

FISCAL NOTE

	FY 2026	FY 2027	FY 2028
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
GENERAL FUND	(\$3,200,000)	(\$2,900,000)	(\$2,600,000)
BUDGET RESERVE ACCOUNT	(\$6,400,000)	(\$5,800,000)	(\$5,200,000)

Source of revenue (decrease):

This bill decreases the severance tax rate on surface coal from 6.5 percent to 6.0 percent.

Assumptions:

The above estimate is based on the severance taxes on surface coal projected in the October 2024 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, 2025. Therefore, this rate reduction would impact severance tax distributions beginning in FY 2026.

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