

OFFICE OF THE GOVERNOR
STATE OF MONTANA



STEVE BULLOCK
GOVERNOR

MIKE COONEY
LT GOVERNOR

September 5, 2017

Representative Tom Jacobson, Chair
Revenue and Transportation Committee
521 Riverview Dr E
Great Falls, MT 59404-1634

Dear Chairman Jacobson:

My staff has advised me that our current general fund revenue projections, when compared to the appropriations for the biennium passed by the 2017 Legislature, may result in an ending fund balance that is below statutory limits. I have attached a revised copy of the revenue estimates. In accordance with 17-7-140, MCA, it is my intention to certify to Governor Bullock that the general fund balance has fallen below the level required by the statute. I look forward to any comments your committee may have regarding the estimates. My staff and I will be available at your September 14 meeting to answer any questions that you may have.

I have already instituted the expenditure reduction process outlined in the statute.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan Villa".

Dan Villa
Budget Director

Enclosure

OBPP General Fund Revenue Forecast Relative to HJR 2 (Adjusted for Legislation)
September 5, 2017



Revenue Category	FY 2017			FY 2018			FY 2019			Biennium
	Actual	HJR 2	Difference	Forecast	HJR 2	Difference	Forecast	HJR 2	Difference	Difference
MAJOR TAXES										
Individual Income Tax	\$1,168.22	\$1,238.52	(\$70.29)	\$1,241.41	\$1,320.81	(\$79.40)	\$1,312.38	\$1,404.30	(\$91.92)	(\$171.32)
Property Tax	\$260.22	\$261.00	(\$0.78)	\$276.71	\$277.12	(\$0.41)	\$283.01	\$286.13	(\$3.12)	(\$3.53)
Vehicle Taxes and Fees	\$109.19	\$110.84	(\$1.65)	\$112.20	\$112.96	(\$0.76)	\$116.40	\$114.55	\$1.85	\$1.09
Corporation License Tax	\$125.99	\$139.95	(\$13.96)	\$132.49	\$168.76	(\$36.27)	\$141.55	\$173.15	(\$31.59)	(\$67.86)
Insurance Premiums Tax	\$75.56	\$73.41	\$2.14	\$77.79	\$76.00	\$1.79	\$79.81	\$79.89	(\$0.08)	\$1.71
Video Gambling License Tax	\$59.96	\$59.28	\$0.68	\$60.90	\$61.90	(\$1.00)	\$62.45	\$64.52	(\$2.06)	(\$3.07)
Total Major Taxes	\$1,799.15	\$1,883.01	(\$83.86)	\$1,901.50	\$2,017.55	(\$116.05)	\$1,995.61	\$2,122.53	(\$126.92)	(\$242.98)
NATURAL RESOURCE TAXES										
Oil and Gas Production Taxes	\$46.33	\$45.29	\$1.05	\$43.04	\$49.94	(\$6.90)	\$40.79	\$48.91	(\$8.13)	(\$15.03)
U.S. Mineral Royalties	\$17.32	\$19.25	(\$1.93)	\$16.32	\$20.50	(\$4.18)	\$16.13	\$21.23	(\$5.10)	(\$9.28)
Coal Severance Tax	\$13.80	\$13.58	\$0.22	\$14.16	\$13.81	\$0.35	\$13.99	\$14.30	(\$0.31)	\$0.05
Metalliferous Mines Tax	\$4.84	\$4.41	\$0.43	\$5.32	\$4.27	\$1.04	\$5.43	\$4.16	\$1.27	\$2.32
Electrical Energy Tax	\$4.31	\$4.45	(\$0.13)	\$4.61	\$4.44	\$0.17	\$4.50	\$4.52	(\$0.02)	\$0.15
Wholesale Energy Transactions Tax	\$3.46	\$3.54	(\$0.07)	\$3.49	\$3.51	(\$0.02)	\$3.44	\$3.54	(\$0.10)	(\$0.12)
Total Natural Resource Taxes	\$90.07	\$90.51	(\$0.44)	\$86.93	\$96.47	(\$9.53)	\$84.27	\$96.66	(\$12.38)	(\$21.92)
INTEREST EARNINGS										
Coal Trust Interest Earnings	\$19.80	\$19.96	(\$0.16)	\$17.89	\$19.83	(\$1.94)	\$17.28	\$19.07	(\$1.78)	(\$3.73)
Treasury Cash Account Interest	\$5.69	\$4.27	\$1.42	\$8.57	\$7.58	\$0.99	\$16.16	\$15.51	\$0.66	\$1.65
Total Interest Earnings	\$25.49	\$24.24	\$1.25	\$26.45	\$27.41	(\$0.95)	\$33.45	\$34.57	(\$1.12)	(\$2.08)
LIQUOR TAXES										
Liquor Excise and License Taxes	\$20.37	\$21.36	(\$0.99)	\$21.79	\$22.27	(\$0.48)	\$22.86	\$23.22	(\$0.36)	(\$0.84)
Liquor Profits	\$11.75	\$11.50	\$0.25	\$12.50	\$12.08	\$0.42	\$13.19	\$12.58	\$0.61	\$1.03
Beer Tax	\$3.00	\$3.05	(\$0.05)	\$3.04	\$3.07	(\$0.03)	\$3.04	\$3.08	(\$0.04)	(\$0.07)
Wine Tax	\$2.43	\$2.48	(\$0.05)	\$2.49	\$2.58	(\$0.10)	\$2.56	\$2.67	(\$0.12)	(\$0.22)
Total Liquor Taxes	\$37.54	\$38.39	(\$0.85)	\$39.82	\$40.00	(\$0.18)	\$41.64	\$41.55	\$0.09	(\$0.09)
TOBACCO TAXES										
Cigarette Tax	\$30.56	\$30.92	(\$0.37)	\$30.84	\$30.65	\$0.19	\$30.63	\$30.46	\$0.16	\$0.35
Tobacco Products Tax	\$6.25	\$6.62	(\$0.38)	\$6.48	\$6.81	(\$0.34)	\$6.61	\$7.00	(\$0.39)	(\$0.72)
Tobacco Settlement	\$3.34	\$3.10	\$0.24	\$2.89	\$2.62	\$0.27	\$2.83	\$2.60	\$0.23	\$0.49
Total Tobacco Taxes	\$40.15	\$40.65	(\$0.50)	\$40.21	\$40.09	\$0.12	\$40.07	\$40.06	\$0.00	\$0.12
SALES TAXES										
Telecommunications Excise Tax	\$15.60	\$16.09	(\$0.49)	\$14.97	\$15.57	(\$0.60)	\$14.15	\$14.97	(\$0.82)	(\$1.42)
Institutional Reimbursements	\$14.26	\$14.16	\$0.10	\$11.91	\$15.72	(\$3.80)	\$12.02	\$14.73	(\$2.72)	(\$6.52)
Health Care Facility Utilization Fees	\$4.63	\$4.59	\$0.05	\$4.28	\$4.31	(\$0.02)	\$4.25	\$4.25	\$0.01	(\$0.02)
Accommodations Tax	\$21.78	\$22.20	(\$0.42)	\$23.25	\$23.40	(\$0.15)	\$25.16	\$24.77	\$0.39	\$0.24
Rental Car Sales Tax	\$3.40	\$3.31	\$0.09	\$3.42	\$3.36	\$0.06	\$3.53	\$3.66	(\$0.13)	(\$0.07)
Total Sales Taxes	\$59.68	\$60.35	(\$0.66)	\$57.84	\$62.35	(\$4.51)	\$59.10	\$62.38	(\$3.27)	(\$7.78)
OTHER TAXES AND REVENUES										
Lottery	\$9.62	\$12.36	(\$2.74)	\$10.17	\$12.36	(\$2.19)	\$10.65	\$12.36	(\$1.72)	(\$3.90)
Highway Patrol Fines	\$3.93	\$4.10	(\$0.17)	\$3.97	\$4.15	(\$0.18)	\$4.07	\$4.19	(\$0.12)	(\$0.30)
Investment Licenses and Permits	\$7.33	\$7.45	(\$0.13)	\$7.73	\$7.66	\$0.08	\$8.01	\$7.99	\$0.01	\$0.09
Contractors' Gross Receipts Tax	\$3.08	\$2.55	\$0.53	\$3.08	\$2.54	\$0.54	\$3.16	\$2.53	\$0.64	\$1.18
Driver's License Fee	\$4.31	\$4.94	(\$0.63)	\$4.37	\$4.34	\$0.03	\$4.60	\$5.01	(\$0.41)	(\$0.38)
Rail Car Tax	\$3.79	\$3.39	\$0.40	\$3.54	\$3.64	(\$0.10)	\$3.58	\$3.91	(\$0.32)	(\$0.43)
Other Revenue	\$57.34	\$45.00	\$12.34	\$47.64	\$46.06	\$1.58	\$48.03	\$47.32	\$0.71	\$2.29
Total Other Taxes and Revenues	\$89.39	\$79.80	\$9.60	\$80.51	\$80.76	(\$0.25)	\$82.10	\$83.30	(\$1.20)	(\$1.45)
TOTAL GENERAL FUND REVENUE	\$2,141.48	\$2,216.94	(\$75.46)	\$2,233.27	\$2,364.62	(\$131.36)	\$2,336.24	\$2,481.05	(\$144.81)	(\$276.17)