(prepare in triplicate)

prepared in regard to:

HOUSE BILL 1275

(List bill or resolution and number, if available, or subject)

Amendment to:_____
(List bill or resolution and number

Requested by:_Legislative Council_____Date of receipt:_January 21, 19 75_

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed, attach a supplementary sheet. (Please type)

House Bill 1275 would require additional administrative costs for the Tax Department of approximately $40,000 for the 1975-77 Biennium. Costs for succeeding bienniums would be approximately $21,000 per biennium.

Date of preparation:_January 23, 1975___

Signed _Clair W Cudworth_

Typed Name- _Clair W. Cudworth_

Department _State Tax Department_

PROJECTED COSTS FOR 1975-77 BIENNIUM

1. A <u>project</u> <u>manager</u> to supervise the building of a data bank.

    8 months at $1,038/month plus 15% overhead...................$ 9,549

2. A <u>research</u> <u>analyst</u> to handle the fiscal notes during Legislative session.

    4 months at $1,038/month plus 15% overhead.................. 4,767

3. Systems design work including:

    a. Suggest possible alternatives identifying problems and benefits
        of each,
    b. Determine the best method of computer process in order to
        facilitate the type of data retrieval,
    c. Set specifications for the programmers and design tests to
        see that the system is properly programmed.

    3 months (150 hrs./month) at $18.00/hour.................... 8,100

4. Programming - write instructions for the computer based on the
    system analyst's directions.

    3 months (150 hrs./month) at $13.25/hour.................... 5,962

5. Data entry - keypunch the data from source documents on the following:

    a. County property tax abstracts,
    b. County and city budgets,
    c. Gross production tax,
    d. Estate tax,
    e. Gasoline taxes,
    f. Motor vehicle taxes.

    6 months (150 hrs./month) at $7.25/hour..................... 6,525

6. Computer run time - calculations of the effect of proposed changes in
    tax rates or limitations thereon.

    Average 20 hours per biennium at $165.00/hour............... 3,300

7. Overhead for numbers 3, 4, 5, and 6 above at 8% of total............ 1,900

                                                                      $40,103

Since items 1, 3, and 4 would be primarily required for the 1975-77 Biennium,
costs for a later biennium would include only the following (from above):

1.	Project manager (4 months)	$ 4,767
2.	Research analyst (4 months)	4,767
3.	Systems design work (40 hours)	720
4.	Programming (40 hours)	530
5.	Data entry (6 months)	6,525
6.	Computer run time (20 hours)	3,300
	PLUS overhead on 3, 4, 5, & 6 at 8%	886

                                                                      $21,495