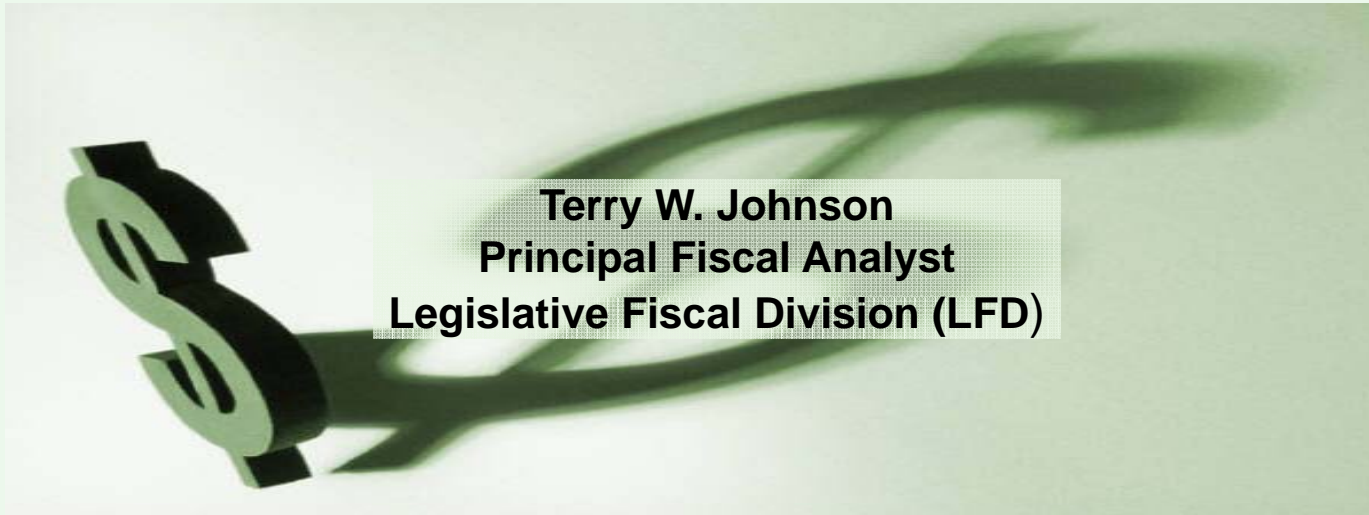




General Fund Revenue Update Fiscal 2011



Terry W. Johnson
Principal Fiscal Analyst
Legislative Fiscal Division (LFD)

June 16, 2011
Presented to the
Revenue and Transportation Interim Committee



Presentation Outline

- **The Bottom Line**
- **Year to Date Collection Analysis**
 - **Individual Income Tax**
 - **Corporation Income Tax**
- **Balance Sheet Impact**
- **SB 426, Treasure State Dividend Program**
- **Longer-Term Issues**



Fiscal 2011 - Bottom Line

Anticipated Additional Revenue - FY 2011

Tax Source	Range in Millions	
Individual Income Tax	\$49.601	\$51.598
Corporation Income Tax	<u>18.078</u>	<u>26.065</u>
Totals	\$67.679	\$77.663

Fiscal 2011 To Date Summary General Fund Revenue Comparison

- Through May 31st FY 2010 \$ 1,339.5 M
- Through May 31st FY 2011 \$ 1,473.7 M

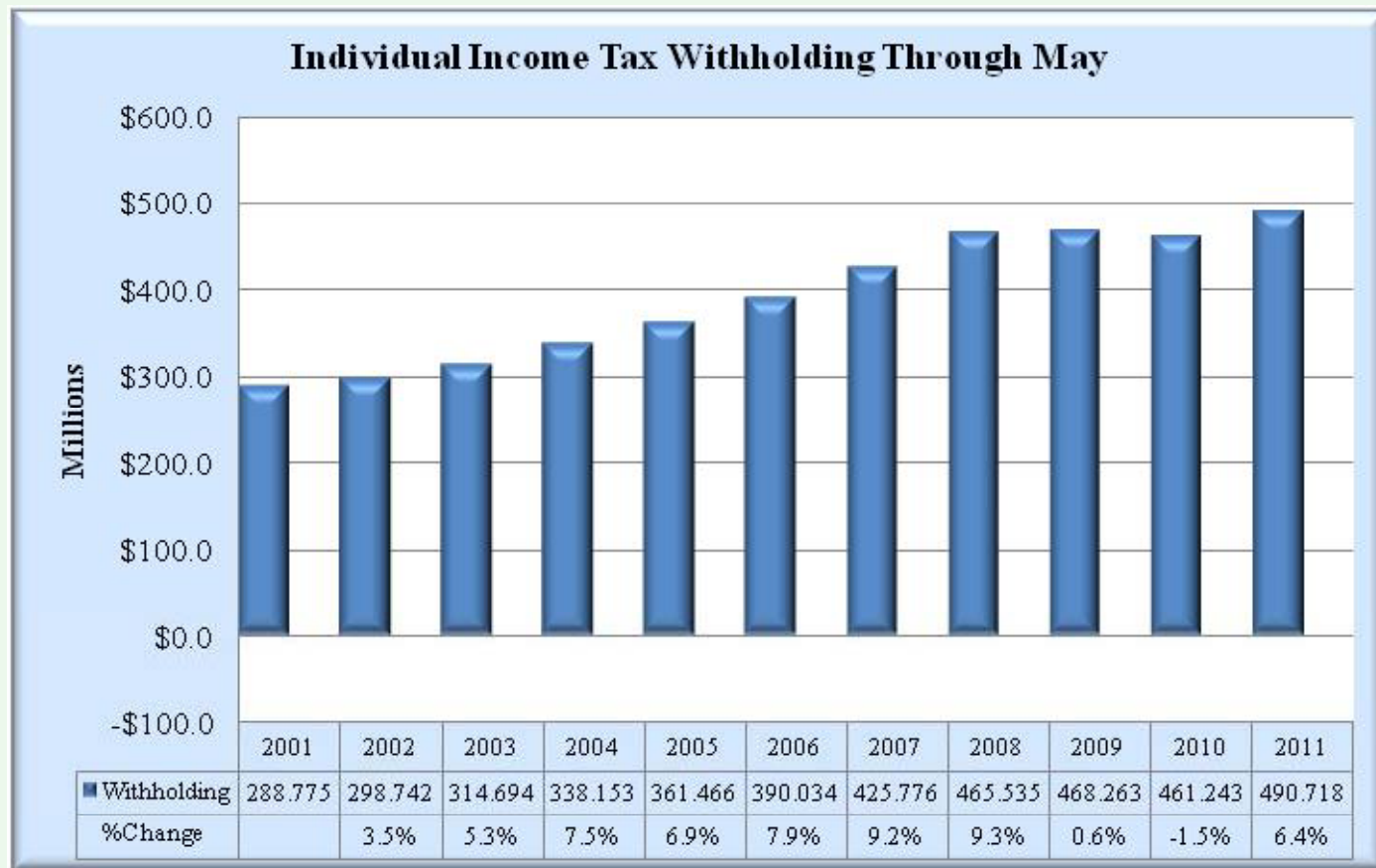
- Current Change and Rate (11 months) \$ 134.2 M 10.0%
- HJ 2* Growth and Rate (Full Year) \$ 79.5 M 4.9%

* Legislature's Revenue Estimating Resolution as adjusted for legislation impacts

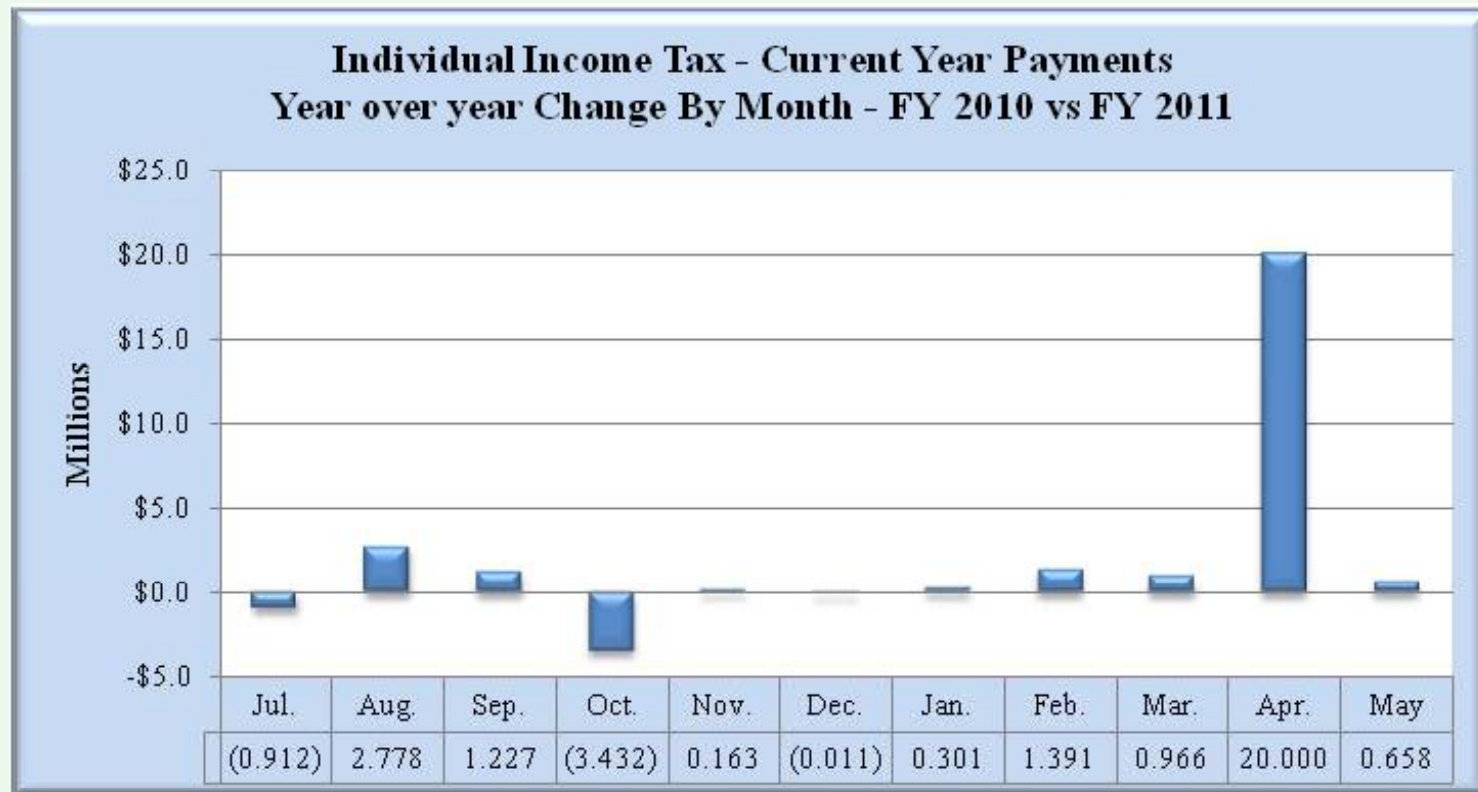
Individual Income Tax Collections

Individual Income Tax Comparison				
Revenue Code & Description	5/31/2010 Fiscal 2010	5/31/2011 Fiscal 2011	Difference	Percent Change
510101 Withholding Tax	564,091,691.40	600,946,529.89	36,854,838.49	6.53%
510482 Mineral Royalty WH Tax	11,145,495.52	11,112,587.72	(32,907.80)	-0.30%
510111 Pass Thru Entity Tax	0.00	8,700,024.61	8,700,024.61	0.00%
510102 Estimated Tax	150,143,354.91	146,623,348.40	(3,520,006.51)	-2.34%
510103 Current Year I/T	104,155,821.07	127,284,856.47	23,129,035.40	22.21%
510105 Income Tax - Audit Collections	28,433,066.00	26,436,461.00	(1,996,605.00)	-7.02%
510106 Income Tax Refunds	(143,021,438.02)	(116,676,975.74)	26,344,462.28	-18.42%
Income Tax Refunds Adjustment	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	0.00%
Totals	\$714,947,990.88	\$804,426,832.35	\$89,478,841.47	12.52%
Percent of Actual/Estimated	99.60%	105.51%		

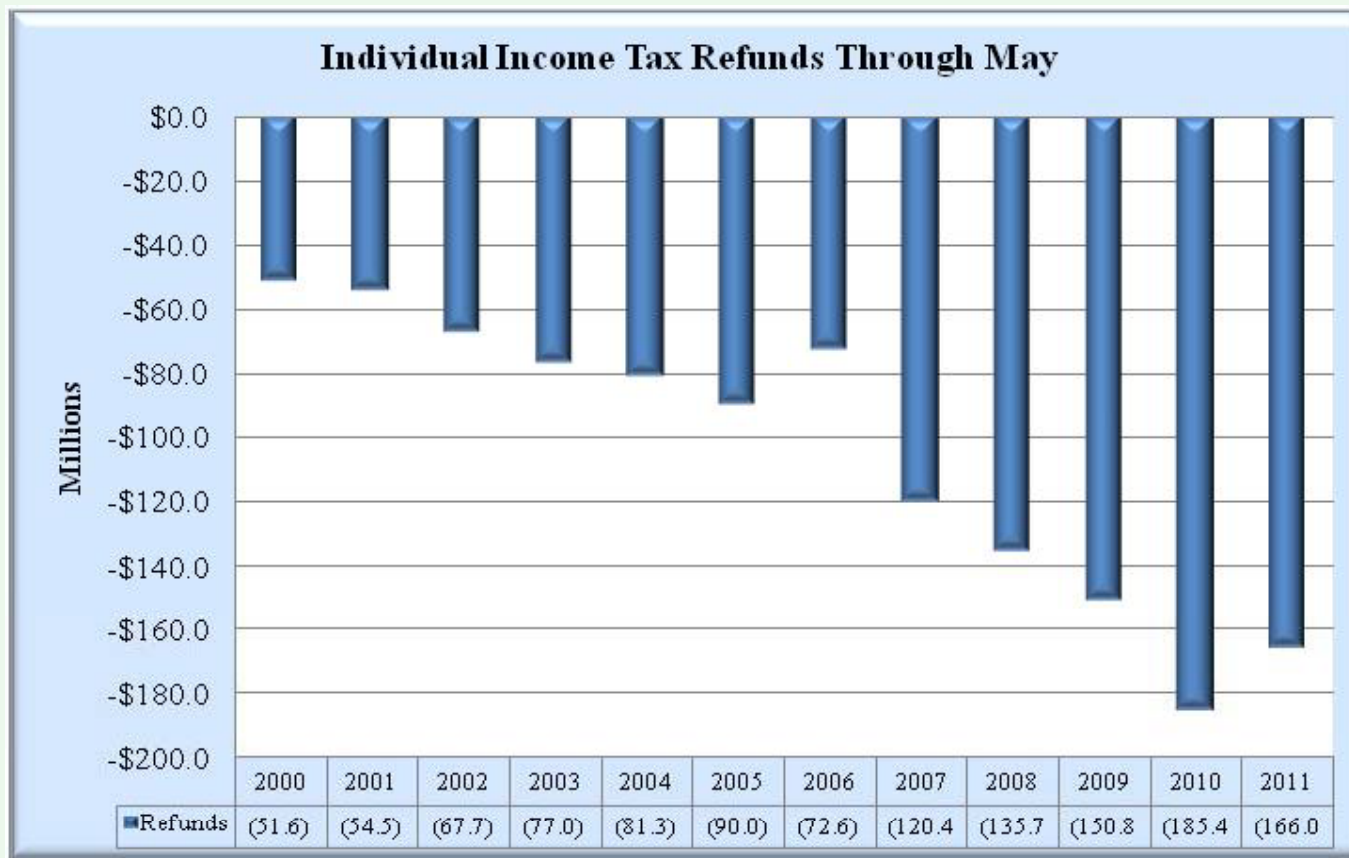
Individual Income Tax Withholding



Individual Income Tax Current Year Payments



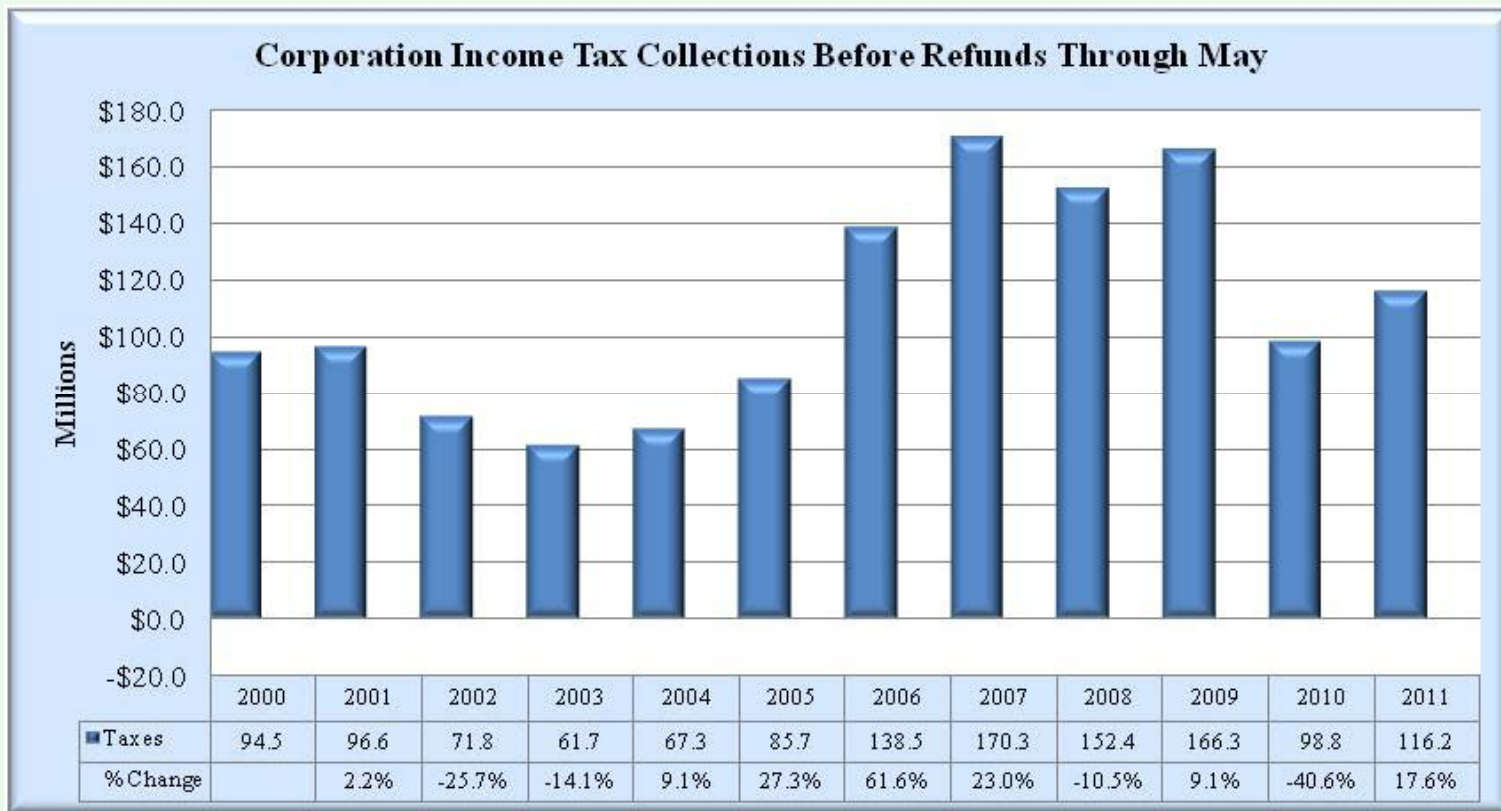
Individual Income Tax Refunds



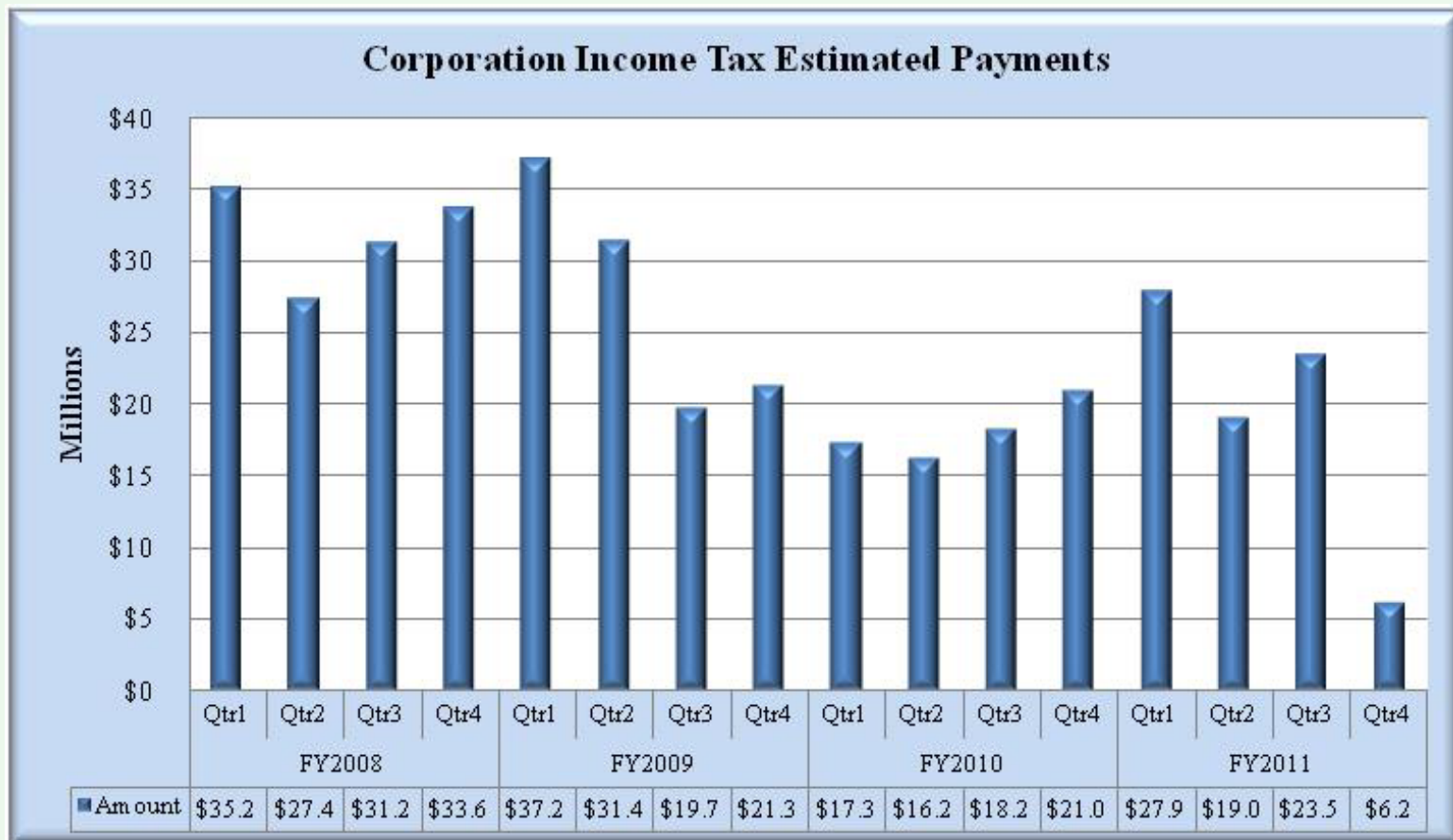
Corporation Income Tax Collections

Corporation Income Tax Comparison				
Revenue Code & Description	5/31/2010 Fiscal 2010	5/31/2011 Fiscal 2011	Difference	Percent Change
510501 Corporation Tax	31,793,392.75	32,471,814.06	678,421.31	2.09%
510505 Corporation Tax Estimated Paym	53,561,038.64	73,019,263.19	19,458,224.55	26.65%
510502 Corporation Tax Refunds	(30,456,862.32)	(18,966,759.21)	11,490,103.11	-60.58%
510503 Corporation Tax-Audit Collect.	13,463,151.00	10,682,192.00	(2,780,959.00)	-26.03%
Corporation Tax Refunds Adjustment	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Totals	\$68,360,720.07	\$97,206,510.04	\$28,845,789.97	42.20%
Percent of Actual/Estimated	77.77%	99.84%		

Corporation Income Tax Before Refunds



Corporation Income Tax Estimated Payments





Why are tax receipts up?

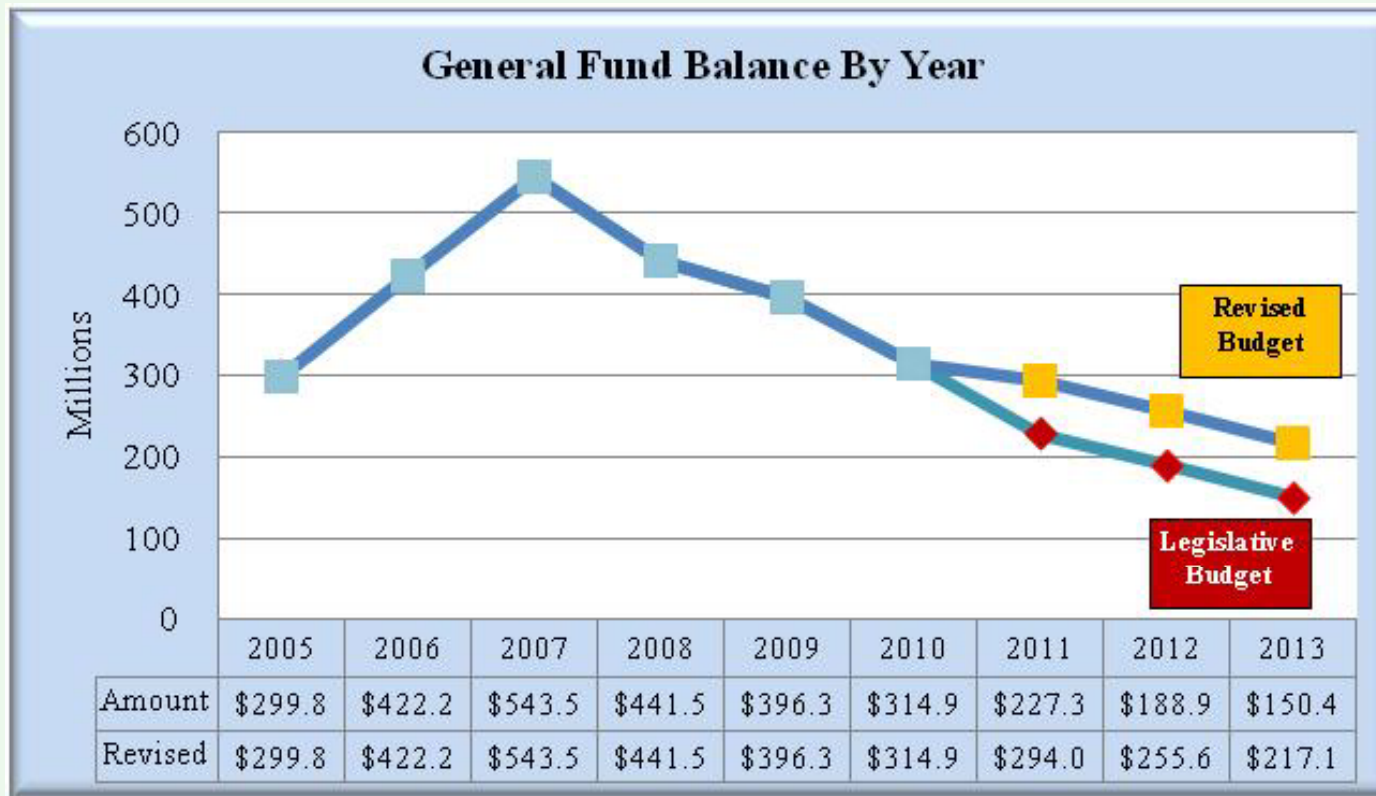
- **Wage and Salary Income**
 - IHS Forecast 1.6%
 - Withholding Collections 6.4%

- **Non-Wage Income**
- **Corporate Profitability**

Financial Consideration

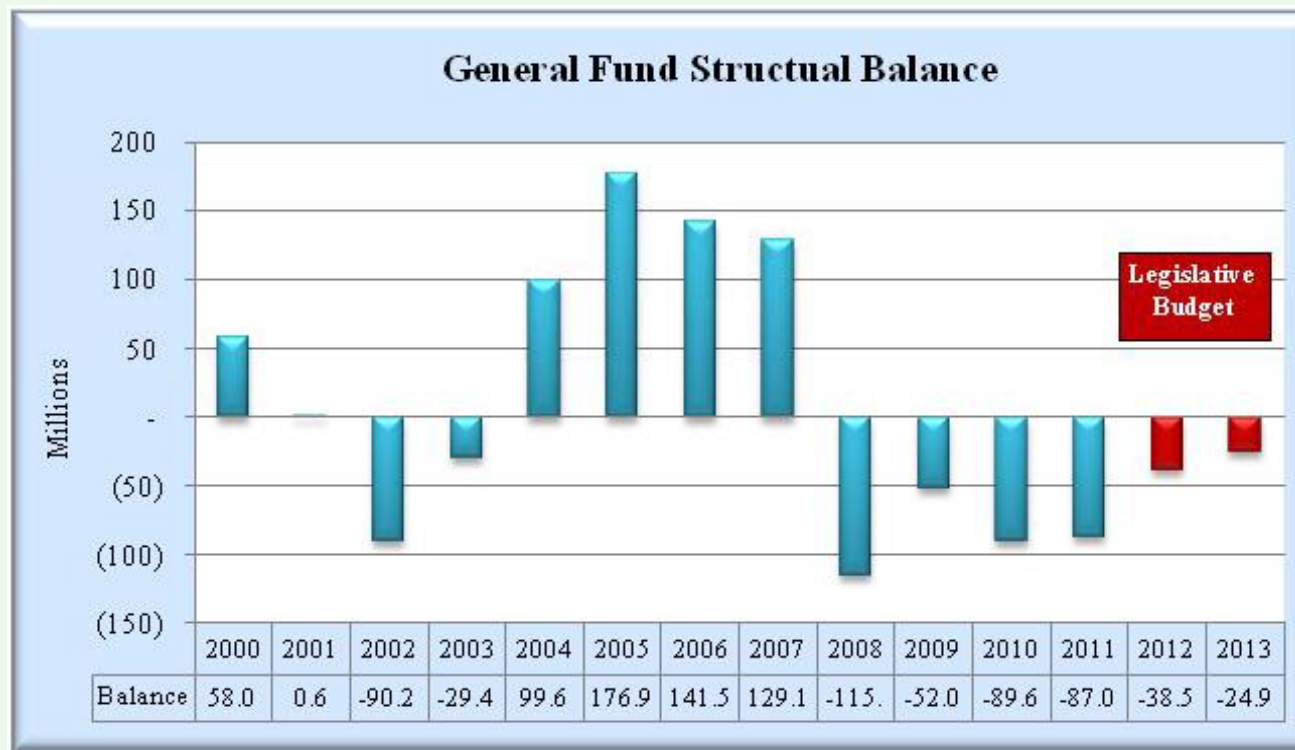
- **SB 426, Treasure State Dividend Program**
 - **On Ballot November 2012**
 - **Applicable to FY 2013 and Beyond**
 - **First Year to Impact FY 2014**
 - **Tax Credits for Excess Fund Balance**
 - **Trigger 125% of Budgeted Balance**
 - **50% of Excess to Tax Relief**
 - **50% of Excess Remains in Fund Balance**
 - **Residential Property & Individual
Income Tax Relief**

Impact on 2013 Biennium General Fund Balance





Will There be an Impact on Structural Balance ?



Long-Term General Fund Outlook Considerations

- **Creating Structural Balance**
- **Maintaining An Adequate Ending Fund Balance**
- **Retirement System Funding**
- **Health Care Reform Impacts**
- **Loss of Federal Funds**
- **Aging Population Impacts**




Questions ?

Contact the Legislative Fiscal Division

<http://www.leg.mt.gov/css/fiscal>

Phone: 406.444.2986



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Per Capita Taxable Values by County*

FY 2011 Total = \$2,296,258,803

*Below the per capita amount is the value of a mill in each county.

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