

# Business Taxes

**Corporation Income Tax**  
**Driver's License Fees**  
**Estate Tax**  
**Foreign Capital Depository Tax**  
**Individual Income Tax**  
**Insurance Tax & License Fees**

**Investment License Fees**  
**Lodging Facility Use Tax**  
**Motor Vehicle Fees**  
**Public Contractors Tax**  
**Railroad Car Tax**  
**Telecommunications Excise Tax**  
**Vehicle Tax**



**Legislative Fiscal Division**



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# Legislative Fiscal Division

## Revenue Estimate Profile Corporation Income Tax

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**Revenue Description:** The corporation income tax is a license fee levied against a corporation's net income earned in Montana. The corporation income tax is imposed on corporations that, for reasons of jurisdiction, are not taxable under a license tax. The revenue from Montana's corporation license tax is correlated closely with profits from corporations in the rest of the country. Additional factors that affect corporation license tax receipts include tax credits and the audit efforts by the Department of Revenue. As with individual income tax, all forecasts are adjusted for allowable credits.

### LFD COMMENT

The Legislative Fiscal Division does not have direct access to information about potential audit collections of corporate and individual income taxes, but rather requests and receives that information from the Department of Revenue. For the three fiscal years that revenue from these two sources is estimated, the department estimates that about \$66 million will be collected in audits. This is a large amount (about \$22 million a year). For example, it represents all of the collections from the 20 lowest general fund revenue sources in fiscal 2002. For comparison purposes, actual audit collections for fiscal 2002 were \$24.5 million.

During the August 2002 special legislative session, the legislature appropriated general fund (\$928,784 for fiscal 2003) to: 1) hire 13.3 FTE compliance staff; 2) eliminate vacancy savings associated with 6.0 FTE existing compliance positions; and 3) reverse across the board and pay plan reductions in the Compliance, Valuation and Resolution program. It was anticipated that the additional staff would collect \$1,862,000 in fiscal 2003 and subsequent years.

**Applicable Tax Rate(s):** The tax rate is 6.75%, except for corporations making a "water's edge" election (see 15-31-322, MCA), who pay a 7.0% tax on their net income.

**Distribution:** All corporation taxes are distributed to the general fund.

**Collection Frequency:** Monthly, Quarterly, and Annually

### Applicable Assumptions and/or Relevant Indicators:

- U.S. Corporate Pre-Tax Profits
- Corporate Income Tax Audits
- Interest and Penalty Assessments
- GDP

**Data Source(s):** SABHRS, DRI-WEFA, Department of Revenue

**Contacts:** Department of Revenue

**Statute:** Title 15, Chapter 31, MCA

**% of Total FY 2002 General Fund Revenue:** 5.39%

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in the appendix of this

# Legislative Fiscal Division

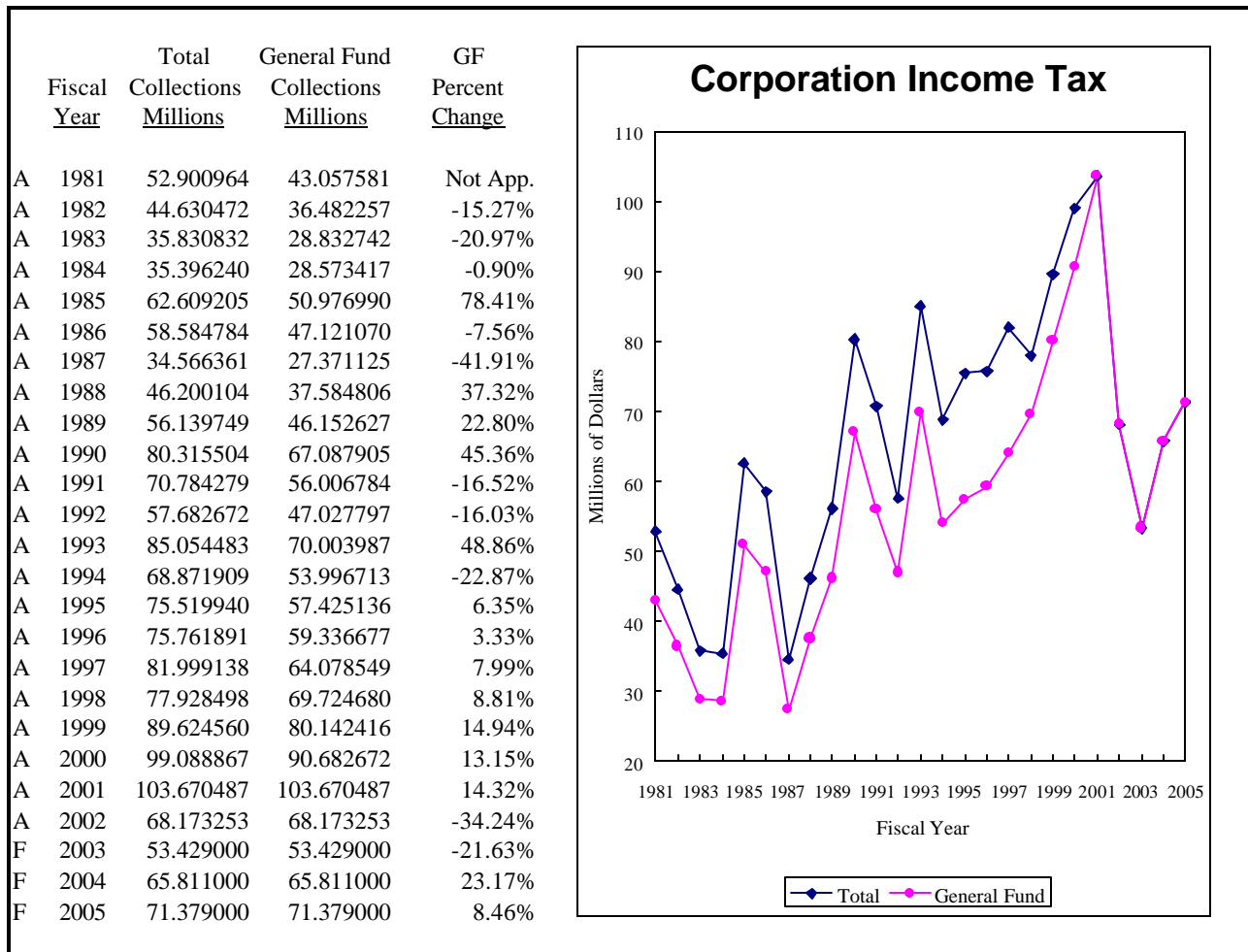
## Revenue Estimate Profile

### Corporation Income Tax

document. The following summarizes the LFD process used to develop the revenue estimate.

There is a statistical relationship between national and Montana corporate profits. To project Montana corporation license tax revenues, the LFD quantifies this relationship in a regression model. The model regresses Montana adjusted<sup>1</sup> corporation license tax on one year lagged estimates of historic U.S. pre-tax corporation profits.<sup>2</sup> The resulting value is the estimate of future Montana corporation profits. The adequacy of the model as measured by the R<sup>2</sup> shows that 78.5% of the variation in Montana's corporation license tax is explained by changes in U.S. pre-tax corporation profits. Finally, adjustments are made for audit revenues, penalties and interest, expected credits, and the impact of the federal bonus depreciation provision,<sup>3</sup> to produce the estimate for corporation license tax.

#### Revenue Projection:



<sup>1</sup> Adjustments to historic data include audits, penalties and interest, credits, known unusual payment and refunds, and the impact of bonus depreciation.

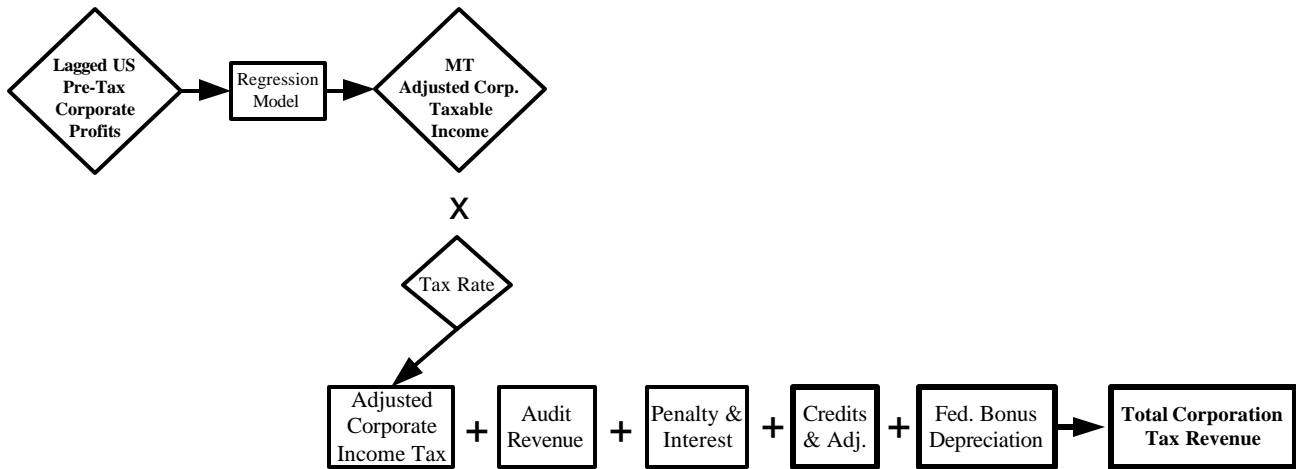
<sup>2</sup> Di-WEFA, U.S. pre-tax corporation profits.

<sup>3</sup> Montana Department of Revenue. Estimated corporation audit collections and penalties and interest.

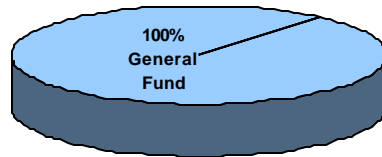
# Legislative Fiscal Division

## Revenue Estimate Profile Corporation Income Tax

### Forecast Methodology



### Distribution Methodology



### Revenue Estimate Assumptions

	t	Total	GF Tax	US Profits	MT Taxable	Tax
	Fiscal	Millions	Millions	Billions	Millions	Rate
Actual	2000	99.088867	90.682672	726.300000	1133.143141	0.067500
Actual	2001	103.670487	103.670487	670.200000	1439.562770	0.067500
Actual	2002	68.173253	68.173253	662.200000	922.331111	0.067500
Forecast	2003	53.429000	53.429000	679.400000	724.870919	0.067500
Forecast	2004	65.811000	65.811000	707.500000	915.708607	0.067500
Forecast	2005	71.379000	71.379000	734.200000	1005.610622	0.067500

	t	Total	Total	P&I	Audit	Depreciation	Credits	Adjustments
	<u>Fiscal</u>	<u>Millions</u>	<u>Financials</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	99.088867	10.507744	0.661232	1.424267			
Actual	2001	103.670487	0.000000	0.000000	6.500000			
Actual	2002	68.173253	0.000000	1.658539	4.257364			
Forecast	2003	53.429000	0.000000	0.000000	4.500000	-5.051129	-2.547502	-10.120770
Forecast	2004	65.811000	0.000000	0.000000	4.000000	-3.467591	-2.547502	0.000000
Forecast	2005	71.379000	0.000000	0.000000	3.500000	0.677521	-2.547502	0.000000

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Driver's License Fees

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**Revenue Description:** A resident of Montana must have a valid driver's license to operate a motor vehicle on any highway in the state. A driver's license is issued only if the applicant passes specified examinations and pays a fee. The fees are collected by Department of Justice, Motor Vehicle Division staff or county treasurers and are forwarded to the state treasurer for deposit. The fees included in this source are from regular driver's licenses, commercial driver's licenses, motorcycle endorsements, and duplicate driver's licenses.

**Applicable Tax Rate(s):** Driver's license fees are:

- driver's license, except a commercial driver's license - \$4.00 per year or fraction of a year
- motorcycle endorsement - \$0.50 per year or fraction of a year
- commercial driver's licenses:
  - interstate - \$5.00 per year or fraction of a year
  - intrastate - \$3.50 per year or fraction of a year
- duplicate license - \$5.00

**Distribution:** The distribution of license fee revenue varies by the type of license. The table below shows the current statutory distribution. Note: the portion allocated to counties applies only when the county collects the fee. Otherwise, the county allocation is added to the general fund distribution.

Distribution of Driver's License Fees				
Recipient	Driver's License	Duplicate License	Motorcycle Endorsement	Commercial Driver's License
Montana Highway Patrol	16.70%	25.00%	0.00%	0.00%
Counties or DOJ	2.50%	3.75%	3.34%	2.50%
Traffic Education Account	26.25%	8.75%	63.46%	0.00%
General Fund	54.55%	62.50%	33.20%	97.50%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**Collection Frequency:** Monthly

**Applicable Assumptions and/or Relevant Indicators:**

Montana Population

Licenses Issued

**Data Source(s):** SABHRS, Department of Administration, County Treasurer Offices

**Contacts:** Department of Justice

**Statute:** Title 61, Chapter 5, MCA

**% of Total FY 2002 General Fund Revenue:** 0.20%

# Legislative Fiscal Division

## Revenue Estimate Profile

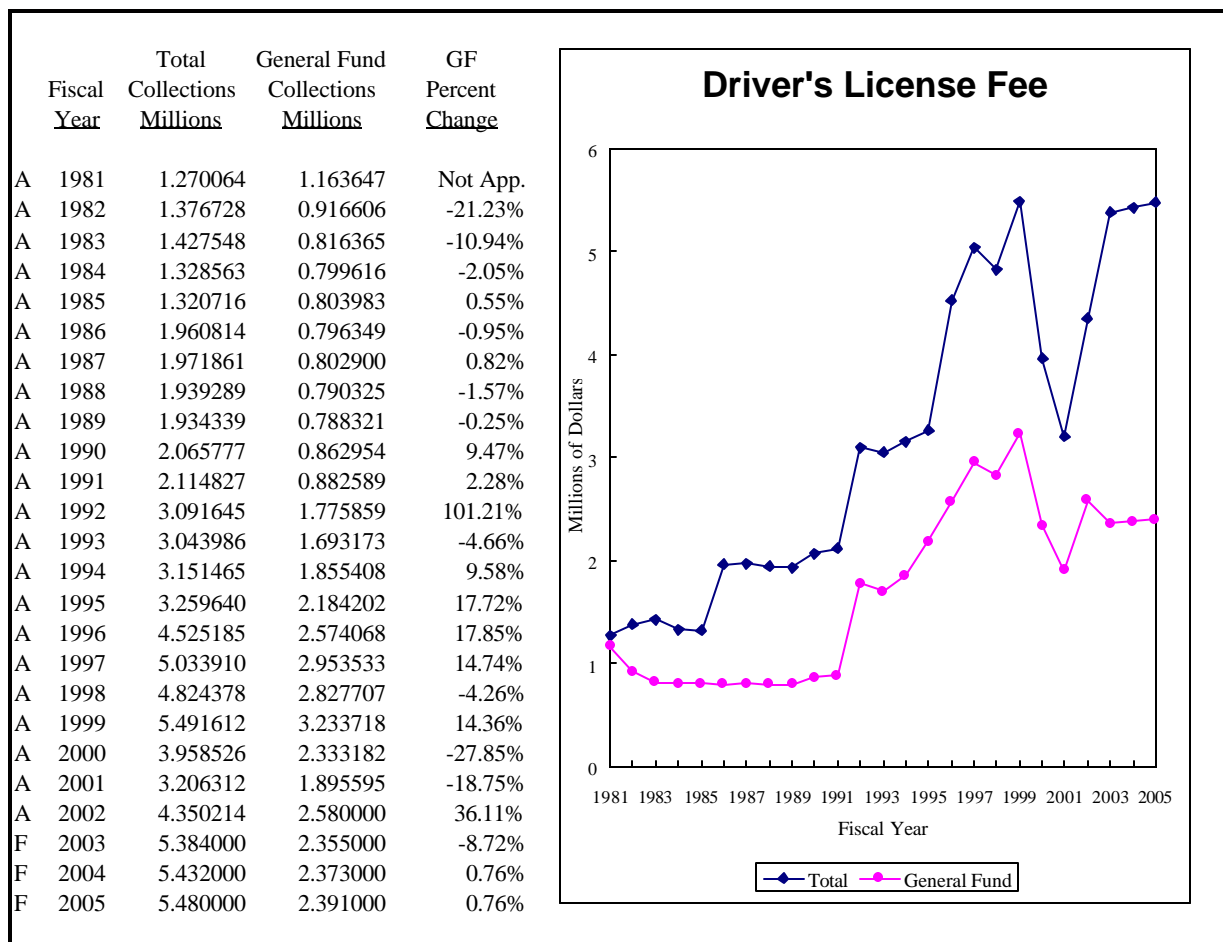
### Driver's License Fees

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in the appendix of this document. The following summarizes the LFD process used to develop the revenue estimate.

Driver's license fee revenue is calculated by taking the anticipated number of licenses to be issued by the applicable license fee. The amount of revenue for each license type is summed to determine total driver's fee revenue. The final step involves applying the statutory distribution by license type.

Between October 1, 1995 and October 1, 1999, one-half of the licenses issued for those between the ages of 21 and 67 are 4-year licenses and one-half are 8-year licenses. Drivers outside these age brackets are assigned driver's licenses with terms which depend on how many years the driver is less than 21 or less than 75 years old. Beginning October 1, 1999, all licenses for the 21-67 age group were for 8 years.

#### Revenue Projection:

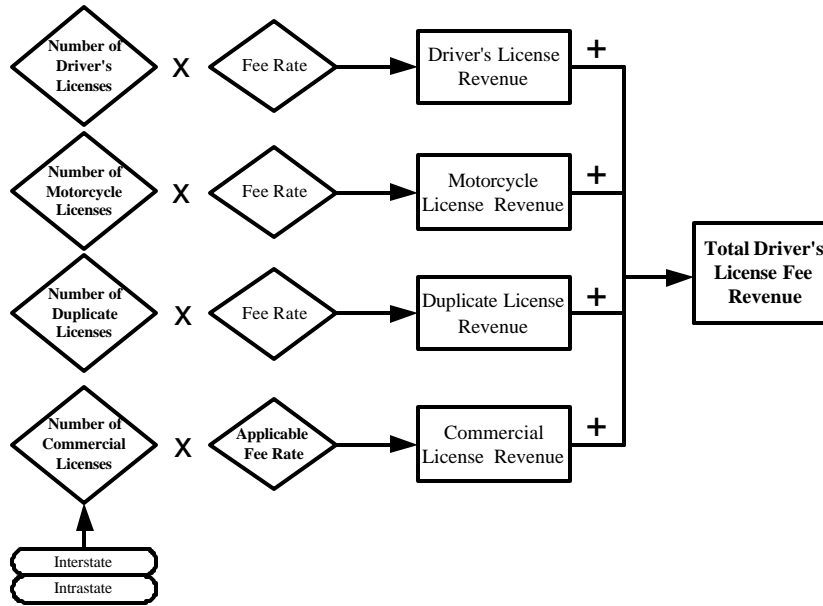


# Legislative Fiscal Division

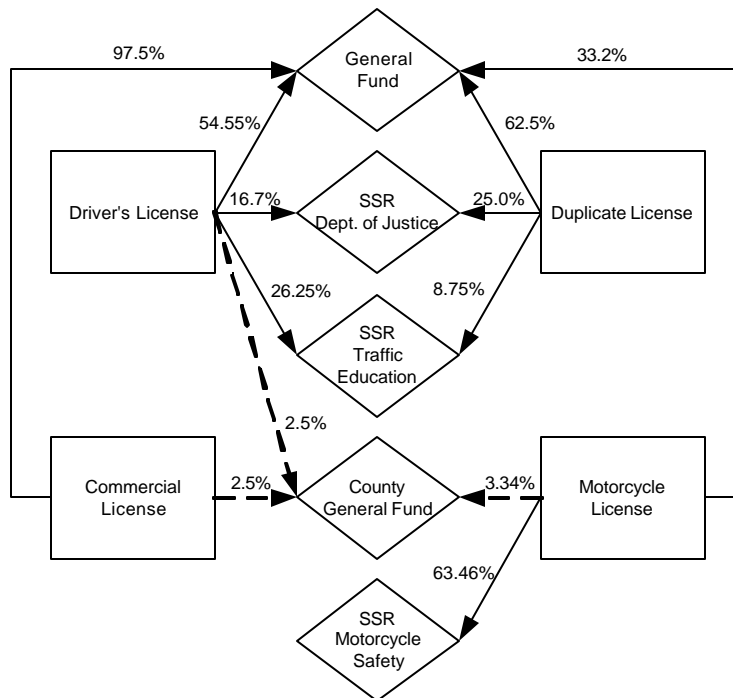
## Revenue Estimate Profile

### Driver's License Fees

#### Forecast Methodology



#### Distribution Methodology



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Only if fees are collected by the county. To state general fund otherwise.



# Legislative Fiscal Division

## Revenue Estimate Profile

### Driver's License Fees

#### Revenue Estimate Assumptions

	<u>t</u>	<u>Total Tax</u>	<u>GF Fee</u>	<u>GF Fee</u>	<u>GF Fee</u>	<u>GF Fee</u>	<u>GF Fee</u>
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Licenses</u>	<u>Duplicates</u>	<u>Cycle</u>	<u>Interstate</u>
				<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	3.958526	2.333182	1.893082	0.032885	0.013929	0.289246
Actual	2001	3.206312	1.895595	1.467106	0.080415	0.010062	0.276352
Actual	2002	4.350214	2.580000	1.978721	0.095182	0.015104	0.419986
Forecast	2003	5.384000	2.355000	1.633241	0.078563	0.129916	0.419986
Forecast	2004	5.432000	2.373000	1.649208	0.079332	0.131187	0.419986
Forecast	2005	5.480000	2.391000	1.665176	0.080102	0.132457	0.419986

License							
Count	<u>t</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>
Millions	<u>Fiscal</u>	<u>Licenses</u>	<u>Duplicates</u>	<u>Cycle</u>	<u>Interstate</u>	<u>Intrastate</u>	<u>Cycle Reg.</u>
Actual	2000	0.110658	0.025272	0.010240	0.007801	0.002477	0.024511
Actual	2001	0.080396	0.024359	0.006932	0.006961	0.002210	0.028756
Actual	2002	0.108432	0.028832	0.010405	0.010579	0.003359	0.035482
Forecast	2003	0.089500	0.023798	0.0089500	0.010579	0.003359	0.305203
Forecast	2004	0.090375	0.024031	0.090375	0.010579	0.003359	0.308187
Forecast	2005	0.091250	0.024264	0.091250	0.010579	0.003359	0.311171

<u>GF Fee</u>	<u>t</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>
<u>Rate in \$</u>	<u>Fiscal</u>	<u>Licenses</u>	<u>Duplicates</u>	<u>Cycle</u>	<u>Interstate</u>	<u>Intrastate</u>	<u>Cycle Reg.</u>
Actual	2000	17.107500	1.301250	1.360230	37.078125	26.053125	0.000000
Actual	2001	18.248500	3.301250	1.451580	39.700000	27.790000	0.000000
Actual	2002	18.248500	3.301250	1.451580	39.700000	27.790000	0.000000
Forecast	2003	18.248500	3.301250	1.451580	39.700000	27.790000	0.000000
Forecast	2004	18.248500	3.301250	1.451580	39.700000	27.790000	0.000000
Forecast	2005	18.248500	3.301250	1.451580	39.700000	27.790000	0.000000

<u>Total Fee</u>	<u>t</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>	<u>Proxy</u>
<u>Rate in \$</u>	<u>Fiscal</u>	<u>Licenses</u>	<u>Duplicates</u>	<u>Cycle</u>	<u>Interstate</u>	<u>Intrastate</u>	<u>Cycle Reg.</u>
Actual	2000	30.0000	5.0000	3.7500	37.5000	26.2500	5.0000
Actual	2001	32.0000	5.0000	4.0000	40.0000	28.0000	5.0000
Actual	2002	32.0000	5.0000	4.0000	40.0000	28.0000	5.0000
Forecast	2003	32.0000	5.0000	4.0000	40.0000	28.0000	5.0000
Forecast	2004	32.0000	5.0000	4.0000	40.0000	28.0000	5.0000
Forecast	2005	32.0000	5.0000	4.0000	40.0000	28.0000	5.0000

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Estate Tax

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**Revenue Description:** Due to passage of Legislative Referendum 116 by the electorate in November 2000, the state inheritance tax was repealed. The tax had been imposed on the transfer of any decedent's property, interest in property, or income from property within the state, to any other person or corporation except a surviving spouse, child or lineal descendant, stepchild, or governmental or charitable organization. Although the referendum was effective immediately, it applied to deaths occurring after December 31, 2000. Thus, inheritance tax revenue will continue to produce revenue during the 2003 biennium, but the amount of revenue will decrease each year. In addition to the inheritance tax, an estate tax is imposed on estates transferred to heirs at death. The Montana estate tax is equal to the maximum estate tax credit allowed under federal estate tax law.

Since 1980, revenues from inheritance taxes have fluctuated because of federal and state law changes, changes in wealth, changes in the death rate of the population, accounting procedures, and the processing of several large estates.

**Applicable Tax Rate(s):** The estate tax is equal to the maximum estate tax credit allowed under federal estate tax law.

**Distribution:** All proceeds are deposited into the general fund.

**Collection Frequency:** Monthly

**Applicable Assumptions and/or Relevant Indicators:**

Annual Growth Rate  
Montana Total Population  
Montana Deaths  
Consumer Price Index (Inflation)  
Property Values

**Data Source(s):** SABHRS

**Contacts:** Department of Revenue

**Statute:** Title 72, Chapter 16, MCA

**% of Total FY 2002 General Fund Revenue:** 1.09%

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in the appendix of this document. The following summarizes the LFD process used to develop the revenue estimate.

The LFD follows a number of steps to calculate the estate tax estimate. With data provided by the Department of Revenue, counts and averages of historic taxpayers and average taxpayer payments are calculated. Using historic Montana deaths,<sup>4</sup> future deaths are calculated by applying a growth rate based on a five-year moving average to prior

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<sup>4</sup> Historic death records provided by the Montana Bureau of Vital Statistics.

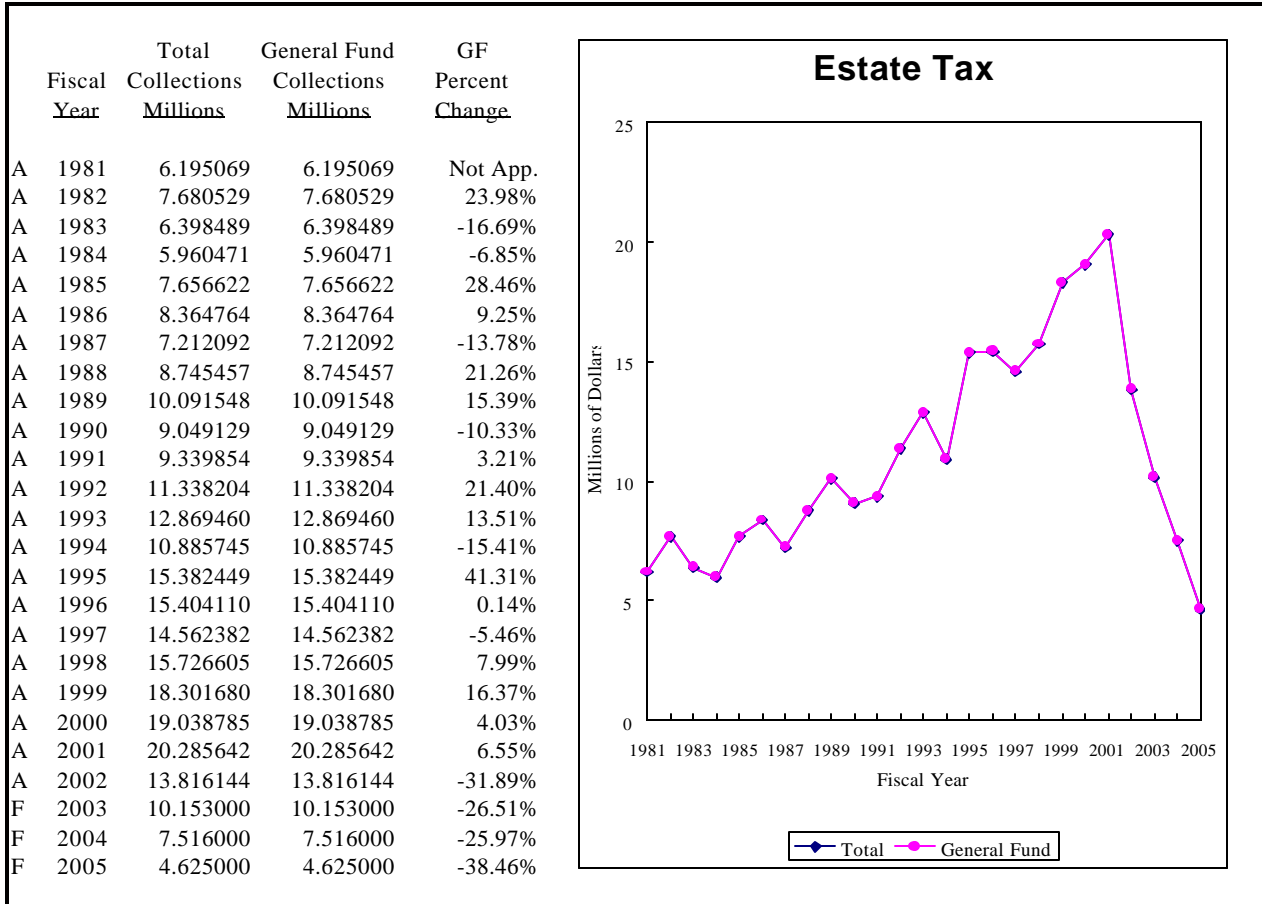
# Legislative Fiscal Division

## Revenue Estimate Profile

### Estate Tax

year deaths. A ratio to determine future taxpayers is developed with the average of historic taxpayers divided by historic total deaths. Adjustments for federal law changes are made to both the number of yearly taxpayers and the average tax owed. With this information, the total amount of taxes owed on a historic basis is determined. Next, using the ratio of taxpayers to deaths, future taxpayers are calculated. The adjusted average tax, based on average tax owed by taxpayers in calendar 2001<sup>5</sup>, is then applied to the number of future taxpayers. Then, historic and future taxpayer tax is distributed over a seven-year period using a schedule of taxpayer payments.<sup>6</sup> Finally, the tax schedule is summed and converted from calendar to fiscal year to determine the estate tax estimate.

#### Revenue Projection:



<sup>5</sup> The estates of those who died on or after 1/1/2001 were not subject to the Montana inheritance tax.

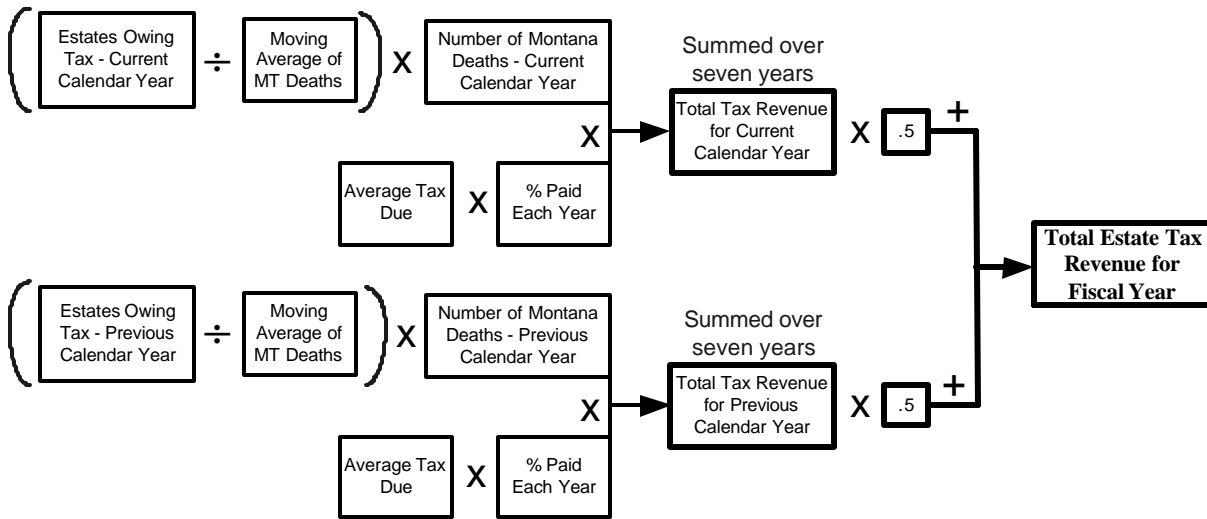
<sup>6</sup> Department of Revenue, Tax Policy and Research Division. *Estate Tax, General Fund Revenue Estimate*. Special Legislative Session, August 2002.

# Legislative Fiscal Division

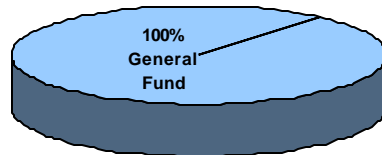
## Revenue Estimate Profile

### Estate Tax

#### Forecast Methodology



#### Distribution Methodology



#### Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Annual
	Fiscal	Millions	Millions	Growth
Actual	2000	19.038785	19.038785	0.040275
Actual	2001	20.285642	20.285642	0.065490
Actual	2002	13.816144	13.816144	-0.318920
Forecast	2003	10.153000	10.153000	-0.265138
Forecast	2004	7.516000	7.516000	-0.259773
Forecast	2005	4.625000	4.625000	-0.384663

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Individual Income Tax

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**Revenue Description:** The tax is levied against taxable income, which is defined as Montana personal income adjusted for exemptions and deductions. Once tax liability is determined, the amount of tax due is computed by subtracting allowable credits.

#### LFD COMMENT

The Legislative Fiscal Division does not have direct access to information about potential audit collections of corporate and individual income taxes, but rather requests and receives that information from the Department of Revenue. For the three fiscal years that revenue from these two sources is estimated, the department estimates that about \$66 million will be collected in audits. This is a large amount (about \$22 million a year). For example, it represents all of the collections from the 20 lowest general fund revenue sources in fiscal 2002. For comparison purposes, actual audit collections for fiscal 2002 were \$24.5 million.

During the August 2002 special legislative session, the legislature appropriated general fund (\$928,784 for fiscal 2003) to: 1) hire 13.3 FTE compliance staff; 2) eliminate vacancy savings associated with 6.0 FTE existing compliance positions; and 3) reverse across the board and pay plan reductions in the Compliance, Valuation and Resolution program. It was anticipated that the additional staff would collect \$1,862,000 in fiscal 2003 and subsequent years.

**Applicable Tax Rate(s):** Tax rates vary from 2.0% to 11.0%, depending on the level of taxable income. Tax brackets, personal exemption amounts, and the standard deduction are adjusted by the rate of inflation in each year.

**Distribution:** All proceeds are deposited into the general fund.

**Collection Frequency:** Withholding and estimated taxes are collected monthly, bi-weekly, and weekly.

#### Applicable Assumptions and/or Relevant Indicators:

- Employment
- Wage and Salary Income
- Population
- Audit Collections
- Penalty and Interest Payments
- Amended and Back Year Returns
- Consumer Price Index (Inflation)
- Taxpayer Behavior
- Legislative Impacts
- Growth Rates For: Income Components, Deductions, and Credits

**Data Source(s):** SABHRS, Income Tax Returns, Labor Statistics - Departments of Commerce, Labor & Industry and Revenue

**Contacts:** Department of Revenue, Census and Economic Information

**Statute:** Title 15, Chapter 31, MCA

**% of Total FY 2002 General Fund Revenue:** 40.89%

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant

# Legislative Fiscal Division

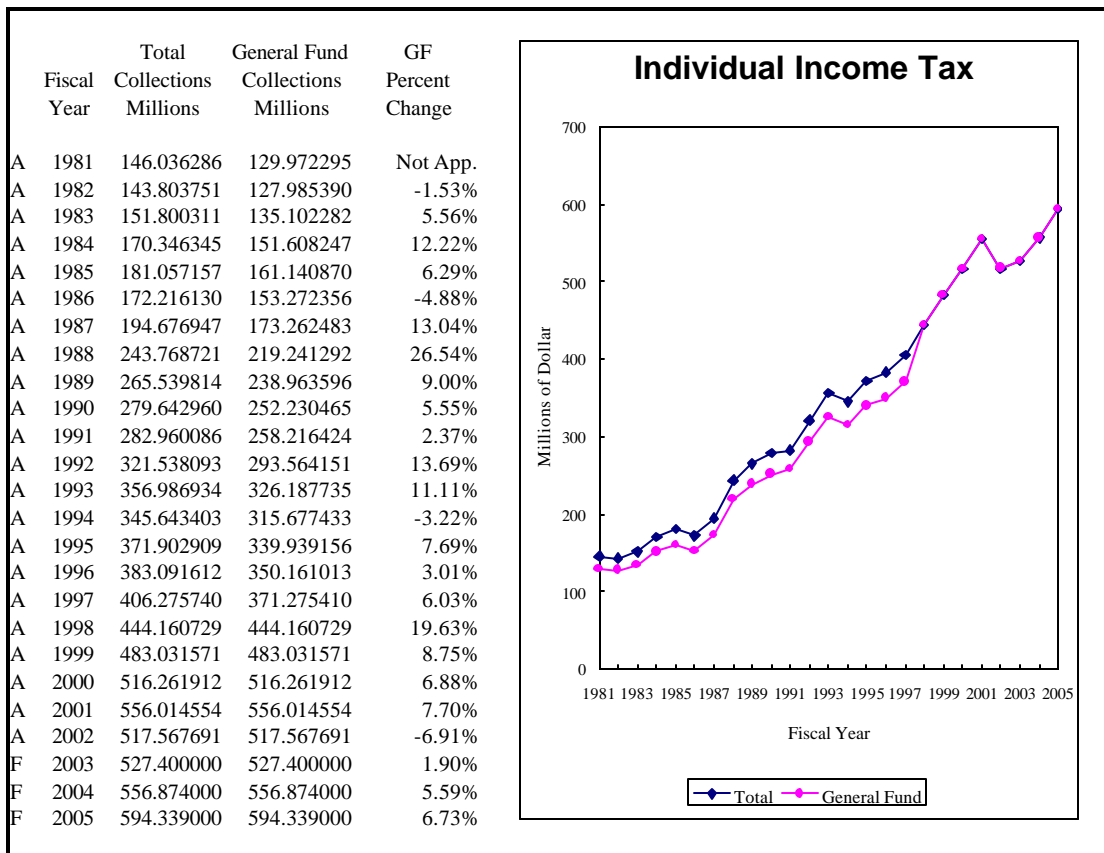
## Revenue Estimate Profile

### Individual Income Tax

assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in the appendix of this document. The following summarizes the LFD process used to develop the revenue estimate.

An income tax simulation model is used to predict calendar year income tax liability for each resident taxpayer. The model predicts forward from a base tax year by specifying growth rates for each component of income, deductions and credits. To this is added a forecast of nonresident liability. The resulting calendar year liability for all taxpayers is converted to a fiscal year basis. Growth in fiscal year liabilities are measured and applied to the last known fiscal year collections less audits. Future estimated collections are then increased by audits, penalties and interest, foreign capital depository credits, and amended and back year amounts. Any federal and/or state legislative impacts not already reflected in the assumed growth rates are used to adjust the fiscal year estimates.

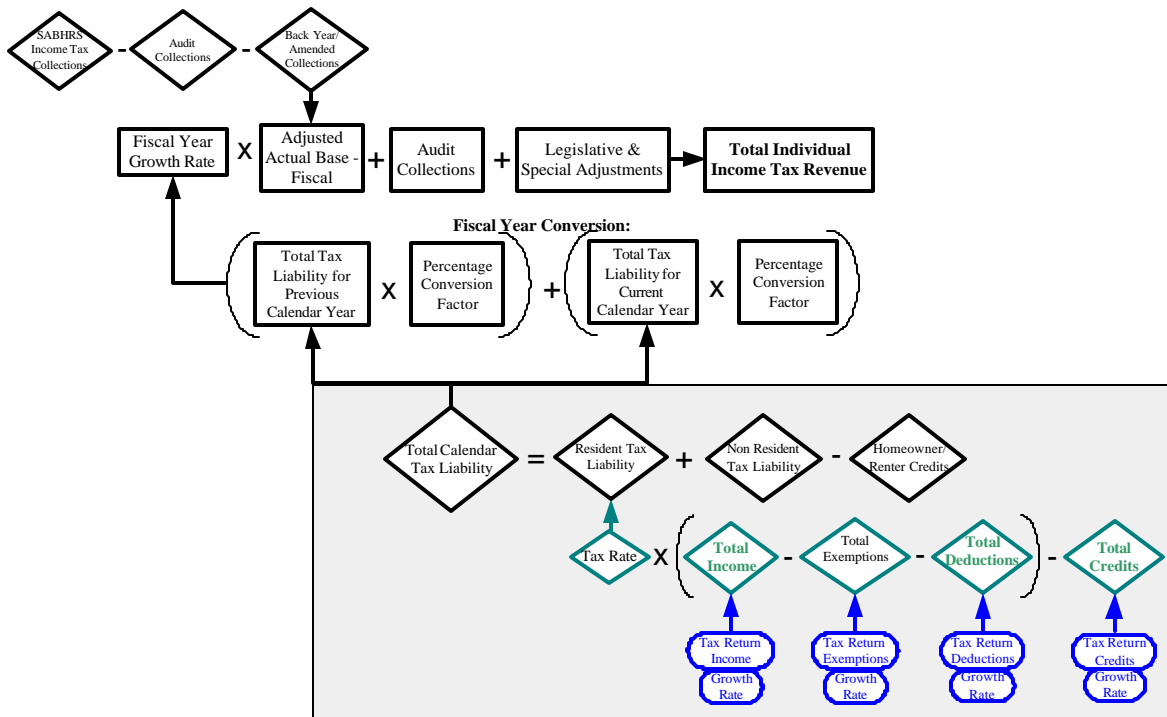
#### Revenue Projection:



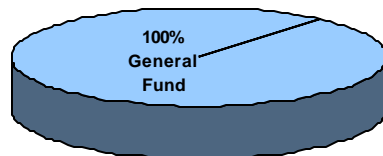
# Legislative Fiscal Division

## Revenue Estimate Profile Individual Income Tax

### Forecast Methodology



### Distribution Methodology



# Legislative Fiscal Division

## Revenue Estimate Profile

### Individual Income Tax

#### Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Audits	30% Bonus	Total	CY to FY	CY to FY
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Percent</u>	<u>Percent</u>
Actual	2000	516.261912	516.261912	10.500000	0.000000	506.167193	47.9%*CY t-1	52.1%*CY t
Actual	2001	556.014554	556.014554	14.680000	-1.500000	510.889397	47.9%*CY t-1	52.1%*CY t
Actual	2002	517.568000	517.568000	18.573000	-3.000000	501.731037	47.9%*CY t-1	52.1%*CY t
Forecast	2003	527.409642	527.409642	16.800000	-2.500000	512.839835	47.9%*CY t-2	52.1%*CY t
Forecast	2004	556.866912	556.866912	18.700000	-1.750000	539.633009	47.9%*CY t-3	52.1%*CY t
Forecast	2005	594.318459	594.318459	18.700000	0.340000	574.975961	47.9%*CY t-4	52.1%*CY t

	t	Total Tax	GF Tax	Audits	30% bonus	Total Liability
	<u>Fiscal</u>	<u>Annual</u>	<u>Annual</u>	<u>Annual</u>	<u>Annual</u>	<u>Annual</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Actual	2000					
Actual	2001	7.7001%	7.7001%	39.8095%		0.9329%
Actual	2002	-6.9147%	-6.9147%	26.5191%	100.0000%	-1.7926%
Forecast	2003	1.9015%	1.9015%	-9.5461%	-16.6667%	2.2141%
Forecast	2004	5.5853%	5.5853%	11.3095%	-30.0000%	5.2245%
Forecast	2005	6.7254%	6.7254%	0.0000%	-119.4286%	6.5494%

	t	Resident	Population	Homeowner	All Other	All Filers	All Filers	Taxable
	<u>Cal.</u>	<u>Liability</u>	<u>Adjustment</u>	<u>Credit</u>	<u>Credits</u>	<u>Multiplier</u>	<u>Liability</u>	<u>Income</u>
		<u>Millions</u>	<u>Percent</u>	<u>Millions</u>	<u>Millions</u>	<u>Percent</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	518.279456		8.734000	21.404000	1.071800	525.353921	8,226.369886
Actual	2001	498.341543	1.000000	9.540000	24.151000	1.066100	497.538802	8,087.111270
Forecast	2002	497.258373	1.007334	9.640000	19.517502	1.067510	505.563989	8,138.701843
Forecast	2003	508.832814	1.016587	9.736000	23.482156	1.068580	519.529144	8,326.191331
Forecast	2004	537.715000	1.029072	9.834000	23.937709	1.069650	558.116216	8,732.891854
Forecast	2005	559.739000	1.043342	10.031000	24.792000	1.070720	590.476572	9,060.832666

	t	Resident	Population	Homeowner	All Other	All Filers	All Filers	Taxable
	<u>Cal.</u>	<u>Liability</u>	<u>Adjustment</u>	<u>Credit</u>	<u>Credits</u>	<u>Multiplier</u>	<u>Liability</u>	<u>Income</u>
		<u>Millions</u>	<u>Percent</u>	<u>Millions</u>	<u>Millions</u>	<u>Percent</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000							
Actual	2001	-3.8469%		9.2283%	12.8340%	-0.5318%	-5.2945%	-1.692832%
Forecast	2002	-0.2174%	0.7334%	1.0482%	-19.1855%	0.1323%	1.6130%	0.637936%
Forecast	2003	2.3277%	0.9185%	0.9959%	20.3133%	0.1002%	2.7623%	2.303678%
Forecast	2004	5.6762%	1.2281%	1.0066%	1.9400%	0.1001%	7.4273%	4.884593%
Forecast	2005	4.0959%	1.3867%	2.0033%	3.5688%	0.1000%	5.7981%	3.755237%



# Legislative Fiscal Division

## Revenue Estimate Profile

### Individual Income Tax

	t	Wages	Annual	Interest	Annual	Dividends	Annual
	Cal.	Millions	Growth	Millions	Growth	Millions	Growth
Actual	2000	8,569.388406		652.743511		374.794193	
Actual	2001	9,013.441387	5.1819%	662.616830	1.5126%	302.464371	-19.2985%
Forecast	2002	9,346.938718	3.7000%	511.738978	-22.7700%	313.292595	3.5800%
Forecast	2003	9,739.510144	4.2000%	454.321864	-11.2200%	328.361969	4.8100%
Forecast	2004	10,207.006631	4.8000%	577.897412	27.2000%	337.260579	2.7100%
Forecast	2005	10,717.356963	5.0000%	635.687153	10.0000%	345.152476	2.3400%

	t	Business	Annual	Capital	Annual	Supplemental	Annual
	Cal.	Income	Growth	Gains	Growth	Gains	Growth
		Millions		Millions		Millions	
Actual	2000	606.597200		1,259.719705		46.175253	
Actual	2001	617.942632	1.8703%	785.759218	-37.6243%	42.906157	-7.0798%
Forecast	2002	625.481532	1.2200%	565.746637	-28.0000%	37.770290	-11.9700%
Forecast	2003	630.860673	0.8600%	565.746637	0.0000%	36.712722	-2.8000%
Forecast	2004	640.197411	1.4800%	608.177635	7.5000%	47.498920	29.3800%
Forecast	2005	644.806833	0.7200%	653.790957	7.5000%	46.254448	-2.6200%

	t	Rents, Royalties	Annual	Farm Income	Annual	Social	Annual
	Cal.	S-Corps	Growth	Gains	Growth	Security	Growth
		Millions		Millions		Millions	
Actual	2000	894.050325		-77.472732		255.296811	
Actual	2001	907.393972	1.4925%	-112.632772	45.3838%	257.153132	0.7271%
Forecast	2002	974.359647	7.3800%	-82.897720	-26.4000%	276.336756	7.4600%
Forecast	2003	1,056.205857	8.4000%	-83.386817	0.5900%	294.989487	6.7500%
Forecast	2004	1,141.336050	8.0600%	-71.821065	-13.8700%	313.219837	6.1800%
Forecast	2005	1,223.055711	7.1600%	-76.805447	6.9400%	331.042046	5.6900%

	t	IRA	Annual	Pension	Annual	Other	Annual
	Cal.	Income	Growth	Income	Growth	Income	Growth
		Millions		Millions		Millions	
Actual	2000	267.961035		938.299938		-32.693707	
Actual	2001	264.672173	-1.2274%	969.018087	3.2738%	-22.436200	-31.3746%
Forecast	2002	265.969067	0.4900%	973.766276	0.4900%	-22.436200	0.0000%
Forecast	2003	276.262070	3.8700%	1,011.451030	3.8700%	-22.436200	0.0000%
Forecast	2004	298.473540	8.0400%	1,071.025496	5.8900%	-22.436200	0.0000%
Forecast	2005	322.470813	8.0400%	1,134.108898	5.8900%	-22.436200	0.0000%

# Legislative Fiscal Division

## Revenue Estimate Profile

### Individual Income Tax

	t	Total Income	Annual Growth	IRA Deductions	Annual Growth	Fed Adjusted Gross Income	Annual Growth
	Cal.	Millions		Millions		Millions	
Actual	2000	13,754.859938		202.442859		13,552.417079	
Actual	2001	13,688.298987	-0.4839%	205.024224	1.2751%	13,483.274763	-0.5102%
Forecast	2002	13,786.066576	0.7142%	222.553795	8.5500%	13,563.512781	0.5951%
Forecast	2003	14,288.599438	3.6452%	234.527189	5.3800%	14,054.072249	3.6168%
Forecast	2004	15,147.836245	6.0134%	244.869838	4.4100%	14,902.966407	6.0402%
Forecast	2005	15,954.484650	5.3252%	262.916745	7.3700%	15,691.567905	5.2916%

	t	Bond Interest	Annual Growth	FIT Refunds	Annual Growth	Other Additions	Annual Growth
	Cal.	Millions		Millions		Millions	
Actual	2000	42.518667		184.885555		145.637746	
Actual	2001	44.552431	4.7832%	203.809786	10.2356%	146.694821	0.7258%
Forecast	2002	46.913710	5.3000%	235.359541	15.4800%	146.694821	0.0000%
Forecast	2003	48.907543	4.2500%	236.230371	0.3700%	146.694821	0.0000%
Forecast	2004	52.321289	6.9800%	256.782413	8.7000%	146.694821	0.0000%
Forecast	2005	56.527921	8.0400%	272.240715	6.0200%	146.694821	0.0000%

	t	Cap. Gains Exclusion	Annual Growth	Int. Exc. Elderly	Annual Growth	Savings Bond	Annual Growth
	Cal.	Millions		Millions		Millions	
Actual	2000	2.753579		46.732843		98.577472	
Actual	2001	1.792204	-34.9137%	46.773697	0.0874%	85.952848	-12.8068%
Forecast	2002	1.496490	-16.5000%	41.455528	-11.3700%	68.255157	-20.5900%
Forecast	2003	1.249569	-16.5000%	43.221533	4.2600%	62.767442	-8.0400%
Forecast	2004	1.043390	-16.5000%	44.008165	1.8200%	78.779416	25.5100%
Forecast	2005	0.871231	-16.5000%	44.760705	1.7100%	87.082767	10.5400%

	t	Exempt Retirement	Annual Growth	Unemployment	Annual Growth	Med. Savings	Annual Growth
	Cal.	Millions		Millions		Millions	
Actual	2000	156.465588		50.685840		6.777035	
Actual	2001	161.621214	3.2951%	59.504425	17.3985%	8.242749	21.6277%
Forecast	2002	142.925277	-11.5677%	50.566860	-15.0200%	9.790737	18.7800%
Forecast	2003	141.434508	-1.0430%	50.566860	0.0000%	11.338653	15.8100%
Forecast	2004	137.398388	-2.8537%	50.566860	0.0000%	12.886379	13.6500%
Forecast	2005	132.815045	-3.3358%	50.566860	0.0000%	14.434033	12.0100%

# Legislative Fiscal Division

## Revenue Estimate Profile

### Individual Income Tax

	t	Family Education Cal.	Annual Growth	First Time Home Millions	Annual Growth	Other Reductions Millions	Annual Growth
Actual	2000	2.118416		0.739084		442.097368	
Actual	2001	3.415825	61.2443%	0.912566	23.4726%	470.668689	6.4627%
Forecast	2002	4.098990	20.0000%	0.912566	0.0000%	495.002260	5.1700%
Forecast	2003	4.782292	16.6700%	0.912566	0.0000%	520.593877	5.1700%
Forecast	2004	5.465681	14.2900%	0.912566	0.0000%	547.508581	5.1700%
Forecast	2005	6.148891	12.5000%	0.912566	0.0000%	575.814774	5.1700%

	t	Additions to Income Millions	Additions Annual Growth	Reductions to Income Millions	Reductions Annual Growth	MT Adjusted Gross Income Millions	MAGI Annual Growth
Actual	2000	373.041968		806.947225		13,118.511822	
Actual	2001	395.057038	5.9015%	838.884217	3.9578%	13,039.447584	-0.6027%
Forecast	2002	428.968072	8.5838%	814.503865	-2.9063%	13,064.319543	0.1907%
Forecast	2003	431.832735	0.6678%	836.867300	2.7457%	13,407.828098	2.6294%
Forecast	2004	455.798523	5.5498%	878.569427	4.9831%	14,051.318642	4.7994%
Forecast	2005	475.463456	4.3144%	913.406873	3.9652%	14,599.154687	3.8988%

	t	Medical Premiums Millions	Annual Growth	Medical Deductions Millions	Annual Growth	Long Term Care Millions	Annual Growth
Actual	2000	200.002957		184.849463		13.502837	
Actual	2001	217.940463	8.9686%	203.239099	9.9484%	14.061406	4.1367%
Forecast	2002	230.733568	5.8700%	237.479941	16.8476%	14.619644	3.9700%
Forecast	2003	244.277629	5.8700%	257.684624	8.5080%	15.178114	3.8200%
Forecast	2004	258.616725	5.8700%	273.667043	6.2023%	15.736669	3.6800%
Forecast	2005	273.797527	5.8700%	292.222478	6.7803%	16.295321	3.5500%

	t	Federal Income Tax Withheld Millions	Annual Growth	Non-current Yr Fed Deduct Millions	Annual Growth	Real Estate Millions	Annual Growth
Actual	2000	1,518.673839		221.424540		239.539241	
Actual	2001	1,558.108639	2.5967%	233.916512	5.6416%	248.404235	3.7009%
Forecast	2002	1,562.753843	0.2981%	236.986252	1.3123%	255.856362	3.0000%
Forecast	2003	1,612.613212	3.1905%	244.872157	3.3276%	263.532053	3.0000%
Forecast	2004	1,675.120514	3.8761%	252.760441	3.2214%	271.438014	3.0000%
Forecast	2005	1,723.541870	2.8906%	260.656110	3.1238%	279.581155	3.0000%

# Legislative Fiscal Division

## Revenue Estimate Profile

### Individual Income Tax

	t	Other Taxes	Annual	Home Mortgage	Annual	Deductible Interest	Annual
	Cal.	Millions	Growth	Millions	Growth	Millions	Growth
Actual	2000	43.249518		674.783486		39.843897	
Actual	2001	35.414255	-18.1164%	722.240324	7.0329%	36.076803	-9.4546%
Forecast	2002	36.122540	2.0000%	728.379367	0.8500%	35.117160	-2.6600%
Forecast	2003	36.844991	2.0000%	755.912107	3.7800%	38.558642	9.8000%
Forecast	2004	37.581891	2.0000%	825.985159	9.2700%	40.683223	5.5100%
Forecast	2005	38.333529	2.0000%	908.170682	9.9500%	41.460272	1.9100%

	t	Contributions	Annual	Child Care	Annual	Casualty	Annual
	Cal.	Millions	Growth	Millions	Growth	Millions	Growth
Actual	#REF!	275.164610		1.618924		3.058367	
Actual	2000	294.840519	7.1506%	1.776837	9.7542%	7.212024	135.8129%
Actual	2001	305.371553	3.5718%	1.642048	-7.5859%	3.158568	-56.2041%
Forecast	2002	329.312683	7.8400%	1.534658	-6.5400%	3.219213	1.9200%
Forecast	2003	362.112226	9.9600%	1.486930	-3.1100%	3.280056	1.8900%
Forecast	2004	389.053376	7.4400%	1.378682	-7.2800%	3.340737	1.8500%
Forecast	2005	416.209301	6.9800%	1.329876	-3.5400%	3.401538	1.8200%

	t	Miscellaneous Expense 1	Annual	Miscellaneous Expense 2	Annual	Gambling Losses	Annual
	Cal.	Millions	Growth	Millions	Growth	Millions	Growth
Actual	2000	129.241069		3.770804		5.692095	
Actual	2001	140.956776	9.0650%	3.760967	-0.2609%	4.839289	-14.9823%
Forecast	2002	154.071980	9.3044%	4.273587	13.6300%	4.839289	0.0000%
Forecast	2003	159.537322	3.5473%	5.160356	20.7500%	4.839289	0.0000%
Forecast	2004	163.143047	2.2601%	5.807465	12.5400%	4.839289	0.0000%
Forecast	2005	166.716298	2.1903%	6.644901	14.4200%	4.839289	0.0000%

	t	Itemized Deductions	Annual	Exemptions	Annual
	Cal.	Millions	Growth	Millions	Growth
Actual	2000	4,036.333109		1,444.028900	
Actual	2001	4,136.668940	2.4858%	1,488.611840	3.0874%
Forecast	2002	4,128.466708	-0.1983%	1,505.921280	1.1628%
Forecast	2003	4,284.823325	3.7873%	1,549.194880	2.8736%
Forecast	2004	4,474.967356	4.4376%	1,592.468480	2.7933%
Forecast	2005	4,662.599011	4.1929%	1,644.396800	3.2609%

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Insurance Tax & License Fees

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**Revenue Description:** The insurance premiums tax is levied on the net premiums or gross underwriting profit for each insurance company operating in Montana. Gross underwriting profit is essentially insurance premium income. In addition, various insurance fees and licenses are also collected.

**Applicable Tax Rate(s):** The current tax rate is 2.75% of net premiums on policies sold in Montana. In addition, for each Montana resident insured under any individual or group disability or health insurance policy, all insurers are required to pay \$0.70 to the State's Insurance Commissioner. This fee is used to fund the voluntary statewide genetics program established in statute (50-19-211, MCA).

Senate Bill 132 (passed by the 1999 legislature) eliminated many disparate fees on insurance companies, which had partially been deposited into the general fund, and replaced them with a single company annual fee of \$1,900. Revenue from this fee is deposited to the state special revenue fund for administration of insurance activities.

**Distribution:** The majority of insurance tax and license fee proceeds are deposited into the general fund.

**Collection Frequency:** Quarterly

#### **Applicable Assumptions and/or Relevant Indicators:**

- Insurance Premium Tax Growth
- Genetics Fees
- Tax Offsets
- Tax Refunds

**Data Source(s):** SABHRS, State Auditor

**Contacts:** State Auditor

**Statute:** Title 33, Chapter 2 and Chapter 14, MCA

**% of Total FY 2002 General Fund Revenue:** 3.74%

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in appendix of this document. The following summarizes the LFD process used to develop the revenue estimate.

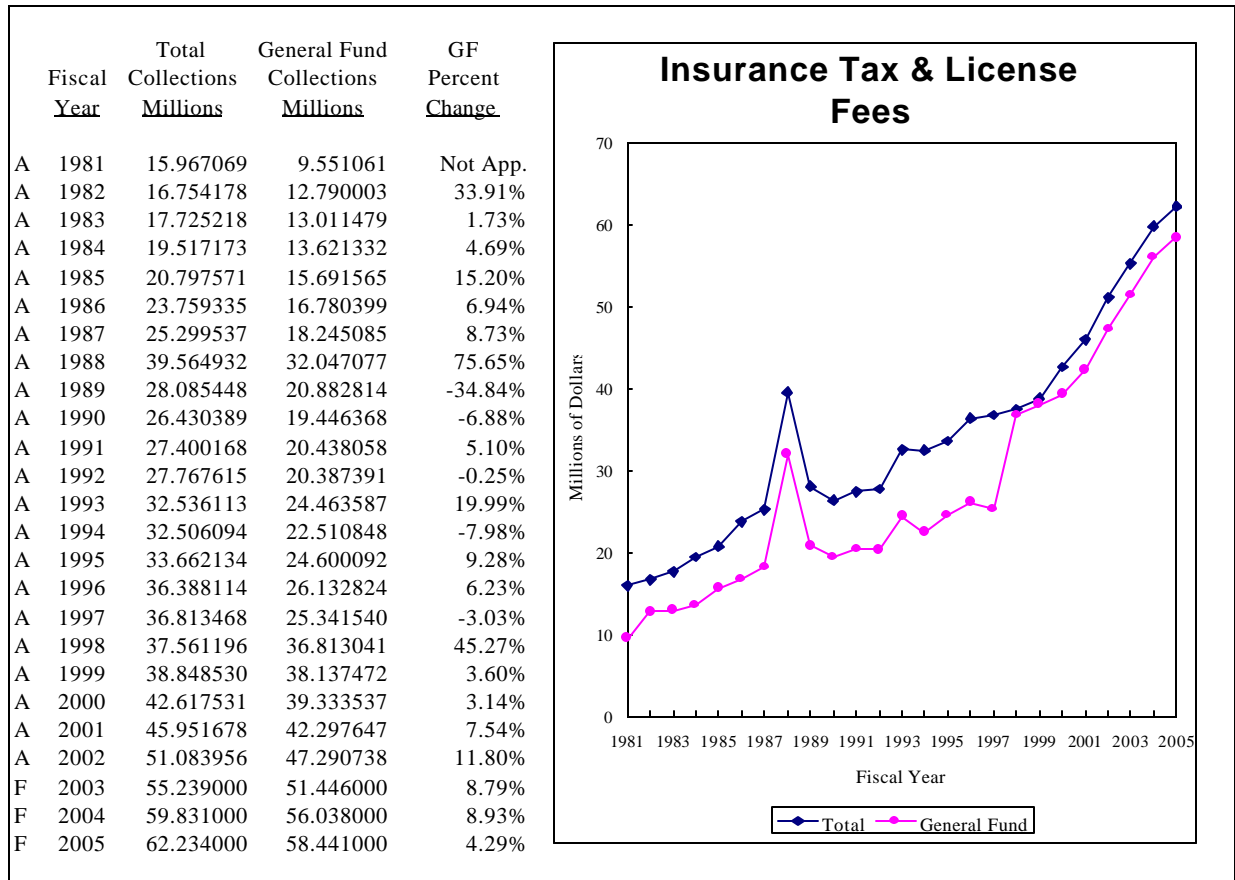
The LFD is provided a detailed historical breakdown of insurance tax and fee revenue from the State Auditor. Through analysis of the historical data, the LFD determines trends for the applicable assumptions, including: fee revenue, genetics fee revenue, premium tax revenue, guarantee offset amounts, and refunds. During this process, moving averages and the relationship of revenues to economic indicators are considered. In all cases, an appropriate growth rate is determined for each assumption and is applied to the most recent actual collection data. Finally, the estimate is reduced by guarantee offsets and refunds to establish the estimate of future insurance tax and license fee collections.

# Legislative Fiscal Division

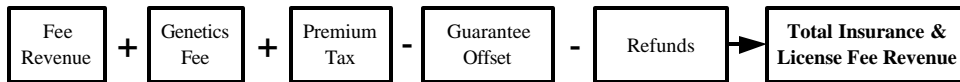
## Revenue Estimate Profile

### Insurance Tax & License Fees

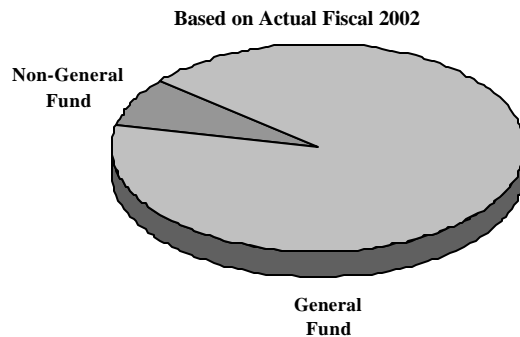
#### Revenue Projection:



#### Forecast Methodology



#### Distribution Methodology



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# Legislative Fiscal Division

## Revenue Estimate Profile

### Insurance Tax & License Fees

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#### Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Non-GF Fees	GF Fees
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	42.617531	39.333537	3.283994	1.028229
Actual	2001	45.951678	42.297647	3.654031	0.444540
Actual	2002	51.083956	47.290738	3.793218	0.290736
Forecast	2003	55.239000	51.446000	3.793218	0.290736
Forecast	2004	59.831000	56.038000	3.793218	0.290736
Forecast	2005	62.234000	58.441000	3.793218	0.290736

	t	Genetics	Premium Tax	Offsets	Refunds
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	0.542398	40.121480	2.082935	1.881369
Actual	2001	0.634902	42.405287	0.861069	0.326014
Actual	2002	0.569711	47.678432	0.735584	0.512557
Forecast	2003	0.575000	52.822935	1.843000	0.400000
Forecast	2004	0.575000	56.790202	1.218000	0.400000
Forecast	2005	0.575000	59.192995	1.218000	0.400000

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# Legislative Fiscal Division

## Revenue Estimate Profile Investment License Fee

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**Revenue Description:** Investment advisors and investment companies pay various fees to the state. These fees are for the registration of securities and agents, for registration of securities by notification, or for notice of a federal filing of a federally secured security.

**Applicable Tax Rate(s):** Initial and annual security registration fees vary, but cannot be less than \$200 or more than \$1,000. Initial and annual registration fees for a broker-dealer, investment adviser, and federal covered adviser are \$200. Initial and annual registration fees for a salesperson or investment adviser are \$50.

**Distribution:** All such fees except portfolio notice filing fees and examination charges are deposited to the general fund. Portfolio notice filing fees and examination charges are deposited in a state special revenue account from which the State Auditor pays for expenses associated with the regulation of portfolio activities. The excess in this account is transferred to the general fund throughout the year as a non-budgeted transfer.

**Collection Frequency:** Varies

**Applicable Assumptions and/or Relevant Indicators:**

- Average Fee Per Issuers or Per Firm
- Number of Securities Registered
- Portfolio Notice Filing Fees
- Portfolio Expenses

**Data Source(s):** State Auditor

**Contacts:** State Auditor

**Statute:** Title 30, Chapter 10, MCA

**% of Total FY 2002 General Fund Revenue:** 0.39%

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in the appendix of this document. The following summarizes the LFD process used to develop the revenue estimate.

Separate data is available for revenue from portfolio notice filings, licenses, examination fees, and portfolio expenses. Time trends are estimated for each, and the derived growth rates applied to the last applicable known year. The totals for each fee type are added to produce the final estimate for investment license income.

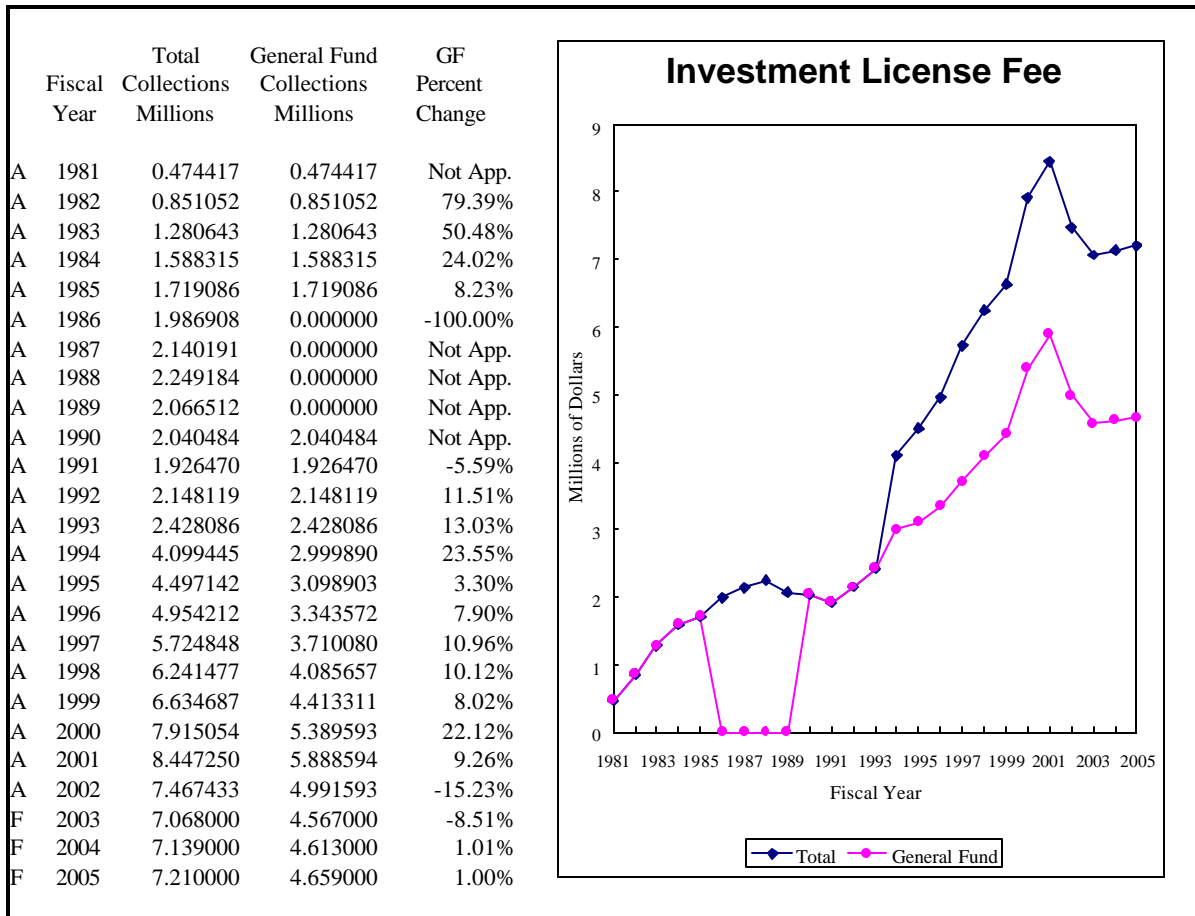


# Legislative Fiscal Division

## Revenue Estimate Profile

### Investment License Fee

#### Revenue Projection:



#### Forecast Methodology

$$\left( \boxed{\text{Base Year General Fund Fee Revenue}} \times \boxed{\text{Growth Rate}} \right) + \left( \boxed{\text{Base Year Non-general Fund Fee Revenue}} \times \boxed{\text{Growth Rate}} \right) = \boxed{\text{Total Investment License Fee Revenue}}$$

#### Distribution Methodology

$$\boxed{\text{General Fund Fees}} = \boxed{\text{General Fund Revenue}}$$
  

$$\boxed{\text{Total Investment License Fee Revenue}} - \boxed{\text{General Fund Revenue}} = \boxed{\text{Non-general Fund Revenue}}$$

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Investment License Fee

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#### Revenue Estimate Assumptions

	<u>t</u>	<u>Total Tax</u>	<u>GF Tax</u>	<u>GF Transfer</u>	<u>Licenses</u>	<u>Portfolio</u>	<u>Port. Exp.</u>
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	7.915054	5.389593	2.296258	5.389593	2.525461	0.151983
Actual	2001	8.447250	5.888594	2.445000	5.888594	2.558656	0.135759
Actual	2002	7.467433	4.991593	2.179165	4.991593	2.475840	0.202493
Forecast	2003	7.068000	4.567000	2.292000	4.567308	2.500555	0.208568
Forecast	2004	7.139000	4.613000	2.317000	4.612981	2.525517	0.208568
Forecast	2005	7.210000	4.659000	2.342000	4.659111	2.550729	0.208568

	<u>t</u>	<u>Licenses</u>	<u>Portfolio</u>	<u>Expense</u>
	<u>Fiscal</u>	<u>Growth</u>	<u>Growth</u>	<u>Growth</u>
Actual	2000	0.221213	0.137475	0.044550
Actual	2001	0.092586	0.013144	-0.106749
Actual	2002	-0.152329	-0.034073	0.491562
Forecast	2003	-0.085000	0.010000	0.030000
Forecast	2004	0.010000	0.010000	0.000000
Forecast	2005	0.010000	0.010000	0.000000

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# Legislative Fiscal Division

## Revenue Estimate Profile Lodging Facility Use Tax

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**Revenue Description:** The state imposes a tax on room charges collected by lodging facilities. The tax only applies for rooms used for lodging. All percentage distributed tax collections (see below) are earmarked for specific purposes and are statutorily appropriated. All taxes paid by state employees are returned to the fund that paid the tax. Since general fund pays a portion of the tax, a portion is returned to the general fund. This amount is accounted for in the “All Other Revenue” profile.

**Applicable Tax Rate(s):** The tax is 4.0 percent of room charges.

**Distribution:** Fiscal 2003, the revenue is first distributed: 1) to the Department of Revenue in the amount appropriated for collection and disbursement costs; 2) to the various funds from which payment of the tax paid by state employees were made, including the general fund; 3) \$400,000 to the Montana heritage preservation and development fund which is statutorily appropriated for restoring and maintaining historic properties; and 4) \$1,700,000 to the general fund. After these distributions, the remainder is distributed and statutorily appropriated:

- 67.5% to the Department of Commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.
- 22.5% to regional nonprofit tourism corporations.
- 6.5% to the Department of Fish, Wildlife and Parks for maintenance of state park facilities.
- 2.5% to the university system for the establishment and maintenance of a Montana travel research program.
- 1.0% to the Montana Historical Society to install and maintain roadside historical signs and historic sites.

Fiscal 2004 - 2007, the revenue is first distributed: 1) to the Department of Revenue in the amount appropriated for collection and disbursement costs; 2) to the various funds from which payment of the tax paid by state employees were made, including the general fund; and 3) \$400,000 to the Montana heritage preservation and development fund which is statutorily appropriated for restoring and maintaining historic properties. After these distributions, the remainder is distributed and statutorily appropriated:

- 67.5% to the Department of Commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.
- 22.5% to regional nonprofit tourism corporations.
- 6.5% to the Department of Fish, Wildlife and Parks for maintenance of state park facilities.
- 2.5% to the university system for the establishment and maintenance of a Montana travel research program.
- 1.0% to the Montana Historical Society to install and maintain roadside historical signs and historic sites.

Fiscal 2008 and beyond, the revenue is first distributed: 1) to the Department of Revenue in the amount appropriated for collection and disbursement costs; and 2) to the various funds from which payment of the tax paid by state employees were made, including the general fund. After these distributions, the remainder is distributed and statutorily appropriated:

- 67.5% to the Department of Commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.
- 22.5% to regional nonprofit tourism corporations.
- 6.5% to the Department of Fish, Wildlife and Parks for maintenance of state park facilities.
- 2.5% to the university system for the establishment and maintenance of a Montana travel research program.
- 1.0% to the Montana Historical Society to install and maintain roadside historical signs and historic sites.

**Collection Frequency:** The owner of a facility collects the tax and remits it quarterly to the Department of Revenue.

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# Legislative Fiscal Division

## Revenue Estimate Profile Lodging Facility Use Tax

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### Applicable Assumptions and/or Relevant Indicators:

Inflation  
Consumer Price Index

**Data Source(s):** SABHRS, DRI-WEFA

### Contacts:

**Statute:** Title 15, Chapter 65, MCA

**% of Total FY 2002 General Fund Revenue:** 0.00% (included in "All Other")

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in a subsequent section of this document. The following summarizes the LFD process used to develop the revenue estimate.

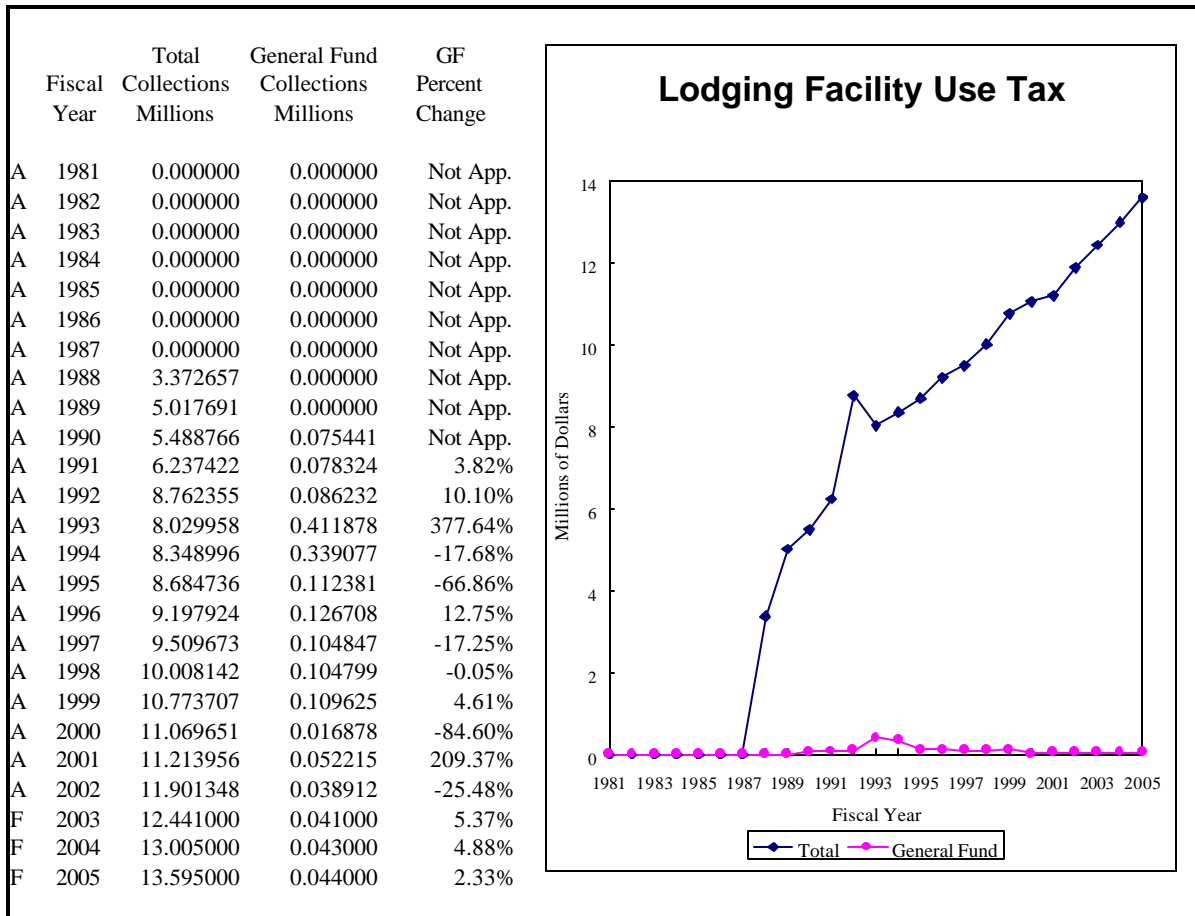
The LFD projects the lodging facility use tax with a trend analysis. First, the average growth is computed, factoring out unusually high and low years of growth. Next, the average growth rate is applied to prior year collections to calculate the estimate of total lodging in Montana. Finally, the tax rate is applied to the estimate of total lodging to create the lodging facility use tax.

# Legislative Fiscal Division

## Revenue Estimate Profile

### Lodging Facility Use Tax

#### Revenue Projection:



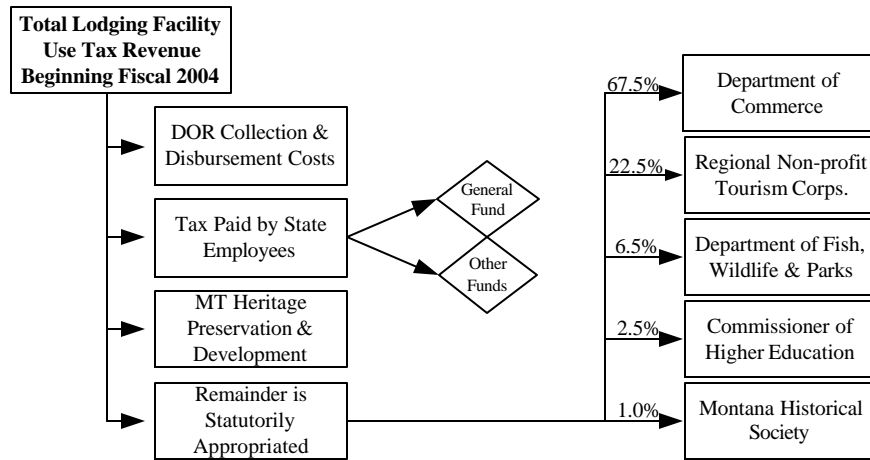
#### Forecast Methodology

$$\boxed{\text{Total Room Charges in MT}} \times \boxed{\text{Tax Rate}} = \boxed{\text{Total Lodging Facility Use Tax Revenue}}$$

# Legislative Fiscal Division

## Revenue Estimate Profile Lodging Facility Use Tax

### Distribution Methodology



### Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Room Charge	Tax	DOR
	Fiscal	Millions	Millions	Millions	Rate	Admin. Millions
Actual	2000	11.069651	0.016878	276.741275	4.0000%	0.114927
Actual	2001	11.213956	0.052215	280.348900	4.0000%	0.114525
Actual	2002	11.901348	0.038912	297.533700	4.0000%	0.126368
Forecast	2003	12.441000	0.040676	311.028043	4.0000%	0.133256
Forecast	2004	13.005000	0.042520	325.134409	4.0000%	0.137254
Forecast	2005	13.595000	0.044449	339.880555	4.0000%	0.141371

	t	Higher Ed.	DOC	Sites & Signs	Regional	FWP	MT. Heritage	All Other Entities
	Fiscal	Millions	Millions	Millions	Millions	Millions	Millions	Millions
Actual	2000	0.263447	7.113045	0.105379	2.371015	0.684960	0.400000	0.000000
Actual	2001	0.267061	7.210657	0.106824	2.403552	0.694358	0.400000	-0.035236
Actual	2002	0.283388	7.651483	0.113892	2.550494	0.736809	0.400000	0.000002
Forecast	2003	0.296677	8.010271	0.118671	2.670090	0.771359	0.400000	0.000000
Forecast	2004	0.310631	8.387028	0.124252	2.795676	0.807640	0.400000	0.000000
Forecast	2005	0.325230	8.781197	0.130092	2.927066	0.845597	0.400000	0.000000

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Motor Vehicle Fee

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**Revenue Description:** In accordance with statute, the state assesses a variety of motor vehicle fees, such as fees for the filing of motor vehicle liens, fees for new license plates, and title fees. The fees vary according to the type of vehicle (i.e., motor vehicle, snowmobile, etc.) and the type of license plate (regular, personal, military, etc.). With the enactment of House Bill 124, motor vehicle fees that had been collected and retained by counties are now deposited in the state general fund.

**Applicable Tax Rate(s):** Various

**Distribution:** Almost all motor vehicle fees are allocated to the general fund. The \$8 recording lien fee is distributed \$4 to the general fund and \$4 is deposited to the Motor Vehicle Information Technology Systems state special revenue account. The \$.25 senior transportation fee is deposited in the general fund and then transferred to the senior transportation account in the Department of Transportation.

**Collection Frequency:** The various fees are generally collected on a monthly basis.

**Applicable Assumptions and/or Relevant Indicators:**

Growth in Nationwide stock of vehicles

**Data Source(s):** SABHRS, Department of Justice

**Contacts:** Department of Justice

**Statute:** Title 61, Chapter 3, MCA.

**% of Total FY 2002 General Fund Revenue:** 2.15%

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in the appendix of this document. The following summarizes the LFD process used to develop the revenue estimate.

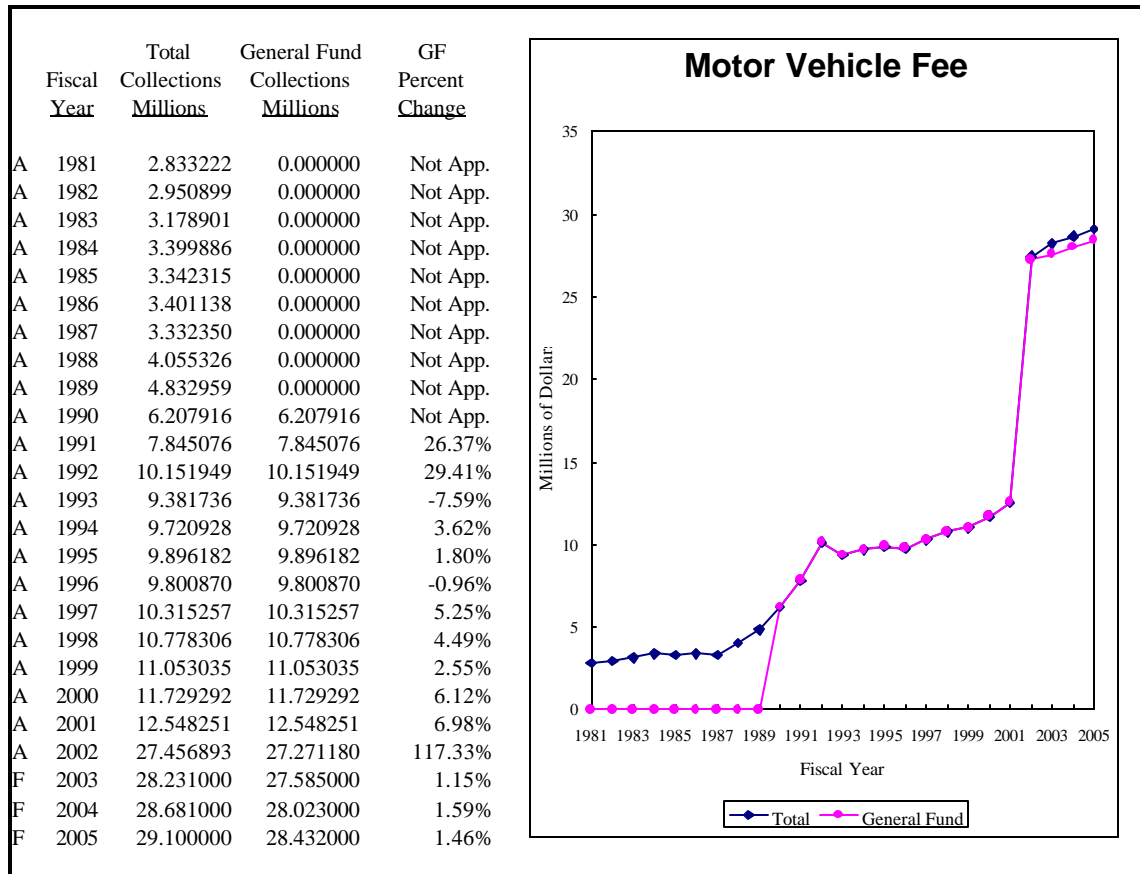
Total motor vehicle fee revenue is calculated by taking the sum of the estimates for all vehicle fee types. The fee types are: registration fees, recorded liens, titles, personal plate fees, new plate fees, computer fees and the 0.25 senior citizen transportation fee. Each fee type is estimated individually and is derived by applying a growth rate to a base year. Motor vehicle fees are the sum of these estimates.

# Legislative Fiscal Division

## Revenue Estimate Profile

### Motor Vehicle Fee

#### Revenue Projection:



#### Forecast Methodology

$$\boxed{\text{Revenue for Each Fee Type \& Each Vehicle Type}} \times \boxed{\text{Growth Rate for Each Fee Type \& Vehicle Type}} = \boxed{\text{Total Motor Vehicle Fee Revenue}}$$



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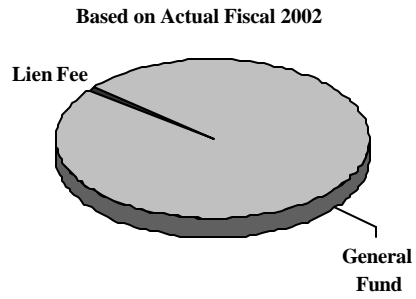
# Legislative Fiscal Division

## Revenue Estimate Profile

### Motor Vehicle Fee

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#### Distribution Methodology



# Legislative Fiscal Division

## Revenue Estimate Profile

### Motor Vehicle Fee

#### Revenue Estimate Assumptions

	t	Total Tax	GF Tax	GF Fee	GF Fee	GF Fee	GF Fee
	Fiscal	Millions	Millions	Registration	Record	Titles	Personal
				Millions	Millions	Millions	Millions
Actual	2000	11.729292	11.729292	6.233271	0.629295	1.292338	0.727670
Actual	2001	12.548251	12.548251	6.367734	0.635889	1.290092	0.712995
Actual	2002	27.456893	27.271180	21.180491	0.727958	2.352977	1.269593
Forecast	2003	28.231000	27.585000	21.336036	0.646445	2.363557	1.290668
Forecast	2004	28.681000	28.023000	21.705149	0.657628	2.374185	1.312997
Forecast	2005	29.100000	28.432000	22.048090	0.668019	2.384860	1.333742

	t	GF Fee	GF Fee	GF Fee	GF Fee	GF Fee	Non GF Fee
	Fiscal	New Plate	Computer	\$0.25	Other	Transit	Lien
		Millions	Millions	Millions	Millions	Millions	Millions
Actual	2000	0.856821	1.304458	0.299821	0.385618		
Actual	2001	1.536103	1.335946	0.304236	0.365256		
Actual	2002	0.524575	-0.001199	0.024150	1.083974	0.108661	0.185713
Forecast	2003	0.524575	0.000000	0.000000	1.101968	0.320946	0.646445
Forecast	2004	0.524575	0.000000	0.000000	1.121032	0.327293	0.657628
Forecast	2005	0.524575	0.000000	0.000000	1.138744	0.333766	0.668019

	t	GF Fee	GF Fee	GF Fee	GF Fee	GF Fee	GF Fee
	Fiscal	Registration	Record	Titles	Personal	New Plate	Other
		Growth Rate	Growth Rate	Growth Rate	Growth Rate	Growth Rate	Growth Rate
Actual	2000	3.2150%	-0.0519%	2.1117%	4.8659%	84.1881%	-5.1653%
Actual	2001	2.1572%	1.0478%	-0.1738%	-2.0167%	79.2793%	-5.2804%
Actual	2002	232.6221%	14.4788%	82.3883%	78.0648%	-65.8503%	196.7710%
Forecast	2003	1.6600%	1.6600%	0.4496%	1.6600%	0.0000%	1.6600%
Forecast	2004	1.7300%	1.7300%	0.4496%	1.7300%	0.0000%	1.7300%
Forecast	2005	1.5800%	1.5800%	0.4496%	1.5800%	0.0000%	1.5800%

	t	GF Fee	GF Fee	GF Fee	GF Fee	GF Fee	Non GF Fee
	Fiscal	New Plate	Computer	\$0.25	Other	Transit	Lien
		Growth Rate	Growth Rate	Growth Rate	Growth Rate	Growth Rate	Growth Rate
Actual	2000	84.1881%	2.8335%	5.4012%	-5.1653%		
Actual	2001	79.2793%	2.4139%	1.4725%	-5.2804%		
Actual	2002	-65.8503%	-100.0897%	-92.0621%	196.7710%		
Forecast	2003	0.0000%	-100.0000%	-100.0000%	1.6600%	NA	1.6600%
Forecast	2004	0.0000%			1.7300%	NA	1.7300%
Forecast	2005	0.0000%			1.5800%	NA	1.5800%

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Public Contractors Tax

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**Revenue Description:** Contractors or subcontractors submitting a proposal to perform construction work in Montana for the federal government, state government, or any political subdivision, must be licensed as a public contractor. A license is not required in order to bid on contracts in which federal aid is used for highway construction, but a license is required once the bid is awarded.

**Applicable Tax Rate(s):** A 1.0 percent license fee is applied to the gross receipts of each separate project let by any of the listed public entities. However, a credit (in the form of a refund) against the license fee is allowed for personal property taxes and certain motor vehicle fees paid in Montana on personal property or vehicles used in the business of the contractor. In addition, the amount of the net license fee paid (gross less the property tax refund) may be used as a credit on the contractor's corporate or individual tax return. Overpayments are also refunded.

**Distribution:** All public contractor tax revenue is deposited into the general fund.

**Collection Frequency:** Monthly

**Applicable Assumptions and/or Relevant Indicators:**

- Public Contracts Value
- Tax Credits and Refunds
- Highway Construction Contractor Payments

**Data Source(s):** SABHRS, Department of Revenue, Department of Transportation

**Contacts:** Department of Revenue, Department of Transportation

**Statute:** Title 15, Chapter 50, MCA

**% of Total FY 2002 General Fund Revenue:** 0.26%

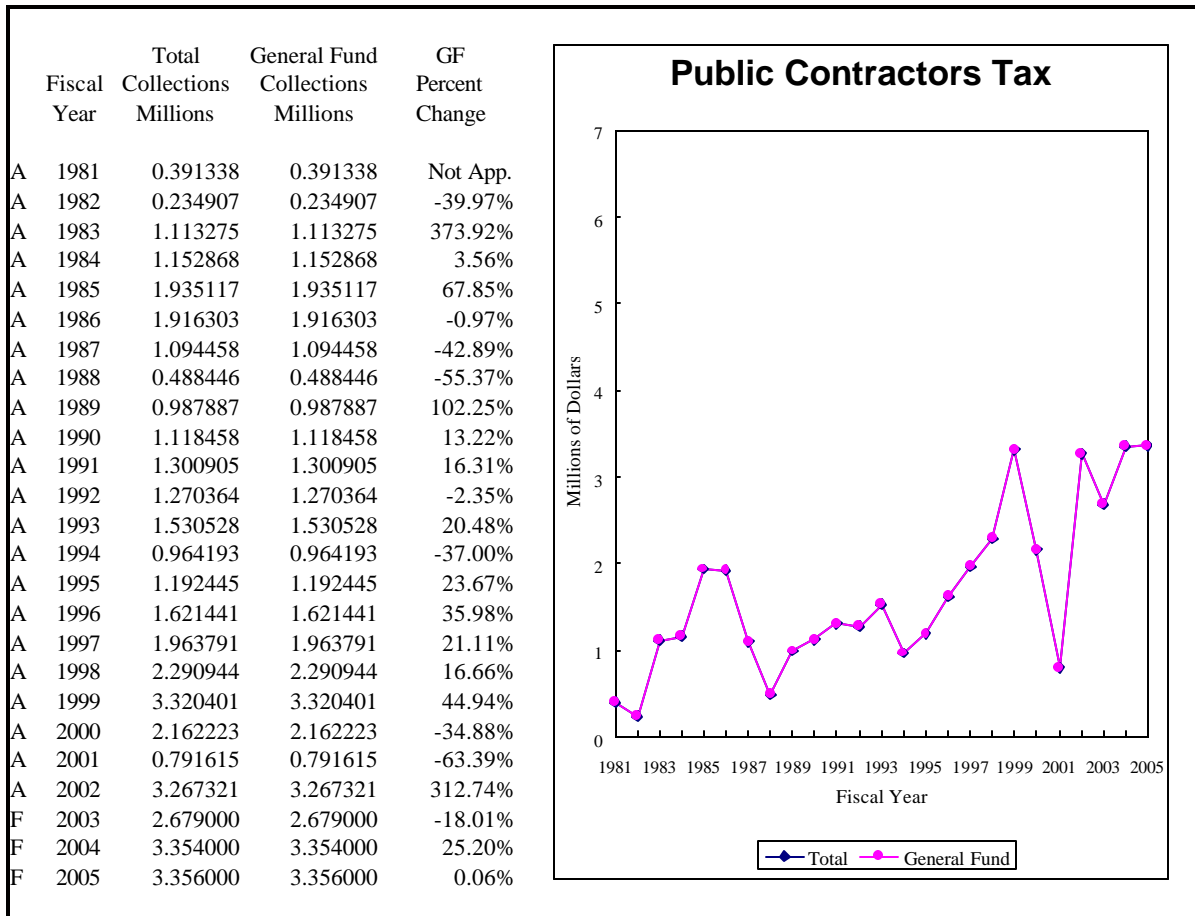
**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in the appendix of this document. The following summarizes the LFD process used to develop the revenue estimate.

The LFD evaluates two contract components to determine the public contractor gross receipt tax. The biggest portion of public contracts is provisioned through the Department of Transportation's (DOT) road building and maintenance program. As a result, the LFD makes use of the DOT estimate of future road construction and maintenance payments. The second component is a value derived by reducing the total taxable public contracts by the DOT total of contracts paid out in prior years. To this component, the LFD applies a growth rate to determine the value of future contracts. Next the components are summed to determine future gross contracts. Then, gross contracts are reduced by the estimates of contractor credits available through the corporation, individual, and property taxes and the estimates of prior year overpayments to obtain the estimate for the net taxable contract value. Finally, the tax rate is applied to the net taxable contract value to acquire the estimate for the public contractor tax revenues.

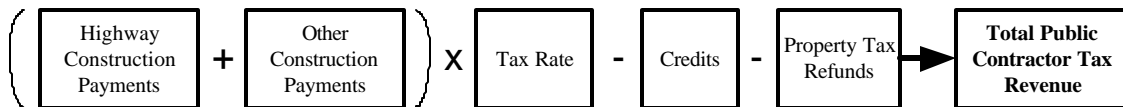
# Legislative Fiscal Division

## Revenue Estimate Profile Public Contractors Tax

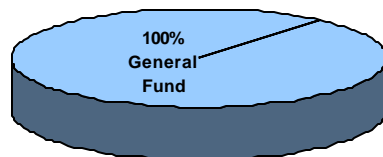
### Revenue Projection:



### Forecast Methodology



### Distribution Methodology



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# Legislative Fiscal Division

## Revenue Estimate Profile

### Public Contractors Tax

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#### Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Gross Tax	Credits	Tax	DOT	Other
	Fiscal	Millions	Millions	Millions	& Refunds	Rate	Millions	Millions
					Millions			
Actual	2000	2.162223	2.162223	5.516069	3.444985	0.010000	234.875465	316.731435
Actual	2001	0.791615	0.791615	4.502749	3.711134	0.010000	200.507963	249.766937
Actual	2002	3.267321	3.267321	5.054973	1.787652	0.010000	217.749022	287.748278
Forecast	2003	2.679000	2.679000	5.281703	2.602623	0.010000	240.422000	287.748278
Forecast	2004	3.354000	3.354000	5.994510	2.640070	0.010000	311.702724	287.748278
Forecast	2005	3.356000	3.356000	6.037209	2.680621	0.010000	315.972588	287.748278

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Railroad Car Tax

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**Revenue Description:** All railroad property is subject to taxation as defined in the Railroad Revitalization and Regulatory Reform Act of 1976. The tax rate for class twelve property is the lesser of 12.0% or the average statutory tax rate for commercial and industrial property. Railroad car companies, which operate in several states, pay taxes on the portion of the property value allocated to Montana, based on the ratio of the car miles traveled within Montana to the total number of car miles traveled in all states, as well as time spent in the state relative to time spent in other states.

**Applicable Tax Rate(s):** The tax rate is equal to the previous year's average statewide tax rate for commercial and industrial property. This is multiplied by 95.0 percent of the average statewide mill levy for commercial and industrial property. The most current tax year rates are:

- 2003 – 4.02%
- 2004 – 4.00%
- 2005 – 3.92%

**Distribution:** All revenue from this tax is deposited into the general fund.

**Collection Frequency:** Semi-annually

**Applicable Assumptions and/or Relevant Indicators:**

Number of Cars in Fleet  
Car Miles in Montana  
Montana Miles Per Day  
Class 12 Property Tax Rate  
Statewide Average Mill Levy for Commercial & Industrial Property  
Grain Shipments via Rail  
Coal Shipments

**Data Source(s):** SABHRS, Department of Revenue

**Contacts:** Railroad Car Companies

**Statute:** Title 15, Chapter 23, MCA

**% of Total FY 2002 General Fund Revenue:** 0.12%

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in the appendix of this document. The following summarizes the LFD process used to develop the revenue estimate.

Total railcar tax revenues are the result of multiplying total company market value for its U.S. fleet by a Montana allocation percentage times a statewide tax rate times a statewide mill levy. The allocation percentage is based on the ratio of car miles traveled in the state to total system miles, as well as on speed of the cars through Montana. The Montana railcar market value, the result of multiplying the system value times the Montana allocation factor, is multiplied by the class 12 tax rate applicable to railroads and airlines, which is the average statewide tax rate on all commercial and industrial

# Legislative Fiscal Division

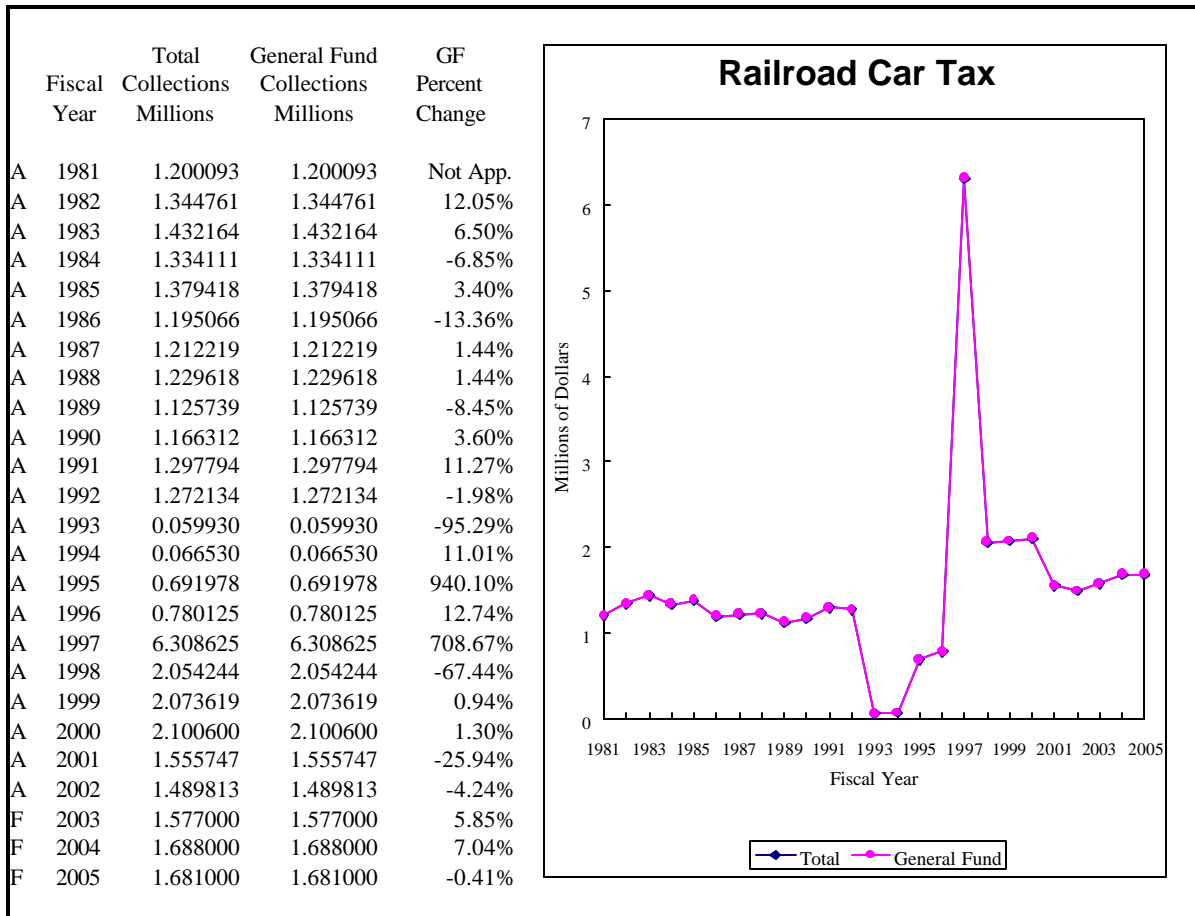
## Revenue Estimate Profile

### Railroad Car Tax

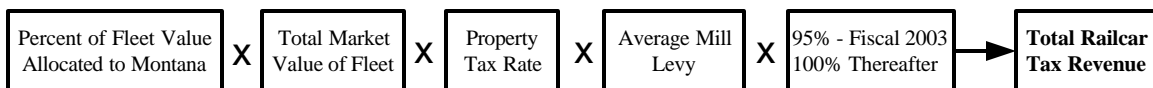
property. This taxable value is multiplied by 95.0 percent of the statewide average mill levy for all commercial and industrial property in the state.

Montana's railcar tax is based on the value of the national railcar fleet. The LFD first estimates the growth in the national fleet. A value is then determined for the fleet as a whole. Next, the fleet is apportioned to Montana to determine the market value of the state's fleet. Finally, the property tax rate and average mill levy rate are applied to the state value to determine the total railcar tax revenue.

#### Revenue Projection:



#### Forecast Methodology

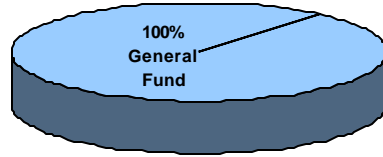


# Legislative Fiscal Division

## Revenue Estimate Profile

### Railroad Car Tax

#### Distribution Methodology



#### Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Total MV (CY)	Allocation	MT MV (CY)	Tax	Mills
	Fiscal	Millions	Millions	of Fleet	Percent	of Fleet	Rate	95 Percent
				Millions		Millions		
Actual	2000	2.100600	2.100600	17582.615541	0.005439	95.626964	0.060800	0.363540
Actual	2001	1.555747	1.555747	19335.425780	0.005021	97.074849	0.042700	0.380060
Actual	2002	1.489813	1.489813	20065.083606	0.004468	89.657366	0.042100	0.400980
Forecast	2003	1.577000	1.577000	19528.281944	0.004790	93.549680	0.040200	0.419250
Forecast	2004	1.688000	1.688000	20080.932323	0.004760	95.585238	0.040000	0.441320
Forecast	2005	1.681000	1.681000	20791.797327	0.004673	97.160069	0.039200	0.441320



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# Legislative Fiscal Division

## Revenue Estimate Profile

### Telecommunications Excise Tax

---

**Revenue Description:** The retail telecommunications excise tax is levied on the sales price of retail telecommunications services originating or terminating in the state. It is paid by the retail purchaser and collected by the provider.

**Applicable Tax Rate(s):** The current tax rate of 3.75% is applied to the sales price of retail telecommunications services. Sales price includes payment for services such as distribution, supply, transmission, and delivery, but excludes federal taxes, relocation of service, equipment repair, prepaid calling cards, and other items. Gross receipts from the provision of internet services are also exempt. A credit is allowed for 20 percent of the costs of advanced telecommunications infrastructure improvements in the state up to a yearly maximum credit of \$2.0 million for all providers. However, Senate Bill 494 from the 2001 legislature suspended the credits for the 2003 biennium. The credit will become available for fiscal 2004 only.

**Distribution:** All proceeds are deposited into the general fund.

**Collection Frequency:** Quarterly

**Applicable Assumptions and/or Relevant Indicators:**

Telecommunications Taxable Income

**Data Source(s):** SABHRS, Department of Revenue

**Contacts:** Major Telecommunications Companies

**Statute:** Title 15, Chapter 53, MCA

**% of Total FY 2002 General Fund Revenue:** 1.55%

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in the appendix of this document. The following summarizes the LFD process used to develop the revenue estimate.

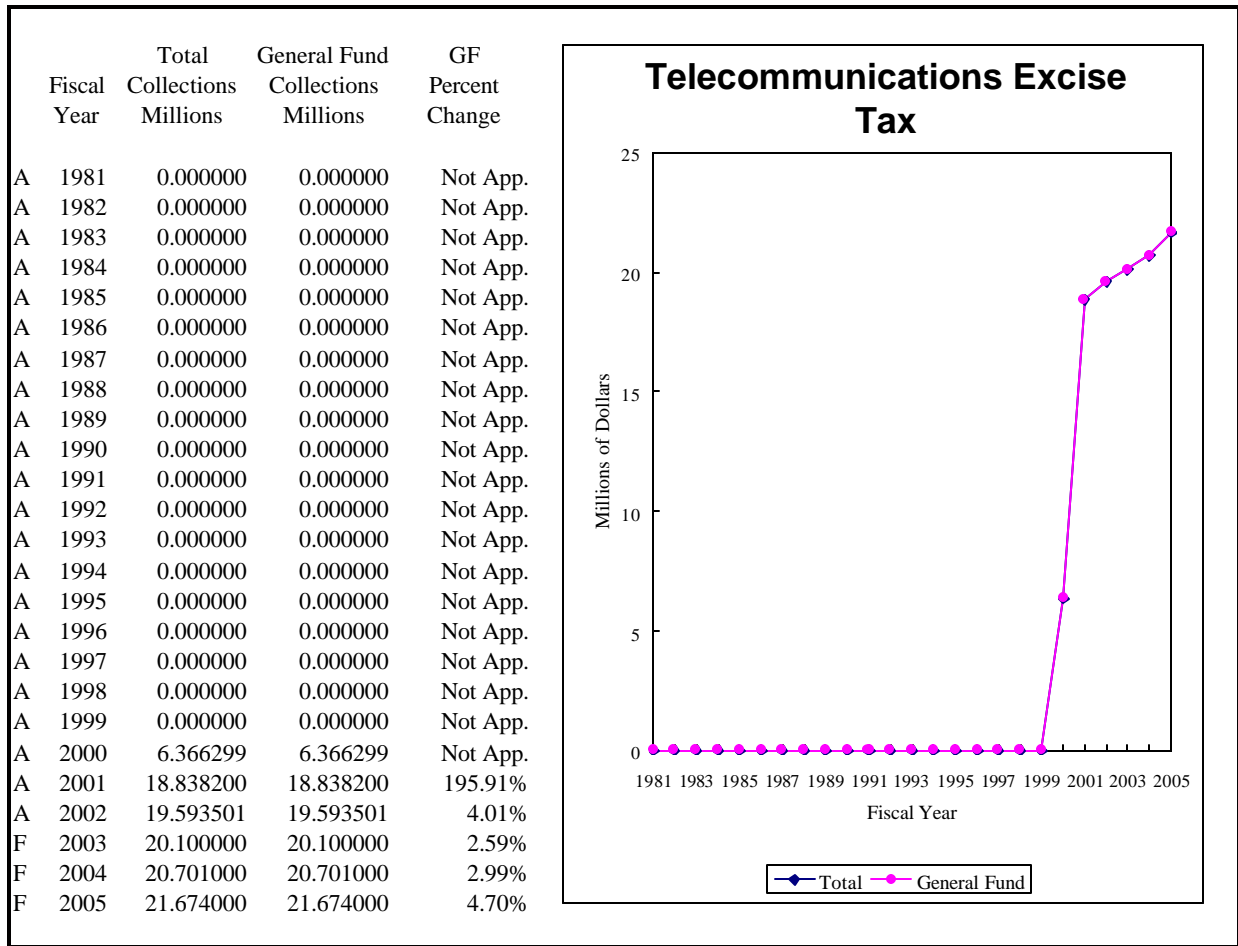
The LFD estimates the telecommunications excise tax by first applying a growth rate to the prior year's collections to establish estimated future year gross receipts. Next the tax rate is applied to the estimated gross receipts. Then, credits are removed to create the estimate for the telecommunications excise tax.

# Legislative Fiscal Division

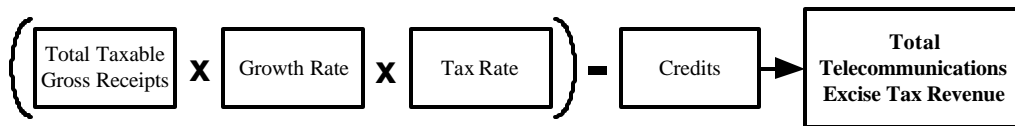
## Revenue Estimate Profile

### Telecommunications Excise Tax

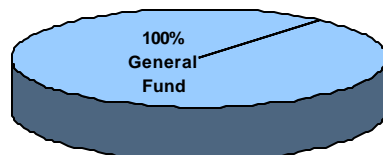
#### Revenue Projection:



#### Forecast Methodology



#### Distribution Methodology



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# Legislative Fiscal Division

## Revenue Estimate Profile

### Telecommunications Excise Tax

---

#### Revenue Estimate Assumptions

	t	Total Tax	GTax	Taxable	Tax	Credits	Audits
	Fiscal	Millions	Millions	Millions	Rate	Millions	Millions
Actual	2000	6.366299	6.366299		0.037500	0.000000	0.000000
Actual	2001	18.838200	18.838200	506.318091	0.037500	0.429045	1.820000
Actual	2002	19.593501	19.593501	525.235123	0.037500	0.134664	0.000000
Forecast	2003	20.100000	20.100000	535.990925	0.037500	0.000000	0.000000
Forecast	2004	20.701000	20.701000	560.012816	0.037500	0.300000	0.000000
Forecast	2005	21.674000	21.674000	585.963220	0.037500	0.300000	0.000000

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Vehicle Tax

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**Revenue Description:** Before January 1, 2001, light vehicles (including vans and sport utility vehicles) were taxed at 1.4 percent of the depreciated value of the manufacturer's suggested retail price (MSRP).

Buses, trucks, truck tractors having a manufacturer's rated capacity of more than 1 ton, and certain trailers, are taxed under a fee schedule that varies by age and weight. Motorcycles are taxed under a fee schedule based on age and engine size.

Effective January 1, 2001, light vehicles are charged a registration fee as a result of the passage of Legislative Referendum (LR) 115 (HB540) by the electorate in November 2000. The fee is \$195 for light vehicles of age between zero and four years, \$65 for vehicles between five and ten years of age, and \$6 for vehicles over ten years old. LR 115 also lowers the registration fees charged on motorcycles and quadricycles. Under the law before LR 115, motorcycles were charged a fee based on four age categories and three engine size categories. Under LR 115 and beginning January 1, 2001, the number of age categories was reduced to three and the number of engine size categories remains the same.

Effective January 1, 2003, the fee schedule on heavy trucks is reduced by 1/6<sup>th</sup> for calendar 2003, by 1/3<sup>d</sup> for calendar 2004 and by 1/2 for calendar 2005. HB 247, passed during the 2003 legislative session, was responsible for this change.

**Applicable Tax Rate(s):** Varies

**Distribution:** Before the enactment of House Bill 124 by the 2001 legislature, all registration fees from newly titled light vehicles were deposited into the highway restricted state special revenue account. Ten percent of registration fees collected on light vehicles was distributed to a state special revenue account to fund certain district court expenses. The remaining 90 percent of light vehicle registrations fees and fees in lieu of taxes for motorcycles and quadricycles were distributed in the relative proportions required by the levies for county, school district, and municipal purposes in the same manner as personal property taxes are distributed. No registration fee revenue from light vehicles and motorcycles and quadricycles was distributed to state mills, nor to the 9 mill welfare levy. The vo-tech levy (1.5 mills) continued to receive a share of this revenue. All other registration fees and fees in lieu of taxes (on large trucks, trailers, motor homes, campers etc.) were distributed in the relative proportions required by the levies for state, county, school district, and municipal purposes based on prior year mills. This revenue source represented one component used to calculate total non levy property tax revenue.

As the result of House Bill 124, all these fees are deposited into the state general fund beginning July 1, 2001.

**Collection Frequency:** Monthly

**Applicable Assumptions and/or Relevant Indicators:**

- Consumer Price Index (CPI)
- Population growth for ages 16 and over
- Growth in nationwide stock of light vehicles (Global Insight)

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Vehicle Tax

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**Data Source(s):** Department of Justice, SABHRS

**Contacts:** Department of Justice

**Statute:** Title 61, Chapter 3, MCA

**% of Total FY 2002 General Fund Revenue:** 5.78%

**Revenue Estimate Methodology:** The LFD uses a number of analytical techniques to develop relevant assumptions for this source of revenue. Historical data trends, economic conditions, input from industry experts, company surveys, and etc., are examples of information used to formulate these assumptions. The techniques used to develop these assumptions may vary from biennium to biennium and are highly dependent on availability of information, professional intuition/judgment, and a detailed analysis of the revenue source. The applicable methodology (formulas) and assumptions used by the LFD to develop a revenue estimate for this source are provided in the appendix of this document. The following summarizes the LFD process used to develop the revenue estimate.

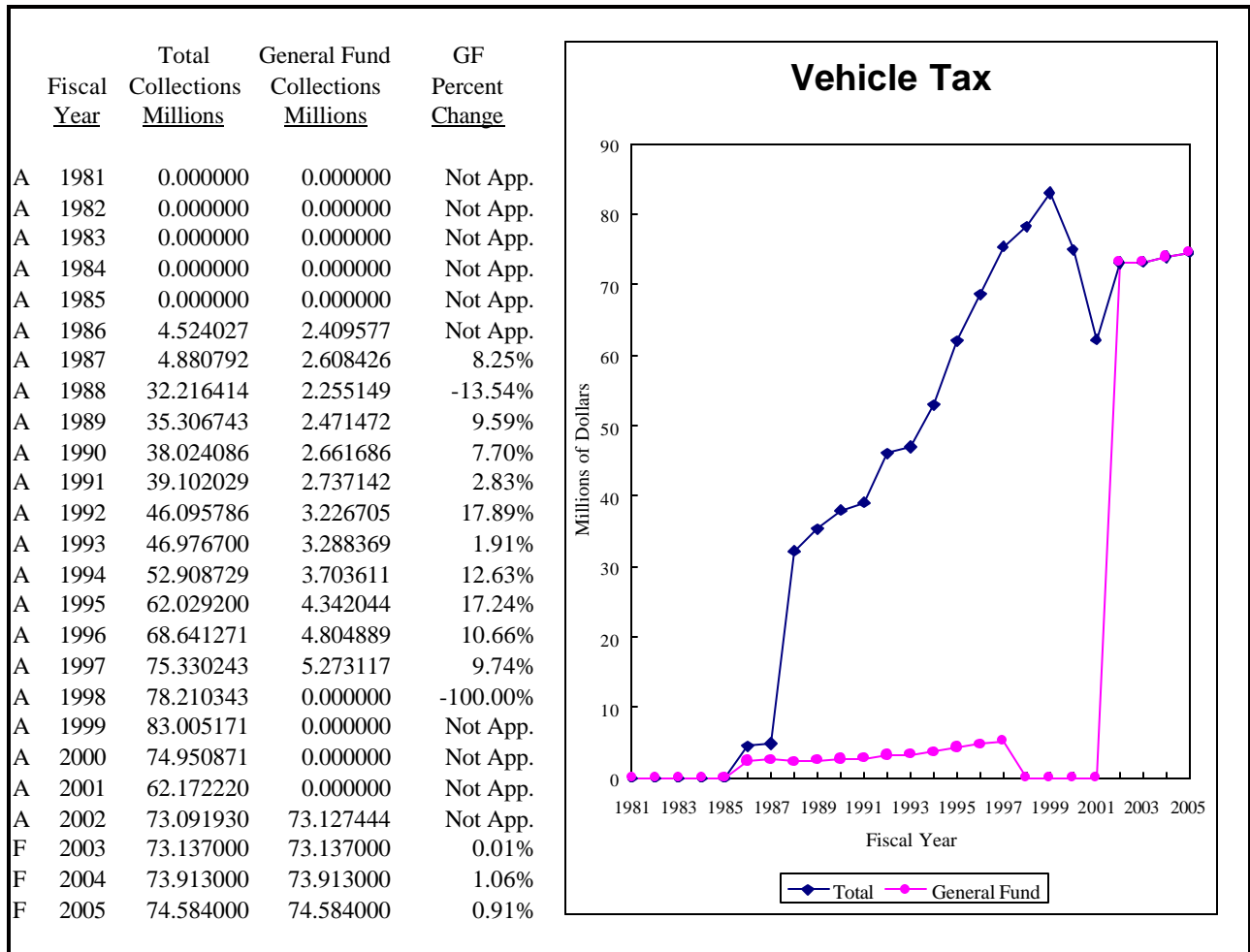
The revenue from all vehicles depends on the growth in the number of vehicles. In turn, the number of vehicles in Montana is expected to grow at the same rate as the forecasted growth in the nationwide stock of all vehicles. The percentage growth is applied to the base year revenue derived from vehicles to determine the estimate of vehicle tax revenues.

# Legislative Fiscal Division

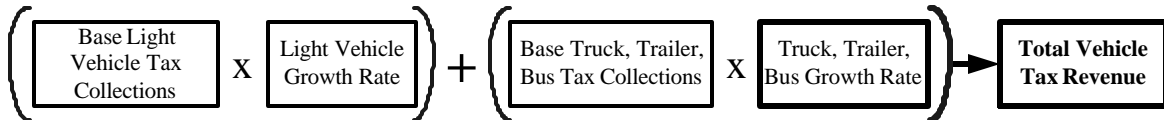
## Revenue Estimate Profile

### Vehicle Tax

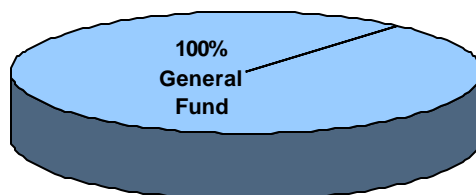
#### Revenue Projection:



#### Forecast Methodology



#### Distribution Methodology



# Legislative Fiscal Division

## Revenue Estimate Profile

### Vehicle Tax

#### Revenue Estimate Assumptions

	t	Total Tax	GF Tax	Non-GF Tax
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000			
Actual	2001			
Actual	2002	73.091930	73.127444	-0.035514
Forecast	2003	73.137000	73.137000	0.000000
Forecast	2004	73.913000	73.913000	0.000000
Forecast	2005	74.584000	74.584000	0.000000

	t	Large Truck	Motor Home	Light Vehicle	Boats/Snow	MCO Registration	District Courts
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000						
Actual	2001						
Actual	2002	5.383664	3.607418	54.602101	2.075694	7.458568	-0.035514
Forecast	2003	5.473033	3.667301	54.784677	2.110151	7.582380	0.000000
Forecast	2004	5.567716	3.730745	55.732452	2.146657	7.713555	0.000000
Forecast	2005	5.655686	3.789691	56.613025	2.180574	7.835429	0.000000

	t	Large Truck	Motor Home	Light Vehicle	Boats/Snow	MCO Registration
	<u>Fiscal</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Actual	2000					
Actual	2001					
Actual	2002					
Forecast	2003	0.016600	0.016600	0.016600	0.016600	0.016600
Forecast	2004	0.017300	0.017300	0.017300	0.017300	0.017300
Forecast	2005	0.015800	0.015800	0.015800	0.015800	0.015800

