Coal Production Tax
Comparison of Montana and Wyoming

State	Coal Severence Tax	Coal Ad Valorem Tax	Misc Coal Taxes	Total Coal Tax Burden
Montana	15% of contract sales price for high energy coal (7,000 btu/lb or greater) 10% of contract sales price for low energy coal (less than 7,000 btu/lb) (surface mine)	5% of contract sales price	Resource indemnity trust and groundwater assessment tax 0.4% of gross value of product (contract sales price times tonnage produced)	Approximately 14% of FOB mine mouth gross revenues Approximately 20.2% of contract sales price
Wyoming	7% of taxable value (surface mine)	Coal gross proceeds tax is levied on a local basis. Mill levies average 60 to 65 mills. Tax is calculated as taxable value times mill levy divided by 1,000. Tax is about 6% of taxable value.	Coal transportation tax 1 mill per ton (earmarked to permanent minerals trust fund)	Approximately 9.3% of FOB mine mouth gross revenues Approximately 13.1% of taxable value

Montana "contract sales price" is similar to Wyoming "taxable value" - annual tons sold times price per ton less production taxes less royalties.

Montana "contract sales price" is about 70% of Montana FOB mine mouth gross revenues.

Wyoming "taxable value" is about 70% of Wyoming FOB mine mouth gross revenues.

In Montana the first 20,000 tons is exempt from the severnance tax. Mines that produce less than 50,000 tons per year are exempt from the severance tax.

The mines in Montana all produce high energy coal (greater than 7,000 btu/lb,) except the mine in Richland County which produces low energy coal.

The only underground coal mine in Montana is in Musselshell County. Severance tax rates for underground mines are 4% (high energy coal) and 3% (low energy coal).

Wyoming's only underground coal mine has not operated since 1999. Wyoming's coal severance tax rate for underground mines is 3.75%.

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Misc federal taxes in WY (MT similar)

'Black lung excise tax (federal) 4.4% of sales price up to $0.55 per ton
Abandoned Mine Lands Fee (federal) 10 % of sales price up to $0.35 per ton

SENATE TAXATION
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