



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 786 (as reported without amendment)
Sponsor: Senator Joanne G. Emmons
Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would amend Public Act 48 of 1929, which provides for a severance tax on oil and gas extraction, to provide that a producer who extracted oil or gas from the soil would not be required to pay a severance tax on income received from the hydrocarbons produced from Devonian or Antrim shale qualifying for the nonconventional fuel credit contained in Section 29 of the Internal Revenue Code and acquired under a royalty interest sold by the State.

The bill is tie-barred to Senate Bills 784 and 785. Senate Bill 784 (S-3) would amend the Natural Resources and Environmental Protection Act to allow the Department of Natural Resources to sell the economic share of royalty interests it holds in hydrocarbons produced from Devonian or Antrim shale qualifying for the nonconventional fuel credit in the Internal Revenue Code. Senate Bill 785 would amend that Act to exempt from the Michigan Natural Resources Trust Fund money received by the State from this sale.

MCL 205.303

Legislative Analyst: S. Margules

FISCAL IMPACT

Please see FISCAL IMPACT for Senate Bill 784.

Date Completed: 12-7-95

Fiscal Analyst: G. Cutler