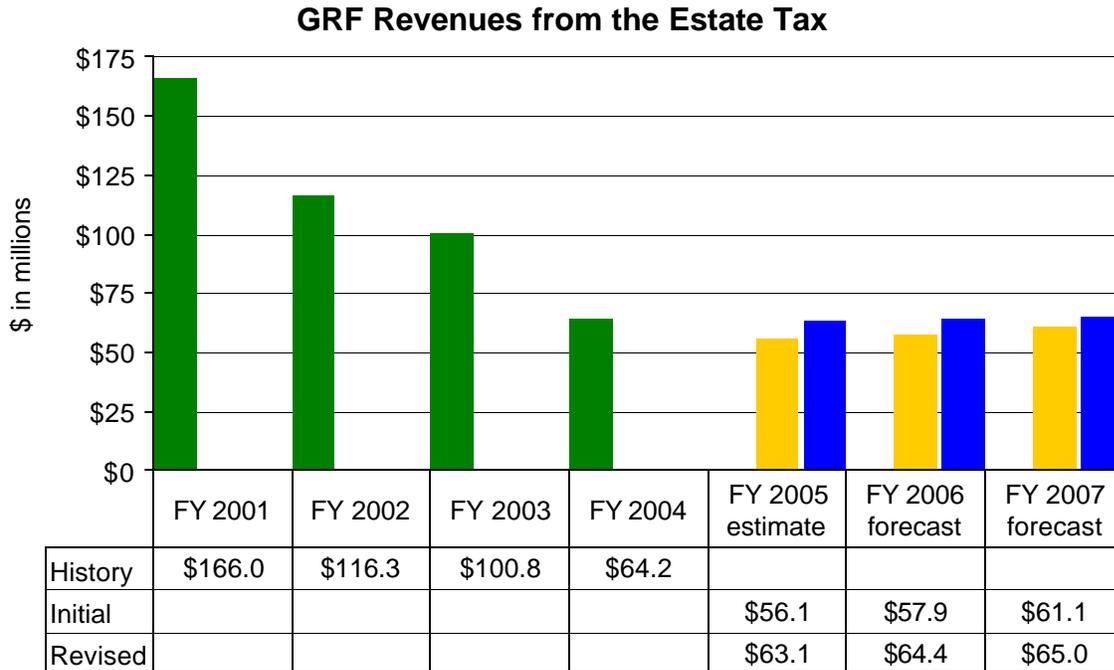


Estate Tax



The baseline forecast for the estate tax is revised upwards from the initial forecast made in February. The revision is due to higher than anticipated revenue in the fiscal year through May 2005.

The proposed budget affects the estate tax by updating the state estate tax law to incorporate changes in the federal estate tax law and by eliminating the deduction for family-owned business. These changes are estimated to reduce revenue from the estate tax by \$2 million in FY 2006 and \$8 million in FY 2007.