

(prepare in triplicate)

FISCAL NOTE

prepared in regard to:

SENATE BILL 2094

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

Amendment to:

(List bill or resolution and number)

Requested by: Legislative Council Date of receipt: Jan. 2 19 75

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)

Senate Bill 2094 would increase state revenues credited to a special fund in the State Treasury for an estimate \$5,771,065 for the 1975-77 Biennium. Senate Bill 2094 would also decrease state General Fund revenues by an estimated \$1,792,713 from the elimination of sales and use taxes on coal for the 1975-77 Biennium. The net increase in state revenues would be an estimated \$3,978,362 for the 1975-77 Biennium.

The estimated administrative expenses of the Tax Department for its responsibilities set forth in this bill are \$6,000 for the 1975-77 Biennium.

See supplementary sheet for revenue effects beyond the 1975-77 Biennium.

Date of preparation: Jan. 7, 1975

Signed


Clair W. Cudworth

Typed Name- Clair W. Cudworth

Department State Tax Department

SUPPLEMENTARY SHEET

Senate Bill would increase state revenue credited to a special fund in the State Treasury by the following estimated amounts per fiscal year following the 1975-1977 Biennium.

FY-1978	\$3,988,685
FY-1979	4,226,391
FY-1980	5,283,302
FY-1981	7,033,220

Senate Bill would decrease state General Fund revenues from the elimination of the sales tax on coal by the following estimated amounts per fiscal year following the 1975-1977 Biennium.

FY-1978	\$1,278,653
FY-1979	1,379,842
FY-1980	2,256,627
FY-1981	3,239,713

Senate Bill 2094 would have a net revenue effect of the following estimated amounts per fiscal year following the 1975-1977 Biennium.

FY-1978	\$2,710,032
FY-1979	2,846,549
FY-1980	3,026,675
FY-1981	3,793,507

The amount of coal severed was based on actual production in fiscal year 1974 with projected growth plus projected demand for coal from electrical and gasification plants that are either presently under construction or have approved water permits from the state.

The per ton coal prices were based on the average value of \$2.24 per ton as reported by the State Mine Inspector for FY-1974. This price was then increased by 6% per fiscal year thereafter.

SUPPLEMENTARY SHEET-Cont.

The estimated coal production subject to tax and the estimated price per ton are as follows:

<u>PERIOD</u>	<u>ESTIMATED TONS OF COAL SUBJECT TO TAX</u>	<u>ESTIMATED PRICE OF COAL PER TON</u>
FY-1976	9,367,182	\$2.51
FY-1977	13,717,080	2.66
FY-1978	15,954,742	2.82
FY-1979	16,905,565	2.99
FY-1980	21,133,210	3.17
FY-1981	28,132,883	3.36