

Revised

FISCAL NOTE

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Bill/Resolution No.: _____

Amendment to: HB 1462

Requested by Legislative Council

Date of Request: 2/12/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative: The amendments to HB 1462 that change the tax rate from 1.5 cents to 1.2 cents per gallon (page 445 of the Journal of the House) are expected to reduce revenues by \$1.28 million as shown below. The provision to tax inventories cannot be estimated exactly, but could result in a one-time increase in revenues of up to \$2.5 million in year 2000. Other factors that could potentially increase revenues if this bill is enacted include: An immediate, short-term "bump" in revenues due to changing the point of taxation (some states have reported experiencing this); additional tax and penalty from dyed fuel enforcement; and additional audit revenues from increasing the audit "coverage" by utilizing department resources auditing large companies in place of small, individual taxpayers. The combined effect of all of these factors could possibly result in an increase of up to \$2 M in the 1999-01 biennium.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				-\$806,400		
Expenditures						

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: _____

(Indicate the portion of this amount included in the 1999-2001 executive budget:)

- b. For the 1999-2001 biennium: _____

(Indicate the portion of this amount included in the 1999-2001 executive budget:)

- c. For the 2001-03 biennium: _____

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			-\$473,600					

If additional space is needed
attach a supplemental sheet.

Signed: *Kathryn L. Strombeck*

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Department: Tax

Date Prepared: March 18, 1999

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