15.0282.02000

FISCAL NOTE

Requested by Legislative Council
01/13/2015

Revised
Bill/Resolution No.: HB 1298

1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			$(280,900,000)			
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **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 1298 reduces individual and corporation income tax rates, adjusts the exclusion for capital gains and qualified dividends, and eliminates the taxation of social security benefits.

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.*

Sections 2 and 3 of HB 1298 reduce corporation and individual income tax rates. This is expected to reduce state general fund revenues by an estimated $250 million in the 2015-17 biennium ($200 million is related to individual income tax rate reductions, and $50 million, corporate income tax rate reductions).

Section 4 expands the deductions for long-term capital gains and qualified dividends. These changes are expected to reduce state general fund revenues by an estimated $7.9 million in the 2015-17 biennium.

Section 5 eliminates the taxation of social security benefits. This provision - adjusting for the rate relief also contained in the bill - is expected to reduce state general fund revenues by an estimated $23 million in the 2015-17 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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