

FISCAL NOTE

The fiscal impact in the form of revenue decreases is indeterminable.

Source of revenue decrease:

Lowering the severance tax rate 2% for natural gas sold to an Industrial Sovereign Zone will reduce revenue for those specific volumes of natural gas. The amount of the reduction is unknown because it is unknown how many Industrial Sovereign Zones there will be or the volume that will be consumed at each one. There is also a question as to whether the exemption applies only to natural gas that is used for fuel or if it includes feedstock natural gas as well.

This legislation generally exempts from sales and use tax the purchase or lease of machinery to be used in Industrial Sovereign Zones. Since the number of zones is unknown, the fiscal impact in the form of reduced sales and use tax is indeterminable.

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
Energy Authority
Dept. of Environmental Quality

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