

Oil and Gas Taxes Distribution Formula Changes

Gross Production Tax

	Increments	State			Counties					Maximum County		
		General Fund	Oil & Gas Impact Grant Fund	Legacy Fund	Total County %	Cities	School Districts	Road and Bridge Fund	General Fund	County Population 3,000 to 6,000		
1957 Session	First 1/5: Remaining 4/5: 1st \$200,000 2nd \$200,000 3rd \$400,000.....	100%			75% 50% 25%	} 15%	} 45%	} 40%				
1981 Session	First 1/5: Remaining 4/5: 1st \$ Million 2nd \$ Million..... Over \$2 Million.....	100% ⁽¹⁾			75% 50% 25%				} 20%	} 35%	} 45%	FY-1982
1983 Session											\$3.2 M
1989 Session	First 1/5: Remaining 4/5: 1st \$ Million 2nd \$ Million..... 3rd \$ Million..... Over \$3 Million.....	66 2/3%	33 1/3%		100% 75% 50% 25%	} 20%	} 35%	} 45%	FY-1983			
2007 Session											\$3.8 M
2009 Session	First 1/5: Remaining 4/5: 1st \$2 Million \$2 - \$3 Million..... \$3 - \$4 Million..... \$4 - \$18 Million..... Over \$18 Million.....	(2)	(3)		100% 75% 50% 25% 10%	} 20%	} 35%	} 45%	\$3.9 M	\$4.1 M	\$4.6 M	
2011 Session			30% ⁽⁴⁾								

- (1) For the 1981-83 biennium only, the legislature provided that up to \$32 million of the 1/5 State General Fund share be distributed to the Highway Tax Distribution Fund and to township road and bridge funds.
- (2) Each city in an oil-producing county which has a population of 7,500 or more and more than 2% of its private covered employment engaged in the mining industry is allocated \$500 thousand per fiscal year; the allocation is doubled if the covered employment is more than 7.5%.
- (3) The total amount dedicated to the Oil and Gas Impact Grant Fund was increased to \$8 million during the 2009 session and to \$100 million in the 2011 session.
- (4) The Legacy Fund was established as a Constitutional amendment and requires 30% of all revenue to be deposited into this fund.

Oil Extraction Tax

	State General Fund	Legacy Fund	Education Funds	Water Pipeline & Trust Fund
1980 Measure #6	45%		45%	10%
1981 Session	30%		60%	10%
1983 Session	90%		10%	
1995 Session:				
FY 1996 and 1997	60%		20%	20%
After FY 1997	70%		20%	10%
1997 Session:				
After FY 1997	60% ⁽¹⁾		20%	20%
2011 Session				
After FY 2011	30%	30% ⁽²⁾	20%	20%

- (1) Total oil collections to the State General Fund are capped at \$71 million per biennium. All revenue in excess of \$71 million is transferred at the end of each biennium to the Permanent Oil Trust Fund.
- (2) The Legacy Fund was established as a Constitutional amendment and requires 30% of all revenue to be deposited into this fund.