



Revenue Interim Committee

67th Montana Legislature

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TO: Revenue Interim Committee

FROM: Megan Moore, Committee staff

DATE: April 14, 2022

RE: Next Steps for HJ 6 Coal Severance Tax Trust Fund Study

The Revenue Interim Committee gathered the following information as outlined in House Joint Resolution 6 for the study of the coal severance tax trust fund:

- the [uses of the coal severance tax](#) and the coal severance tax trust fund;
- market and [export opportunities](#) for coal;
- [long-term interest rates](#) and future investment strategies;
- coal extraction and coal severance tax trust fund forecasts;¹
- a projection of [state infrastructure costs](#); and
- a [review](#) and [analysis](#) of potential severance or production taxes to assist in protecting the trust fund.

The committee may wish to address the following specific directions listed in HJ 6 when contemplating findings or recommendations and statutory changes:

1. Determine if the coal severance tax trust fund can be used to pay for state infrastructure costs.
2. Determine whether severance or production taxes should be used to protect the coal severance tax trust fund.
3. Assess whether the Legislature should revisit the current allocations and uses of the coal severance tax trust fund.

¹ See Sam Schaefer, "[Coal Severance Tax Forecasting](#);" Chris Watson, "[Montana Coal Revenue](#);" and Patrick Barkey, "[The Outlook for Montana Coal](#)."