

State Revenue

Exempting CMM gas from the state's severance tax will potentially result in a loss of revenue to the state as this gas would have been taxed under current law to the degree that it is produced. To date, CMM gas has not provided any severance tax revenue. Thus, the future revenue loss has not been quantified.

State Expenditures

Department of Regulatory Agencies, Public Utilities Commission. Adding captured methane gas to the list of new energy technologies and eligible energy resources will require a minor conforming rulemaking procedure by the PUC. Costs associated with this procedure are minimal and can be absorbed within existing appropriations.

Local Government Impact

Exempting CMM gas from the state's severance tax will potentially result in a loss of revenue to the state, as this gas would have been taxed under current law. Because a portion of severance tax revenue is distributed to local governments in the form of grants and direct distributions, local governments will potentially see a revenue reduction. However, local governments could see a potential increase in property tax revenue from captured CMM gas.

Departments Contacted

Regulatory Agencies