

**FISCAL NOTE**

	FY 2026	FY 2027	FY 2028
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue (decrease)			
GENERAL FUND	(\$0)	(\$700,000)	(\$1,500,000)
BUDGET RESERVE ACCOUNT	(\$0)	(\$1,400,000)	(\$3,000,000)

Source of revenue (decrease):

Crude oil and natural gas produced by means of enhanced oil and gas recovery, as defined in the bill, would be exempt from 3 percent of the total 6 percent severance tax. To qualify for the exemption, the crude oil and natural gas shall be produced by means of enhanced oil and gas recovery from projects using carbon capture, utilization and storage (CCUS) technology. The carbon dioxide captured and used in the enhanced oil and gas recovery to produce crude oil and natural gas shall be from a carbon dioxide source originating within Wyoming.

Assumptions:

The Enhanced Oil Recovery Institute (EORI) estimates 1,801,837 barrels of incremental oil produced in FY 2026 and 2,501,304 barrels of incremental oil produced in FY 2027 would qualify for the proposed exemption. The revenue decrease in the table above is based oil projections in the October 2024 Consensus Revenue Estimating Group (CREG) forecast.

The fiscal impact described above does not include the potential revenue increase in severance taxes and ad valorem taxes on potential increased production that would not otherwise take place without the proposed exemption. The potential increased production resulting from the proposed exemption cannot be determined at this time.

**NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED**

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Revenue

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