

## 1 HOUSE JOINT RESOLUTION NO. 2

2 INTRODUCED BY L. BREWSTER

3 BY REQUEST OF THE REVENUE INTERIM COMMITTEE

4  
5 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ESTABLISHING AN  
6 OFFICIAL ESTIMATE OF THE STATE'S GENERAL FUND REVENUE FOR FISCAL YEAR 2025 AND EACH FISCAL YEAR OF THE 2026-2027  
7 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS REQUIRED BY ARTICLE VIII, SECTION 9, OF THE MONTANA  
8 CONSTITUTION; ACCEPTING A PRELIMINARY UNASSIGNED GENERAL FUND BALANCE; ESTABLISHING OFFICIAL ESTIMATES OF  
9 CERTAIN NONGENERAL FUND REVENUE; AND REQUESTING THAT THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM  
10 PLANNING USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL ESTIMATES FOR FISCAL YEARS 2025,  
11 2026, AND 2027.

12  
13 WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to the Legislature a budget for the ensuing  
14 fiscal period, containing in detail for all operating funds the proposed expenditures and estimated revenue of the state; and

15 WHEREAS, Article VIII, section 9, of the Montana Constitution prohibits the Legislature from appropriating funds in excess of the  
16 anticipated revenue of the state; and

17 WHEREAS, section 5-5-227(2), MCA, requires the Revenue Interim Committee to estimate the amount of revenue projected to be  
18 available for legislative appropriation and to introduce a resolution setting forth the Committee's current revenue estimate; and

19 WHEREAS, section 5-5-227(3), MCA, expresses the Legislature's intent that its revenue estimates and the underlying assumptions used  
20 to derive those estimates be used by all agencies in the development of fiscal notes; and

21 WHEREAS, the Revenue Interim Committee obtained the assistance of the Legislative Fiscal Analyst in the development of the revenue

1 estimates; and

2 WHEREAS, the Revenue Interim Committee also obtained the assistance of Executive Branch agencies in the development of the  
3 revenue estimates; and

4 WHEREAS, the Revenue Interim Committee has adopted revenue estimates and the underlying assumptions used to derive those  
5 estimates for the general fund and for specific nongeneral fund sources that are significant in the development of the state budget for fiscal year  
6 2025 and the 2026-2027 biennium; and

7 WHEREAS, section 5-5-227(3), MCA, provides that the Revenue Interim Committee's estimate, as introduced in the Legislature,  
8 constitutes the Legislature's current revenue estimate until amended or until final adoption of the estimate by both houses; and

9 WHEREAS, the amount of estimated revenue and the general fund balance affects policy decisions of the Executive Branch and the  
10 Legislative Branch; and

11 WHEREAS, the revenue estimates and the underlying assumptions contained in this resolution provide the basis for a comprehensive  
12 analysis of the state's revenue condition.

13

14 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

15 That the state general fund revenue for fiscal years 2025, 2026, and 2027 be estimated to be \$3,266,437,000, \$3,531,512,000, and  
16 \$3,567,268,000, respectively.

17 BE IT FURTHER RESOLVED, that the Legislature accept for budget purposes the preliminary unassigned fiscal year 2024 fund balance  
18 of \$1,028,009,187 for the general fund, prepared according to generally accepted accounting principles.

19 BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use the revenue estimates and the underlying  
20 assumptions contained in this resolution as the official revenue estimates for fiscal years 2025, 2026, and 2027.

21

GENERAL FUND REVENUE

1 The projections for general fund revenue for fiscal years 2025, 2026, and 2027 are based on the assumptions of the continuation of  
2 Montana and federal law as it existed on January 1, 2025. The revenue estimates contained in the following tables are based on the assumptions  
3 listed in the tables that follow the general fund estimates and the assumptions for each general fund revenue source (as adopted by the Revenue  
4 Interim Committee) contained in the "Legislative Budget Analysis, 2027 Biennium, Volume 2 -- Revenue Estimates" prepared by the Legislative  
5 Fiscal Division.

## Current Law

## General Fund Revenue Estimates

(In Millions of Dollars)

|                                       | Actual      | Estimated   | Estimated   | Estimated   |
|---------------------------------------|-------------|-------------|-------------|-------------|
| Source of Revenue                     | FY 2024     | FY 2025     | FY 2026     | FY 2027     |
| <b>Largest Seven Sources</b>          |             |             |             |             |
| Individual Income Tax                 | \$2,243.946 | \$2,166.409 | \$2,284.365 | \$2,340.312 |
| Property Tax                          | 17.222      | 14.938      | 13.334      | 12.605      |
| Corporate Income Tax                  | 312.276     | 315.242     | 326.217     | 338.396     |
| Vehicle Taxes & Fees                  | 124.840     | 125.956     | 127.007     | 128.048     |
| Oil & Natural Gas Production Tax      | 64.405      | 65.302      | 69.156      | 70.950      |
| Insurance Tax & License Fees          | 115.075     | 126.202     | 129.818     | 134.354     |
| Video Gambling Tax                    | 83.385      | 84.897      | 86.903      | 89.186      |
| <b>Largest Seven Sources Subtotal</b> | 2,961.150   | 2,898.948   | 3,036.800   | 3,113.850   |

## Other Business Taxes

|  |        |        |         |         |
|--|--------|--------|---------|---------|
| Driver's License Fee                         | 5.772  | 5.772  | 5.826   | 5.880   |
| Investment License Fee                       | 21.042 | 21.696 | 22.309  | 22.849  |
| Lodging Taxes                                | 44.750 | 46.711 | 48.108  | 50.080  |
| Public Contractors Tax                       | 9.125  | 5.163  | 4.812   | 4.231   |
| Railroad Car Tax                             | 3.645  | 3.920  | 3.931   | 4.054   |
| Rental Car Sales Tax                         | 6.972  | 7.827  | 8.007   | 8.049   |
| Telecommunications Excise Tax                | 8.139  | 7.960  | 7.755   | 7.550   |
| <b>Other Business Taxes Subtotal</b>         | 99.444 | 99.050 | 100.748 | 102.693 |
| <b>Other Natural Resource Taxes</b>          |        |        |         |         |
| Coal Severance Tax                           | 18.181 | 15.530 | 14.345  | 13.366  |
| Electrical Energy Tax                        | 4.090  | 5.603  | 5.543   | 5.512   |
| Metalliferous Mines Tax                      | 6.573  | 7.378  | 6.935   | 6.968   |
| US Mineral Royalty                           | 15.655 | 14.832 | 14.133  | 13.446  |
| Wholesale Energy Tax                         | 3.545  | 3.320  | 3.292   | 3.317   |
| <b>Other Natural Resource Taxes Subtotal</b> | 48.044 | 46.665 | 44.249  | 42.609  |
| <b>Other Interest Earnings</b>               |        |        |         |         |
| Coal Trust Interest                          | 19.139 | 19.681 | 19.827  | 20.289  |
| Treasury Cash Account Interest               | -      | -      | 104.283 | 79.005  |
| <b>Other Interest Earnings Subtotal</b>      | 19.139 | 19.681 | 124.111 | 99.294  |

**Other Consumption Taxes**

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| Beer Tax                                | 2.971          | 2.980          | 2.851          | 2.709          |
| Cigarette Tax                           | 20.919         | 19.658         | 19.231         | 18.188         |
| Liquor Excise & License Tax             | 35.443         | 35.016         | 36.185         | 37.974         |
| Liquor Profits                          | 7.000          | 20.900         | 21.800         | 23.000         |
| Lottery Profits                         | 19.313         | 20.928         | 20.152         | 20.709         |
| Marijuana Tax                           | 31.804         | 32.903         | 34.380         | 35.858         |
| Tobacco Tax                             | 5.114          | 5.665          | 5.390          | 5.187          |
| Wine Tax                                | 2.504          | 2.558          | 2.575          | 2.582          |
| <b>Other Consumption Taxes Subtotal</b> | <b>125.069</b> | <b>140.608</b> | <b>142.562</b> | <b>146.207</b> |

**Other Sources**

|                                   |               |               |               |               |
|-----------------------------------|---------------|---------------|---------------|---------------|
| All Other Revenue                 | 54.615        | 45.569        | 67.199        | 46.901        |
| Highway Patrol Fines              | 3.474         | 3.531         | 3.531         | 3.512         |
| Nursing Facilities Fee            | 3.535         | 3.558         | 3.609         | 3.644         |
| Public Institution Reimbursements | 4.903         | 5.919         | 5.927         | 5.936         |
| Tobacco Settlement                | 2.999         | 2.910         | 2.776         | 2.622         |
| <b>Other Sources Subtotal</b>     | <b>69.527</b> | <b>61.487</b> | <b>83.043</b> | <b>62.615</b> |

**One-Time-Only Revenue**

|                           |                    |                    |                    |                    |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total General Fund</b> | <b>\$3,322.371</b> | <b>\$3,266.437</b> | <b>\$3,531.512</b> | <b>\$3,567.268</b> |
|---------------------------|--------------------|--------------------|--------------------|--------------------|

## 2 SIGNIFICANT ASSUMPTIONS FOR GENERAL FUND REVENUE ESTIMATES

| Year | Assumption                                   | 2024  | 2025  | 2026   | 2027  |
|------|--|-------|-------|--------|-------|
|      | <b>Largest Seven Sources</b>                 |       |       |        |       |
|      | Individual Income Tax                        |       |       |        |       |
| CY   | Wage & salary income growth                  | 6.7%  | 4.5%  | 4.6%   | 4.2%  |
| CY   | Interest income growth                       | 16.2% | 4.0%  | 7.3%   | 8.5%  |
| CY   | Dividend income growth                       | 4.5%  | 10.0% | 1.9%   | 0.7%  |
| CY   | Taxable refunds growth                       | 0.0%  | 0.0%  | 0.0%   | 0.0%  |
| CY   | Alimony received growth                      | 0.0%  | 0.0%  | 0.0%   | 0.0%  |
| CY   | Net business growth                          | 6.1%  | 3.2%  | 3.1%   | 3.4%  |
| CY   | Capital gains income growth                  | 41.0% | 4.2%  | -25.2% | -9.6% |
| CY   | Supplemental gains income growth             | -1.8% | 0.0%  | 0.0%   | 0.0%  |
| CY   | Rents, royalties & partnership income growth | 16.4% | 3.4%  | -1.0%  | -0.6% |
| CY   | IRA income growth                            | 8.4%  | 5.3%  | 1.7%   | 1.6%  |

|                      |  |           |           |           |           |
|----------------------|--|-----------|-----------|-----------|-----------|
| CY                   | Taxable pension income growth                    | 2.5%      | 4.3%      | 5.4%      | 4.5%      |
| CY                   | Taxable social security income growth            | 5.6%      | 5.1%      | 4.3%      | 4.1%      |
| CY                   | Farm income growth                               | 0.0%      | 0.0%      | 0.0%      | 0.0%      |
| CY                   | Unemployment compensation growth                 | 0.0%      | 0.0%      | 0.0%      | 0.0%      |
| CY                   | Other income growth                              | 500.0%    | 0.0%      | 0.0%      | 0.0%      |
| CY                   | Federal inflation factor                         | 5.5%      | 2.8%      | 2.3%      | 2.0%      |
| CY                   | State inflation factor                           | 5.4%      | 2.9%      | 2.8%      | 2.3%      |
| CY                   | Full year resident adjustment                    | 102.3%    | 103.6%    | 104.0%    | 104.3%    |
| CY                   | Non-resident adjustment                          | 106.1%    | 106.1%    | 106.1%    | 106.1%    |
| FY                   | Earned income tax credit (Millions)              | \$18.397  | \$18.816  | \$19.043  | \$19.062  |
| CY                   | Elderly homeowner/renter credits (Millions)      | \$10.241  | \$10.241  | \$10.241  | \$10.241  |
| CY                   | All other credits (Millions)                     | \$101.491 | \$104.728 | \$104.099 | \$103.821 |
| FY                   | Audit, penalty & interest collections (Millions) |           | \$79.575  | \$83.334  | \$83.769  |
| FY                   | Adjustment for 3.55% Missing Filers (Millions)   |           | -\$35     | -\$36     | -\$37     |
| Corporate Income Tax |  |           |           |           |           |
| CY                   | WTI price (\$/bbl)                               | \$76.43   | \$68.83   | \$74.74   | \$77.92   |
| CY                   | Montana retail sales (Millions)                  | \$24,570  | \$25,399  | \$26,396  | \$27,386  |
| CY                   | Montana median home price                        | \$442,433 | \$451,813 | \$459,736 | \$469,825 |
| CY                   | Wholesale employment (Thousands)                 | 19.2      | 19.2      | 19.4      | 19.5      |

|    |  |         |           |           |           |
|----|--|---------|-----------|-----------|-----------|
| CY | Professional Employment (Thousands)              | 52.7    | 24.5      | 55.2      | 54.9      |
| CY | Montana GSP (Transportation) (Millions)          | \$2,331 | \$2,407   | \$2,488   | \$2,555   |
| FY | Audit, penalty & interest collections (Millions) |         | \$16.795  | \$16.008  | \$16.410  |
| FY | Refunds (Millions)                               |         | -\$26.605 | -\$27.920 | -\$28.146 |

## Vehicle Taxes &amp; Fees

|    |                                       |       |         |         |         |
|----|---------------------------------------|-------|---------|---------|---------|
| FY | Montana new vehicle sales (Thousands) |       | 61.108  | 60.638  | 60.661  |
| FY | US new vehicle sales (Millions)       |       | 15.999  | 16.367  | 16.598  |
| FY | US total vehicle stock (Millions)     |       | 298.961 | 301.874 | 304.607 |
|    | Montana Population Growth             | 0.84% | 0.89%   | 0.88%   | 0.80%   |

## Oil &amp; Natural Gas Production Tax

|    |   |         |         |         |         |
|----|---|---------|---------|---------|---------|
| CY | WTI price (\$/bbl)                            | \$76.43 | \$68.83 | \$74.74 | \$77.92 |
| CY | Montana oil price ratio                       | 0.963   | 0.959   | 0.961   | 0.960   |
| CY | Total oil production (Million barrels)        | 23.729  | 26.520  | 28.377  | 30.210  |
| CY | Holiday oil production (Million barrels)      | 7.018   | 5.846   | 3.050   | 2.310   |
| CY | Henry Hub price (\$/Mcf)                      | \$2.136 | \$4.332 | \$5.000 | \$4.806 |
| CY | Montana natural gas price ratio               | 0.648   | 0.648   | 0.648   | 0.648   |
| CY | Total natural gas production (Million MCFs)   | 45.594  | 41.728  | 40.551  | 40.893  |
| CY | Holiday natural gas production (Million MCFs) | 2.712   | 2.482   | 2.412   | 2.432   |



**Other Business Taxes**

## Insurance Tax &amp; License Fees

|    |  |         |         |         |         |
|----|--|---------|---------|---------|---------|
| FY | Montana PCE Finance & Insurance (Millions) | \$4,352 | \$4,582 | \$4,633 | \$4,727 |
|----|--|---------|---------|---------|---------|

## Driver's License Fee

|    |   |       |       |       |       |
|----|---|-------|-------|-------|-------|
| CY | Montana population age 16 and over (Millions) | 0.939 | 0.950 | 0.960 | 0.969 |
|----|---|-------|-------|-------|-------|

## Investment License Fee

|    |  |         |         |         |         |
|----|--|---------|---------|---------|---------|
| FY | Montana PCE Finance & Insurance (Millions) | \$4,352 | \$4,582 | \$4,633 | \$4,727 |
|----|--|---------|---------|---------|---------|

## Lodging Taxes

|    |                                      |       |       |       |       |
|----|--------------------------------------|-------|-------|-------|-------|
| FY | Gross State Product (Tourism) Growth | 6.49% | 3.17% | 2.99% | 4.10% |
|----|--------------------------------------|-------|-------|-------|-------|

## Public Contractors Tax

|    |                             |       |       |       |       |
|----|-----------------------------|-------|-------|-------|-------|
| FY | Highway payments (Millions) | \$521 | \$384 | \$398 | \$407 |
|----|-----------------------------|-------|-------|-------|-------|

|    |                           |         |       |       |       |
|----|---------------------------|---------|-------|-------|-------|
| FY | Other payments (Millions) | \$1,382 | \$881 | \$761 | \$582 |
|----|---------------------------|---------|-------|-------|-------|

## Railroad Car Tax

|    |                                 |          |          |          |          |
|----|---------------------------------|----------|----------|----------|----------|
| FY | Montana retail sales (Millions) | \$23,448 | \$24,201 | \$24,263 | \$24,952 |
|----|---------------------------------|----------|----------|----------|----------|

## Rental Car Sales Tax

|    |                                       |         |         |         |         |
|----|---------------------------------------|---------|---------|---------|---------|
| FY | Montana PCE Transportation (Millions) | \$2,455 | \$2,654 | \$2,707 | \$2,720 |
|----|---------------------------------------|---------|---------|---------|---------|

## Telecommunications Excise Tax

|    |   |       |       |       |       |
|----|---|-------|-------|-------|-------|
| FY | Montana population age 16 and over (Millions) | 0.934 | 0.945 | 0.955 | 0.965 |
|----|---|-------|-------|-------|-------|

**Other Natural Resource Taxes**

## Coal Severance Tax

|    |                |         |         |         |         |
|----|----------------|---------|---------|---------|---------|
| CY | Price (\$/ton) | \$30.58 | \$27.56 | \$25.33 | \$23.48 |
|----|----------------|---------|---------|---------|---------|

|    |                           |        |        |        |        |
|----|---------------------------|--------|--------|--------|--------|
| CY | Production (Million Tons) | 23.467 | 22.294 | 21.179 | 20.120 |
|----|---------------------------|--------|--------|--------|--------|

## Electrical Energy Tax

|    |                          |        |        |        |        |
|----|--------------------------|--------|--------|--------|--------|
| FY | Taxable Production (KWH) | 20,437 | 20,128 | 20,347 | 20,304 |
|----|--------------------------|--------|--------|--------|--------|

## Metalliferous Mines Tax

|    |                       |        |        |        |        |
|----|-----------------------|--------|--------|--------|--------|
| CY | Price: Copper (\$/oz) | \$0.25 | \$0.25 | \$0.25 | \$0.25 |
|----|-----------------------|--------|--------|--------|--------|

|    |                       |      |      |      |      |
|----|-----------------------|------|------|------|------|
| CY | Price: Silver (\$/oz) | \$28 | \$28 | \$28 | \$28 |
|----|-----------------------|------|------|------|------|

|    |                     |         |         |         |         |
|----|---------------------|---------|---------|---------|---------|
| CY | Price: Gold (\$/oz) | \$1,850 | \$1,869 | \$1,888 | \$1,869 |
|----|---------------------|---------|---------|---------|---------|

|    |                     |        |        |        |        |
|----|---------------------|--------|--------|--------|--------|
| CY | Price: Moly (\$/oz) | \$1.27 | \$1.12 | \$1.24 | \$1.27 |
|----|---------------------|--------|--------|--------|--------|

|    |                          |         |         |         |         |
|----|--------------------------|---------|---------|---------|---------|
| CY | Price: Palladium (\$/oz) | \$1,100 | \$1,212 | \$1,156 | \$1,184 |
|----|--------------------------|---------|---------|---------|---------|

|    |                         |         |       |         |       |
|----|-------------------------|---------|-------|---------|-------|
| CY | Price: Platinum (\$/oz) | \$1,011 | \$987 | \$1,006 | \$989 |
|----|-------------------------|---------|-------|---------|-------|

## US Mineral Royalty

|     |                                       |         |         |         |         |
|-----|---------------------------------------|---------|---------|---------|---------|
| FFY | Oil price (\$/bbl)                    | \$76.43 | \$68.83 | \$74.74 | \$77.92 |
| FFY | Oil production (Million barrels)      | 2.735   | 2.682   | 2.628   | 2.575   |
| FFY | Coal price (\$/ton)                   | \$77.15 | \$64.50 | \$59.54 | \$55.44 |
| FFY | Coal production (Million Tons)        | 10.637  | 9.886   | 9.392   | 8.922   |
| FFY | Natural gas price (\$/MCF)            | \$2.14  | \$4.33  | \$5.00  | \$4.81  |
| FFY | Natural gas production (Million MCFs) | 8.129   | 7.527   | 6.848   | 6.322   |
| FFY | Rent and bonus payments (Millions)    | \$0.395 | \$0.371 | \$0.383 | \$0.405 |

#### Wholesale Energy Tax

|    |                  |        |        |        |        |
|----|------------------|--------|--------|--------|--------|
| FY | Production (KWH) | 23,490 | 22,763 | 22,571 | 22,752 |
|----|------------------|--------|--------|--------|--------|

#### Other Interest Earnings

##### Coal Trust Interest

|    |                           |  |       |       |       |
|----|---------------------------|--|-------|-------|-------|
| FY | Short term interest rates |  | 4.99% | 3.79% | 3.08% |
| FY | Long term interest rates  |  | 3.81% | 4.01% | 4.22% |

##### Treasury Cash Account Interest

|    |                            |         |         |         |         |
|----|----------------------------|---------|---------|---------|---------|
| FY | Short term interest rates  | 5.39%   | 4.99%   | 3.79%   | 3.08%   |
| FY | Average balance (Millions) | \$3,040 | \$2,565 | \$2,448 | \$2,172 |

#### Other Consumption Taxes

## Beer Tax

|    |  |         |         |         |         |
|----|--|---------|---------|---------|---------|
| FY | Montana PCE food (Millions)                    | \$5,971 | \$6,184 | \$6,454 | \$6,777 |
| FY | Montana population age 21 and above (Millions) | 0.867   | 0.877   | 0.887   | 0.896   |

## Cigarette Tax

|    |  |       |       |       |       |
|----|--|-------|-------|-------|-------|
| FY | Consumer spending on tobacco (Millions)        | \$117 | \$116 | \$114 | \$111 |
| FY | CPI for tobacco                                | 145   | 154   | 163   | 172   |
| FY | Montana population age 18 and above (Millions) | 0.911 | 0.921 | 0.931 | 0.940 |

## Liquor Excise &amp; License Tax

|    |                             |         |         |         |         |
|----|-----------------------------|---------|---------|---------|---------|
| FY | Montana PCE food (Millions) | \$5,971 | \$6,184 | \$6,454 | \$6,777 |
|----|-----------------------------|---------|---------|---------|---------|

## Liquor Profits

|    |  |         |         |         |         |
|----|--|---------|---------|---------|---------|
| FY | Montana PCE food (Millions)                    | \$5,972 | \$6,184 | \$6,454 | \$6,777 |
| FY | Montana population age 18 and above (Millions) | 0.911   | 0.921   | 0.931   | 0.940   |
| FY | Short term interest rates                      | 5.10%   | 4.89%   | 4.14%   | 3.13%   |

## Marijuana Tax

|    |                            |       |       |       |       |
|----|----------------------------|-------|-------|-------|-------|
| FY | Montana Population Growth  | 0.86% | 0.89% | 0.84% | 0.76% |
| FY | Consumer Price Index (CPI) | 3.31% | 2.06% | 2.72% | 2.68% |

## Tobacco Tax

|                                   |  |          |          |           |           |
|-----------------------------------|--|----------|----------|-----------|-----------|
| FY                                | Montana population age 18 and above (Millions) | 0.911    | 0.921    | 0.931     | 0.940     |
| FY                                | Montana PCE (Millions)                         | \$91,767 | \$96,007 | \$100,464 | \$105,092 |
| Wine Tax                          |  |          |          |           |           |
| FY                                | Montana population age 21 and above (Millions) | 0.867    | 0.877    | 0.887     | 0.896     |
| <b>Other Sources</b>              |  |          |          |           |           |
| All Other Revenue                 |  |          |          |           |           |
| FY                                | Time series                                    |          | 2024     | 2025      | 2026      |
| Highway Patrol Fines              |  |          |          |           |           |
| FY                                | Time series                                    |          | 2024     | 2025      | 2026      |
| Nursing Facilities Fee            |  |          |          |           |           |
| FY                                | Time series                                    |          | 2024     | 2025      | 2026      |
| Public Institution Reimbursements |  |          |          |           |           |
| FY                                | Montana nursing facility residents             | 3,220    | 3,225    | 3,233     | 3,241     |
| Tobacco Settlement                |  |          |          |           |           |
| FY                                | Volume (Millions)                              | 134,990  | 120,795  | 108,093   | 96,726    |
| FY                                | Inflation                                      | 3.0%     | 3.0%     | 3.1%      | 3.0%      |

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## SELECTED NONGENERAL FUND REVENUE

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The estimates for selected nongeneral fund revenue for fiscal year 2025 and the 2026-2027 biennium are based on the assumptions of a continuation of Montana law as it existed on January 1, 2025. The revenue estimates contained in the following tables are based on the options listed in the tables that follow the nongeneral fund estimates and the assumptions for each nongeneral fund revenue source included in the "Legislative Budget Analysis, 2025 Biennium, Volume 2 -- Revenue Estimates" prepared by the Legislative Fiscal Division.

## Current Law

### Selected Nongeneral Fund Revenue Estimates

(In Millions of Dollars)

|  | Actual    | Estimated | Estimated | Estimated |
|--|-----------|-----------|-----------|-----------|
| Source of Revenue                      | FY 2024   | FY 2025   | FY 2026   | FY 2027   |
| <b>Property Taxes</b>                  |           |           |           |           |
| Property Tax: 95 Mill                  | \$430.813 | \$441.624 | \$511.558 | \$516.397 |
| Property Tax: 6 Mill                   | 29.643    | 29.925    | 34.087    | 34.336    |
| <b>Property Taxes Subtotal</b>         | 460.456   | 471.549   | 545.645   | 550.733   |
| <b>Natural Resource Taxes</b>          |           |           |           |           |
| Federal Forest Receipts                | 13.397    | 4.682     | 4.802     | 4.958     |
| Resource Indemnity Tax                 | 5.198     | 4.425     | 3.562     | 3.132     |
| <b>Natural Resource Taxes Subtotal</b> | 18.594    | 9.108     | 8.364     | 8.090     |

**Interest Earnings**

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| Capital Land Grant Interest and Income      | 4.343          | 1.649          | 1.507          | 1.446          |
| Common School Interest and Income           | 59.473         | 55.032         | 57.702         | 60.635         |
| Conservation Districts Trust                | 0.303          | 1.262          | 2.055          | 2.899          |
| Cultural Trust Interest                     | 0.648          | 0.652          | 0.682          | 0.717          |
| Deaf & Blind Interest and Income            | 0.327          | 0.363          | 0.387          | 0.424          |
| Economic Development Trust                  | 6.176          | 6.460          | 6.775          | 7.156          |
| Montana Coal Endowment Trust                | 12.036         | 11.550         | 11.854         | 12.223         |
| Montana Coal Endowment Regional Water Trust | 4.018          | 3.628          | 3.801          | 3.990          |
| Parks Trust Interest                        | 1.206          | 1.203          | 1.248          | 1.304          |
| Pine Hills Interest and Income              | 0.455          | 0.442          | 0.464          | 0.475          |
| Resource Indemnity Trust Interest           | 4.096          | 3.811          | 4.011          | 4.221          |
| School Facilities Trust Interest            | 8.066          | 8.733          | 9.076          | 9.598          |
| TCA Interest Earnings                       | 163.738        | 138.908        | -              | -              |
| Tobacco Trust Interest                      | 12.445         | 12.585         | 13.721         | 14.970         |
| <b>Interest Earnings Subtotal</b>           | <b>277.331</b> | <b>246.279</b> | <b>113.283</b> | <b>120.057</b> |

**Consumption Taxes**

|            |        |        |        |        |
|------------|--------|--------|--------|--------|
| Diesel Tax | 91.432 | 93.908 | 94.980 | 96.675 |
|------------|--------|--------|--------|--------|

|  |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| Gasoline Tax                                     | 195.654     | 195.796     | 199.208     | 202.815     |
| GVW and Other Fees                               | 41.604      | 41.599      | 42.794      | 43.968      |
| <b>Consumption Taxes Subtotal</b>                | 328.690     | 331.302     | 336.981     | 343.458     |
| <b>Total of Selected Nongeneral Fund Sources</b> | \$1,085.071 | \$1,058.238 | \$1,004.273 | \$1,022.338 |
| <b>Guarantee Fund</b>                            | \$64.463    | \$57.756    | \$59.021    | \$59.590    |

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## SELECTED ASSUMPTIONS FOR NONGENERAL FUND REVENUE ESTIMATES

| Year                  | Assumption                       | 2024        | 2025        | 2026        | 2027 |
|-----------------------|----------------------------------|-------------|-------------|-------------|------|
| <b>Property Tax</b>   |                                  |             |             |             |      |
| Property Tax: 95 Mill |                                  |             |             |             |      |
| FY                    | Class 1 taxable value (Millions) | \$5.621     | \$5.762     | \$5.446     |      |
| FY                    | Class 2 taxable value (Millions) | \$26.584    | \$30.489    | \$28.816    |      |
| FY                    | Class 3 taxable value (Millions) | \$153.099   | \$161.351   | \$162.964   |      |
| FY                    | Class 4 taxable value (Millions) | \$3,424.878 | \$4,104.848 | \$4,134.309 |      |
| FY                    | Class 5 taxable value (Millions) | \$57.705    | \$59.593    | \$61.543    |      |
| FY                    | Class 7 taxable value (Millions) | \$0.018     | \$0.017     | \$0.015     |      |
| FY                    | Class 8 taxable value (Millions) | \$209.398   | \$231.307   | \$238.241   |      |
| FY                    | Class 9 taxable value (Millions) | \$615.404   | \$637.794   | \$660.999   |      |



|    |                                   |           |           |           |
|----|-----------------------------------|-----------|-----------|-----------|
| FY | Class 10 taxable value (Millions) | \$4.764   | \$4.764   | \$4.764   |
| FY | Class 12 taxable value (Millions) | \$87.057  | \$87.634  | \$88.326  |
| FY | Class 13 taxable value (Millions) | \$129.914 | \$126.486 | \$123.148 |
| FY | Class 14 taxable value (Millions) | \$37.230  | \$38.719  | \$38.719  |
| FY | Class 15 taxable value (Millions) | \$2.775   | \$2.775   | \$2.775   |
| FY | Class 17 taxable value (Millions) | \$0.561   | \$0.561   | \$0.561   |
| FY | TIF Value (Millions)              | \$100.524 | \$101.462 | \$109.055 |

Property Tax: 6 Mill

|    |                          |         |         |         |
|----|--------------------------|---------|---------|---------|
| FY | Taxable Value (Millions) | \$4.755 | \$5.492 | \$5.550 |
|----|--------------------------|---------|---------|---------|

**Natural Resource Taxes**

Federal Forest Receipts

|    |                                   |         |         |         |
|----|-----------------------------------|---------|---------|---------|
| FY | Total Montana Receipts (Millions) | \$4.682 | \$4.802 | \$4.958 |
|----|-----------------------------------|---------|---------|---------|

Resource Indemnity Tax

|    |                           |         |         |         |         |
|----|---------------------------|---------|---------|---------|---------|
| FY | Coal Receipts (Millions)  | \$4.404 | \$3.626 | \$2.664 | \$2.302 |
| FY | Other Receipts (Millions) | \$0.793 | \$0.799 | \$0.898 | \$0.830 |

**Interest Earnings**

Capital Land Grant Interest and Income

|                                   |                                 |          |          |          |          |
|-----------------------------------|---------------------------------|----------|----------|----------|----------|
| FY                                | Lease Total (Millions)          | \$0.866  | \$0.779  | \$0.765  | \$0.784  |
| FY                                | Permanent Fund Total (Millions) | \$3.270  | \$1.831  | \$1.736  | \$1.698  |
| FY                                | Administration Costs            | -\$1.153 | -\$0.960 | -\$0.994 | -\$1.036 |
| Common School Interest and Income |                                 |          |          |          |          |
| FY                                | TFBP Long Term Interest Rate    | 3.92%    | 3.81%    | 4.01%    | 4.22%    |
| FY                                | Short Term Interest Rate        | 4.80%    | 4.99%    | 3.79%    | 3.08%    |
| Conservation Districts Trust      |                                 |          |          |          |          |
| FY                                | TFBP Long Term Interest Rate    | 3.92%    | 3.81%    | 4.01%    | 4.22%    |
| FY                                | Short Term Interest Rate        | 4.80%    | 4.99%    | 3.79%    | 3.08%    |
| Cultural Trust Interest           |                                 |          |          |          |          |
| FY                                | TFBP Long Term Interest Rate    | 3.92%    | 3.81%    | 4.01%    | 4.22%    |
| FY                                | Short Term Interest Rate        | 4.80%    | 4.99%    | 3.79%    | 3.08%    |
| Deaf & Blind Interest and Income  |                                 |          |          |          |          |
| FY                                | TFBP Long Term Interest Rate    | 3.92%    | 3.81%    | 4.01%    | 4.22%    |
| FY                                | Short Term Interest Rate        | 4.80%    | 4.99%    | 3.79%    | 3.08%    |
| Economic Development Trust        |                                 |          |          |          |          |
| FY                                | TFBP Long Term Interest Rate    | 3.92%    | 3.81%    | 4.01%    | 4.22%    |

|    |                          |       |       |       |       |
|----|--------------------------|-------|-------|-------|-------|
| FY | Short Term Interest Rate | 4.80% | 4.99% | 3.79% | 3.08% |
|----|--------------------------|-------|-------|-------|-------|

Montana Coal Endowment Regional Water Trust Interest

|    |                              |       |       |       |       |
|----|------------------------------|-------|-------|-------|-------|
| FY | TFBP Long Term Interest Rate | 3.92% | 3.81% | 4.01% | 4.22% |
|----|------------------------------|-------|-------|-------|-------|

|    |                          |       |       |       |       |
|----|--------------------------|-------|-------|-------|-------|
| FY | Short Term Interest Rate | 4.80% | 4.99% | 3.79% | 3.08% |
|----|--------------------------|-------|-------|-------|-------|

Montana Coal Endowment Trust Interest

|    |                              |       |       |       |       |
|----|------------------------------|-------|-------|-------|-------|
| FY | TFBP Long Term Interest Rate | 3.92% | 3.81% | 4.01% | 4.22% |
|----|------------------------------|-------|-------|-------|-------|

|    |                          |       |       |       |       |
|----|--------------------------|-------|-------|-------|-------|
| FY | Short Term Interest Rate | 4.80% | 4.99% | 3.79% | 3.08% |
|----|--------------------------|-------|-------|-------|-------|

Parks Trust Interest

|    |                              |       |       |       |       |
|----|------------------------------|-------|-------|-------|-------|
| FY | TFBP Long Term Interest Rate | 3.92% | 3.81% | 4.01% | 4.22% |
|----|------------------------------|-------|-------|-------|-------|

|    |                          |       |       |       |       |
|----|--------------------------|-------|-------|-------|-------|
| FY | Short Term Interest Rate | 4.80% | 4.99% | 3.79% | 3.08% |
|----|--------------------------|-------|-------|-------|-------|

Pine Hills Interest and Income

|    |                              |       |       |       |       |
|----|------------------------------|-------|-------|-------|-------|
| FY | TFBP Long Term Interest Rate | 3.92% | 3.81% | 4.01% | 4.22% |
|----|------------------------------|-------|-------|-------|-------|

|    |                          |       |       |       |       |
|----|--------------------------|-------|-------|-------|-------|
| FY | Short Term Interest Rate | 4.80% | 4.99% | 3.79% | 3.08% |
|----|--------------------------|-------|-------|-------|-------|

Resource Indemnity Trust Interest

|    |                              |       |       |       |       |
|----|------------------------------|-------|-------|-------|-------|
| FY | TFBP Long Term Interest Rate | 3.92% | 3.81% | 4.01% | 4.22% |
|----|------------------------------|-------|-------|-------|-------|

|    |                          |       |       |       |       |
|----|--------------------------|-------|-------|-------|-------|
| FY | Short Term Interest Rate | 4.80% | 4.99% | 3.79% | 3.08% |
|----|--------------------------|-------|-------|-------|-------|

School Facilities Trust Interest

|                        |                              |       |       |       |       |
|------------------------|------------------------------|-------|-------|-------|-------|
| FY                     | TFBP Long Term Interest Rate | 3.92% | 3.81% | 4.01% | 4.22% |
| FY                     | Short Term Interest Rate     | 4.80% | 4.99% | 3.79% | 3.08% |
| Tobacco Trust Interest |                              |       |       |       |       |
| FY                     | TFBP Long Term Interest Rate | 3.92% | 3.81% | 4.01% | 4.22% |
| FY                     | Short Term Interest Rate     | 4.80% | 4.99% | 3.79% | 3.08% |

Consumption Taxes

|                    |                   |  |      |      |      |
|--------------------|-------------------|--|------|------|------|
| Diesel Tax         |                   |  |      |      |      |
| FY                 | Time Series Trend |  | 2025 | 2026 | 2027 |
| Gasoline Tax       |                   |  |      |      |      |
| FY                 | Time Series Trend |  | 2025 | 2026 | 2027 |
| GVW and Other Fees |                   |  |      |      |      |
| FY                 | Time Series Trend |  | 2025 | 2026 | 2027 |

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