



A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN OFFICIAL ESTIMATE OF THE STATE'S GENERAL FUND REVENUE FOR FISCAL YEAR 2013 AND EACH FISCAL YEAR OF THE 2014-2015 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS REQUIRED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION; ACCEPTING AN UNASSIGNED GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; ESTABLISHING OFFICIAL ESTIMATES OF CERTAIN NONGENERAL FUND REVENUE; AND REQUESTING THAT THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVENUE ESTIMATES FOR FISCAL YEARS 2013, 2014, AND 2015.

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 for all operating funds the proposed expenditures and estimated revenue of the state; and

WHEREAS, Article VIII, section 9, of the Montana Constitution prohibits the Legislature from appropriating funds in excess of the anticipated revenue of the state; and

WHEREAS, the Revenue and Transportation Interim Committee, which is required by section 5-5-227(2), MCA, to estimate the amount of revenue projected to be available for legislative appropriation and to introduce a resolution setting forth the Committee's current revenue estimate, did not introduce an estimate of the amount of revenue; and

WHEREAS, the proposed Joint Rules of the 63rd Legislature require the chair of the Senate Taxation Committee to prepare a revenue estimate for the purpose of estimating revenue that may be available for appropriation by the Legislature; and

WHEREAS, the Legislative Fiscal Analyst and the Executive Branch agencies assisted in the development of the revenue estimates; and

WHEREAS, the proposed Joint Rules of the 63rd Legislature provide that the Senate shall transmit the revenue estimate to the House no later than the 15th legislative day and that the Senate Joint Resolution does not constitute the Legislature's revenue estimate until passed by the House and any House amendments are concurred in by the Senate; and

WHEREAS, the amount of estimated revenue and the general fund balance affects policy decisions of the Executive Branch and the Legislative Branch; and

WHEREAS, the revenue estimates and the underlying assumptions contained in this resolution provide the basis for a comprehensive analysis of the state's revenue condition.

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

That the state general fund revenue for fiscal years 2013, 2014, and 2015 be estimated to be \$1,994,950,000, \$2,056,252,000, and \$2,137,410,000, respectively.

BE IT FURTHER RESOLVED, that the Legislature accepts for budget purposes the preliminary unassigned fiscal year 2012 fund balance of \$452,400,000 for the general fund, prepared according to generally accepted accounting principles.

BE IT FURTHER RESOLVED, that the Legislature recommends that the Governor's Office of Budget and Program Planning use the revenue estimates and the underlying assumptions contained in this resolution as the official revenue estimates for fiscal years 2013, 2014, and 2015.

#### GENERAL FUND REVENUE

The projections for total general fund revenue for fiscal years 2013, 2014, and 2015 are based on the assumption of the continuation of Montana law as it existed on January 1, 2013, and on the assumption of the expiration of the federal Economic Growth and Tax Relief Act of 2001 (Pub. L. 107-16, 115 Stat. 38) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (Pub. L. 108-27, 117 Stat. 752). The revenue estimates contained in the following tables are based on the assumptions listed in the tables that follow the general fund estimates and the assumptions for each general fund revenue source contained in the "Legislative Budget Analysis, 2015 Biennium, Volume 2 -- Revenue Estimates" prepared by the Legislative Fiscal Division.

Current Law

General Fund Revenue Estimates

(In Millions of Dollars)

| Source of Revenue                 | Actual<br>Fiscal 2012 | Estimated<br>Fiscal 2013 | Estimated<br>Fiscal 2014 | Estimated<br>Fiscal 2015 |
|-----------------------------------|-----------------------|--------------------------|--------------------------|--------------------------|
| Individual Income Tax             | 898.851               | 983.953                  | 1,039.160                | 1,104.898                |
| Property Tax                      | 236.662               | 241.741                  | 246.621                  | 254.664                  |
| Corporation License Tax           | 127.771               | 150.658                  | 154.096                  | 155.022                  |
| Vehicle Tax                       | 83.871                | 84.608                   | 85.070                   | 85.651                   |
| Insurance Tax & License Fees      | 58.951                | 59.932                   | 52.021                   | 54.052                   |
| Coal Trust Interest               | 25.840                | 24.451                   | 24.424                   | 24.411                   |
| US Mineral Royalty                | 31.057                | 36.989                   | 30.953                   | 29.009                   |
| All Other Revenue                 | 47.258                | 32.595                   | 32.488                   | 32.773                   |
| Tobacco Settlement                | 3.322                 | 3.552                    | 3.519                    | 3.486                    |
| Telecommunications Excise Tax     | 21.459                | 22.606                   | 23.236                   | 23.823                   |
| Video Gambling Tax                | 53.824                | 57.706                   | 59.929                   | 62.117                   |
| Treasury Cash Account Interest    | 2.654                 | 2.779                    | 2.346                    | 2.778                    |
| Estate Tax                        | 0.060                 | 0.000                    | 0.000                    | 0.000                    |
| Oil & Natural Gas Production Tax  | 97.560                | 98.750                   | 99.336                   | 97.427                   |
| Motor Vehicle Fee                 | 16.084                | 16.225                   | 16.314                   | 16.425                   |
| Public Institution Reimbursements | 14.562                | 16.332                   | 17.663                   | 18.301                   |
| Lodging Facility Use Tax          | 15.606                | 17.314                   | 18.365                   | 19.477                   |
| Coal Severance Tax                | 12.350                | 12.864                   | 14.857                   | 15.906                   |
| Liquor Excise & License Tax       | 17.037                | 18.206                   | 19.284                   | 20.431                   |

|                         |           |           |           |           |
|-------------------------|-----------|-----------|-----------|-----------|
| Cigarette Tax           | 31.483    | 30.991    | 30.433    | 29.499    |
| Investment License Fee  | 6.961     | 7.210     | 7.457     | 7.714     |
| Lottery Profits         | 13.061    | 14.477    | 14.342    | 15.076    |
| Liquor Profits          | 9.500     | 10.604    | 10.985    | 11.602    |
| Nursing Facilities Fee  | 5.077     | 4.876     | 4.740     | 4.603     |
| Electrical Energy Tax   | 4.481     | 4.442     | 4.521     | 4.565     |
| Metalliferous Mines Tax | 10.010    | 10.904    | 10.595    | 10.039    |
| Highway Patrol Fines    | 4.385     | 4.427     | 4.467     |           |
| Public Contractors Tax  | (3.042)   | 1.140     | 3.259     | 3.259     |
| Wholesale Energy Tax    | 3.427     | 4.038     | 4.140     | 4.217     |
| Tobacco Tax             | 5.709     | 5.821     | 6.005     | 6.197     |
| Driver's License Fee    | 4.369     | 3.867     | 4.389     | 3.923     |
| Rental Car Sales Tax    | 3.420     | 3.539     | 3.632     | 3.744     |
| Railroad Car Tax        | 2.273     | 2.157     | 2.320     | 2.437     |
| Wine Tax                | 2.104     | 2.144     | 2.218     | 2.291     |
| Beer Tax                | 2.956     | 3.052     | 3.067     | 3.085     |
| Total General Fund      | 1,870.954 | 1,994.950 | 2,056.252 | 2,137.410 |

SIGNIFICANT ASSUMPTIONS FOR GENERAL FUND REVENUE ESTIMATES

| Year Assumption                            | 2012     | 2013     | 2014     | 2015     |
|--|----------|----------|----------|----------|
| <b>Individual Income Tax</b>               |          |          |          |          |
| FY Income Tax Audit Collections (Millions) | \$28.307 | \$36.193 | \$37.255 | \$38.046 |
| CY Taxpayer Population (Percent Change)    | 0.67%    | 1.34%    | 1.34%    | 1.58%    |

Income Indicators



|                               |  |         |        |        |        |
|-------------------------------|--|---------|--------|--------|--------|
| CY                            | Wage and Salary Income (Percent Change)                | 4.35%   | 3.17%  | 4.50%  | 5.07%  |
| CY                            | Net Farm Income (Percent Change)                       | -14.75% | 60.25% | 23.45% | 5.74%  |
| CY                            | Interest Income (Percent Change)                       | -1.12%  | 1.03%  | 2.96%  | 6.16%  |
| CY                            | Dividend Income (Percent Change)                       | 1.66%   | 13.08% | -1.88% | 9.48%  |
| CY                            | Rent, Royalty, and Partnership Income (Percent Change) | 3.12%   | 4.64%  | 8.96%  | 5.10%  |
| CY                            | Net Business Income (Percent Change)                   | 4.74%   | 7.10%  | -1.64% | 2.17%  |
| CY                            | Capital Gains and Losses (Percent Change)              | 28.89%  | 3.39%  | 3.40%  | 10.88% |
| CY                            | Supplemental Gains (Percent Change)                    | 16.28%  | 2.94%  | 8.32%  | 7.99%  |
| CY                            | Social Security Income (Percent Change)                | 3.02%   | 3.90%  | 8.51%  | 6.97%  |
| CY                            | IRA Income (Percent Change)                            | 9.95%   | 10.76% | 12.05% | 11.75% |
| CY                            | Pension Income (Percent Change)                        | 5.09%   | 5.58%  | 7.00%  | 7.49%  |
| CY                            | Other Income (Percent Change)                          | 0.00%   | 0.00%  | 0.00%  | 0.00%  |
| CY                            | Bond Interest (Percent Change)                         | 16.04%  | -1.08% | -7.29% | -5.60% |
| CY                            | Federal Income Tax Refunds (Percent Change)            | 0.00%   | 0.00%  | 0.00%  | 0.00%  |
| CY                            | Other Additions to Income (Percent Change)             | 11.75%  | 12.78% | 13.51% | 14.20% |
| CY                            | IRA Reduction (Percent Change)                         | 0.95%   | 0.98%  | 0.99%  | 0.99%  |
| CY                            | Reductions to Income (Percent Change)                  | -1.37%  | 11.35% | 11.87% | 12.31% |
| CY                            | Other Reductions to Income (Percent Change)            | 12.67%  | 12.96% | 13.34% | 13.71% |
| <u>Deductions From Income</u> |  |         |        |        |        |
| CY                            | Medical Premiums (Percent Change)                      | 5.36%   | 5.36%  | 5.36%  | 5.36%  |
| CY                            | Medical Deductions (Percent Change)                    | 4.10%   | 4.10%  | 4.10%  | 4.10%  |
| CY                            | Real Estate Tax (Percent Change)                       | 5.22%   | 5.22%  | 5.22%  | 5.22%  |
| CY                            | Other Taxes (Percent Change)                           | 1.15%   | 1.15%  | 1.15%  | 1.15%  |

|  |  |           |           |           |             |
|--|--|-----------|-----------|-----------|-------------|
| CY   | Home Mortgage (Percent Change)                   | 3.62%     | 3.62%     | 3.62%     | 3.62%       |
| CY   | Contributions (Percent Change)                   | 6.72%     | 6.82%     | 6.92%     | 7.01%       |
| CY   | Gambling Losses (Percent Change)                 | 10.32%    | 10.32%    | 10.32%    | 10.32%      |
| FY   | Bonus Depreciation (Millions)                    |           | \$0.529   | \$0.418   | \$0.274     |
| CY   | Homeowner and Renter Credit (Millions)           | \$10.786  | \$10.786  | \$10.786  | \$10.786    |
| CY   | All Other Credits (Percent Change)               | 30.62%    | 5.80%     | 6.21%     | 7.32%       |
| <u>Other Individual Income Tax Assumptions</u> |  |           |           |           |             |
| CY   | All Filers Liability (Millions)                  | \$842.262 | \$887.531 | \$940.049 | \$1,005.320 |
| CY   | Current Calendar Year to Fiscal Year Conversion  | 50.0%     | 50.0%     | 50.0%     | 50.0%       |
| CY   | Previous Calendar Year to Fiscal Year Conversion | 50.0%     | 50.0%     | 50.0%     | 50.0%       |
| FY   | Fiscal Year 2012 Adjusted Base (Millions)        | \$889.940 |           |           |             |

**Property Taxes: Taxable Value for Statewide General Fund**

**Mill Levies and Other Property Tax Indicators**

Taxable Value--40-Mill and 55-Mill Levies

|    |                                 |             |             |             |             |
|----|---------------------------------|-------------|-------------|-------------|-------------|
| FY | Property Class One (Millions)   | \$3.888     | \$4.189     | \$4.275     | \$4.337     |
| FY | Property Class Two (Millions)   | \$22.987    | \$31.132    | \$33.820    | \$35.056    |
| FY | Property Class Three (Millions) | \$150.429   | \$147.792   | \$145.202   | \$142.657   |
| FY | Property Class Four (Millions)  | \$1,418.797 | \$1,446.304 | \$1,478.146 | \$1,511.683 |
| FY | Property Class Five (Millions)  | \$40.642    | \$45.673    | \$48.816    | \$52.176    |
| FY | Property Class Six (Millions)   | \$0.000     | \$0.000     | \$0.000     | \$0.000     |
| FY | Property Class Seven (Millions) | \$1.194     | \$1.170     | \$1.147     | \$1.124     |
| FY | Property Class Eight (Millions) | \$186.854   | \$179.237   | \$180.358   | \$179.206   |
| FY | Property Class Nine (Millions)  | \$304.226   | \$322.490   | \$345.727   | \$370.637   |

|    |  |             |             |             |             |
|----|--|-------------|-------------|-------------|-------------|
| FY | Property Class Ten (Millions)                      | \$6.390     | \$6.349     | \$6.308     | \$6.268     |
| FY | Property Class Twelve (Millions)                   | \$71.336    | \$72.349    | \$76.657    | \$81.222    |
| FY | Property Class Thirteen (Millions)                 | \$193.267   | \$197.605   | \$208.267   | \$219.505   |
| FY | Total Taxable Value 55-Mill and 40-Mill (Millions) | \$2,370.852 | \$2,422.804 | \$2,512.787 | \$2,589.610 |

Other Property Tax Indicators

|    |   |             |             |             |             |
|----|---|-------------|-------------|-------------|-------------|
| FY | Tax Increment Finance Value (Millions)                | \$46.300    | \$47.037    | \$47.037    | \$45.359    |
| FY | Property Tax Abatement Value (Millions)               | \$25.369    | \$20.225    | \$20.877    | \$21.539    |
| FY | Taxable Value in 6-Mill Vo-Tech Counties (Millions)   | \$2,442.522 | \$2,490.066 | \$2,580.701 | \$2,656.509 |
| FY | Taxable Value in 1.5-Mill Vo-Tech Counties (Millions) | \$797.739   | \$806.969   | \$836.367   | \$862.955   |

Property Tax Nonlevy Revenue

|    |                                     |          |          |         |         |
|----|-------------------------------------|----------|----------|---------|---------|
| FY | 40-Mill Nonlevy Revenue (Millions)  | \$0.000  | \$0.000  | \$0.000 | \$0.000 |
| FY | 40-Mill Adjustments (Millions)      | \$0.000  | \$0.000  | \$0.000 | \$0.000 |
| FY | 55-Mill Nonlevy Revenue (Millions)  | \$13.027 | \$12.647 | \$8.933 | \$9.627 |
| FY | 55-Mill Adjustments (Millions)      | \$0.000  | \$0.000  | \$0.000 | \$0.000 |
| FY | 1.5-Mill Nonlevy Revenue (Millions) | \$0.000  | \$0.000  | \$0.000 | \$0.000 |
| FY | 1.5-Mill Adjustments (Millions)     | \$0.000  | \$0.000  | \$0.000 | \$0.000 |

**Vehicle Tax**

|    |  |         |       |       |       |
|----|--|---------|-------|-------|-------|
| FY | Large Trucks Growth Rate (Percent Change)        | 0.68%   | 0.88% | 0.55% | 0.68% |
| FY | Motor Home Growth Rate (Percent Change)          | -12.26% | 0.88% | 0.55% | 0.68% |
| FY | Light Vehicle Growth Rate (Percent Change)       | -1.99%  | 0.88% | 0.55% | 0.68% |
| FY | Boat and Snowmobile Growth Rate (Percent Change) | 6.86%   | 0.88% | 0.55% | 0.68% |

**Corporation License Tax**

Tax Liability by Industrial Sector (Millions)



|  |  |           |           |           |           |
|--|--|-----------|-----------|-----------|-----------|
| CY   | Agriculture                            | \$2.757   | \$2.758   | \$2.798   | \$2.841   |
| CY   | Mining                                 | \$14.531  | \$13.742  | \$13.152  | \$12.339  |
| CY   | Utilities                              | \$0.805   | \$1.646   | \$1.751   | \$2.255   |
| CY   | Construction                           | \$1.040   | \$1.342   | \$1.379   | \$1.560   |
| CY   | Manufacturing                          | \$35.540  | \$34.141  | \$32.215  | \$34.280  |
| CY   | Trade                                  | \$14.159  | \$14.515  | \$14.892  | \$15.348  |
| CY   | Transportation                         | \$9.126   | \$9.600   | \$10.162  | \$10.851  |
| CY   | Information                            | \$1.880   | \$2.305   | \$2.358   | \$2.613   |
| CY   | Professional                           | \$7.344   | \$7.599   | \$7.848   | \$8.095   |
| CY   | Large Banks                            | \$20.902  | \$21.819  | \$22.823  | \$24.014  |
| CY   | Social                                 | \$2.113   | \$2.194   | \$2.283   | \$2.370   |
| CY   | Unknown                                | \$0.150   | \$0.150   | \$0.150   | \$0.150   |
| <u>Other Corporation License Tax Factors</u>   |  |           |           |           |           |
| FY   | Refunds (Millions)                     | -\$38.757 | -\$24.632 | -\$24.632 | -\$25.713 |
| FY   | Audits, Penalties, Interest (Millions) | \$27.366  | \$22.306  | \$22.602  | \$22.602  |
| FY   | Insure Montana Credit (Millions)       | \$0.000   | \$1.000   | \$1.000   | \$1.000   |
| FY   | Calculated Fiscal Factor               | 1.269     | 1.350     | 1.350     | 1.350     |
| FY   | Bonus Depreciation (Millions)          | \$0.000   | \$2.137   | \$4.103   | \$3.282   |
| <b>Insurance Premiums Tax and License Fees</b> |  |           |           |           |           |
| FY   | General Fund Fee Revenue (Millions)    | \$0.028   | \$0.028   | \$0.028   | \$0.028   |
| FY   | Genetics Fee (Millions)                | \$1.295   | \$1.295   | \$1.295   | \$1.295   |
| FY   | Premiums Tax (Millions)                | \$71.963  | \$73.356  | \$75.599  | \$78.488  |
| FY   | Offsets (Millions)                     | \$2.400   | \$2.300   | \$1.000   | \$1.000   |



|    |                    |        |        |        |        |
|----|--------------------|--------|--------|--------|--------|
| FY | Refunds (Millions) | \$0.20 | \$0.20 | \$0.20 | \$0.20 |
|----|--------------------|--------|--------|--------|--------|

**Video Gambling Tax**

|    |                                     |           |           |           |           |
|----|-------------------------------------|-----------|-----------|-----------|-----------|
| FY | Video Machine Net Income (Millions) | \$358.824 | \$384.706 | \$399.527 | \$414.115 |
|----|-------------------------------------|-----------|-----------|-----------|-----------|

**Motor Vehicle Fee--General Fund Allocations**

|    |   |          |          |          |          |
|----|---|----------|----------|----------|----------|
| FY | Motor Vehicle Registration Fee (Millions) | \$10.242 | \$10.332 | \$10.389 | \$10.460 |
|----|---|----------|----------|----------|----------|

|    |                                   |         |         |         |         |
|----|-----------------------------------|---------|---------|---------|---------|
| FY | Recording of Liens Fee (Millions) | \$0.559 | \$0.564 | \$0.567 | \$0.571 |
|----|-----------------------------------|---------|---------|---------|---------|

|    |                      |         |         |         |         |
|----|----------------------|---------|---------|---------|---------|
| FY | Title Fee (Millions) | \$2.387 | \$2.408 | \$2.421 | \$2.438 |
|----|----------------------|---------|---------|---------|---------|

|    |                                       |         |         |         |         |
|----|---------------------------------------|---------|---------|---------|---------|
| FY | Personal License Plate Fee (Millions) | \$1.246 | \$1.257 | \$1.264 | \$1.272 |
|----|---------------------------------------|---------|---------|---------|---------|

|    |                                  |         |         |         |         |
|----|----------------------------------|---------|---------|---------|---------|
| FY | New License Plate Fee (Millions) | \$0.554 | \$0.559 | \$0.562 | \$0.565 |
|----|----------------------------------|---------|---------|---------|---------|

|    |                       |         |         |         |         |
|----|-----------------------|---------|---------|---------|---------|
| FY | Other Fees (Millions) | \$0.900 | \$0.908 | \$0.913 | \$0.919 |
|----|-----------------------|---------|---------|---------|---------|

**U.S. Mineral Royalty**

|    |                                      |       |       |       |       |
|----|--------------------------------------|-------|-------|-------|-------|
| CY | Oil Production (Millions of Barrels) | 3.113 | 2.740 | 2.566 | 2.391 |
|----|--------------------------------------|-------|-------|-------|-------|

|    |                                    |        |        |        |        |
|----|------------------------------------|--------|--------|--------|--------|
| CY | Coal Production (Millions of Tons) | 26.756 | 22.147 | 21.259 | 22.720 |
|----|------------------------------------|--------|--------|--------|--------|

|    |                               |        |        |        |       |
|----|-------------------------------|--------|--------|--------|-------|
| CY | Natural Gas Production (MMCF) | 16.604 | 14.364 | 11.911 | 9.458 |
|----|-------------------------------|--------|--------|--------|-------|

|    |                        |        |        |        |        |
|----|------------------------|--------|--------|--------|--------|
| CY | Oil Price (Per Barrel) | 85.652 | 80.027 | 78.296 | 73.507 |
|----|------------------------|--------|--------|--------|--------|

|    |                      |        |        |        |        |
|----|----------------------|--------|--------|--------|--------|
| CY | Coal Price (Per Ton) | 16.412 | 16.072 | 16.385 | 16.815 |
|----|----------------------|--------|--------|--------|--------|

|    |                             |       |       |       |       |
|----|-----------------------------|-------|-------|-------|-------|
| CY | Natural Gas Price (Per MCF) | 2.410 | 3.267 | 4.182 | 4.443 |
|----|-----------------------------|-------|-------|-------|-------|

|    |                            |        |        |        |        |
|----|----------------------------|--------|--------|--------|--------|
| CY | Oil Royalty Rate (Percent) | 12.44% | 12.44% | 12.44% | 12.44% |
|----|----------------------------|--------|--------|--------|--------|

|    |                             |        |        |        |        |
|----|-----------------------------|--------|--------|--------|--------|
| CY | Coal Royalty Rate (Percent) | 10.96% | 10.96% | 10.96% | 10.96% |
|----|-----------------------------|--------|--------|--------|--------|

|    |                                    |        |        |        |        |
|----|------------------------------------|--------|--------|--------|--------|
| CY | Natural Gas Royalty Rate (Percent) | 12.76% | 12.76% | 12.76% | 12.76% |
|----|------------------------------------|--------|--------|--------|--------|

|    |                            |         |         |         |         |
|----|----------------------------|---------|---------|---------|---------|
| CY | Other Royalties (Millions) | \$0.236 | \$0.236 | \$0.236 | \$0.236 |
|----|----------------------------|---------|---------|---------|---------|

|    |                           |          |          |          |          |
|----|---------------------------|----------|----------|----------|----------|
| CY | Rent and Bonus (Millions) | \$21.264 | \$26.984 | \$10.208 | \$10.208 |
|----|---------------------------|----------|----------|----------|----------|

**Telecommunications Excise Tax**



|  |   |           |           |           |           |
|--|---|-----------|-----------|-----------|-----------|
| FY                                       | Taxable Gross Receipts (Millions)                     | \$568.31  | \$600.15  | \$616.94  | \$632.58  |
| <b>Tobacco Settlement</b>                |   |           |           |           |           |
| FY                                       | Volume Change (Percent Change)                        | -3.09%    | -2.37%    | -4.02%    | -4.02%    |
| FY                                       | Cumulative Volume Change (Percent Change)             | -47.34%   | -48.59%   | -50.66%   | -52.64%   |
| FY                                       | CPI Change (Percent Change)                           | 3.00%     | 3.00%     | 3.00%     | 3.00%     |
| FY                                       | Cumulative CPI Change (Percent Change)                | 49.92%    | 54.42%    | 59.05%    | 63.83%    |
| FY                                       | Subsequent Manufacturers' Payment (Millions)          | \$511.641 | \$514.960 | \$509.915 | \$504.952 |
| FY                                       | Nonparticipating Manufacturers' Adjustment (Millions) | -\$3.166  | -\$3.186  | -\$3.155  | -\$3.125  |
| <b>Public Institution Reimbursements</b> |   |           |           |           |           |
| FY                                       | Private Payments (Millions)                           | \$1.840   | \$2.433   | \$2.487   | \$2.517   |
| FY                                       | Insurance Payments (Millions)                         | \$0.462   | \$0.668   | \$0.664   | \$0.660   |
| FY                                       | Medicaid Payments (Millions)                          | \$7.645   | \$9.296   | \$10.151  | \$10.361  |
| FY                                       | Medicare Payments (Millions)                          | \$3.996   | \$5.904   | \$6.219   | \$6.527   |
| FY                                       | Debt Service MT Developmental Center (Millions)       | \$0.984   | \$0.988   | \$0.988   | \$0.988   |
| FY                                       | Debt Service MT State Hospital (Millions)             | \$1.834   | \$1.794   | \$1.794   | \$1.794   |
| FY                                       | Medicare Part D (Millions)                            | \$0.619   | \$0.812   | \$0.922   | \$1.018   |
| <b>Estate Tax</b>                        |   |           |           |           |           |
| FY                                       | Annual Change in Tax (Percent Change)                 | 38.35%    | -100.00%  | 0.00%     | 0.00%     |
| <b>Oil Production Tax</b>                |   |           |           |           |           |
| CY                                       | Oil Production (Million Barrels)                      | 25.014    | 25.652    | 26.344    | 26.806    |
| CY                                       | Montana Oil Price (Weighted Price/Barrel)             | \$87.931  | \$83.707  | \$80.546  | \$76.194  |
| CY                                       | Effective Tax Rate (Percent)                          | 9.58%     | 10.10%    | 10.28%    | 10.48%    |
| <b>Natural Gas Production Tax</b>        |   |           |           |           |           |

|    |  |         |         |         |         |
|----|--|---------|---------|---------|---------|
| CY | Natural Gas Production (MMCF)                  | 75.601  | 68.381  | 61.478  | 55.068  |
| CY | Montana Natural Gas Price (Weighted Price/MCF) | \$2.390 | \$3.492 | \$4.252 | \$4.121 |
| CY | Effective Tax Rate (Percent)                   | 9.41%   | 9.69%   | 9.56%   | 9.49%   |

**Treasury Cash Account**

|    |                                |           |           |           |           |
|----|--------------------------------|-----------|-----------|-----------|-----------|
| FY | TCA Average Balance (Millions) | \$880.340 | \$886.847 | \$753.354 | \$762.300 |
| FY | TCA Average Yield (Percent)    | 0.30%     | 0.31%     | 0.31%     | 0.36%     |
| FY | TRANS Issue Size (Millions)    | \$0.000   | \$0.000   | \$0.000   | \$0.000   |

**Liquor Excise and License Tax**

|    |                                 |          |          |           |           |
|----|---------------------------------|----------|----------|-----------|-----------|
| FY | Gross Sales (Millions)          | \$89.987 | \$95.334 | \$100.981 | \$106.974 |
| FY | Tribal Distributions (Millions) | \$0.335  | \$0.337  | \$0.357   | \$0.375   |

**Coal Severance Tax**

|    |   |          |          |          |          |
|----|---|----------|----------|----------|----------|
| CY | Severance Tax Coal Production (Million Tons)    | 34.493   | 37.056   | 36.946   | 37.671   |
| CY | Montana Contract Sales Price (Weighted CSP/Ton) | \$12.074 | \$12.618 | \$13.072 | \$13.588 |

**Cigarette Tax**

|    |                                       |         |         |         |         |
|----|---------------------------------------|---------|---------|---------|---------|
| FY | Cigarette Packs (Millions)            | 44.895  | 44.517  | 43.699  | 42.367  |
| FY | Effective Tax Rate Per Pack (Dollars) | \$1.70  | \$1.70  | \$1.70  | \$1.70  |
| FY | Tribal Distributions (Millions)       | \$3.818 | \$3.590 | \$3.498 | \$3.406 |

**Lottery Profits**

|    |   |          |          |          |          |
|----|---|----------|----------|----------|----------|
| FY | Total Lottery Sales (Millions)            | \$52.602 | \$54.417 | \$55.763 | \$57.308 |
| FY | Lottery Interest Earnings (Millions)      | \$0.011  | \$0.013  | \$0.014  | \$0.020  |
| FY | Other Revenue (Millions)                  | \$0.007  | \$0.007  | \$0.007  | \$0.007  |
| FY | Lottery Operating Budget (Millions)       | \$7.807  | \$7.290  | \$7.963  | \$7.853  |
| FY | Lottery Prizes and Commissions (Millions) | \$31.761 | \$32.678 | \$33.487 | \$34.415 |



**Nursing Facilities Fee**

|    |                                      |          |          |          |          |
|----|--------------------------------------|----------|----------|----------|----------|
| FY | Bed Days (Millions)                  | 1.722    | 1.674    | 1.627    | 1.580    |
| FY | Intermediate Care Revenue (Millions) | \$14.700 | \$14.304 | \$13.919 | \$13.544 |

**Liquor Profits**

|    |   |           |           |           |           |
|----|---|-----------|-----------|-----------|-----------|
| FY | Gross Liquor Sales (Millions)               | \$113.383 | \$120.121 | \$127.236 | \$134.787 |
| FY | Cost of Goods Sold (Millions)               | \$63.924  | \$67.954  | \$72.160  | \$76.637  |
| FY | Liquor Discounts and Commissions (Millions) | \$14.013  | \$14.845  | \$15.725  | \$16.658  |
| FY | Liquor Operating Costs (Millions)           | \$1.923   | \$1.923   | \$2.103   | \$2.069   |
| FY | Other Income (Millions)                     | -\$0.009  | -\$0.009  | -\$0.009  | -\$0.009  |

**Investment License Fee**

|    |                                       |        |       |        |        |
|----|---------------------------------------|--------|-------|--------|--------|
| FY | License Registration (Percent Change) | 0.56%  | 3.58% | 3.43%  | 3.44%  |
| FY | Portfolio Growth (Percent Change)     | 36.99% | 4.49% | 3.98%  | 3.87%  |
| FY | Expense Growth (Percent Change)       | -1.11% | 4.44% | 16.33% | -0.53% |

**Electrical Energy Tax**

|    |                                    |            |            |            |            |
|----|------------------------------------|------------|------------|------------|------------|
| FY | Kilowatt Hours Produced (Millions) | 21,624.098 | 22,207.522 | 22,604.971 | 22,824.278 |
|----|------------------------------------|------------|------------|------------|------------|

**Highway Patrol Fines**

|    |                                       |        |        |        |        |
|----|---------------------------------------|--------|--------|--------|--------|
| FY | Montana Population >= 16 Years of Age | 0.804  | 0.811  | 0.818  | 0.826  |
| FY | Per Capita Fines                      | \$5.44 | \$5.46 | \$5.46 | \$5.46 |

**Metalliferous Mines Tax**

|    |                                |   |
|----|--------------------------------|---|
| CY | Copper Production (Million lb) | Not disclosed, confidential information |
| CY | Silver Production (Million oz) | Not disclosed, confidential information |
| CY | Gold Production (Million oz)   | Not disclosed, confidential information |
| CY | Lead Production (Million lb)   | Not disclosed, confidential information |



|    |  |   |
|----|--|---|
| CY | Zinc Production (Million lb)           | Not disclosed, confidential information |
| CY | Molybdenum Production (Million lb)     | Not disclosed, confidential information |
| CY | Palladium Production (Million oz)      | Not disclosed, confidential information |
| CY | Platinum Production (Million oz)       | Not disclosed, confidential information |
| CY | Nickel Production (Million lb)         | Not disclosed, confidential information |
| CY | Rhodium Production (Million oz)        | Not disclosed, confidential information |
| CY | Sapphire Production (Million oz)       | Not disclosed, confidential information |
| CY | Copper Sulfide Production (Million lb) | Not disclosed, confidential information |
| CY | Copper Price (Per lb)                  | Not disclosed, confidential information |
| CY | Silver Price (Per oz)                  | Not disclosed, confidential information |
| CY | Gold Price (Per oz)                    | Not disclosed, confidential information |
| CY | Lead Price (Per lb)                    | Not disclosed, confidential information |
| CY | Zinc Price (Per lb)                    | Not disclosed, confidential information |
| CY | Molybdenum Price (Per lb)              | Not disclosed, confidential information |
| CY | Palladium Price (Per oz)               | Not disclosed, confidential information |
| CY | Platinum Price (Per oz)                | Not disclosed, confidential information |
| CY | Nickel Price (Per lb)                  | Not disclosed, confidential information |
| CY | Rhodium Price (Per oz)                 | Not disclosed, confidential information |
| CY | Sapphire Price (Per oz)                | Not disclosed, confidential information |
| CY | Copper Sulfide Price (Per lb)          | Not disclosed, confidential information |
| CY | Effective Tax Rate (Percent)           | Not disclosed, confidential information |

**Public Contractors Tax**

|    |                          |           |           |           |           |
|----|--------------------------|-----------|-----------|-----------|-----------|
| FY | DOT Contracts (Millions) | \$369.168 | \$379.194 | \$363.947 | \$363.947 |
|----|--------------------------|-----------|-----------|-----------|-----------|



|    |                                |           |           |           |           |
|----|--------------------------------|-----------|-----------|-----------|-----------|
| FY | Other Contracts (Millions)     | \$137.636 | \$360.186 | \$360.186 | \$360.186 |
| FY | Credits and Refunds (Millions) | \$8.110   | \$6.254   | \$3.983   | \$3.983   |

**Wholesale Energy Transaction Tax**

|    |                                   |            |            |            |            |
|----|-----------------------------------|------------|------------|------------|------------|
| FY | Kilowatt Hours (Millions)         | 23,182.689 | 27,762.064 | 28,461.344 | 28,992.297 |
| FY | Credits for Taxes Paid (Millions) | \$0.000    | \$0.000    | \$0.000    | \$0.000    |

**Beer Tax**

|    |   |         |         |         |         |
|----|---|---------|---------|---------|---------|
| FY | Barrels of Beer (Millions)              | 0.949   | 0.977   | 0.983   | 0.988   |
| FY | Tribal Distribution (Millions)          | \$0.063 | \$0.058 | \$0.060 | \$0.060 |
| FY | Effective Tax Rate (Dollars Per Barrel) | \$4.15  | \$4.15  | \$4.15  | \$4.15  |

**Driver's License Fees**

|    |   |         |         |         |         |
|----|---|---------|---------|---------|---------|
| FY | Driver's License Fees (Millions)          | \$3.259 | \$2.846 | \$3.313 | \$2.896 |
| FY | Duplicate License Fees (Millions)         | \$0.295 | \$0.258 | \$0.300 | \$0.262 |
| FY | Motorcycle Endorsement Fees (Millions)    | \$0.018 | \$0.015 | \$0.018 | \$0.015 |
| FY | Commercial Vehicle Endorsement (Millions) | \$0.689 | \$0.689 | \$0.689 | \$0.689 |

**Tobacco Tax**

|    |                                      |         |         |         |         |
|----|--------------------------------------|---------|---------|---------|---------|
| FY | Value of Tobacco Products (Millions) | \$6.649 | \$6.656 | \$6.656 | \$6.656 |
| FY | Snuff Ounces (Millions)              | 10.398  | 10.806  | 11.258  | 11.736  |
| FY | Tribal Distribution (Millions)       | \$0.606 | \$0.571 | \$0.576 | \$0.589 |

**Railroad Car Tax**

|    |  |           |           |           |           |
|----|--|-----------|-----------|-----------|-----------|
| CY | Total MT Market Value of Fleets (Millions) | \$123.766 | \$117.899 | \$126.558 | \$131.583 |
| CY | Taxable Value Rate (Percent)               | 3.45%     | 3.45%     | 3.45%     | 3.45%     |
| CY | 95% of Industrial and Commercial Mill Levy | 0.533     | 0.530     | 0.532     | 0.537     |

**Wine Tax**



|    |                                |         |         |         |         |
|----|--------------------------------|---------|---------|---------|---------|
| FY | Wine Liters (Millions)         | 11.515  | 11.735  | 12.130  | 12.531  |
| FY | Tribal Distribution (Millions) | \$0.042 | \$0.042 | \$0.042 | \$0.043 |

SELECTED NONGENERAL FUND REVENUE

The estimates for selected nongeneral fund revenue for fiscal year 2013 and the 2014-2015 biennium are based on the assumption of a continuation of Montana law as existed on January 1, 2013. The revenue estimates contained in the following table are based on the assumptions listed in the tables that follow the nongeneral fund estimates and the assumptions for each nongeneral fund revenue source contained in the "Legislative Budget Analysis, 2015 Biennium, Volume 2 -- Revenue Estimates" prepared by the Legislative Fiscal Division.

Current Law

Selected Nongeneral Fund Revenue Estimates

(In Millions of Dollars)

| Source of Revenue                      | Actual      | Estimated   | Estimated   | Estimated   |
|--|-------------|-------------|-------------|-------------|
|  | Fiscal 2012 | Fiscal 2013 | Fiscal 2014 | Fiscal 2015 |
| Diesel Tax                             | 71.349      | 73.278      | 75.258      | 77.291      |
| Federal Forest Receipts                | 20.487      | 18.101      | 2.284       | 2.138       |
| Gasoline Tax                           | 132.911     | 133.397     | 133.885     | 134.375     |
| GVW and Other Fees                     | 34.745      | 33.969      | 34.707      | 35.486      |
| Resource Indemnity Tax                 | 2.344       | 2.210       | 2.541       | 2.620       |
| Diesel Storage Tank Tax                | 2.943       | 3.022       | 3.104       | 3.188       |
| Arts Trust Interest                    | 0.568       | 0.580       | 0.593       | 0.608       |
| Capital Land Grant Interest and Income | 0.610       | 0.232       | 0.664       | 1.022       |
| Deaf & Blind Interest and Income       | 0.242       | 0.288       | 0.246       | 0.264       |
| Parks Trust Interest                   | 1.034       | 1.063       | 1.089       | 1.119       |
| Pine Hills Interest and Income         | 0.393       | 0.302       | 0.370       | 0.392       |

|                                   |         |         |         |         |
|-----------------------------------|---------|---------|---------|---------|
| RIT Trust Interest                | 5.064   | 4.661   | 4.661   | 4.662   |
| Gasoline Storage Tank Tax         | 3.750   | 3.764   | 3.778   | 3.791   |
| TSE Trust Interest                | 9.866   | 9.873   | 10.383  | 10.998  |
| Economic Development Trust        | 2.731   | 2.858   | 3.113   | 3.419   |
| Tobacco Trust Interest            | 6.701   | 6.825   | 7.298   | 7.821   |
| Regional Water Trust Interest     | 2.937   | 3.032   | 3.287   | 3.591   |
| Property Tax: 6 Mill              | 15.325  | 15.815  | 16.535  | 16.989  |
| Common School Interest and Income | 102.391 | 68.129  | 65.698  | 61.956  |
| Total Nongeneral Fund             | 416.389 | 381.399 | 369.494 | 371.730 |

SELECTED ASSUMPTIONS FOR NONGENERAL FUND REVENUE ESTIMATES

| Year Assumption   | 2012     | 2013     | 2014     | 2015     |
|---|----------|----------|----------|----------|
| <b>Gasoline Tax</b>   |          |          |          |          |
| FY Taxable Gallons of Gasoline (Millions)                         | 504.105  | 505.949  | 507.799  | 509.656  |
| FY Taxable Gallons of Gasoline -- Storage Tank Cleanup (Millions) | 500.016  | 501.845  | 503.680  | 505.522  |
| FY Refunds (Millions)   | -\$1.836 | -\$1.843 | -\$1.850 | -\$1.856 |
| FY Alcohol Incentive (Millions)                                   | \$0.000  | \$0.000  | \$0.000  | \$0.000  |
| <b>Diesel Tax</b>   |          |          |          |          |
| FY Taxable Gallons of Diesel (Millions)                           | 272.924  | 280.299  | 287.873  | 295.652  |
| FY Taxable Gallons of Diesel -- Storage Tank Cleanup (Millions)   | 392.360  | 402.962  | 413.851  | 425.033  |
| FY Refunds (Millions)   | -\$3.629 | -\$3.727 | -\$3.828 | -\$3.932 |
| <b>GVW Fees</b>   |          |          |          |          |
| FY GVW Fees (Millions)  | \$10.489 | \$10.651 | \$10.814 | \$10.984 |
| FY Form 3 GVW Fees (Millions)                                     | \$1.102  | \$1.134  | \$1.161  | \$1.197  |



|    |  |          |          |          |          |
|----|--|----------|----------|----------|----------|
| FY | Trip Permit Fees (Millions)            | \$0.865  | \$0.700  | \$0.750  | \$0.805  |
| FY | County GVW Fees (Millions)             | \$12.086 | \$12.272 | \$12.461 | \$12.657 |
| FY | Overweight Trip Permit Fees (Millions) | \$4.353  | \$3.477  | \$3.659  | \$3.850  |
| FY | Special Permit Fees (Millions)         | \$1.422  | \$1.240  | \$1.300  | \$1.361  |
| FY | Temporary Fuel Permits (Millions)      | \$0.254  | \$0.263  | \$0.274  | \$0.284  |
| FY | Other Fees (Millions)                  | \$4.174  | \$4.231  | \$4.289  | \$4.349  |

**6-Mill Levy Property Tax Indicators (See General Fund Property Tax Assumptions for Other Detail)**

|    |                               |             |             |             |             |
|----|-------------------------------|-------------|-------------|-------------|-------------|
| FY | Taxable Value (Millions)      | \$2,442.522 | \$2,490.066 | \$2,580.701 | \$2,656.509 |
| FY | Nonlevy Revenue (Millions)    | \$0.890     | \$0.875     | \$1.051     | \$1.050     |
| FY | 6-Mill Adjustments (Millions) | \$0.000     | \$0.000     | \$0.000     | \$0.000     |

- END -

I hereby certify that the within joint resolution,  
SJ 0002, originated in the Senate.

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Secretary of the Senate

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2013.

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2013.

SENATE JOINT RESOLUTION NO. 2

INTRODUCED BY B. TUTVEDT

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN OFFICIAL ESTIMATE OF THE STATE'S GENERAL FUND REVENUE FOR FISCAL YEAR 2013 AND EACH FISCAL YEAR OF THE 2014-2015 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS REQUIRED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION; ACCEPTING AN UNASSIGNED GENERAL FUND BALANCE THAT WAS ESTABLISHED BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; ESTABLISHING OFFICIAL ESTIMATES OF CERTAIN NONGENERAL FUND REVENUE; AND REQUESTING THAT THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVENUE ESTIMATES FOR FISCAL YEARS 2013, 2014, AND 2015.