

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: SENATE BILL NO. 2500

Amendment to: \_\_\_\_\_

Requested by: LEGISLATIVE COUNCIL

Date of Receipt: 1-27-87

Please estimate the fiscal impact of the above measure for:

State general or special funds       Counties       Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

If enacted, SB 2500 will decrease State General Fund revenue in the 1987-89 biennium as shown below:

(SEE ATTACHMENT FOR FISCAL EFFECT DETAIL)

State Fiscal Effect:

<u>1987-88</u>		<u>1988-89</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
					-\$10,000
					to
					-\$52,110,000

County and City Fiscal Effect:

<u>1987-88</u>		<u>1988-89</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed *Sid Bender*

Typed Name Sid Bender

Date Prepared: 2-10-87

Department Tax Department

*AMB*

## FISCAL ANALYSIS OF SB 2500

## ESTIMATED 1987-1989 BIENNIUM FISCAL EFFECT (3% SALES AND USE TAX RATE)

	1987-1989 BIENNIUM FISCAL NOTE RANGE	
	LOW	HIGH
<b>I. EXEMPT PRODUCTS</b>		
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RESOURCES		
ELECTRICITY	18,000,000	21,000,000
WATER	755,000	1,135,000
PUBLISHING		
NEWSPAPERS	1,200,000	1,465,000
MAGAZINE SUBSCRIPTIONS	10,000	20,000
BIBLES, HYMNALS AND TEXTBOOKS	445,000	660,000
MEDICAL		
PRESCRIPTION DRUGS	3,420,000	5,160,000
OXYGEN AND ANESTHESIA GASES	25,000	35,000
ARTIFICIAL DEVICES	75,000	115,000
OSTOMY DEVICES AND SUPPLIES	25,000	30,000
DIABETIC AND BLADDER DYSFUNCTION SUPPLIES	120,000	180,000
EQUIPMENT TO MODIFY ARTICLES FOR DISABLED HOSPITALS	10,000	20,000
NURSING HOMES	1,920,000	2,640,000
	850,000	1,150,000
AGRICULTURE		
COMMERCIAL FERTILIZER (FOR AGRIC PURPOSES)	6,540,000	9,810,000
LIVESTOCK AND POULTRY FEED	3,900,000	5,820,000
SEEDS FOR PLANTING	4,500,000	6,750,000
FUNGICIDES, HERBICIDES, AND INSECTICIDES	6,220,000	9,360,000
AG BYPRODUCTS FOR MANUFACTURE OR GENERATION OF STEAM OR ELECTRICITY	0	0
OTHER		
CONTAINERS	0	0
MONEY	175,000	235,000
USED MOBILE HOMES	0	0
FOOD AND FOOD PRODUCTS	30,000,000	36,000,000
EXEMPT PRODUCT TOTAL	78,190,000	101,585,000
<b>II. MISCELLANEOUS EXEMPTIONS</b>		
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RENTAL OF HOTEL AND MOTEL ACCOMODATIONS	115,000	175,000
FILM RENTAL	130,000	205,000
SALES TO RESIDENTS OF MONTANA AND CANADA	1,620,000	1,980,000
STATE LOCAL FAIRS	65,000	95,000
PRIVATE AND PAROCHIAL SCHOOLS	230,000	350,000
CABLE TELEVISION	1,350,000	2,030,000
RECEIPTS FROM VENDING MACHINES		LESS THAN \$5,000
RECREATIONAL TRAVEL TRAILERS		LESS THAN \$5,000
CARPET AND DRAPERY SALES/INSTALLATION		LESS THAN \$5,000
MISCELLANEOUS EXEMPTIONS TOTAL	3,510,000	4,835,000

FISCAL ANALYSIS OF SB 2500 (CONTINUED)

ESTIMATED 1987-1989 BIENNIUM FISCAL EFFECT (3% SALES AND USE TAX RATE)

III. EXEMPT SERVICES

	STANDARD INDUSTRIAL CLASSIFICATION (SIC #)	-----	
		LOW	HIGH
LAUNDRY AND CLEANING SERVICE	721	1,400,000	1,890,000
BEAUTY AND BARBER SHOPS	723, 724	1,630,000	2,210,000
AUTOMOTIVE REPAIR	75	4,980,000	7,680,000
MISCELLANEOUS REPAIR	76	1,800,000	3,000,000
ACCOUNTING, AUDITING AND BOOKKEEPING	893	1,570,000	2,130,000
BUSINESS SERVICES	73	1,040,000	1,560,000
LEGAL SERVICES	81	3,770,000	5,100,000
EXEMPT SERVICE TOTAL		16,190,000	23,570,000

FISCAL EFFECT SUMMARY SB 2500:

EXEMPTIONS REPEALED AND SUBJECTED TO 3% SALES AND USE TAX RATE:

I. PRODUCTS	78,190,000	101,585,000
II. MISCELLANEOUS	3,510,000	4,835,000
III. SERVICES	16,190,000	23,570,000

POSITIVE FISCAL EFFECT TOTAL 97,890,000 129,990,000

SALES AND USE TAX RATE APPLIED TO CURRENT TAX BASE IS REDUCED FROM 5% TO 3%:

NEGATIVE FISCAL EFFECT TOTAL -150,000,000 -130,000,000

NET FISCAL EFFECT (PRIOR TO AMENDMENTS) -52,110,000 -10,000