.148%	4.618%	4.498%	4.678%
13	EY	PCE-Percent-Change	4.188%	4.988%	4.988%	5.198%
14	EY	Short-Term Interest Rate	7.500%	7.588%	7.188%	6.888%
15	<u>FY</u>			<u>8.500%</u>	<u>8.000%</u>	<u>8.000%</u>
16	EY	Long-Term Interest Rate	10.140%	9.888%	8.758%	8.758%
17	<u>FY</u>			<u>9.750%</u>	<u>10.000%</u>	<u>10.000%</u>
18	CY	Prime Interest Rate	9.440%	11.240%	9.940%	8.900%
19	FY	Treasury Cash Average Balance (Millions)	\$222.374	\$198.993	\$284.377	\$285.489
20				<u>\$248.000</u>	<u>\$251.214</u>	<u>\$247.573</u>
21	FY	TRANS Issue (Millions)	\$56.000	\$0.000	\$8.888	\$8.888
22					<u>\$51.000</u>	<u>\$62.000</u>
23	FY	Permanent Trust Bond Calls (Millions)	\$0.614	\$0.000	\$0.000	\$0.000
24	FY	Education Trust Bond Calls (Millions)	\$0.218	\$0.000	\$0.000	\$0.000
25	FY	Common School Trust Bond Calls (Millions)	\$0.527	\$0.000	\$0.000	\$0.000

			CY/FY	CY/FY	CY/FY	CY/FY
1						
2	Year	Assumption	88	89	90	91
3	FY	Resource Ind. Trust Bond Calls (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
4	FY	Park Acq. Trust Bond Calls (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
5	CY	MT Personal Income (Billions)	\$10.300	\$11.000	\$11.500	\$12.000
6				<u>\$11.100</u>	<u>\$11.600</u>	<u>\$12.100</u>
7	CY	MT NONFARM LABOR INCOME (BILLIONS)	\$6.300	\$6.600	\$7.000	\$7.500
8	CY	U.S. CORPORATE PROFITS BEFORE TAXES (BILLIONS)	\$299.200	\$314.600	\$330.008	
9	CY	MT Nonfarm Employment (Thousands)	275.500	277.100	278.600	280.400
10			<u>279.000</u>	<u>280.700</u>	<u>282.200</u>	<u>284.100</u>
11	FY	Income Tax Audits (Millions)		\$10.307	\$10.786	\$11.266
12	CY	Individual Federal Tax Reform (Millions)	\$39.233	\$48.120	\$58.079	\$69.989
13			<u>\$49.434</u>	<u>\$60.631</u>	<u>\$73.180</u>	<u>\$87.423</u>
14	CY	MT Corporate Taxable Income (Millions)	\$546.698	\$559.286	\$581.776	\$641.576
15			<u>\$548.793</u>	<u>\$572.479</u>	<u>\$595.605</u>	<u>\$643.962</u>
16	CY	Corporate Federal Tax Reform (Millions)	\$5.890	\$6.350	\$6.750	\$7.175
17			<u>\$7.421</u>	<u>\$8.001</u>	<u>\$8.505</u>	<u>\$9.041</u>
18	FY	Corporation Tax Audits (Millions)	\$9.203	\$7.800	\$7.000	\$7.000
19				<u>\$8.000</u>		
20	FY	Liquor Unit Sales (Millions)	5.094	4.723	4.379	4.060
21				<u>4.789</u>	<u>4.741</u>	<u>4.741</u>
22	FY	Wine Unit Sales (Millions)	0.180	0.160	0.142	0.126
23				<u>0.161</u>	<u>0.154</u>	<u>0.154</u>
24	FY	Liquor Cost Per Unit	\$4.644	\$4.700	\$4.758	\$4.816
25			<u>\$8.340</u>	<u>\$8.530</u>	<u>\$8.720</u>	<u>\$8.920</u>

		CY/FY	CY/FY	CY/FY	CY/FY
1					
2	Year Assumption	88	89	90	91
3	FY Wine Cost Per Unit	\$3.464	\$3.328	\$3.474	\$3.649
4		<u>\$5.690</u>	<u>\$5.940</u>	<u>\$6.210</u>	<u>\$6.490</u>
5	FY Liquor Division Budget (% Change)	-5.488%	-5.348%	-4.988%	-4.258%
6		<u>-5.101%</u>	<u>-2.000%</u>	<u>-1.000%</u>	<u>0.000%</u>
7	FY Cigarette Packs (Millions)	72.909	69.494	65.956	63.833
8			<u>73.422</u>	<u>73.422</u>	<u>73.422</u>
9	FY Tobacco Value (Millions)	\$5.948	\$6.152	\$6.345	\$6.469
10				<u>\$6.312</u>	<u>\$6.472</u>
11	FY Net/Gross Proceeds (Millions)	\$383.272	\$410.315	\$368.798	\$389.763
12				<u>\$366.410</u>	<u>\$330.941</u>
13	FY All Other Valuation (Millions)	\$1,594.619	\$1,532.599	\$1,534.384	\$1,548.888
14			<u>\$1,532.635</u>	<u>\$1,536.598</u>	<u>\$1,551.253</u>
15	FY Institution Reimbursements (Millions)	\$15.395	\$16.090	\$12.211	\$12.352
16	FY Insurance Revenue Growth (% Change)	60.360%	-27.610%	5.800%	5.800%
17	FY Police & Firemen Retirement (Millions)	\$5.626	\$5.826	\$5.989	\$6.149
18	FY Telephone Taxable Income (% Change)	4.880%	4.890%	4.520%	3.910%
19	FY Kilowatt Hours Produced (Millions)	18,007.053	18,835.723	19,384.688	19,648.718
20			<u>19,860.115</u>	<u>17,805.115</u>	<u>17,805.115</u>
21	FY Inheritance Tax (Millions)	\$8.745	\$8.727	\$8.985	\$9.454
22			<u>\$10.514</u>	<u>\$9.550</u>	<u>\$9.980</u>
23	FY Drivers' License Fees (Millions)	\$1.939	\$1.972	\$1.943	\$1.997
24			<u>\$1.976</u>		<u>\$1.996</u>
25	FY Barrels of Beer (Millions)	0.697	8.689	8.694	8.698

		CY/FY	CY/FY	CY/FY	CY/FY
2	Year Assumption	88	89	90	91
3			<u>0.690</u>	<u>0.690</u>	<u>0.700</u>
4	CY Freight Line Earnings (Millions)	\$22.357	\$21.477	\$20.308	\$21.468
5			<u>\$21.527</u>	<u>\$23.418</u>	<u>\$24.400</u>
6	FY Liters of Wine (Millions)	5.812	5.684	5.429	5.219
7			<u>5.206</u>	<u>4.962</u>	<u>4.962</u>
8	FY Poker Total Receipts (Millions)	\$7.684	\$18.668	\$18.766	\$18.874
9			<u>\$12.372</u>	<u>\$12.495</u>	<u>\$12.620</u>
10	FY Vehicle Total Receipts (Millions)	\$32.173	\$34.988	\$37.138	\$40.976
11			<u>\$33.000</u>	<u>\$36.000</u>	<u>\$38.000</u>
12	FY Other Receipts (Millions)	\$16.117	\$15.887	\$16.184	\$16.554
13			<u>\$16.898</u>	<u>\$16.184</u>	<u>\$16.729</u>
14	FY Interest & Income Receipts (Millions)	\$34.079	\$32.496	\$33.699	\$34.770
15	<u>FY PER CAPITA LOTTERY SALES</u>	<u>\$26.20</u>	<u>\$17.09</u>	<u>\$17.09</u>	<u>\$17.09</u>

Current Law

General Fund Revenue Estimates

(In Millions)

19	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
20	Individual Income Tax	\$141.114888	\$139.178888	\$148.877888
21		<u>\$150.536000</u>	<u>\$149.351000</u>	<u>\$159.894000</u>
22	Corporation License Tax	28.694888	28.855888	29.818888
23		<u>30.184000</u>	<u>29.932000</u>	<u>30.165000</u>
24	Coal Severance Tax	8.918888	7.285888	6.249888
25		<u>9.115000</u>	<u>7.237000</u>	<u>6.412000</u>

	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
1 Revenue Component			
2 Oil Severance Tax	13.536000	14.439888	13.896888
3		<u>13.165000</u>	<u>12.613000</u>
4 Interest on Investments	14.924888	14.928888	14.282888
5	<u>21.080000</u>	<u>20.097000</u>	<u>19.806000</u>
6 Long-Range Bond Excess	38.444888	37.768888	38.977888
7	<u>40.839000</u>	<u>40.612000</u>	<u>42.484000</u>
8 Coal Trust Interest Income	39.882888	35.913888	37.518888
9	<u>39.720000</u>	<u>36.540000</u>	<u>38.646000</u>
10 Insurance Premiums Tax	21.371000	22.187000	23.685000
11 Public Institutions Reimbursement	16.090000	12.211000	12.352000
12 Liquor Profits	3.623888	3.159888	2.688888
13	<u>3.524000</u>	<u>3.714000</u>	<u>3.942000</u>
14 Liquor Excise Tax	4.998888	4.691888	4.482888
15	<u>5.188000</u>	<u>5.252000</u>	<u>5.370000</u>
16 Inheritance Tax	8.727888	8.985888	9.151888
17	<u>10.514000</u>	<u>9.550000</u>	<u>9.980000</u>
18 Metal Mines Tax	3.691888	4.145888	3.595888
19	<u>4.242000</u>	<u>4.336000</u>	<u>3.703000</u>
20 Electrical Energy Tax	3.389888	3.488888	3.528888
21	<u>3.632000</u>	<u>3.221000</u>	<u>3.221000</u>
22 Drivers' License Tax	0.804000	0.791000	0.812000
23 Telephone License Tax	3.656000	3.821000	3.971000
24 Beer License Tax	1.242000	1.244000	1.260000
25 Natural Gas Severance Tax	1.143888	8.999888	1.895888

1	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
2		<u>1.100000</u>	<u>1.000000</u>	<u>1.100000</u>
3	Freight Line Tax	<u>1-181000</u>	<u>1-117000</u>	<u>1-180000</u>
4		<u>1.184000</u>	<u>1.288000</u>	<u>1.342000</u>
5	Wine Tax	<u>8-901000</u>	<u>8-868000</u>	<u>8-835000</u>
6		<u>0.833000</u>	<u>0.794000</u>	<u>0.794000</u>
7	Other Revenue Sources	<u>22-509000</u>	<u>23-096000</u>	<u>23-723000</u>
8		<u>24.080000</u>	<u>23.673000</u>	<u>24.314000</u>
9	GRAND TOTAL	<u>\$377-357000</u>	<u>\$369-000000</u>	<u>\$380-150000</u>
10		<u>\$402.470000</u>	<u>\$390.016000</u>	<u>\$405.866000</u>

Current Law

Foundation Program Revenue Estimates

(In Millions)

14	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
15	State Revenue			
16	Income Tax	<u>77-104000</u>	<u>76-042000</u>	<u>80-908000</u>
17		<u>\$82.252000</u>	<u>\$81.604000</u>	<u>\$87.365000</u>
18	Corporation Tax	<u>11-209000</u>	<u>11-271000</u>	<u>11-332000</u>
19		<u>11.791000</u>	<u>11.692000</u>	<u>11.783000</u>
20	Coal Severance Tax	<u>9-781000</u>	<u>2.010000</u>	<u>1-736000</u>
21		<u>9.997000</u>		<u>1.781000</u>
22	Interest & Income	<u>32-465000</u>	<u>33-405000</u>	<u>34-353000</u>
23		<u>32.496000</u>	<u>33.699000</u>	<u>34.770000</u>
24	U.S. Oil & Gas Royalties	<u>23-524000</u>	<u>22-686000</u>	<u>23-494000</u>
25		<u>20.955000</u>	<u>17.119000</u>	<u>17.404000</u>

	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
1	Education Trust Interest	8:825888	8:926888	+:-148888
2		<u>0.848000</u>	<u>1.564000</u>	<u>1.831000</u>
3	Miscellaneous Revenue	24:658888	0.000000	0.000000
4		<u>9.732000</u>		
5	County Levy Surplus	0.000000	0.000000	0.000000
6	Total State	\$179:558888	\$146:428888	\$152:971888
7		<u>\$168.071000</u>	<u>\$147.688000</u>	<u>\$154.934000</u>
8	Statewide Taxable Valuation	+942:914888	+899:969888	+869:891888
9		<u>1942.950000</u>	<u>1903.008000</u>	<u>1882.194000</u>
10	County Revenue			
11	Mandatory Levy	87:431888	85:499888	84:142888
12		<u>87.433000</u>	<u>85.635000</u>	<u>84.699000</u>
13	Elementary Transportation	-3:717888	-3.717000	-3.717000
14		<u>-4.419000</u>		
15	Cash Reappropriated	1:566888	2:487888	3:126888
16		<u>3.737000</u>	<u>2.604000</u>	<u>2.955000</u>
17	Forest Funds	1:465888	1.465000	1.465000
18		<u>1.163000</u>		
19	Taylor Grazing	8:182888	0.102000	0.102000
20		<u>0.108000</u>		
21	Miscellaneous Revenue	4:918888	4.310000	4.310000
22		<u>4.213000</u>		
23	High School Tuition	-8:888888	-0.838000	-0.838000
24		<u>-0.759000</u>		
25				

1	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
2	Total County	\$90.319000	\$89.300000	\$88.590000
3		<u>\$91.476000</u>	<u>\$89.561000</u>	<u>\$88.976000</u>
4	District Revenue			
5	Permissive Levy	16.113000	15.756000	15.507000
6		<u>17.487000</u>	<u>17.127000</u>	<u>16.940000</u>
7	Miscellaneous Revenue	1.227000	1.371000	1.567000
8		<u>1.393000</u>	<u>1.410000</u>	<u>1.454000</u>
9	Total District	\$17.340000	\$17.127000	\$17.074000
10		<u>\$18.880000</u>	<u>\$18.537000</u>	<u>\$18.394000</u>
11	Total State, County, District	\$207.217000	\$252.055000	\$258.635000
12		<u>\$278.427000</u>	<u>\$255.786000</u>	<u>\$262.304000</u>
13	Current Law			
14	Other Revenue Estimates			
15	(In Millions)			

-End-

SENATE STANDING COMMITTEE REPORT

April 19, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HJR 13 (third reading copy -- blue), respectfully report that HJR 13 be amended and as so amended be concurred in:

Sponsor: Ream (Harp)

1. Page 2, line 6.

Strike: "\$402,470,000"

Insert: "\$402,691,000"

Strike: "\$390,016,000"

Insert: "\$390,086,000"

Strike: "\$405,866,000"

Insert: "\$405,858,000"

2. Page 9, line 19.

Strike: "4.242000"

Insert: "4.203000"

3. Page 10, line 2.

Strike: "1.100000"

1.000000

1.100000"

Insert: "1.418000"

1.073000

1.092000"

4. Page 10, line 4.

Strike: "1.184000"

Insert: "1.126000"

5. Page 10, line 10.

Strike: "\$402.470000"

\$390.016000

\$405.866000"

Insert: "\$402.691000"

\$390.086000

\$405.858000"

AND AS AMENDED BE CONCURRED IN

Signed: _____


Bob Brown, Chairman

HJR 13

SENATE

HOUSE JOINT RESOLUTION NO. 13

INTRODUCED BY REAM, SCHYE, ELLISON, GIACOMETTO, DRISCOLL,
PATTERSON, ECK, WALKER, MAZUREK, B. BROWN, GAGE, HARP
BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN OFFICIAL ESTIMATE OF THE STATE'S ANTICIPATED REVENUE FOR EACH YEAR OF THE 1990-91 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS MANDATED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION; ACCEPTING A JUNE 30, 1988, GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; REQUESTING THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING TO USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVENUE ESTIMATES FOR FISCAL YEARS 1989-90 AND 1990-91; AND ESTABLISHING AN ESTIMATE OF THE NONGENERAL FUND REVENUES FOR THE SCHOOL FOUNDATION PROGRAM.

WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to the Legislature a budget for the ensuing fiscal period, containing in detail the estimated revenue of the state; and

WHEREAS, Article VIII, section 9, of the Montana Constitution requires that the Legislature may not appropriate funds in excess of the anticipated revenue of the state; and

WHEREAS, section 5-12-302(2), MCA, requires the Office of the Legislative Fiscal Analyst to estimate revenue from existing and proposed taxes, and section 17-7-123(1), MCA, requires the Governor to submit a budget showing a balance between total proposed disbursements and total anticipated receipts; and

WHEREAS, due to the complexity of economic variables involved in revenue forecasting and the diversity of sources from which state revenues are obtained, it has become increasingly difficult to project revenues in order to prepare a balanced budget for the ensuing biennium; and

WHEREAS, past legislatures have not agreed on revenue projections until the last days of the session, when there is little time for comprehensive analysis or reasoned criticism; and



REFERENCE BILL
AS AMENDED

1 WHEREAS, it is in the best interests of the state that revenue forecasts be discussed and arrived at in public
2 hearings at which all the people may attend and participate.

3
4 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

5 That the state general fund revenue for fiscal years 1989, 1990, and 1991 is estimated to be ~~\$977,957,000~~
6 ~~\$482,470,000~~ \$402,691,000, ~~\$969,000,000~~ \$998,016,000 \$390,086,000, and ~~\$388,150,000~~ \$405,866,000 405,858,000,
7 respectively. The school foundation revenue for fiscal years 1989, 1990, and 1991 is estimated to be ~~\$287,217,000~~
8 \$278,427,000, ~~\$252,855,000~~ \$255,786,000, and ~~\$258,635,000~~ \$262,304,000, respectively.

9 BE IT FURTHER RESOLVED, that the Legislature accepts for budget purposes the unreserved fund balance for the
10 general fund of \$39,472,000, prepared according to generally accepted accounting principles as published in the audited
11 state financial statements as of June 30, 1988.

12 BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use the revenue estimates
13 contained in this resolution as the official revenue estimates for fiscal years 1989-90 and 1990-91.

14 GENERAL FUND REVENUE

15 The projections for total general fund revenue during the 1990-91 biennium are based on an assumption of a
16 continuation of Montana law as it existed on January 1, 1989. It is also assumed that all public institutions currently
17 certified for medicaid will remain certified.

18 The revenue estimates contained in the following tables are based on the assumptions stated previously herein and
19 those listed in the following tables.

ECONOMIC ASSUMPTIONS

Revenue Estimating Advisory Council

Economic Assumptions

		CY/FY	CY/FY	CY/FY	CY/FY
Year	Assumption	88	89	90	91
6	CY Oil Production (Millions)	22.500	21.500	20.000	19.000
7	CY Oil Price	\$14.500	\$15.000	\$15.500	\$16.000
8	EY Natural Gas Production (M-MCF's)	48.428	39.447	38.524	38.135
9	EY Natural Gas Production (M-MBbl)	9.666	9.433	9.212	9.119
10	EY Natural Gas Price (MCF's)	\$1.883	\$1.792	\$1.875	\$1.988
11	EY Natural Gas Price (MBbl)	\$8.225	\$8.224	\$8.234	\$8.247
12	CY Coal Production (Millions)	34.428	31.888	29.633	38.833
13		<u>36.879</u>	<u>31.796</u>	<u>32.000</u>	<u>32.000</u>
14	CY Coal Price	\$7.769	\$7.687	\$7.788	\$7.788
15		<u>\$7.385</u>	<u>\$7.360</u>	<u>\$7.460</u>	<u>\$7.410</u>
16	CY Coal Tax Credits (Millions)	\$5.888	\$4.957	\$2.764	\$1.842
17		<u>\$6.479</u>	<u>\$4.133</u>	<u>\$2.552</u>	<u>\$0.949</u>
18	CY Copper Production (M lbs)	134.612	128.298	113.998	114.773
19		<u>158.442</u>	<u>140.951</u>	<u>117.079</u>	--
20	CY Gold Production (M ozs)	8.264	8.382	8.388	8.382
21		<u>0.302</u>	<u>0.309</u>	<u>0.291</u>	--
22	CY Silver Production (M ozs)	5.981	5.954	6.879	6.121
23		<u>6.341</u>	<u>6.902</u>	<u>6.922</u>	--
24	CY Lead Production (M lbs)	15.488	15.488	15.488	15.588
25		<u>16.330</u>	<u>16.330</u>	<u>16.330</u>	--

		CY/FY	CY/FY	CY/FY	CY/FY
1					
2	Year Assumption	88	89	90	91
3	CY Zinc Production (M lbs)	59:888	59:888	58:888	53:964
4		<u>40.449</u>	<u>40.449</u>	<u>40.449</u>	--
5	CY Molybdenum Production (M lbs)	11:426	11:898	12.074	12:157
6		<u>12.954</u>	<u>12.514</u>		--
7	CY Palladium Production (M ozs)	8:168	0.150	0.182	8:189
8		<u>0.137</u>			--
9	CY Platinum Production (M ozs)	8:847	0.044	0.054	8:854
10		<u>0.041</u>			--
11	CY Copper Price	\$8:858	\$8:858	\$8:688	\$8:625
12		<u>\$0.900</u>	<u>\$0.750</u>	<u>\$0.750</u>	--
13	CY Gold Price	\$425.000	\$425.000	\$458:888	\$458:888
14				<u>\$400.000</u>	--
15	CY Silver Price	\$5:988	\$6:258	\$6:588	\$6:588
16		<u>\$6.350</u>	<u>\$6.500</u>	<u>\$6.000</u>	--
17	CY Lead Price	\$8:928	\$8:928	\$8:928	\$8:928
18		<u>\$0.360</u>	<u>\$0.400</u>	<u>\$0.400</u>	--
19	CY Zinc Price	\$8:438	\$8:428	\$8:428	\$8:428
20		<u>\$0.650</u>	<u>\$0.700</u>	<u>\$0.700</u>	--
21	CY Molybdenum Price	\$3.200	\$3.300	\$3.300	\$3:388
22					--
23	CY Palladium Price	\$123:838	\$124:488	\$124:488	\$124:488
24		<u>\$124.000</u>	<u>\$124.000</u>	<u>\$124.000</u>	--
25	CY Platinum Price	\$537:588	\$550.000	\$558:888	\$558:888

		CY/FY	CY/FY	CY/FY	CY/FY
	Year Assumption	88	89	90	91
1					
2					
3		<u>\$550.000</u>		<u>\$525.000</u>	<u>--</u>
4	FY Forest Receipts (Millions)	\$6.500	\$6.892	\$5.689	\$5.391
5			<u>\$8.239</u>	<u>\$6.006</u>	<u>\$5.743</u>
6	MT Population July 1 (Thousands)	812.888	816.888	821.888	826.888
7		<u>804.000</u>	<u>809.000</u>	<u>815.000</u>	<u>819.000</u>
8	MT Population M= 16 July 1 (Thousands)	613.000	616.000	621.000	625.000
9	MT Population 18-24 July 1 (Thousands)	81.000	78.000	75.000	72.000
10	CY CPI Percent Change	4.140%	4.658%	4.858%	5.328%
11			<u>4.700%</u>	<u>4.700%</u>	<u>3.650%</u>
12	EY GNPB-Percent-Change	8.148%	4.618%	4.498%	4.678%
13	EY PEE-Percent-Change	4.188%	4.988%	4.988%	5.198%
14	EY Short-Term Interest Rate	7.500%	7.588%	7.188%	6.888%
15	<u>FY</u>		<u>8.500%</u>	<u>8.000%</u>	<u>8.000%</u>
16	EY Long-Term Interest Rate	10.140%	9.888%	8.758%	8.758%
17	<u>FY</u>		<u>9.750%</u>	<u>10.000%</u>	<u>10.000%</u>
18	CY Prime Interest Rate	9.440%	11.240%	9.940%	8.900%
19	FY Treasury Cash Average Balance (Millions)	\$222.374	\$198.993	\$284.377	\$285.489
20			<u>\$248.000</u>	<u>\$251.214</u>	<u>\$247.573</u>
21	FY TRANS Issue (Millions)	\$56.000	\$0.000	\$8.888	\$8.888
22				<u>\$51.000</u>	<u>\$62.000</u>
23	FY Permanent Trust Bond Calls (Millions)	\$0.614	\$0.000	\$0.000	\$0.000
24	FY Education Trust Bond Calls (Millions)	\$0.218	\$0.000	\$0.000	\$0.000
25	FY Common School Trust Bond Calls (Millions)	\$0.527	\$0.000	\$0.000	\$0.000

1			CY/FY	CY/FY	CY/FY	CY/FY
2	Year	Assumption	88	89	90	91
3	FY	Resource Ind. Trust Bond Calls (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
4	FY	Park Acq. Trust Bond Calls (Millions)	\$0.000	\$0.000	\$0.000	\$0.000
5	CY	MT Personal Income (Billions)	\$10.300	\$11.088	\$11.588	\$12.088
6				<u>\$11.100</u>	<u>\$11.600</u>	<u>\$12.100</u>
7	CY	<u>MT NONFARM LABOR INCOME (BILLIONS)</u>	<u>\$6.300</u>	<u>\$6.600</u>	<u>\$7.000</u>	<u>\$7.500</u>
8	CY	<u>U.S. CORPORATE PROFITS BEFORE TAXES (BILLIONS)</u>	<u>\$299.200</u>	<u>\$314.600</u>	<u>\$330.008</u>	
9	CY	MT Nonfarm Employment (Thousands)	275.588	277.188	278.688	288.488
10			<u>279.000</u>	<u>280.700</u>	<u>282.200</u>	<u>284.100</u>
11	FY	Income Tax Audits (Millions)		\$10.307	\$10.786	\$11.266
12	CY	Individual Federal Tax Reform (Millions)	\$39.233	\$48.128	\$58.879	\$69.389
13			<u>\$49.434</u>	<u>\$60.631</u>	<u>\$73.180</u>	<u>\$87.423</u>
14	CY	MT Corporate Taxable Income (Millions)	\$546.698	\$559.286	\$581.776	\$641.576
15			<u>\$548.793</u>	<u>\$572.479</u>	<u>\$595.605</u>	<u>\$643.962</u>
16	CY	Corporate Federal Tax Reform (Millions)	\$5.898	\$6.958	\$6.758	\$7.175
17			<u>\$7.421</u>	<u>\$8.001</u>	<u>\$8.505</u>	<u>\$9.041</u>
18	FY	Corporation Tax Audits (Millions)	\$9.203	\$7.888	\$7.000	\$7.000
19				<u>\$8.000</u>		
20	FY	Liquor Unit Sales (Millions)	5.094	4.723	4.379	4.868
21				<u>4.789</u>	<u>4.741</u>	<u>4.741</u>
22	FY	Wine Unit Sales (Millions)	0.180	8.168	8.142	8.126
23				<u>0.161</u>	<u>0.154</u>	<u>0.154</u>
24	FY	Liquor Cost Per Unit	\$4.644	\$4.788	\$4.758	\$4.816
25			<u>\$8.340</u>	<u>\$8.530</u>	<u>\$8.720</u>	<u>\$8.920</u>

		CY/FY	CY/FY	CY/FY	CY/FY
1					
2	Year Assumption	88	89	90	91
3	FY Wine Cost Per Unit	\$9.161	\$9.928	\$9.471	\$9.619
4		<u>\$5.690</u>	<u>\$5.940</u>	<u>\$6.210</u>	<u>\$6.490</u>
5	FY Liquor Division Budget (% Change)	-5.188%	-5.918%	-1.988%	-1.258%
6		<u>-5.101%</u>	<u>-2.000%</u>	<u>-1.000%</u>	<u>0.000%</u>
7	FY Cigarette Packs (Millions)	72.909	69.194	65.956	63.899
8			<u>73.422</u>	<u>73.422</u>	<u>73.422</u>
9	FY Tobacco Value (Millions)	\$5.948	\$6.152	\$6.915	\$6.469
10				<u>\$6.312</u>	<u>\$6.472</u>
11	FY Net/Gross Proceeds (Millions)	\$383.272	\$410.315	\$368.798	\$389.763
12				<u>\$366.410</u>	<u>\$330.941</u>
13	FY All Other Valuation (Millions)	\$1,594.619	\$1,532.599	\$1,534.981	\$1,548.888
14			<u>\$1,532.635</u>	<u>\$1,536.598</u>	<u>\$1,551.253</u>
15	FY Institution Reimbursements (Millions)	\$15.395	\$16.090	\$12.211	\$12.352
16	FY Insurance Revenue Growth (% Change)	60.360%	-27.610%	5.800%	5.800%
17	FY Police & Firemen Retirement (Millions)	\$5.626	\$5.826	\$5.989	\$6.149
18	FY Telephone Taxable Income (% Change)	4.880%	4.890%	4.520%	3.910%
19	FY Kilowatt Hours Produced (Millions)	18,007.053	18,835.723	19,384.688	19,618.718
20			<u>19,860.115</u>	<u>17,805.115</u>	<u>17,805.115</u>
21	FY Inheritance Tax (Millions)	\$8.745	\$8.727	\$8.985	\$9.151
22			<u>\$10.514</u>	<u>\$9.550</u>	<u>\$9.980</u>
23	FY Drivers' License Fees (Millions)	\$1.939	\$1.972	\$1.943	\$1.997
24			<u>\$1.976</u>		<u>\$1.996</u>
25	FY Barrels of Beer (Millions)	0.697	0.689	0.691	0.698

		CY/FY	CY/FY	CY/FY	CY/FY
2	Year Assumption	88	89	90	91
3			<u>0.690</u>	<u>0.690</u>	<u>0.700</u>
4	CY Freight Line Earnings (Millions)	\$22.357	\$21.477	\$20.988	\$21.468
5			<u>\$21.527</u>	<u>\$23.418</u>	<u>\$24.400</u>
6	FY Liters of Wine (Millions)	5.812	5.684	5.423	5.219
7			<u>5.206</u>	<u>4.962</u>	<u>4.962</u>
8	FY Poker Total Receipts (Millions)	\$7.684	\$10.668	\$10.766	\$10.874
9			<u>\$12.372</u>	<u>\$12.495</u>	<u>\$12.620</u>
10	FY Vehicle Total Receipts (Millions)	\$32.173	\$34.388	\$37.138	\$40.976
11			<u>\$33.000</u>	<u>\$36.000</u>	<u>\$38.000</u>
12	FY Other Receipts (Millions)	\$16.117	\$15.887	\$16.184	\$16.554
13			<u>\$16.898</u>	<u>\$16.184</u>	<u>\$16.729</u>
14	FY Interest & Income Receipts (Millions)	\$34.079	\$32.496	\$33.699	\$34.770
15	<u>FY PER CAPITA LOTTERY SALES</u>	<u>\$26.20</u>	<u>\$17.09</u>	<u>\$17.09</u>	<u>\$17.09</u>

Current Law

General Fund Revenue Estimates

(In Millions)

19	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
20	Individual Income Tax	\$141.114888	\$199.178888	\$148.877888
21		<u>\$150.536000</u>	<u>\$149.351000</u>	<u>\$159.894000</u>
22	Corporation License Tax	28.694888	28.855888	29.818888
23		<u>30.184000</u>	<u>29.932000</u>	<u>30.165000</u>
24	Coal Severance Tax	8.918888	7.235888	6.249888
25		<u>9.115000</u>	<u>7.237000</u>	<u>6.412000</u>

	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
2	Oil Severance Tax	13.536000	14:499000	13:836000
3			<u>13.165000</u>	<u>12.613000</u>
4	Interest on Investments	14:924000	14:920000	14:282000
5		<u>21.080000</u>	<u>20.097000</u>	<u>19.806000</u>
6	Long-Range Bond Excess	38:444000	37:760000	38:977000
7		<u>40.839000</u>	<u>40.612000</u>	<u>42.484000</u>
8	Coal Trust Interest Income	39:082000	35:913000	37:510000
9		<u>39.720000</u>	<u>36.540000</u>	<u>38.646000</u>
10	Insurance Premiums Tax	21.371000	22.187000	23.685000
11	Public Institutions Reimbursement	16.090000	12.211000	12.352000
12	Liquor Profits	3:623000	3:153000	2:680000
13		<u>3.524000</u>	<u>3.714000</u>	<u>3.942000</u>
14	Liquor Excise Tax	4:998000	4:691000	4:482000
15		<u>5.188000</u>	<u>5.252000</u>	<u>5.370000</u>
16	Inheritance Tax	8:727000	8:985000	9:151000
17		<u>10.514000</u>	<u>9.550000</u>	<u>9.980000</u>
18	Metal Mines Tax	3:691000	4:145000	3:595000
19		4:242000 <u>4.203000</u>	<u>4.336000</u>	<u>3.703000</u>
20	Electrical Energy Tax	3:389000	3:488000	3:528000
21		<u>3.632000</u>	<u>3.221000</u>	<u>3.221000</u>
22	Drivers' License Tax	0.804000	0.791000	0.812000
23	Telephone License Tax	3.656000	3.821000	3.971000
24	Beer License Tax	1.242000	1.244000	1.260000
25	Natural Gas Severance Tax	1:143000	0:999000	1:035000

	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
1				
2		<u>1-100000</u>	<u>1-000000</u>	<u>1-100000</u>
3		<u>1.418000</u>	<u>1.073000</u>	<u>1.092000</u>
4	Freight Line Tax	1-101000	1-117000	1-100000
5		<u>1-104000</u>	<u>1.288000</u>	<u>1.342000</u>
6	Wine Tax	0-901000	0-860000	0-895000
7		<u>0.833000</u>	<u>0.794000</u>	<u>0.794000</u>
8	Other Revenue Sources	22-509000	23-096000	23-729000
9		<u>24.080000</u>	<u>23.673000</u>	<u>24.314000</u>
10	GRAND TOTAL	\$977-957000	\$369-000000	\$980-150000
11		<u>\$402-470000</u>	<u>\$390-016000</u>	<u>\$405-066000</u>
12		<u>\$402.691000</u>	<u>\$390.086000</u>	<u>\$405.858000</u>

Current Law

Foundation Program Revenue Estimates

(In Millions)

	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
16				
17	State Revenue			
18	Income Tax	77-104000	76-842000	80-900000
19		<u>\$82.252000</u>	<u>\$81.604000</u>	<u>\$87.365000</u>
20	Corporation Tax	11-209000	11-271000	11-302000
21		<u>11.791000</u>	<u>11.692000</u>	<u>11.783000</u>
22	Coal Severance Tax	9-781000	2.010000	1-736000
23		<u>9.997000</u>		<u>1.781000</u>
24	Interest & Income	32-465000	33-485000	34-353000
25		<u>32.496000</u>	<u>33.699000</u>	<u>34.770000</u>

	Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
2	U.S. Oil & Gas Royalties	29-524888	22-686888	23-494888
3		<u>20.955000</u>	<u>17.119000</u>	<u>17.404000</u>
4	Education Trust Interest	8-825888	8-926888	1-148888
5		<u>0.848000</u>	<u>1.564000</u>	<u>1.831000</u>
6	Miscellaneous Revenue	24-658888	0.000000	0.000000
7		<u>9.732000</u>		
8	County Levy Surplus	0.000000	0.000000	0.000000
9	Total State	\$179-558888	\$146-428888	\$152-971888
10		<u>\$168.071000</u>	<u>\$147.688000</u>	<u>\$154.934000</u>
11	Statewide Taxable Valuation	1942-914888	1899-969888	1869-831888
12		<u>1942.950000</u>	<u>1903.008000</u>	<u>1882.194000</u>
13	County Revenue			
14	Mandatory Levy	87-431888	85-499888	84-142888
15		<u>87.433000</u>	<u>85.635000</u>	<u>84.699000</u>
16	Elementary Transportation	-3-717888	-3.717000	-3.717000
17		<u>-4.419000</u>		
18	Cash Reappropriated	1-566888	2-487888	3-126888
19		<u>3.737000</u>	<u>2.604000</u>	<u>2.955000</u>
20	Forest Funds	1-465888	1.465000	1.465000
21		<u>1.163000</u>		
22	Taylor Grazing	8-182888	0.102000	0.102000
23		<u>0.108000</u>		
24	Miscellaneous Revenue	4-318888	4.310000	4.310000
25		<u>4.213000</u>		

Revenue Component	Estimated FY 1989	Estimated FY 1990	Estimated FY 1991
High School Tuition	-0.898000	-0.838000	-0.838000
	<u>-0.759000</u>		
Total County	\$90.919000	\$89.900000	\$88.590000
	<u>\$91.476000</u>	<u>\$89.561000</u>	<u>\$88.976000</u>
District Revenue			
Permissive Levy	16.113000	15.756000	15.587000
	<u>17.487000</u>	<u>17.127000</u>	<u>16.940000</u>
Miscellaneous Revenue	1.227000	1.071000	1.567000
	<u>1.393000</u>	<u>1.410000</u>	<u>1.454000</u>
Total District	\$17.340000	\$17.127000	\$17.074000
	<u>\$18.880000</u>	<u>\$18.537000</u>	<u>\$18.394000</u>
Total State, County, District	\$207.217000	\$252.055000	\$258.695000
	<u>\$278.427000</u>	<u>\$255.786000</u>	<u>\$262.304000</u>
Current Law			
Other Revenue Estimates			
(In Millions)			
-End-			