

**HB 1856-S - DIGEST**

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Imposes an excise tax upon the severance of oil and gas from any lands or waters of the state.

Provides an exemption from the excise tax on the value of: (1) Any oil or gas reinjected for storage;

(2) Any oil or gas owned by a producer or producers exempt from tax by reason of federal law or a compact negotiated by the state with a tribal government; and

(3) Liquid hydrocarbons that are a byproduct of carbon sequestration.

Requires the department of revenue to: (1) Deposit eighty percent of the amount collected from the excise tax in the park land trust revolving fund; and

(2) Deposit twenty percent of the amount collected from the excise tax in the local government severance taxation account established in the state treasury.

Exempts from property taxation, oil or gas reserves and leases on the rights to develop and operate upon or within any lands and waters of the state for oil or gas and the property rights attached to or inherent therein.

Creates the sustainable energy trust account.