

**FISCAL NOTE**

	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase/(decrease)			
SCHOOL FOUNDATION FUND	\$45,000,000	\$45,000,000	\$45,000,000
GENERAL FUND	(\$15,000,000)	(\$15,000,000)	(\$15,000,000)
BUDGET RESERVE ACCOUNT	(\$30,000,000)	(\$30,000,000)	(\$30,000,000)

Source of revenue increase(decrease):

This bill increases the severance tax distribution cap in W.S. 39-14-801(d) by \$45.0 million (from \$155.0 million to \$200.0 million) and creates a new severance tax distribution under the proposed \$200.0 million cap to the School Foundation Program account (SFP). The proposed severance tax distribution to the SFP under the proposed \$200.0 million cap is 22.5 percent, which would create a severance tax distribution to the SFP of \$45.0 million per fiscal year (reflected in the table above), beginning in FY 2023. This bill also reduces the severance tax distribution percentages under the severance tax distribution cap to all other recipients and accounts by a combined 22.5 percent, resulting in a zero net change in the severance tax distributions to those recipients and accounts.

The \$45.0 million increase in the severance tax distribution cap will result in a corresponding \$45.0 million decrease of severance tax distributions over the severance tax distribution cap. This decrease in the severance tax distributions over the severance tax distribution cap will decrease severance tax distributions to the General Fund and Budget Reserve Account by \$15.0 million per year and \$30.0 million per year, respectively, beginning in FY 2023. These revenue decreases are also reflected in the table above.

Assumptions:

The above estimates are based on the severance tax projections contained in the January 2022 Consensus Revenue Estimating Group (CREG) forecast.

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