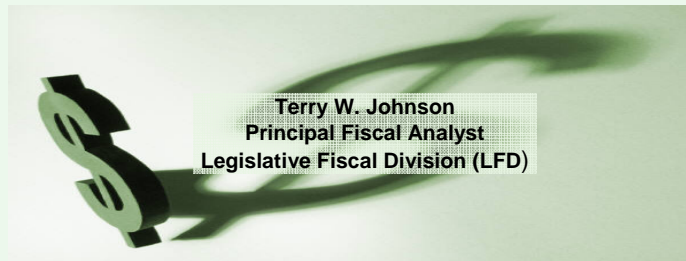




General Fund Revenue Report 2011 Biennium



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A Report to the

Legislative Finance Committee

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Presentation Outline

- Current Revenue Trends
- Revised 2011 Biennium Revenue Estimates
- Revised 2011 Biennium Ending Fund Balance
- Spending Reductions 17-7-140, MCA
- Structural Balance
- Summary



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Fiscal 2010 To Date Summary General Fund Revenue Comparison

- Through November FY 2009 \$ 536.8 M
- Through November FY 2010 \$ 408.7 M

- Current Change and Rate (5 months) \$ -128.1 M -23.9%
- HJ 2* Growth and Rate (Full Year) \$ -35.1 M -1.9%

* Legislature's Revenue Estimating Resolution

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Individual Income Tax Comparison (Millions)

Individual Income Tax Comparison - FY 2009 to FY 2010				
Revenue Description	Through 11/30/2009 FY 2009	Through 11/30/2010 FY 2010	Dollar Change	Percent Change
Withholding	245,030,975	237,638,954	(7,392,021)	-3.02%
Mineral Withholding	7,566,051	3,487,101	(4,078,950)	-53.91%
Estimated Payments	84,898,559	66,579,711	(18,318,848)	-21.58%
Current Year Payments	12,736,065	6,575,123	(6,160,942)	-48.37%
Audit Revenue	8,404,412	11,144,501	2,740,089	32.60%
Refunds	(57,428,451)	(77,666,324)	(20,237,873)	35.24%
Total	\$301,207,611	\$247,759,066	(\$53,448,545)	-17.74%

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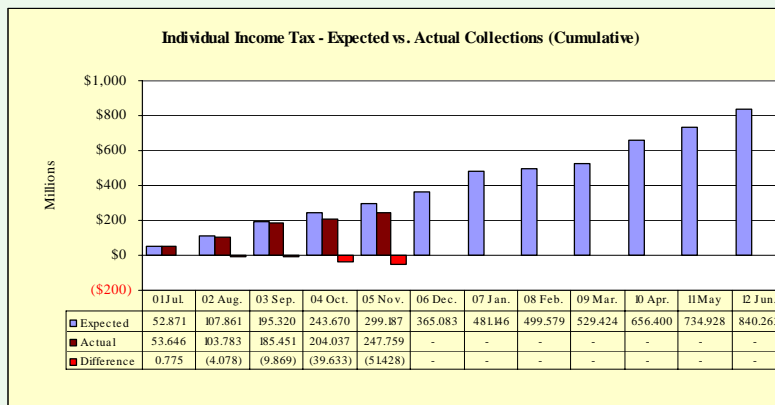
Corporation Income Tax Comparison (Millions)

Corporation Income Tax Comparison - FY 2009 to FY 2010				
Revenue Description	Through 11/30/2009 FY 2009	Through 11/30/2010 FY 2010	Dollar Change	Percent Change
Current Year Payments	13,913,793	4,333,359	(9,580,434)	-68.86%
Estimated Payments	43,218,083	21,866,146	(21,351,937)	-49.41%
Audit Revenue	5,957,453	5,928,364	(29,089)	-0.49%
Refunds	(5,093,691)	(6,615,309)	(1,521,618)	29.87%
Total	\$57,995,638	\$25,512,560	(\$32,483,078)	-56.01%

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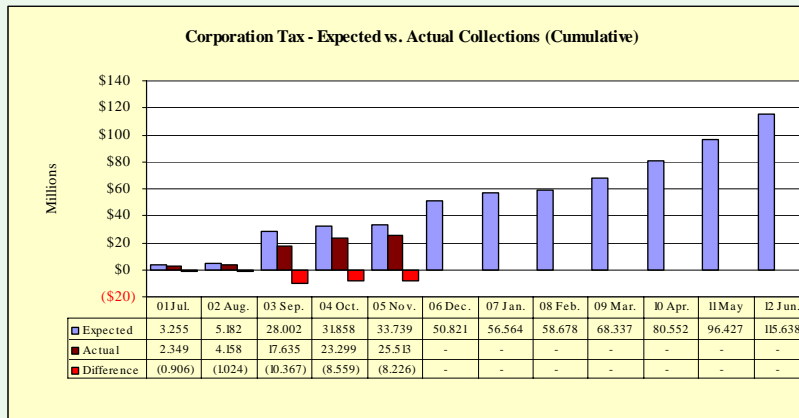
Fiscal 2010 Summary Individual Income Tax Monthly Flow



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Fiscal 2010 Summary

Corporation Income Tax Monthly Flow




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Fiscal 2010 & FY 2011 Summary
Estimated Revenue Changes


Estimated Revenue Changes From HJ 2 (Millions)			
Category	FY 2010	FY 2011	Biennium
Individual Income Tax	(\$108)	(\$105)	(\$213)
Corporation Income Tax	(\$29)	(\$28)	(\$57)
Oil & Gas Production Tax	\$14	\$14	\$28
Other Sources	\$1	(\$2)	(\$1)
Total	(\$122)	(\$121)	(\$243)

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2011 Biennium General Fund Revenue Impact on Legislative Projected Balance


2011 Biennium General Fund Outlook	
In Millions	
	Biennium
Legislative Projected Balance	\$282.4
FY 2009 Balance Change	5.0
Net Revenue Changes	(243.0)
Supplementals	?
New Projected Balance	\$44.4




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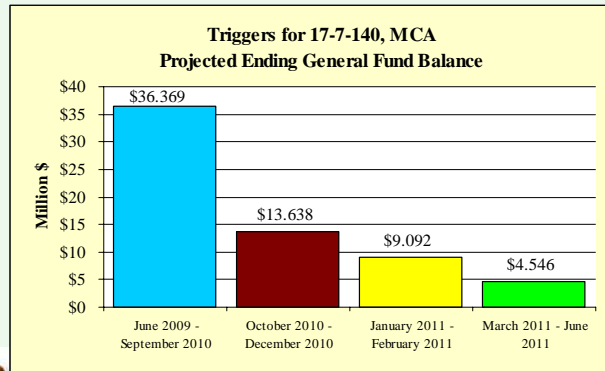
MCA 17-7-140, Reduction in Spending

- Trigger Point \$36.4 million
- Executive Calculates Projected Deficit
- RTIC Reviews Estimated Revenue Shortfall
- LFC Reviews Executive Spending Reductions
- Governor Reviews all Recommendations and Determines Final Spending Reductions



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MCA 17-7-140, Trigger Points



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2011 Biennium General Fund Revenue Impact on Structural Balance

Fiscal 2011 General Fund Structural Balance Calculation In Millions		
	Legislature Millions	Rev. Est. Millions
Estimated On-Going Revenue	\$1,826.3	\$1,708.7
Estimated On-Going Disbursements	<u>1,830.7</u>	<u>1,830.7</u>
Structural Balance	(\$4.4)	(\$122.0)

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Summary

- **FY 2009 Balance Up : \$5 M**
- **2011 Biennium Estimated Revenue Down : \$243 M**
- **2011 Biennium Balance - New Projection : \$44 M**
- **2011 Biennium Statutory Trigger : \$36 M**
- **Long-Term Revenue Growth Slow
with Significant Fiscal Issues**



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Questions ?

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