EXHIBIT 8
DATE 2-13-09
HB 388

**Educator Per ANB**
**Montana Taxpayers Association Analysis**
**House Education Committee**
**February 13, 2009**

| Elementary Schools | Educators | ANB | Per-Educ Pmt |
|---|---|---|---|
| Three Forks | 27.78 | 410 | $ 66,116 |
| Colstrip | 49.25 | 411 | $ 117,215 |
| | | | |
| Browning | 138.24 | 1,310 | $ 329,011 |
| Helgate | 87.50 | 1,316 | $ 208,250 |
| | | | |
| **High Schools** | | | |
| Power | 6.88 | 60 | $ 16,374 |
| North Star | 11.92 | 71 | $ 28,370 |
| | | | |
| Dillon | 27.00 | 381 | $ 64,260 |
| Glendive | 36.31 | 414 | $ 86,418 |

**15-36-332. Distribution of taxes to taxing units appropriation.** (1) (a) By the dates referred to in subsection (6), the department shall distribute oil and natural gas production taxes allocated under 15-36-331(3) to each eligible county.

(b) By the dates referred to in subsection (6), the department shall distribute the amount deposited in the oil, gas, and coal natural resource account under 15-36-331(2)(b) as provided in subsection (8).

(2) (a) Each county treasurer shall distribute the amount of oil and natural gas production taxes designated under subsection (1)(a), including the amounts referred to in subsection (2)(b), to the countywide elementary and high school retirement funds, countywide transportation funds, and eligible school districts according to the following schedule:

| | Elementary Retirement | High School Retirement | Countywide Transportation | School Districts |
|---|---|---|---|---|
| Big Horn | 14.81% | 10.36% | 2.99% | 26.99% |
| Blame | 5.86% | 2.31% | 2.71% | 24.73% |
| Carbon | 3.6% | 6.62% | 1.31% | 49.18% |
| Chouteau | 8.1% | 4.32% | 3.11% | 23.79% |
| Custer | 6.9% | 3.4% | 1.19% | 31.25% |
| Daniels | 0 | 7.77% | 3.92% | 48.48% |
| Dawson | 5.53% | 2.5% | 1.11% | 35.6% |
| Fallon | 0 | 7.63% | 1.24% | 42.58% |
| Fergus | 7.88% | 4.84% | 2.08% | 53.25% |
| Garfield | 4.04% | 3.13% | 5.29% | 26.19% |
| Glacier | 11.2% | 4.87% | 3.01% | 46.11% |
| GoldenValley | 0 | 11.52% | 2.77% | 54.65% |
| Hill | 6.7% | 4.07% | 1.59% | 49.87% |
| Liberty | 4.9% | 4.56% | 1.15% | 35.22% |
| McCone | 4.18% | 3.19% | 2.58% | 43.21% |
| Musselshell | 5.98% | 4.07% | 3.53% | 32.17% |
| Petroleum | 0 | 11.92% | 4.59% | 55.48% |
| Phillips | 0.43% | 6.6% | 1.08% | 41.29% |
| Pondera | 6.96% | 5.06% | 1.94% | 45.17% |
| Powder River | 3.96% | 2.97% | 4.57% | 22.25% |
| Prairie | 0 | 8.88% | 1.63% | 36.9% |
| Richland | 4.1% | 3.92% | 2.26% | 43.77% |
| Roosevelt | 9.93% | 7.37% | 2.74% | 40.94% |
| Rosebud | 3.87% | 2.24% | 1.05% | 72.97% |
| Sheridan | 0 | 3.39% | 2.22% | 47.63% |
| Stillwater | 6.87% | 4.86% | 1.63% | 41.16% |
| Sweet Grass | 6.12% | 6.5% | 2.4% | 37.22% |
| Teton | 6.88% | 8.19% | 3.8% | 29.43% |
| Toole | 2.78% | 4.78% | 1.3% | 43.56% |
| Valley | 2.26% | 12.61% | 4.63% | 41.11% |
| Wibaux | 0 | 4.1% | 0.77% | 31.46% |
| Yellowstone | 7.98% | 4.56% | 1.07% | 52.77% |
| All other counties | 3.81% | 7.84% | 1.81% | 41.04% |

(b) (i) The county treasurer shall distribute 9.8% of the Custer County share to the countywide community college district in Custer County.

(ii) The county treasurer shall distribute 14.5% of the Dawson County share to the countywide community college district in Dawson County.

(3) The remaining oil and natural gas production taxes for each county must be used for the exclusive use and benefit of the county, including districts within the county established by the county.

## Distribution of Oil and Natural Gas Production Tax Revenue Collections

| Fund | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 | Six-Year Tot |
|---|---|---|---|---|---|---|---|
| General Fund | $29,086,038 | $41,323,718 | $62,625,939 | $91,134,255 | $95,092,500 | $146,825,454 | $466,087,9 |
| Public Schools | 40.91% = $11,899,098 | 40.10% = $16,570,811 | 37.62% = $23,559,878 | 34.10% = $31,076,781 | 36.78% = $34,975,022 | 33.13% = $48,643,273 | $166,724,8 |
| Higher Education | 10.57% = $3,074,394 | 11.00% = $4,545,609 | 10.14% = $6,350,270 | 9.84% = $8,967,611 | 9.16% = $8,710,473 | 8.59% = $12,612,306 | $44,260,6 |
| Corrections | 7.51% = $2,184,361 | 8.17% = $3,376,148 | 8.18% = $5,122,802 | 8.35% = $7,609,710 | 8.09% = $7,692,983 | 7.61% = $11,173,417 | $37,159,4 |
| Public Health | 20.03% = $5,825,933 | 19.65% = $8,120,111 | 20.50% = $12,838,317 | 19.80% = $18,044,582 | 18.75% = $17,829,844 | 17.25% = $25,327,391 | $87,986,1 |
| Remaining | 20.98% = $6,102,251 | 21.08% = $8,711,040 | 23.56% = $14,754,671 | 27.91% = $25,435,571 | 27.22% = $25,884,179 | 33.42% = $49,069,067 | $129,956,7 |
| University Millage | - | 1,213,786 | 1,833,675 | 2,688,278 | 2,780,399 | 4,362,257 | $12,878,3 |
| Coal Bed Methane | 400,000 | 563,380 | 851,102 | 1,247,767 | 1,290,366 | 2,024,746 | $6,377,3 |
| Oil & Gas Cons. Div. | 1,408,495 | 1,905,579 | 4,355,068 | 4,737,844 | 2,911,487 | 3,370,798 | $18,689,2 |
| Reclamation & Devel. | - | 1,352,004 | 2,041,260 | 2,992,611 | 3,095,162 | - | $9,481,0 |
| Natural Resource Proj. | | | | | | 2,391,536 | $2,391,5 |
| Natural Resource Op. | | | | | | 2,382,410 | $2,382,4 |
| Orphan Share | - | 1,352,004 | 2,041,260 | 2,992,611 | 3,095,162 | 4,921,820 | $14,402,8 |
| Resource Indemnity Tax Trust | - | 1,614 | - | - | - | - | |
| Mineral / Surface Split Estates | | | | | | | |
| Study | - | - | - | 50,000 | - | - | |
| **Total State Share** | **$30,894,533** | **$47,712,085** | **$73,748,304** | **$105,843,365** | **$108,265,076** | **$166,279,021** | $532,742,3 |
| Local Share | $42,494,843 | $44,963,964 | $64,006,027 | $94,328,263 | $96,781,365 | $148,730,151 | $491,304,6 |
| Oil, Gas, & Coal Nat. Resource | - | - | - | 2,080,904 | 3,657,258 | 6,133,726 | $11,871,8 |
| **Total Local Share** | **42,494,843** | **44,963,964** | **64,006,027** | **96,409,168** | **100,438,623** | **154,863,877** | $503,176,5 |
| **Total State and Local** | **$73,389,376** | **$92,676,049** | **$137,754,331** | **$202,252,533** | **$208,703,699** | **$321,142,898** | $1,035,918,8 |

61st legislature/oil&gas collections

**Montana Production Taxes - Oil**

**Comparison of Increase Due to Surtax of $1.00 per barrel sold**

**Incentive**

| | Barrels Sold | Price Per BBL | Gross Revenue | Royalty Burden | Taxable WI Revenue | Incentive Tax Rate 0.076% | $1.00/bbl Surcharge | Total Tax | Total Tax | Tax Increase |
|---|---|---|---|---|---|---|---|---|---|---|
| Quarterly Basis | 1000 | 27.00 | 27,000.00 | 4,455.00 | 22,545.00 | 171.34 | 1,000.00 | 1,171.34 | 5.20% | 4.44% |
| | 1000 | 50.00 | 50,000.00 | 8,250.00 | 41,750.00 | 317.30 | 1,000.00 | 1,317.30 | 3.16% | 2.40% |
| | 1000 | 60.00 | 60,000.00 | 9,900.00 | 50,100.00 | 380.76 | 1,000.00 | 1,380.76 | 2.76% | 2.00% |

**Stripper Bonus**

| | Barrels Sold | Price Per BBL | Gross Revenue | Royalty Burden | Taxable WI Revenue | Pre-99' Tax Rate 6.26% | $1.00/bbl Surcharge | Total Tax | Total Tax | Tax Increase |
|---|---|---|---|---|---|---|---|---|---|---|
| Quarterly Basis | 180 | 27.00 | 4,860.00 | 801.90 | 4,058.10 | 254.04 | 180.00 | 434.04 | 10.70% | 4.44% |
| | 180 | 50.00 | 9,000.00 | 1,485.00 | 7,515.00 | 470.44 | 180.00 | 650.44 | 8.66% | 2.40% |
| | 180 | 60.00 | 10,800.00 | 1,782.00 | 9,018.00 | 564.53 | 180.00 | 744.53 | 8.26% | 2.00% |

**Montana Production Taxes - Oil**

**Comparison of Increase Due to Surtax of $1.00 per barrel sold**

**Pre-99**

| | Barrels Sold | Price Per BBL | Gross Revenue | Royalty Burden | Taxable WI Revenue | Pre-99' Tax Rate 12.76% | $1.00/bbl Surcharge | Total Tax | Total Tax | Tax Increase |
|---|---|---|---|---|---|---|---|---|---|---|
| Quarterly Basis | 1000 | 27.00 | 27,000.00 | 4,455.00 | 22,545.00 | 2,876.74 | 1,000.00 | 3,876.74 | 17.20% | 4.44% |
| | 1000 | 50.00 | 50,000.00 | 8,250.00 | 41,750.00 | 5,327.30 | 1,000.00 | 6,327.30 | 15.16% | 2.40% |
| | 1000 | 60.00 | 60,000.00 | 9,900.00 | 50,100.00 | 6,392.76 | 1,000.00 | 7,392.76 | 14.76% | 2.00% |

**Post-99'**

| | Barrels Sold | Price Per BBL | Gross Revenue | Royalty Burden | Taxable WI Revenue | Post-99' Tax Rate 9.26% | $1.00/bbl Surcharge | Total Tax | Total Tax | Tax Increase |
|---|---|---|---|---|---|---|---|---|---|---|
| Quarterly Basis | 1000 | 27.00 | 27,000.00 | 4,455.00 | 22,545.00 | 2,087.67 | 1,000.00 | 3,087.67 | 13.70% | 4.44% |
| | 1000 | 50.00 | 50,000.00 | 8,250.00 | 41,750.00 | 3,866.05 | 1,000.00 | 4,866.05 | 11.66% | 2.40% |
| | 1000 | 60.00 | 60,000.00 | 9,900.00 | 50,100.00 | 4,639.26 | 1,000.00 | 5,639.26 | 11.26% | 2.00% |