

Electrical Energy Tax

Revenue Description

The electrical energy license tax is imposed on each person or organization engaged in generating, manufacturing, or producing electrical energy in Montana. This tax is in addition to the wholesale energy transaction tax.

Statutory Reference

Tax Rate – [15-51-101, MCA](#)

Tax Distribution – [17-2-124\(2\), MCA](#); [15-51-103, MCA](#)

Date Due – Thirty days after the end of the calendar quarter ([15-51-101, MCA](#); [15-51-102, MCA](#))

Applicable Tax Rates

A tax of \$0.0002 per kilowatt-hour is levied against all electrical energy produced within the state. A deduction is allowed for energy use by the plant for the production of the energy.

Collection Frequency: Quarterly

Distribution: All proceeds are deposited into the general fund.

Comparison of Legislative and Executive Forecasts

The difference between the legislative and executive forecasts is primarily due to differences in modeling.

Electrical Energy Tax (\$ Millions)				
	FY 2015	FY 2016	FY 2017	Total
Executive Forecast	\$4.420	\$4.430	\$4.460	\$13.310
Legislative Forecast	4.721	4.708	4.696	14.125
Difference	(\$0.301)	(\$0.278)	(\$0.236)	(\$0.815)
% Difference	-6.4%	-5.9%	-5.0%	-5.8%

Forecast Risks

- Generation variability

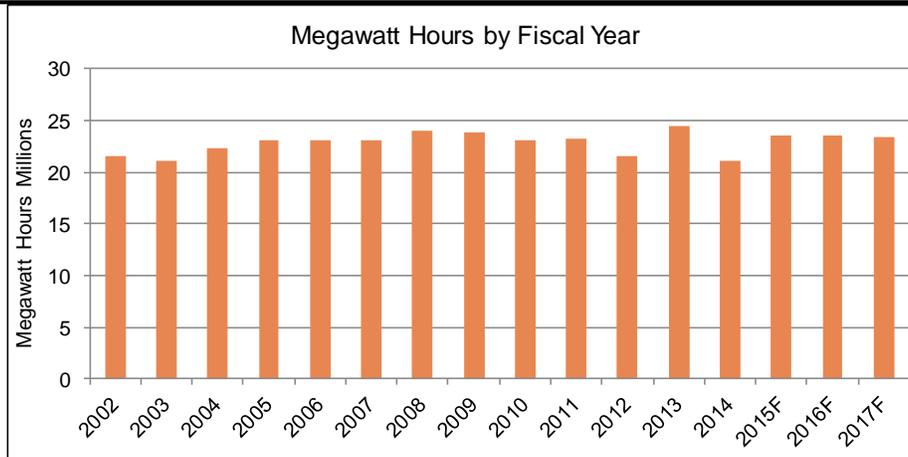
Revenue Estimate Methodology

Data

Data from quarterly reports produced by DOR provide a history of kilowatt hours produced for each individual company.

Analysis

Historic data of kilowatt hours are used to trend forecast future kilowatt hours by year. Taxable kilowatt hours are then multiplied by the tax rate to produce total revenue from this source.



Revenue Estimate Assumptions

FY	Total Tax \$ Millions	GF Tax \$ Millions	KWH Millions
A 2002	\$4.197	\$4.197	21,642
A 2003	4.130	4.130	21,069
A 2004	4.661	4.661	22,310
A 2005	4.074	4.074	23,065
A 2006	4.645	4.645	23,156
A 2007	4.564	4.564	23,159
A 2008	5.179	5.179	24,081
A 2009	4.825	4.825	23,872
A 2010	4.713	4.713	23,079
A 2011	4.332	4.332	23,222
A 2012	4.481	4.481	21,624
A 2013	5.067	5.067	24,519
A 2014	4.280	4.280	21,139
F 2015	4.721	4.721	23,606
F 2016	4.708	4.708	23,541
F 2017	4.696	4.696	23,480

Revenue Projection

