

FISCAL NOTE

Requested by Legislative Council
03/13/2003

REVISION

Amendment to: SB 2314

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$1,400,000)			
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.*

This fiscal note is being revised to reflect the new March 2003 revenue forecast: Engrossed SB 2314 reduces the corporation income tax 20% per year beginning with tax year 2004. This provision is expected to reduce state general fund revenues by an estimated \$13.7 million in the 2003-05 biennium. The bill also increases most sales tax rates by one-quarter percent, including the general sales and motor vehicle excise tax rates which are increased to 5.25% effective January 1, 2005. The bill removes the compensation to retailers. The combined impact of these sales tax provisions is an expected increase in state general fund revenues of \$12.3 million in the 2003-05 biennium. The net effect of the entire engrossed SB 2314 is an expected reduction in state general fund revenues of \$1.4 million for the 2003-05 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, 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.*

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