

Oil and gas production severance tax rates and distribution to local government

| State | Natural gas (million cubic ft) | Severance tax rate | Crude oil (thousand barrels) | Severance tax rate | Distribution to locals |
|---------------|-----------------------------------|-----------------------|---------------------------------|-----------------------|--|
| Alabama | 195,581 | 2% | 8,374 | 2% | N/A |
| Alaska | 356,225 | 25% | 204,829 | 25% | Constitution does not allow dedicated funds other than the permanent fund for oil and gas. |
| Arizona | 168 | 3.125% | 37 | 3.125% | 25% to municipalities, 40.51% to counties |
| Arkansas | 1,072,212 | 5% | 5,877 | 5% | 95% natural gas tax distributed through highway formula; 25% oil tax to County Aid Fund |
| California | 250,177 | \$.1406/mcf | 193,691 | \$.1406/bbl | Locals may levy their own severance tax |
| Colorado | 1,637,576 | 5% | 39,125 | 5% | 50% to local government severance tax fund |
| Florida | 15,125 | \$.345/mcf | 2,023 | 8% | Distribution of revenues to GRFs of producing counties |
| Illinois | 2,121 | 6% | 9,234 | 6% | N/A |
| Indiana | 9,075 | \$.03/mcf | 1,987 | 1% | N/A |
| Kansas | 309,124 | 8% | 41,503 | 8% | 7% in county mineral production tax fund; share of surplus funds provided to technical education |
| Kentucky | 124,243 | 4.5% | 2,326 | 4.5% | 50% in Local Government Economic Assistance Fund |
| Louisiana | 3,029,206 | \$.148 mcf | 68,984 | 12.5% | 20% of severance tax revenues, up to \$500,000, allocated to producing parish |
| Maryland | 34 | N/A | N/A | N/A | N/A |
| Michigan | 138,162 | 5% | 6,977 | 6.6% | N/A |
| Mississippi | 81,487 | 6% | 24,216 | 6% | Third of gas revenues to producing counties; 15% to 33% of oil revenues, depending on level of collections, to producing counties. |
| Missouri | N/A | N/A | 118 | N/A | N/A |
| Montana | 74,624 | 9%* | 24,151 | 9%* | Revenues allocated to counties in varying amounts. |
| Nebraska | 1,959 | 3% | 2,542 | 3% | Permanent School Fund |
| Nevada | 3 | \$.2/mcf | 408 | \$.20/bbl | N/A |
| New Mexico | 1,237,303 | 7.94% | 71,274 | 7.09% | Emergency school tax levied on oil and gas production |
| New York | 31,124 | N/A | 370 | n/a | N/A |
| North Dakota | 97,102 | 5% plus \$.1143 mcf | 152,985 | 12.5% | Distributed via formula to political subdivisions |
| Ohio | 78,858 | .025mcf | 4,853 | .10/bbl | N/A |
| Oklahoma | 1,888,870 | 7% | 76,681 | 7% | Funds distributed through county highway fund and to schools |
| Oregon | 1,344 | 6% | | | Revenues deposited to common schools fund |
| Pennsylvania | 1,310,592 | local impact fee | 3,388 | n/a | 60% to local government after earmarks |
| South Dakota | 1,848 | 4.5% | 1,615 | 4.50% | 50% to County Trust and Agency Account |
| Tennessee | 4,851 | 3% | 245 | 3% | One-third to producing county |
| Texas | 7,112,863 | 7.5% | 531,524 | 4.6% | Just under 25% to Foundation School Fund |
| Utah | 457,525 | 5% | 26,272 | 5% | Revenues distributed to Ute and to Navajo land |
| Virginia | 151,094 | 2% max | 11 | 1.5% | This is a local tax |
| West Virginia | 394,125 | 5% | 2,146 | 5% | 10% to counties and municipalities |
| Wyoming | 2,159,422 | 6% | 54,710 | 6% | About 4% to counties, 9% to cities and towns |

Source: Policy Matters Ohio, based on Energy Information Administration, "Production in Physical Units for 2011" at www.eia.gov/state/seds/seds-data-complete.cfm?sid=US-Production and National Council of State Legislatures, "State Revenues and the Natural Gas Boom," Appendix A www.ncsl.org/documents/energy/pdf_version_final.pdf and "State Energy Revenues Update" at www.ncsl.org/research/fiscal-policy/state-energy-revenues-update.aspx. Note: *Horizontal wells