

**FISCAL NOTE**  
Requested by Legislative Council  
12/15/2010

Bill/Resolution No.: HB 1046

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1046 imposes a new tax on potash and byproducts associated with potash production.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 2 of HB 1046 exempts the sale of potash and byproducts from sales tax when the potash or byproducts are subject to the new production taxes imposed in this bill.

Section 3 of HB 1046 imposes a 4% tax on potash and byproducts. The provisions of the bill distribute 80% of any revenue in a manner that reduces individual income tax rates, and 20% among the producing county (ies).

The fiscal impact of this bill cannot be determined as it is not known if or when taxable potash production will occur or how many tons may be produced. Potential tax collections will depend on the timing of potash production (in the 2011-13 biennium or beyond), the amount of production, value of byproducts that are sold, and the value of potash at the time production occurs. All of these are currently unknown.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a*

*continuing appropriation.*

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