2017-19 BIENNIAL ESTIMATED COAL TAX REVENUE -
ALLOCATION FLOWCHART

This memorandum provides information on the estimated allocations of the coal conversion tax and coal severance tax revenue collections for the 2017-19 biennium. A summary of the funds is included as an appendix.

2017-19 BIENNIAL

Collected by the Tax Department Distributed by the State Treasurer $73.8 million

1 Coal conversion facilities privilege tax $51.3 million

2 Coal severance tax $22.5 million

3 Political subdivisions $9.2 million

3A Cities $2.8 million

3B County general fund $3.6 million

3C School districts $2.8 million

4 Lignite research fund $2.5 million

4A Tax of 2 cents per ton $1.1 million

4B Lignite research fund $1.1 million

4C Tax of 37.5 cents per ton $21.4 million

5 State general fund $39.6 million

5A State share $42.1 million

5B Transfer of 70 percent of coal severance tax from the coal development trust fund to

6 Coal development trust fund $3.2 million

Shading in number boxes represents constitutional allocations

Summary of Estimated 2017-19 Biennium Allocations

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Political subdivisions</td>
<td>$24,200,000</td>
</tr>
<tr>
<td>4</td>
<td>Lignite research fund</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>5</td>
<td>General fund</td>
<td>$39,600,000</td>
</tr>
<tr>
<td>6</td>
<td>Coal development trust fund (net deposits)</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$73,800,000</td>
</tr>
</tbody>
</table>

1The amounts shown for the allocations to the political subdivisions and the state share from the coal conversion tax may not reflect the statutory percentages due to minimum allocation requirements for political subdivisions.

2The amounts shown for the allocations to the lignite research fund and the state general fund from the coal conversion tax may not reflect the statutory percentages because the additional allocations related to the minimum allocation requirements for political subdivisions are deducted only from the state general fund allocation and not the lignite research fund.

NOTE: The amounts reflected in these schedules are preliminary estimates. The actual amounts allocated for the 2017-19 biennium may differ significantly from these amounts based on actual coal production and electricity generation.

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