

Bill/Resolution No.: HB 1714

Amendment to: _____

Requested by: Legislative Council

Date of Receipt: 1/26/83

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

The bill would levy a new tax on all natural gas processing plants that would be in lieu of local ad valorem taxes on those plants. The tax would be at the rate of 4½% and would be levied on an amount equal to the Gross Value of the products of each plant as that amount is reduced by the value at the well of the gas processed in the plant. The 4½% tax would raise approximately \$9.6 million during the 1983-85 biennium. Eighty-five percent of the amount (or \$8.2 million) would go to a special fund for construction of the Southwest Water Pipeline. The remaining 15% would be distributed to local political subdivisions as replacement for lost ad valorem tax. The net gain to local political subdivisions would be approximately \$500,000 and the loss to the state general fund due to the sales tax exemption on gas utilized in plants would be approximately \$65,000 in the 1983-85 biennium.

State Fiscal Effect:


<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
+\$4,000,000	-\$30,000	+\$4,200,000	-\$35,000	+\$8,200,000	-\$65,000

County and City Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
NET GAIN OF \$250,000 TO LOCAL POLITICAL SUBDIVISIONS		NET GAIN OF \$250,000 TO LOCAL POLITICAL SUBDIVISIONS		NET GAIN OF \$500,000 TO LOCAL POLITICAL SUBDIVISIONS	

If additional space is needed, attach a supplemental sheet.

Date prepared: 2/9/83

Signed 

Typed Name C. William Cudworth

Department TAX 