



DISTRIBUTION OF OIL AND NATURAL GAS PRODUCTION TAX REVENUE

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INTRODUCTION

The Revenue and Transportation Interim Committee requested information on the distribution of the oil and natural gas production tax. The distribution of the tax is related to the history of oil and natural gas taxation. The history of taxes on oil and natural gas property and production is discussed first, followed by a summary of changes to the distribution of oil and natural gas production tax revenue.

EVOLUTION OF OIL AND NATURAL GAS TAXES

An overview of the evolution of the taxation of oil and natural gas is important for understanding the distribution of the revenue collected from the oil and natural gas production tax.¹

Pre-1985 Oil and Natural Gas Taxes

Before 1985, oil and natural gas production was subject to a state severance tax and to local government property taxes.

State Severance Taxes

The state severance tax on natural gas was 2.65% of gross value in the 1980s. The 1981 Legislature increased the state severance tax on oil from a tiered rate of 2.1% on the first \$6,000 of gross value and 2.65% on gross value in excess of \$6,000 to a flat rate of 5% of gross value beginning April 1, 1981, and 6% beginning April 1, 1983. (The 1983 Legislature reduced the severance tax on oil back to 5% beginning April 1, 1985.)²

One-third of the severance tax revenue (not to exceed \$42 million in the biennium ending June 30, 1985) was distributed to counties through local government block grants. If revenue collections were greater in the current year than in the previous year because of increased production, the amount of revenue resulting from increased production was distributed to the county and split between municipalities and the county based on population. The remaining revenue was deposited in the state general fund.³

Local Property Taxes

Oil and natural gas production was also subject to local property taxes, based on the physical location of the well. Local property tax mills were applied to 100% of annual net proceeds less deductions for certain expenses.⁴ The revenue was distributed to the local government entity levying the mills.

¹ This section discusses major changes to the structure of oil and gas taxes. The Legislature made numerous other legislative changes during the time period discussed. For a more complete overview of those changes, see Jeff Martin, "[Memo: Brief History of the Taxation of Oil and Natural Gas Production in Montana](#)," April 5, 2000.

² Martin, p. 1 and 3.

³ "Report of the State Department of Revenue For the Period July 1, 1982 to June 30, 1984," p. 10.

⁴ Martin, p. 1.

1985: Moving Away From Local Property Taxes

A law enacted by the 1985 Legislature began the movement away from taxing oil and natural gas production through the local property tax. Oil and natural gas wells that had not produced in the previous 5 years were no longer subject to local mill levies and instead paid a net proceeds tax. The tax for “new” oil production was 7% of gross value and the tax for “new” natural gas production was 12% of gross value. The revenue distribution was based on mill levies in the previous year. The production was still subject to the state severance tax discussed above.⁵

1989: Final Steps Away From Local Property Taxes

During the 1989 special legislative session, the Legislature adopted a local government severance tax to be imposed on “old” production (pre-1985) to replace the local property tax. Without this change, “old” production would have been subject to the school equalization mills also passed during the special legislative session. The local government severance tax was a percentage of gross value and varied by the type of production.⁶ The “old” production was also still subject to the state severance tax.

1995: Simplification

Faced with a complicated system of a state severance tax, a net proceeds tax on post-1985 wells, and a local government severance tax on pre-1985 wells, the Department of Revenue and oil and gas producers worked together during the 1993-1994 interim to propose a simplification to oil and natural gas taxes.

The 1995 Legislature enacted the oil and natural gas production tax to replace the state oil and natural gas severance tax, the oil and natural gas net proceeds tax, and the local government severance tax. The tax is based on the type of well and type of production. The oil and natural gas production tax revenue was distributed to the same entities as the taxes it replaced.⁷

1999: Revisions

The 1999 Legislature revised the oil and natural gas production tax to address “residual complexities of the existing tax structure, as well as economic doldrums in the oil and natural gas industry.”⁸ The changes revised tax rates and incentives for production, including for horizontally completed natural gas wells and stripper wells. The law also linked “new” and “old” production to the year 1999 rather than to 1985.

Current Oil and Natural Gas Taxes

The current oil and natural gas tax rates are contained in section [15-36-304](#), MCA, and are listed in the following table for reference.

⁵ Martin, p. 1 and 4.

⁶ Martin, p. 1.

⁷ Martin, p. 2.

⁸ Martin, p. 2.

Natural Gas

	Working Interest	Nonworking Interest
(a) (i) first 12 months of qualifying production	0.5%	14.8%
(ii) after 12 months:		
(A) pre-1999 wells	14.8%	14.8%
(B) post-1999 wells	9%	14.8%
(b) stripper natural gas pre-1999 wells	11%	14.8%
(c) horizontally completed well production:		
(i) first 18 months of qualifying production	0.5%	14.8%
(ii) after 18 months	9%	14.8%

Oil

	Working Interest	Nonworking Interest
(a) primary recovery production:		
(i) first 12 months of qualifying production	0.5%	14.8%
(ii) after 12 months:		
(A) pre-1999 wells	12.5%	14.8%
(B) post-1999 wells	9%	14.8%
(b) stripper oil production:		
(i) first 1 through 10 barrels a day production	5.5%	14.8%
(ii) more than 10 barrels a day production	9.0%	14.8%
(c) (i) stripper well exemption production	0.5%	14.8%
(ii) stripper well bonus production	6.0%	14.8%
(d) horizontally completed well production:		
(i) first 18 months of qualifying production	0.5%	14.8%
(ii) after 18 months:		
(A) pre-1999 wells	12.5%	14.8%
(B) post-1999 wells	9%	14.8%
(e) incremental production:		
(i) new or expanded secondary recovery production	8.5%	14.8%
(ii) new or expanded tertiary production	5.8%	14.8%
(f) horizontally recompleted well:		
(i) first 18 months	5.5%	14.8%
(ii) after 18 months:		
(A) pre-1999 wells	12.5%	14.8%
(B) post-1999 wells	9%	14.8%

Privilege and License Tax

The privilege and license tax is an additional tax added to the oil and natural gas production tax rates. The revenue funds the Board of Oil and Gas Conservation which, as provided in section [82-11-131](#), MCA, may set the rate “as the expenses chargeable against the oil and gas conservation fund may require.” The rate may not exceed 0.3%, and the maximum rate has been in effect since October 1, 2016. Prior to that time, the rate had been 0.09% since October 1, 2006.

Tax for Oil and Gas Natural Resource Distribution

The 2005 Legislature enacted a tax for oil and natural gas resource distribution.⁹ The rate of the tax is provided for in section [15-36-304\(7\)\(b\)](#) and is determined based on the rate of the privilege and license tax; the sum of the taxes may not exceed 0.3%. If the privilege and license tax exceeds 0.22%, the rate of the tax for oil and gas natural resource distribution is the difference between the privilege and license tax and 0.3%. If the privilege and license tax is less than 0.18%, the rate is equal to the difference between the privilege and license tax and 0.26%. Because the privilege and license tax is currently set at 0.3%, the rate for the tax for oil and gas natural resource distribution is set at 0%.

The tax for oil and gas natural resource distribution is distributed as provided in sections [15-36-331\(2\)\(b\)](#) and [15-36-332\(7\)](#) to counties based on oil and gas production. The county government keeps one-third of the revenue distributed to the county, and two-thirds of the revenue must be distributed to incorporated cities and towns within the county based on population. This is the only oil and gas revenue distributed to cities.

PRE-2003 OIL AND NATURAL GAS PRODUCTION TAX DISTRIBUTION

This section provides an overview of the distribution of the oil and natural gas production tax before the 2003 Legislature made significant changes to the distribution.

Pre-2003 Oil and Natural Gas Production Tax Rates

The following table shows the oil and natural gas tax rates before 2003 and is intended to simplify the understanding of the pre-2003 distribution of the oil and natural gas production tax. The rates have not changed significantly since 2003 and current rates were discussed in the previous section.

Natural Gas

		Working Interest	Nonworking Interest
(a) (i) first 12 months of qualifying production	(F)	0.5%	14.8%
(ii) after 12 months:			
(A) pre-1999 wells		14.8%	14.8%
(B) post-1999 wells		9%	14.8%
(b) stripper natural gas pre-1999 wells		11%	14.8%
(c) horizontally completed well production:			
(i) first 18 months of qualifying production	(G)	0.5%	14.8%
(ii) after 18 months		9%	14.8%

⁹ [Ch. 603, L. 2005](#).

Oil

		Working Interest	Nonworking Interest
(a) primary recovery production:			
(i) first 12 months of qualifying production	(C)	0.5%	14.8%
(ii) after 12 months:			
(A) pre-1999 wells		12.5%	14.8%
(B) post-1999 wells		9%	14.8%
(b) stripper oil production:			
(i) first 1 through 10 barrels a day production	(B)	5.5%	14.8%
(ii) more than 10 barrels a day production		9.0%	14.8%
(c) stripper well exemption production	(E)	0.5%	14.8%
(d) horizontally completed well production:			
(i) first 18 months of qualifying production	(D)	0.5%	14.8%
(ii) after 18 months:			
(A) pre-1999 wells		12.5%	14.8%
(B) post-1999 wells		9%	14.8%
(e) incremental production:			
(i) new or expanded secondary recovery production		8.5%	14.8%
(ii) new or expanded tertiary production		5.8%	14.8%
(f) horizontally recompleted well:			
(i) first 18 months	(A)	5.5%	14.8%
(ii) after 18 months:			
(A) pre-1999 wells		12.5%	14.8%
(B) post-1999 wells		9%	14.8%

Pre-2003 Oil and Natural Gas Production Tax Distribution

The following sections show the complexity of the distribution of the oil and natural gas production tax before the 2003 Legislature enacted a law to simplify the distribution. The headings correspond with the subsections that provided for the distribution in the 2001 version of section 15-36-324, MCA (repealed in 2003).

The letters that appear to the left of different types of wells in the previous section are intended to make the distribution easier to understand, and the letter only applies to the Working Interest portion of the revenue. The underlined distributions marked with an asterisk indicate the percentage of revenue distributed excludes revenue specifically otherwise distributed (from production marked with letters A-G in the previous section). Color is used in this section and subsequent sections for the different entities receiving funding for easy comparison.

15-36-324(9)

39.3%* of oil production taxes + 100% of oil production taxes from (A):

- 86.21% to the **General Fund**
- 5.17% to the **Board of Oil and Gas Conservation**
- 8.62% as follows:
 - 50% to the **Resource Indemnity Trust Fund**

- 25% to the [Reclamation and Development Grants Special Revenue Account](#)
- 25% to the [Orphan Share Account](#)

15-36-324(10)

100% of oil production taxes from (C), (D), and (E) + 13.8% of oil production taxes from (B) + 100% of natural gas production taxes from (F) and (G):

- 37.5% to [Board of Oil and Gas Conservation](#)
- 62.5% as follows:
 - 50% to the [Resource Indemnity Trust Fund](#)
 - 25% to the [Reclamation And Development Grants Special Revenue Account](#)
 - 25% to [Orphan Share Account](#)

15-36-324(11)

14%* of natural gas production taxes:

- 76.8% to the [General Fund](#)
- 8.7% to the [Board of Oil and Gas Conservation](#)
- 14.5% as follows:
 - 50% to the [Resource Indemnity Trust Fund](#)
 - 25% to the [Reclamation And Development Grants Special Revenue Account](#)
 - 25% to the [Orphan Share Account](#)

15-36-324(12)

60.7%* of oil production taxes + 86.2% of oil production taxes from (B) + 86%* of natural gas production taxes:

- Except as provided below, to [counties](#) in proportion to the oil and natural gas production taxes attributable to the county from above
 - Distribution between and within [counties](#) and [school districts](#) in the relative proportions of county and school levies in the preceding fiscal year
- 5% of revenue identified above from pre-1999 wells to [counties](#) in proportion to the underfunding that would have occurred from the tax liability distribution of pre-1985 oil and natural gas production taxes for production in calendar year 1997
 - To taxing units that levied mills in fiscal year 1990 against calendar year 1988 production, except that a distribution may not be made to a municipality
 - Portion attributable to university mills and state equalization mills goes back to Department of Revenue for those purposes.

*Percentage excludes taxes otherwise distributed (identified as A-G in the tax rates table)

HOUSE BILL 748 (2003) OIL AND GAS PRODUCTION TAX DISTRIBUTION

The 2003 Legislature enacted [House Bill No. 748](#) (HB 748), which made considerable changes to the distribution of oil and gas production tax revenue. Under the new law, the Department of Revenue determined production taxes collected within each county, and the statute identified the percentage of that revenue to be distributed to the county and school districts, with the remainder distributed to state-level entities. The HB 748 distribution of the state share of revenue and the distribution within the county and school districts is discussed in more detail below. The following section of the report discusses the current distribution.

State Share

HB 748 changed the distribution of the state share of revenue as summarized below. The Resource Indemnity Trust Fund no longer received revenue under the new law. Instead, revenue was directed to the Coal Bed Methane Protection Account through fiscal year 2011 and to the Montana University System.

- For fiscal year 2003:
 - \$400,000 to the [Coal Bed Methane Protection Account](#);
 - Remainder to the [General Fund](#).
- For fiscal year 2004 through fiscal year 2011:
 - 90.22% to the [General Fund](#);
 - 1.23% to the [Coal Bed Methane Protection Account](#);
 - 2.95% to the [Reclamation and Development Grants Special Revenue Account](#);
 - 2.95% to the [Orphan Share Account](#);
 - 2.65% to the [Montana University System](#).
- For fiscal years 2012 and after:
 - 90.22% to the [General Fund](#);
 - 4.18% to the [Reclamation and Development Grants Special Revenue Account](#);
 - 2.95% to the [Orphan Share Account](#);
 - 2.65% to the [Montana University System](#).

The bill also changed the distribution of the privilege and license tax. Prior to HB 748, the privilege and license tax revenue was included with the oil and natural gas production tax and distributed as discussed in the previous section. The new law provided for separate accounting of the privilege and license tax so the [Board of Oil and Gas Conservation](#) received the actual revenue collected from the privilege and license tax.

County and School District Share

Under the new law, the county and school district share of revenue changed each tax year between 2003 and 2006 and the 2006 rate applied to succeeding tax years. A table showing each county's 2003-2006 distribution is included in [Appendix A](#).

A letter provided at the hearing on HB 748 from the Phillips County Board of Commissioners stated, "The Counties' Coal, Oil, and Gas Association (COAG) worked with the Department of Revenue so the percentages in the bill are the average of what each entity has been receiving of the production taxes in previous years."¹⁰ The bill also provided for a phaseout of the 5% distribution based on pre-1985 wells, which results in "bringing dollars back to counties where actual production occurs."¹¹

The revenue distributed to the [county](#) was shared with [school districts](#) within the county as provided in a new section of law, section [15-36-332](#), MCA. The statute specified the percentage of the revenue to be distributed for elementary retirement, high school retirement, countywide transportation, and school districts and how the remaining county revenue was distributed. The current distribution among these entities is discussed in more detail in the next section of this report.

¹⁰ Letter to Senate Taxation Committee, April 2, 2003.

¹¹ Ibid.

CURRENT OIL AND NATURAL GAS PRODUCTION TAX DISTRIBUTION

A brief summary of HB 748 (2003) is provided in the previous section to show significant legislative changes to the method of distributing oil and natural gas production tax revenue. This section provides an overview of the current distribution of oil and natural gas production tax revenue. The overall distribution of oil and natural gas production tax revenue remains similar to the method adopted in 2003: the Department determines production taxes collected within the county, and statute provides for the percentage to be distributed to counties and school districts, with the remainder distributed to state-level entities.

State Share

The current distribution of the state share of oil and natural gas production tax revenue began in fiscal year 2012 and is as follows:

- 90.22% to the **General Fund**;
- 2.16% to the **Natural Resources Projects State Special Revenue Account**;
- 2.02% to the **Natural Resources Operations State Special Revenue Account**;
- 2.95% to the **Orphan Share Account**;
- 2.65% to the **Montana University System**.

Though the current distribution is to different state special revenue accounts, the revenue is actually used for the same purposes. The Reclamation and Development Grants Special Revenue Account was replaced with the Natural Resources Projects State Special Revenue Account in 2007 but the revenue is still used for reclamation and development grants for projects related to mineral development. The same law created the Natural Resources Operations State Special Revenue Account to fund administrative and personnel costs incurred in the administration of natural resources operations.

The revenue from the privilege and license tax is deposited in the **Board of Oil and Gas Conservation** special revenue account and used for paying the Board's expenses.

County, School District, and City Share

The following list shows the current county and school district share of oil and natural gas production taxes collected within the county. The percentage indicated is distributed to the county and school districts as provided in section [15-36-332](#), MCA. The 2003 Legislature set the percentages based on historical average production and subsequent Legislatures have not made changes.

Big Horn	45.05%
Blaine	58.39%
Carbon	48.27%
Chouteau	58.14%
Custer	69.53%
Daniels	50.81%
Dawson	47.79%
Fallon	41.78%
Fergus	69.18%
Garfield	45.96%
Glacier	58.83%
Golden Valley	58.37%
Hill	64.51%

Liberty	57.94%
McCone	49.92%
Musselshell	48.64%
Petroleum	48.04%
Phillips	54.02%
Pondera	54.26%
Powder River	60.9%
Prairie	40.38%
Richland	47.47%
Roosevelt	45.71%
Rosebud	39.33%
Sheridan	47.99%
Stillwater	53.51%
Sweet Grass	61.24%
Teton	46.1%
Toole	57.61%
Valley	51.43%
Wibaux	49.16%
Yellowstone	46.74%
All other counties	50.15%

Distribution Within Counties and School Districts

Section [15-36-332](#), MCA, provides for the distribution of the county and school district share of oil and natural gas production taxes. The statute specifies the percentage of the revenue to be allocated to elementary retirement, high school retirement, countywide transportation, and school districts, with the remainder distributed to the county. The following table shows the distributions in section 15-36-332 with a column added for the county share.

	Elementary Retirement	High School Retirement	Countywide Transportation	School Districts	County
Big Horn	14.81%	10.36%	2.99%	26.99%	44.85%
Blaine	5.86%	2.31%	2.71%	24.73%	64.39%
Carbon	3.6%	6.62%	1.31%	49.18%	39.29%
Chouteau	8.1%	4.32%	3.11%	23.79%	60.68%
Custer	6.9%	3.4%	1.19%	31.25%	57.26%
Daniels	0	7.77%	3.92%	48.48%	39.83%
Dawson	5.53%	2.5%	1.11%	35.6%	55.26%
Fallon	0	7.63%	1.24%	42.58%	48.55%
Fergus	7.88%	4.84%	2.08%	53.25%	31.95%
Garfield	4.04%	3.13%	5.29%	26.19%	61.35%
Glacier	11.2%	4.87%	3.01%	46.11%	34.81%
Golden Valley	0	11.52%	2.77%	54.65%	31.06%
Hill	6.7%	4.07%	1.59%	49.87%	37.77%
Liberty	4.9%	4.56%	1.15%	35.22%	54.17%
McCone	4.18%	3.19%	2.58%	43.21%	46.84%
Musselshell	5.98%	4.07%	3.53%	32.17%	54.25%

	Elementary Retirement	High School Retirement	Countywide Transportation	School Districts	County
Petroleum	0	11.92%	4.59%	55.48%	28.01%
Phillips	0.43%	6.6%	1.08%	41.29%	50.60%
Pondera	6.96%	5.06%	1.94%	45.17%	40.87%
Powder River	3.96%	2.97%	4.57%	22.25%	66.25%
Prairie	0	8.88%	1.63%	36.9%	52.59%
Richland	4.1%	3.92%	2.26%	43.77%	45.95%
Roosevelt	9.93%	7.37%	2.74%	40.94%	39.02%
Rosebud	3.87%	2.24%	1.05%	72.97%	19.87%
Sheridan	0	3.39%	2.22%	47.63%	46.76%
Stillwater	6.87%	4.86%	1.63%	41.16%	45.48%
Sweet Grass	6.12%	6.5%	2.4%	37.22%	47.76%
Teton	6.88%	8.19%	3.8%	29.43%	51.70%
Toole	2.78%	4.78%	1.3%	43.56%	47.58%
Valley	2.26%	12.61%	4.63%	41.11%	39.39%
Wibaux	0	4.1%	0.77%	31.46%	63.67%
Yellowstone	7.98%	4.56%	1.07%	52.77%	33.62%
Other counties	3.81%	7.84%	1.81%	41.04%	45.50%

The school district share of revenue is calculated for K-12 districts based on the production taxes generated within the K-12 district relative to the production taxes generated within the county. For districts with separate elementary school districts and high school districts, the revenue distributed to elementary school districts and high school districts is calculated based on production taxes generated within each elementary school district and the relative mills levied by the elementary school districts within the high school district and by the high school district.

The distribution of oil and natural gas production tax revenue to school districts is subject to section [20-9-310](#), MCA, which provides limits on the maximum amount of oil and natural gas production tax that a school district may retain.¹² The Legislature has amended section 20-9-310 multiple times within recent years. Current law provides that oil and natural gas production tax revenue above the limit is transferred to the guarantee account, which impacts how much general fund revenue is used for school funding.

Tax for the Oil and Gas Natural Resource Distribution Account

The distribution of the tax for the oil and gas natural resource distribution account is provided for in section [15-36-332\(7\)](#) and is based on county oil and gas production. The county receives one-third of the distribution and incorporated cities within the county receive two-thirds of the distribution. If a county contains more than one incorporated city, the distribution is allocated based on population. The rate of this tax is derived from the privilege and license tax rate and is currently set at 0% because that privilege and license tax is at its maximum rate of 0.3%.

¹² There are two versions of 15-36-332: the current version and one that becomes effective July 1, 2020. The future version does not reference 20-9-310 and instead provides that distributions to school districts are in the relative proportion of the mill levy for each fund. Without amendment, this will result in a conflict in the law when the future version goes into effect. This conflict will be raised with the Education Interim Committee.

Prior to the Board of Oil and Gas Conservation changing the privilege and license tax rate, the tax for the oil and gas natural resource distribution account was 0.17% from October 1, 2006, to October 1, 2016. In fiscal year 2016, the Department of Revenue distributed just over \$1.5 million from the account. Based on the statutory distribution, counties received just over \$500,000 and cities received about \$1.02 million. This is the only oil and gas tax distribution to cities.

Actual Revenue Distribution (\$) for Recent Fiscal Years

The following table shows the distribution of oil and natural gas production tax revenue for the most recent fiscal years.

<u>Fund</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Total Revenue	\$215,129,820	\$210,644,361	\$213,229,045	\$236,496,773	\$159,107,050	\$84,972,199
BOGC	\$1,963,032	\$1,987,666	\$2,152,702	\$2,505,508	\$1,671,506	\$812,294
Oil & Gas Natural Res. Acc.	\$3,698,516	\$3,754,061	\$4,100,929	\$4,732,701	\$3,157,296	\$1,534,356
Remainder	\$209,468,272	\$204,902,634	\$206,975,414	\$229,258,564	\$154,278,248	\$82,625,549
"County" Revenue	\$98,902,261	\$96,766,607	\$97,594,695	\$107,770,849	\$73,160,846	\$39,294,942
Counties and Schools	\$98,902,261	\$83,611,488	\$88,333,718	\$95,997,576	\$63,447,389	\$37,900,038
Guarantee Fund	\$0	\$12,335,596	\$4,830,529	\$0	\$0	\$0
County Impact Fund	\$0	\$682,935	\$1,725,189	\$0	\$0	\$0
State School Impact Fund	\$0	\$136,587	\$345,038	\$0	\$0	\$0
State School Oil & Gas Distrib	\$0	\$0	\$2,360,222	\$11,773,273	\$9,713,457	\$1,394,905
State Revenue	\$110,566,011	\$108,136,027	\$109,380,719	\$121,487,715	\$81,117,402	\$43,330,607
Natural Resources Projects (2.16%)	\$1,603,207	\$2,335,738	\$2,362,624	\$2,624,135	\$1,752,136	\$938,011
Natural Resources Operations (2.02%)	\$1,603,207	\$2,184,348	\$2,209,493	\$2,454,052	\$1,638,573	\$877,214
Orphan Share Fund (2.95%)	\$3,305,924	\$3,190,013	\$3,226,737	\$3,583,888	\$2,392,963	\$1,281,080
Montana University System (2.65%)	\$2,929,999	\$2,865,605	\$2,898,587	\$3,219,424	\$2,149,612	\$1,150,801
Coal Bed Methane Protection	\$1,359,962	\$0	\$0	\$0	\$0	\$0
General Fund (remainder)	\$99,763,712	\$97,560,324	\$98,683,277	\$109,606,216	\$73,184,119	\$39,083,500

Source: [Biennial Report July 1, 2014 – June 30, 2016](#)

The Department of Revenue website also includes detailed distribution reports that include distribution by county and school district. The reports are available at this link: <https://mtrevenue.gov/publications/oil-gas-distribution-reports>.

APPENDIX A: HB 748 (2003) OIL AND GAS TAX COUNTY DISTRIBUTION

	2003	2004	2005	2006 and succeeding tax years
Big Horn	45.03%	45.04%	45.04%	45.05%
Blaine	57.56%	57.84%	58.11%	58.39%
Carbon	50.24%	49.59%	48.93%	48.27%
Chouteau	56.67%	57.16%	57.65%	58.14%
Custer	103.63%	92.27%	80.9%	69.53%
Daniels	48.31%	49.15%	49.98%	50.81%
Dawson	56.32%	53.48%	50.64%	47.79%
Fallon	39.89%	40.52%	41.15%	41.78%
Fergus	112.2%	97.86%	83.52%	69.18%
Garfield	54.51%	51.66%	48.81%	45.96%
Glacier	76.56%	70.65%	64.74%	58.83%
Golden Valley	55.5%	56.45%	57.41%	58.37%
Hill	66.97%	66.15%	65.33%	64.51%
Liberty	63.32%	61.53%	59.73%	57.94%
McCone	58.75%	55.81%	52.86%	49.92%
Musselshell	57.06%	54.25%	51.44%	48.64%
Petroleum	67.8%	61.21%	54.62%	48.04%
Phillips	53.3%	53.54%	53.78%	54.02%
Pondera	104.14%	87.51%	70.89%	54.26%
Powder River	64.7%	63.44%	62.17%	60.9%
Prairie	38.43%	39.08%	39.73%	40.38%
Richland	45.23%	45.97%	46.72%	47.47%
Roosevelt	46.75%	46.4%	46.06%	45.71%
Rosebud	37.41%	38.05%	38.69%	39.33%
Sheridan	46.64%	47.09%	47.54%	47.99%
Stillwater	56.05%	55.2%	54.35%	53.51%
Sweet Grass	58.23%	59.24%	60.24%	61.24%
Teton	53.01%	50.71%	48.4%	46.1%
Toole	56.2%	56.67%	57.14%	57.61%
Valley	59.82%	57.02%	54.22%	51.43%
Wibaux	47.71%	48.19%	48.68%	49.16%
Yellowstone	50.69%	49.37%	48.06%	46.74%
All other counties	50.15%	50.15%	50.15%	50.15%