

Senate Bill 206

In The Senate

January 20, 1981	Introduced and referred to Committee on Taxation.
	Fiscal note requested.
January 27, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Smith BILL NO. 206
Smith

INTRODUCED BY _____

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE UNDERGROUND MINING COAL SEVERANCE TAX RATE; AMENDING SECTION 15-35-103, MCA."

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

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

Heating quality (Btu per pound of coal):	Surface Mining <u>% of value</u>	Underground Mining 5-cents-or 3%-of-value 8-cents-or 4%-of-value
Under 7,000	12 cents or 20% of value	5-cents-or 3%-of-value
7,000-8,000	22 cents or 30% of value	8-cents-or 4%-of-value
8,000-9,000	34 cents or 30% of value	10-cents-or 4%-of-value
Over 9,000	40 cents or 30% of value	12-cents-or 4%-of-value

"Value" means the contract sales price.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

~~(2) A severance tax is imposed on each ton of coal produced from underground mining in the state. The tax rate for underground mining is equal to one-half of the percentage established in subsection (1).~~

~~(3) The formula which yields the greater amount of tax in a particular case shall be used at each point on this schedule.~~

~~(4) A person is not liable for any severance tax upon 20,000 tons of the coal he produces in a calendar year."~~

Section 2. Coordination instructions. If __ Bill No. __ [LC 267] is passed and approved, the surface-mining tax rates contained in __ Bill No. __ [LC 267] apply to this act and the underground-mining tax rate shall be one-half of the tax rate on surface mining contained in __ Bill No. __ [LC 267]. The code commissioner shall codify this act and __ Bill No. __ [LC 267] in accordance with this section, including deletion of the first column of 15-35-103(1) ("Heating quality").

-End-

-2- INTRODUCED BILL
SB 206

STATE OF MONTANA

REQUEST NO. 192-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 24, 19 81, there is hereby submitted a Fiscal Note for SENATE BILL 206 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.

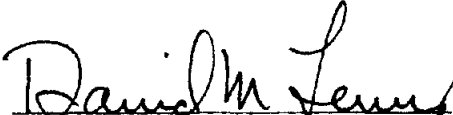
DESCRIPTION

An act to revise the underground mining coal severance tax rate.

FISCAL IMPACT

The proposed legislation should have no fiscal impact during the biennium because currently there are no operating underground coal mines in the state. If there is production from underground coal mines, severance tax revenues would increase from what would accrue under current law.

PREPARED BY THE DEPARTMENT OF REVENUE


Daniel M. Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-27-81
