

FISCAL NOTE

	FY 2021	FY 2022	FY 2023
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
GENERAL FUND	(\$19,000)	(\$37,000)	(\$37,000)
BUDGET RESERVE ACCOUNT	(\$37,000)	(\$75,000)	(\$75,000)

Source of revenue (decrease):

Imposition of conditional uranium severance taxes on all uranium production occurring after December 31, 2020 and before January 1, 2035;

Assumptions:

This bill would provide for the imposition of a conditional severance tax on uranium production occurring during calendar years 2021 through 2034, 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 2021 through June 30, 2023. Therefore, the severance tax rate on uranium production during this period would be 0%.
- This 0% severance tax rate would be in effect for 6 months (one-half) of FY 2021.
- The revenue decreases shown above are based on the uranium severance tax revenues projected in the January 2020 Consensus Revenue Estimating Group (CREG) forecast.