

**FISCAL NOTE**  
Requested by Legislative Council  
01/19/2011

Bill/Resolution No.: HB 1390

**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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$14,000,000)			
Expenditures						
Appropriations						

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1390 creates a new income tax deduction for eligible individuals who receive social security benefits that are taxable for federal income tax purposes.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB 1390 creates a new income tax deduction for individuals. Individuals who are required to include part of their social security benefits in their federal adjusted gross income (federal AGI) may deduct a percentage of the benefits included in federal AGI if their federal AGI is below \$85,000 (or \$95,000 for joint filers). No deduction is allowed if their federal AGI exceeds these thresholds.

A 100 percent deduction is allowed for federal AGI up to \$50,000 (or \$ 60,000 for joint filers). A 75 percent deduction is allowed for federal AGI between \$50,000 and \$75,000 (or \$60,000 and \$80,000 for joint filers). A 50 percent deduction is allowed for federal AGI between \$70,000 and \$85,000 (or \$80,000 and \$95,000 for joint filers).

If enacted, HB 1390 is expected to reduce state general fund revenues by an estimated \$14 million for the 2011-13 biennium.

**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.*

**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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and*

*appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

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