

FISCAL NOTE

Requested by Legislative Council
01/23/2001

Bill/Resolution No.: HB 1399

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$900,000			
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1399 changes the tax structure for short-form filers to a flat 3% tax on federal taxable income, with a state deduction of \$8000 for married joint filers and a \$4000 deduction for all other taxpayers.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Preliminary estimates show HB 1399 would increase state general fund revenues by \$900,000 or two-tenths of one percent of the total biennial forecast of individual income tax collections. Although close to revenue neutral overall, the provisions of the bill would cause some shifts in liabilities among taxpayers. Generally, low and high income taxpayers may benefit under the provisions of HB 1399. Middle income taxpayers may see their liabilities increase under this bill.

Note: This is a preliminary estimate. The tax department will need to do some more extensive programming to determine the effects of HB 1399 in more detail. If this bill is enacted, there

would be some administrative expenses, the amount of which is not yet determined.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name: Kathryn L. Strombeck
Phone Number: 328-3402

Agency: Tax Department
Date 01/29/2001
Prepared: