

HOUSE BILL 351

IN THE HOUSE

January 24, 1979

Introduced and referred to  
Committee on Taxation.

1 House BILL NO. 351  
 2 INTRODUCED BY Dr. Aitria

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE COAL  
 5 SEVERANCE TAX FOR SURFACE-MINED COAL WITH A HEATING QUALITY  
 6 OF 7,000 OR MORE BTU'S FROM 30% TO 40%; AMENDING SECTION  
 7 15-35-103, MCA."

8  
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 15-35-103, MCA, is amended to read:  
 11 "15-35-103. Severance tax -- rates imposed --  
 12 exemptions. (1) A severance tax is imposed on each ton of  
 13 coal produced in the state in accordance with the following  
 14 schedule:

15 Heating quality	Surface	Underground
16 (Btu per pound	Mining	Mining
17 of coal):		
18 Under 7,000	12 cents or	5 cents or
19	20% of value	3% of value
20 7,000-8,000	22 cents or	8 cents or
21	<del>30%</del> 40% of value	4% of value
22 8,000-9,000	34 cents or	10 cents or
23	<del>30%</del> 40% of value	4% of value
24 Over 9,000	40 cents or	12 cents or
25	<del>30%</del> 40% of value	4% of value

1 "Value" means the contract sales price.  
 2 (2) The formula which yields the greater amount of tax  
 3 in a particular case shall be used at each point on this  
 4 schedule.  
 5 (3) A person is not liable for any severance tax upon  
 6 20,000 tons of the coal he produces in a calendar year."

-End-

-2- HB 351  
 INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 450-79

FISCAL NOTE

Form BD-15

In compliance with a written request received March 9, 19 79, there is hereby submitted a Fiscal Note for House Bill 351 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This proposed bill increases the coal severance tax for surface-mined coal with a heating quality of 7,000 or more BTU's from 30% to 40%.

ASSUMPTIONS

- 1) The Department of Revenue projections of coal severance tax revenues for FY 80 and FY 81 are correct.
- 2) The first quarter in FY 80 will be the 30% rate.
- 3) The revenues for each quarter thereafter will be the projected revenue multiplied by 1.33.
- 4) Coal tax collections are homogeneous. One quarter of the anticipated fiscal year collections will be collected each quarter.

FISCAL IMPACT

See Attached Sheet.

(Prepared by the Department of Revenue)

*Richard L. Franzen*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3/13/79

FISCAL IMPACT - (F.N. Reg. 450-79 for House Bill 351)

MILLIONS OF DOLLARS

	FY80			FY81		
	Current	Proposed	Change	Current	Proposed	Change
	Law	Law		Law	Law	
Coal Tax Trust	\$15.342	\$19.392	\$ 4.050	\$27.136	\$36.091	\$ 8.955
County of Origin	.552	.673	.121	0	0	0
Alternative Energy	.997	1.250	.253	1.357	1.805	.448
Local Impact	11.644	14.682	3.038	10.176	13.534	3.358
School Equalization	3.375	4.185	.810	2.714	3.610	.896
County Planning	.338	.419	.081	.271	.360	.089
Renewable Resources	.844	1.047	.203	.678	.902	.224
Sites & Areas	1.457	1.862	.405	1.357	1.805	.448
Coal Area Highways	1.197	1.197	0	0	0	0
General Fund	13.347	16.536	3.189	10.583	14.075	3.492
	<u>\$49.093</u>	<u>\$61.243</u>	<u>\$12.150</u>	<u>\$54.272</u>	<u>\$72.182</u>	<u>\$17.910</u>