



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill # SB0105

Title: Tax break for equipment to sequester carbon dioxide

Primary Sponsor: Lind, Greg

Status: As Amended in Senate Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

This bill places equipment specifically required for carbon dioxide sequestration in class 5 (3%) and make such property exempt from taxation for three years after it becomes operational. This bill has no fiscal impact as no such property currently is taxed.

FISCAL ANALYSIS

Assumptions:

1. Section one of this bill exempts carbon dioxide sequestration equipment from taxation for the first three years after it becomes operational.
2. Section two of this bill amends 15-6-135, MCA, (class 5 property) to include carbon dioxide sequestration equipment. Carbon dioxide sequestration equipment is specifically defined. The Department is instructed to adopt rules for classification of carbon dioxide sequestration equipment based upon rules adopted by the board of environmental review under [section 2 of SB 218], as well as administrative rules.
3. Section four states that if SB 218 is not passed and approved, this act is void.
4. This bill is effective October 1, 2007, and will apply to tax years beginning after December 31, 2007.

Long-Range Impacts:

1. Three years after becoming operational, carbon sequestration property will be taxed as class 5 property. This will have a positive impact on local government and school and statewide revenues.

Sponsor's Initials

Date

Budget Director's Initials

Date