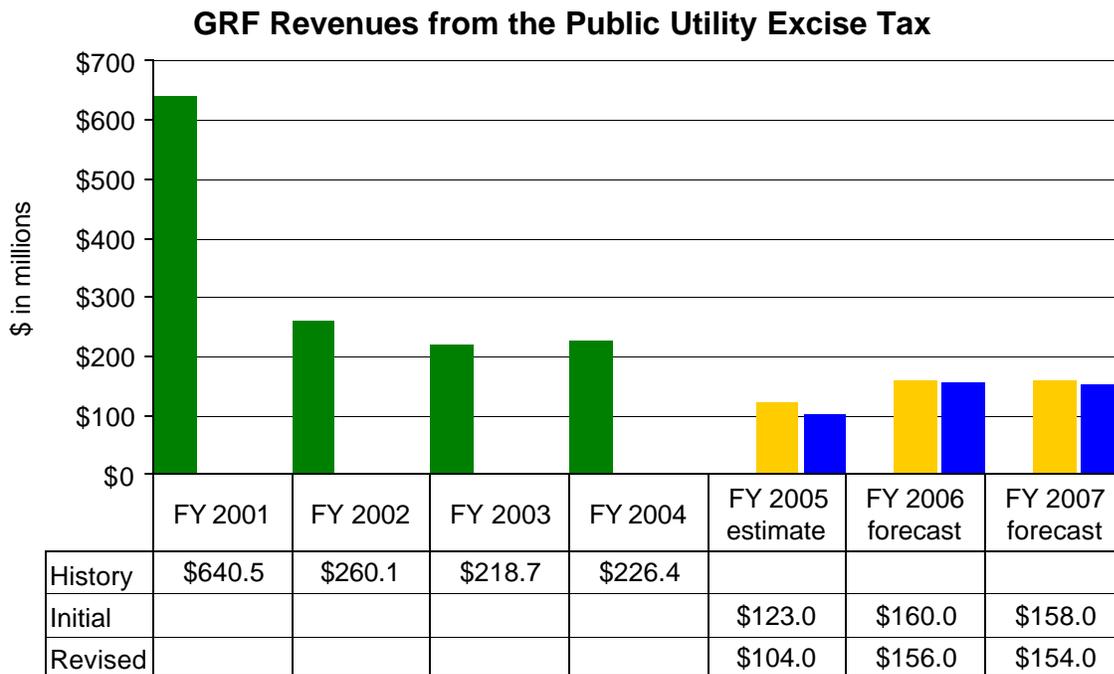


**Public Utility Excise Tax**



The initial forecast was \$160.0 million in FY 2006 and \$158.0 million in FY 2007. The revised forecast is \$156.0 million in FY 2006 and \$154.0 million in FY 2007. The forecast was changed because revenues in FY 2005 have been below estimate, and because of changes in forecasts by Global Insight of natural gas prices and demand for natural gas.

The proposed budget affects this tax by overriding the statutory share of the revenue that goes to the Local Government Fund (LGF) and the Local Government Revenue Assistance Fund (LGRAF) for the FY 2006-2007 biennium. The amounts that are stipulated for the two funds are different in the House-Passed and the Senate-Passed versions of Am. Sub. H.B. 66. However, both versions would increase the amounts going to the LGF and LGRAF slightly, as compared with the forecast shares of the revenue based on their statutory shares, and would cause a corresponding reduction in the amounts going to the GRF.