

(prepare in triplicate)

FISCAL NOTE

prepared in regard to:

Senate Bill 2031
(List bill or resolution and number, if available, or subject)

Amendment to: Senate Bill 2031
(List bill or resolution and number)

Requested by: House Finance & Tax Committee Date of receipt: 19

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed, attach a supplementary sheet. (Please type)

If enacted as amended state general fund revenue would increase by an estimated \$5,121,411 for the 1975 - 1977 biennium; \$264,805 of this amount will be interest from the trust fund and \$6,440,937 of this amount is the 50% share of the severance tax. \$1,792,713 in state general fund revenue will be lost in repealing the sales tax on coal in the 1975 - 1977 biennium.

Total state revenues will increase by an estimated \$11,562,348 during the 1975 - 1977 biennium. \$1,545,825 will go to coal producing counties, \$4,895,112 will go to a trust fund, and the remainder of \$5,121,411 will be the estimated increase in the state general fund.

Date of preparation: 3/13/75

Signed 

Typed Name- C W Cudworth

Department Tax

EXHIBIT 1

Prepared by:
Clair W. Cudworth
State Tax Department
3-13-75

PRESENT LAW

	<u>NET PRODUCTION (Tons)</u>	<u>PRODUCTION SUBJECT TO SALES TAX (Tons)</u>	<u>4% SALES TAX--All to Gen. Fund</u>
<u>FY-1976</u>			
(Coal mined from 7-1-75 to 3-31-76)	9,303,251	8,302,074	\$ 833,528
<u>FY-1977</u>			
(Coal mined from 4-1-76 to 3-31-77)	13,717,083	9,014,897	\$ 959,185
			<u>\$1,792,713</u>

UNDER SENATE BILL 2031

	<u>CARRY-OVER SALES TAX TO GENERAL FUND</u>	<u>SEVERANCE TAX 50¢/ton</u>	<u>CITIES & COUNTIES 12%</u>	<u>TRUST FUND 38%</u>	<u>STATE GENERAL FUND 50%</u>	<u>INTEREST ON TRUST FUND TO STATE GENERAL FUND</u>	<u>TOTAL STATE GENERAL FUND</u>
FY-76	\$208,382	\$4,651,625	\$ 558,195	\$1,767,618	\$2,325,812	\$ 53,028	\$2,378,840
		<u>60¢/ton</u>					
FY-77		\$8,230,249	\$ 987,630	\$3,127,494	\$4,115,125	\$ 211,777	\$4,326,902
	<u>\$208,382</u>	<u>\$12,881,874</u>					<u>\$6,705,742</u>

Report of Standing Committee

3-12-75

Mr. Spoker Your Committee on Finance and Taxation

to whom was referred Senate Bill No. 2031

Has had the same under consideration and recommends that the same

do pass be indefinitely postponed be placed on calendar without recommendation

be amended as follows:

On page 1, line 22 of the engrossed bill, delete the word "thirty" and insert in lieu thereof the word "fifty"

On page 1, line 24, delete the word "thirty-five" and insert in lieu thereof the word "sixty"

On page 5, delete lines 29 through 35 and insert in lieu thereof the following:

"1. Twelve percent shall be allocated to the coal producing counties and shall be distributed among such counties in such proportion as the number of tons of coal severed in each county bears to the total number of tons of coal severed in the state during such quarterly period. The county treasurer of each county receiving such funds shall distribute the proceeds received as follows: forty percent shall be credited to the county general fund; forty-five percent shall be apportioned quarterly to school districts within the county on the average

And when so amended recommends the same do pass.

XX

XX
Bill No. _____ was placed on the

XX
order of business on the calendar for the succeeding legislative day.
XX

daily attendance distribution basis, as certified to him by the county superintendent of schools; and fifteen percent shall be paid quarterly to the incorporated cities of the county in that proportion which the population of each incorporated city bears to the population of all incorporated cities in the county according to the last official decennial federal census.

2. Thirty-eight percent shall be credited to a special fund in the state treasury to be held in trust to be administered by the board of university and school lands, which shall have full authority to invest such funds and may consult with the state investment board as provided by law. The income from such trust shall be deposited in the state's general fund. Such trust fund shall be perpetual and held in trust as a replacement for depleted natural resources.
3. The balance shall be deposited in the state's general fund, to be appropriated by the legislature to the coal development impact office."

On page 6 delete all of lines 1 through 15

On page 7, line 6, after the word "to" add "state agencies,"

On page 7, line 20, delete the words "chairman of the "

And when so amended recommends the same do pass.

Chairman

Senate Bill No. 2031 was placed on the Rep. Gackle 6th

order of business on the calendar for the succeeding legislative day.