

FISCAL NOTE

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
GENERAL FUND	(\$100,000)	(\$200,000)	(\$200,000)
BUDGET RESERVE ACCOUNT	(\$200,000)	(\$400,000)	(\$400,000)

Source of revenue (decrease):

Severance tax exemption on all uranium production occurring after December 31, 2019 and before January 1, 2034

Assumptions:

This bill would provide a severance tax exemption on all uranium production occurring during calendar years 2020 through 2033.

This bill also provides for the imposition of a conditional severance tax on uranium production, relative to the average spot market price of uranium.

If the spot market price of non-enriched uranium exceeds \$30.00 per pound for 6 consecutive months based on the average of the NUEXCO Exchange Value, the NUKEM price range and the UX U308 spot price, the uranium severance tax would be imposed based on the spot market prices and severance tax rates presented below.

Uranium Spot Market Price	Severance Tax Rate Applied
Less than \$30.00	0%
\$30.00 to \$36.67	1%
\$36.68 to \$43.34	2%
\$43.35 to \$50.00	3%
\$50.01 or more	4%

The revenue decreases presented above are based on the following assumptions:

- It is assumed that the average spot market price of uranium would be less than \$30.00 per pound from January 2020 through June 30, 2022. Therefore, uranium production during this period would be exempt from severance tax.
- This exemption would be in effect for 6 months (one-half) of FY 2020.
- The revenue decreases shown above are based on the uranium severance tax revenues projected in the October 2018 Consensus Revenue Estimating Group (CREG) forecast.

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