



The chart above shows historical general fund oil and natural gas collections dating back to FY 2009 as well as future revenue projections. The oil and natural gas tax is imposed on the production of oil and natural gas in the state. The information in this Chart of the Week is from the [Legislative Fiscal Division's 2019 Biennium Outlook](#).

Oil Prices

Oil prices are currently near \$50 per barrel are projected to increase to approximately \$70 per barrel by 2019. However, production in Montana is expected to continue to decline, as there are currently no drilling rigs in the state. The gradual increase in price coupled with a continued decline in production yields a revenue forecast that is relatively flat through the coming years.

Taxable Value

The gross taxable value of oil and natural gas is based on the type and age of the well and the type of production. Since oil and natural gas are taxed on their value the recent drop in commodity prices has, and will continue to directly impact the revenues from this source.