

FISCAL NOTE

	FY 2019	FY 2020	FY 2021
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
GENERAL FUND	\$0	\$0	(\$1,730,000)
BUDGET RESERVE ACCOUNT	\$0	\$0	(\$3,459,000)

Source of revenue (decrease):

Reduction in severance tax rate from 6% to 3% on qualifying oil and gas production from wells where production is first reported on or after July 1, 2018

This severance tax rate reduction would apply to production from the well for the period beginning with the first day of the 25th month following the date production is first reported and ending on the last day of the 48th month following the date production is first reported.

This severance tax rate reduction would not apply if the production qualifies for the 2% stripper rate exemption under W.S. 39-14-205(a).

This severance tax rate reduction would not apply to any portion of the 1.5% severance tax distributed to the Permanent Wyoming Mineral Trust Fund as required by Article 15, Section 19 of the Wyoming Constitution.

Assumptions:

The above estimate assumes that the amount of new well production after the effective date is identical to production levels that took place during the 2012-2014 timeline. This period was used to track the most current volumes matching the 25th-48th month timeframe for which data is available.

The above estimate is based on the production volumes and assessment ratios projected in the January 2018 CREG forecast.

The above estimate is based on oil and gas volumes from the Wyoming Oil & Gas Conservation Commission.

Please note the estimate presented in the table above reflects the revenue decrease in severance taxes based on the assumptions described above. It does not include the potential revenue increase in severance taxes or ad valorem taxes that would be collected on production from new wells drilled as a result of the exemption. The number of new wells that would be drilled as a result of this exemption and the related production cannot be determined at this time.

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