

(prepare in triplicate)

REVISED  
FISCAL NOTE

prepared in regard to:

HOUSE BILL 1191

(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: January 13, 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)

Assuming a 12% of gross value severance tax, House Bill 1191 would increase state General Fund revenues by an estimated \$483,590 for the 1975-77 Biennium and would increase total state revenues by an estimated \$5,883,505 for the 1975-77 Biennium. (See Exhibit 1.)

Assuming a 35¢ per ton severance tax, House Bill 1191 would increase state General Fund revenues by an estimated \$671,480 for the 1975-77 Biennium and would increase total state revenues by an estimated \$6,731,099 for the 1975-77 Biennium. (See Exhibit 2.)

Projections of fiscal effects beyond the 1975-77 biennium appear in Exhibits 3 and 4.

Estimated administrative costs for House Bill 1191 are \$9,000.

Date of preparation: February 12, 1975

Signed 

Typed Name- Clair W. Cudworth

Department State Tax Department

HOUSE BILL 1191

All projections of Exhibits 1 through 4 were based on the following projections of tons of coal subject to tax and prices per ton.

<u>PERIOD</u>	<u>ESTIMATED TONS OF COAL SUBJECT TO TAX</u>	<u>PROJECTED PRICE PER TON OF COAL</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

E X H I B I T 1

1975-1977 BIENNIUM REVENUE PROJECTIONS FOR HOUSE BILL 1191

(Assuming 12% of Gross Value)

<u>PERIOD</u>	(1) <u>PROJECTED STATE REVENUE FROM SEVERANCE TAX COLLECTIONS</u>	(2) <u>25% x (1)</u>  25% OF TOTAL TO COUNTIES	(3) <u>50% x (1)</u>  50% OF TOTAL TO SPECIAL FUND	(4) <u>25% x (1)</u>  25% OF TOTAL TO STATE GENERAL FUND	(5) <u>6% per Annum INTEREST FROM SPECIAL FUND TO STATE GENERAL FUND</u>	(6) <u>LOSS IN SALES TAX REVENUE</u>	(7) <u>(4) + (5) - (6)</u>  NET FISCAL EFFECT ON STATE GENERAL FUND	(8) <u>(1) + (5) - (6)</u>  NET FISCAL EFFECT ON TOTAL STATE REVENUE
FY-1976	\$2,821,395	\$ 705,348	\$1,410,699	\$ 705,348	\$ 42,320	\$625,146	\$122,522	\$2,238,569
FY-1977	4,378,491	1,094,622	2,189,247	1,094,622	225,631	959,185	+ 361,068	+ 3,644,937
1975-77 Biennium	<u>\$7,199,886</u>	<u>\$1,799,970</u>	<u>\$3,599,946</u>	<u>\$1,799,970</u>	<u>\$267,951</u>	<u>\$1,584,331</u>	<u>\$483,590</u>	<u>\$5,883,505</u>

E X H I B I T 2

1975-1977 BIENNIUM REVENUE PROJECTIONS FOR HOUSE BILL 1191

(Assuming 35 cents per ton)

<u>PERIOD</u>	(1) <u>PROJECTED STATE REVENUE FROM SEVERANCE TAX COLLECTIONS</u>	(2) <u>25% x (1)</u>  25% OF TOTAL TO COUNTIES	(3) <u>50% x (1)</u>  50% OF TOTAL TO SPECIAL FUND	(4) <u>25% x (1)</u>  25% OF TOTAL TO STATE GENERAL FUND	(5) <u>6% per Annum INTEREST FROM SPECIAL FUND TO STATE GENERAL FUND</u>	(6) <u>LOSS IN SALES TAX REVENUE</u>	(7) <u>(4) + (5) - (6)</u>  NET FISCAL EFFECT ON STATE GENERAL FUND	(8) <u>(1) + (5) - (6)</u>  NET FISCAL EFFECT ON TOTAL STATE REVENUE
FY-1976	\$3,278,513	\$ 819,628	\$1,639,257	\$ 819,628	\$ 49,177	\$ 625,146	\$ 243,659	\$2,702,544
FY-1977	4,800,978	1,200,244	2,400,490	1,200,244	186,762	959,185	+ 427,821	+ 4,028,555
1975-1977 Biennium	<u>\$8,079,491</u>	<u>\$2,019,872</u>	<u>\$4,039,747</u>	<u>\$2,019,872</u>	<u>\$235,939</u>	<u>\$1,584,331</u>	<u>\$671,480</u>	<u>\$6,731,099</u>

E X H I B I T 3

REVENUE PROJECTIONS FOR HOUSE BILL 1191 BEYOND THE 1975-1977 BIENNIUM

(Assuming 12% of Gross Value)

<u>PERIOD</u>	(1) <u>PROJECTED STATE REVENUE FROM SEVERANCE TAX COLLECTIONS</u>	(2) <u>25% x (1)  25% OF TOTAL TO COUNTIES</u>	(3) <u>50% x (1)  50% OF TOTAL TO SPECIAL FUND</u>	(4) <u>25% x (1)  25% OF TOTAL TO STATE GENERAL FUND</u>	(5) <u>6% per Annum INTEREST FROM SPECIAL FUND TO STATE GENERAL FUND</u>	(6) <u>LOSS IN SALES TAX REVENUE</u>	(7) <u>(4) + (5) - (6)</u>  NET FISCAL EFFECT ON STATE GENERAL FUND	(8) <u>(1) + (5) - (6)</u>  NET FISCAL EFFECT ON TOTAL STATE REVENUE
FY-1978	\$ 5,399,084	\$1,349,771	\$2,699,542	\$1,349,771	\$279,056	\$1,278,653	+ \$ 350,174	+ \$4,399,487
FY-1979	6,065,716	1,516,429	3,032,858	1,516,429	446,662	1,379,842	+ 583,249	+ 5,132,536
FY-1980	8,039,073	2,009,768	4,019,537	2,009,768	559,940	2,256,627	+ 313,081	+ 6,342,386
FY-1981*	11,343,178	1,361,181	5,671,589	4,310,408	936,023	3,239,713	+ 2,006,718	+ 9,039,488

\* By fiscal year 1981, it has been assumed that all coal consuming electrical and gasification plants that have state approved water permits or are presently under construction will be coal consuming during that year. Also FY-1981 is the first year which is affected by the provision of House Bill 1191 which is "for each year after the first five years of operation of each mine, 12% of the revenues generated is to be allocated to the county in which the coal was severed, 50% to a special fund and the remaining to the state General Fund".



E X H I B I T 4

REVENUE PROJECTIONS FOR HOUSE BILL 1191 BEYOND THE 1975-1977 BIENNIUM

(Assuming 35 cents per ton)

<u>PERIOD</u>	(1) <u>PROJECTED STATE REVENUE FROM SEVERANCE TAX COLLECTIONS</u>	(2) <u>25% x (1)</u>  25% OF <u>TOTAL TO COUNTIES</u>	(3) <u>50% x (1)</u>  50% OF <u>TOTAL TO SPECIAL FUND</u>	(4) <u>25% x (1)</u>  25% OF <u>TOTAL TO STATE GENERAL FUND</u>	(5) <u>6% per Annum INTEREST FROM SPECIAL FUND TO STATE GENERAL FUND</u>	(6) <u>LOSS IN SALES TAX REVENUE</u>	(7) <u>(4) + (5) - (6)</u>  NET FISCAL EFFECT <u>ON STATE GENERAL FUND</u>	(8) <u>(1) + (5) - (6)</u>  NET FISCAL EFFECT <u>ON TOTAL STATE REVENUE</u>
FY-1978 .	\$5,584,159	\$1,396,040	\$2,792,079	\$1,396,079	\$307,606	\$1,278,653	+ \$ 424,993	+ \$4,613,112
FY-1979	5,916,947	1,479,236	2,958,475	1,479,236	476,918	1,379,842	+ 576,312	+ 5,014,023
FY-1980	7,396,623	1,849,155	3,698,313	1,849,155	679,180	2,256,627	+ 271,708	+ 5,819,176
FY-1981* .	9,846,509	1,181,581	4,923,254	3,741,674	704,527	3,239,713	+ 1,206,488	+ 7,311,323

\* By fiscal year 1981, it has been assumed that all coal consuming electrical and gasification plants that have state approved water permits or are presently under construction will be coal consuming during that year. Also FY-1981 is the first year which is affected by the provision of House Bill 1191 which is "for each year after the first five years of operation of each mine, 12% of the revenues generated is to be allocated to the county in which the coal was severed, 50% to a special fund and the remaining to the state General Fund".