

FISCAL NOTE

	FY 2023	FY 2024	FY 2025
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
GENERAL FUND	(\$3,200,000)	(\$2,900,000)	(\$2,750,000)
BUDGET RESERVE ACCOUNT	(\$6,400,000)	(\$5,800,000)	(\$5,500,000)

Source of revenue (decrease):

Reduction of the severance tax rate for surface coal from 7% to 6.5%;

Assumptions:

The above estimate is based on the severance taxes on surface coal projected in the January 2022 Consensus Revenue Estimating Group (CREG) forecast.

This severance tax rate reduction would reduce the severance tax distributions over the \$155 million cap.

This bill would apply to surface coal produced on or after the effective date of the bill, July 1, 2022. Therefore, this rate reduction would impact severance tax distributions beginning in FY 2023.