

85 LSO 0607

HOUSE BILL 0317

AN ACT to amend W.S. 9-4-601(a) introductory paragraph and by creating a new subsection (c) and 39-6-303(b) relating to federal government royalties and coal impact taxes; providing one-half of mineral royalty revenues received after the first two hundred million dollars in any fiscal year shall be credited to the coal impact tax account; providing for a reduction in coal severance taxes for certain coal producers when royalty revenue received exceeds a specified amount; increasing the amount of coal impact taxes to be collected; and providing for an effective date.

By: Margaret Brown
George K. Salisbury Jr.

Jim Heringer

[illegible]

CONTINUED ON BACK

THE LEGISLATURE OF THE STATE OF WYOMING

House of Representatives

HB 0317 HSI/

Cheyenne, January 25,, 1985..

Mr. Speaker:

Your Committee No. 3 on REVENUE

to whom was referred House Bill No. 317

respectfully reports same back to the House with the recommendation that HB 317

DO PASS with the following amendment:

"HB 317A be substituted for HB 317 and that HB 317A DO PASS."

AYES

NOES

EXCUSED

Micheli
Birleffi
Burton
Dobos
Getter
Grant
Kunz
Thomas
Tippets
Weaver

Jensen

0

Ron Micheli

Chairman

DM

House of Intro
To Com. No. _____
Stand Report Do ___ Amd ___ Not ___
Com Whole Do ___ Amd ___ Not ___
2nd Reading Amd ___
3rd Reading Amd ___ Pass ___ Fail ___

Second House
To Com No. _____
Stand Report Do ___ Amd ___ Not ___
Com Whole Do ___ Amd ___ Not ___
2nd Reading Amd ___
3rd Reading Amd ___ Pass ___ Fail ___

INTRODUCED

1985

STATE OF WYOMING

85LSO-0607.01

HOUSE BILL NO. 0317

Coal impact tax.

Sponsored by: Representative(s) HARRISON

A BILL

for

1 AN ACT to amend W.S. 9-4-601(a) introductory paragraph and
2 by creating a new subsection (c) and 39-6-303(b) relating
3 to federal government royalties and coal impact taxes;
4 providing one-half of mineral royalty revenues received
5 after the first two hundred million dollars in any fiscal
6 year shall be credited to the coal impact tax account;
7 providing for a reduction in coal severance taxes for cer-
8 tain coal producers when royalty revenue received exceeds
9 a specified amount; increasing the amount of coal impact
10 taxes to be collected; and providing for an effective
11 date.

1 Be It Enacted by the Legislature of the State of Wyoming:

2 Section 1. W.S. 9-4-601(a) introductory paragraph
3 and by creating a new subsection (c) and 39-6-303(b) are
4 amended to read:

5 9-4-601. Distribution and use; funds, accounts, cit-
6 ies and towns benefitted; exception for bonus payments.

7 (a) All monies received by the state of Wyoming from
8 the secretary of the treasury of the United States under
9 the provisions of the act of congress of February 25, 1920
10 (41 Stat. 437, 450; 30 U.S.C. 181, 191), as amended,
11 except as provided by subsection (b) of this section,
12 shall be deposited in the trust and agency fund and THE
13 FIRST TWO HUNDRED MILLION DOLLARS (\$200,000,000.00) OF
14 REVENUES RECEIVED IN ANY FISCAL YEAR shall be distributed
15 by the state treasurer as follows:

16 (c) ANY REVENUE RECEIVED UNDER SUBSECTION (a) OF
17 THIS SECTION IN EXCESS OF TWO HUNDRED MILLION DOLLARS
18 (\$200,000,000.00) IN ANY FISCAL YEAR SHALL BE DISTRIBUTED
19 AS FOLLOWS:

20 (i) FIFTY PERCENT (50%) SHALL BE DISTRIBUTED
21 AS PROVIDED BY SUBSECTION (a) OF THIS SECTION;

1 (ii) FIFTY PERCENT (50%) SHALL BE CREDITED TO
2 THE ACCOUNT PROVIDED BY W.S. 39-6-305(d).

3 39-6-303. Severance tax on extraction or production
4 of coal; expiration of tax.

5 (b) The tax levied in SUBSECTION (a) OF this section
6 expires on January 1 following the year in which the cumu-
7 lative taxes collected pursuant to this section PLUS ANY
8 ALLOCATIONS UNDER W.S. 9-4-601(c) total ~~one~~ TWO hundred
9 ~~sixty~~ FIFTY million dollars ~~(\$160,000,000.00)~~
10 (\$250,000,000.00). IF, IN ANY FISCAL YEAR, ALLOCATIONS
11 UNDER W.S. 9-4-601(c) TO THE ACCOUNT PROVIDED BY W.S.
12 39-6-305(d) EXCEED TWELVE MILLION DOLLARS (\$12,000,000.00)
13 BUT ARE LESS THAN TWENTY-FOUR MILLION DOLLARS
14 (\$24,000,000.00), THE TAX PROVIDED BY SUBSECTION (a) OF
15 THIS SECTION SHALL BE ONE PERCENT (1%) FOR THE NEXT FISCAL
16 YEAR FOR ANY COAL PRODUCER WHICH PAYS MINERAL ROYALTIES ON
17 THE COAL PRODUCED TO THE FEDERAL GOVERNMENT. IF, IN ANY
18 FISCAL YEAR, ALLOCATIONS UNDER W.S. 9-4-601(c) TO THE
19 ACCOUNT PROVIDED BY W.S. 39-6-305(d) EXCEED TWENTY-FOUR
20 MILLION DOLLARS (\$24,000,000.00), NO TAX SHALL BE COL-
21 LECTED UNDER SUBSECTION (a) OF THIS SECTION FOR THE NEXT
22 FISCAL YEAR FOR ANY COAL PRODUCER WHICH PAYS MINERAL ROY-
23 ALTIES ON THE COAL PRODUCED TO THE FEDERAL GOVERNMENT.

FISCAL NOTE

<u>Anticipated REVENUE to:</u>	<u>Fiscal Year 1986</u>	<u>Fiscal Year 1987</u>
Coal Tax Revenue Account	\$4,516,666.00	\$12,716,668.00
TOTAL ESTIMATED REVENUE	\$4,516,666.00	\$12,716,668.00

<u>Anticipated COST to:</u>	<u>Fiscal Year 1986</u>	<u>Fiscal Year 1987</u>
See Discussion		
TOTAL ESTIMATED COST	\$4,516,666.00	\$12,716,668.00

1. Based on estimates of Federal Mineral Royalty payments, the revenue to the Coal Tax Revenue Account is indicated above. The following would be the funds and accounts sustaining a loss.

	FY 1986	FY 1987
Highway Fund	\$ 101,625	\$ 286,125
Foundation Program	1,558,250	4,387,250
Highway Fund	1,185,625	3,338,125
University of Wyoming	304,875	858,375
Cities and Towns	338,750	953,750
Capital Construction (Cities, Counties)	338,750	953,750
Capital Construction (School Districts)	392,950	1,106,350
Capital Construction (community Colleges)	194,217	546,817
State-County Roads	101,624	286,126
TOTALS	\$ 4,516,666	\$ 12,716,668

The bill also provides that the cumulative total of the Coal Tax Revenue Account be raised from \$160,000,000 to \$250,000,000. Based on the formula provided in the bill and estimated Federal Mineral Royalties, there would be no reduction in severance tax for fiscal year 1986. Based on "Wyoming Share of Federal Mineral Royalties", prepared by the Legislative Service Office and the provisions of the bill, \$8,130,000 would be lost to the Coal Impact Tax Account in fiscal year 1987.

2. No apparent personnel impact.

House of Intro				Second House			
To Com. No. _____				To Com No. _____			
_____	Stand Report	Do	Amd Not	_____	Stand Report	Do	Amd Not
_____	Com Whole	Do	Amd Not	_____	Com Whole	Do	Amd Not
_____	2nd Reading	Amd		_____	2nd Reading	Amd	
_____	3rd Reading	Amd	Pass Fail	_____	3rd Reading	Amd	Pass Fail

1985

STATE OF WYOMING

85LSO-0607/SUB
NOT ADOPTED

HOUSE BILL NO. 0317A

Coal impact tax.

Sponsored by: Representative(s) HARRISON

A BILL

for

1 AN ACT to amend W.S. 9-4-601(a) introductory paragraph and
 2 by creating a new subsection (c) relating to federal gov-
 3 ernment royalties; providing a different distribution of
 4 mineral royalty revenues received after the first two hun-
 5 dred million dollars in any fiscal year; and providing for
 6 an effective date.

7 Be It Enacted by the Legislature of the State of Wyoming:

8 Section 1. W.S. 9-4-601(a) introductory paragraph
 9 and by creating a new subsection (c) is amended to read:

10 9-4-601. Distribution and use; funds, accounts, cit-

1 ies and towns benefitted; exception for bonus payments.

2 (a) All monies received by the state of Wyoming from
3 the secretary of the treasury of the United States under
4 the provisions of the act of congress of February 25, 1920
5 (41 Stat. 437, 450; 30 U.S.C. 181, 191), as amended,
6 except as provided by subsection (b) of this section,
7 shall be deposited in the trust and agency fund and THE
8 FIRST TWO HUNDRED MILLION DOLLARS (\$200,000,000.00) OF
9 REVENUES RECEIVED IN ANY FISCAL YEAR shall be distributed
10 by the state treasurer as follows:

11 (c) ANY REVENUE RECEIVED UNDER SUBSECTION (a) OF
12 THIS SECTION IN EXCESS OF TWO HUNDRED MILLION DOLLARS
13 (\$200,000,000.00) IN ANY FISCAL YEAR SHALL BE DISTRIBUTED
14 AS FOLLOWS:

15 (i) FIFTY PERCENT (50%) SHALL BE DISTRIBUTED
16 TO THE ACCOUNT PROVIDED BY PARAGRAPH (b)(ii) OF THIS SEC-
17 TION;

18 (ii) FIFTY PERCENT (50%) BUT NOT TO EXCEED
19 TWENTY-FIVE MILLION DOLLARS (\$25,000,000.00) PER YEAR
20 SHALL BE CREDITED TO THE ACCOUNT PROVIDED BY W.S.
21 39-6-305(d) AND THE EXCESS, IF ANY, SHALL BE DISTRIBUTED
22 AS PROVIDED BY PARAGRAPH (b)(ii) OF THIS SECTION.

1 Section 2. This act is effective July 1, 1985 for
2 federal mineral royalties received on and after July 1,
3 1985.

4 (END)