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HOUSE FISCAL AGENCY

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HB4478 SUBSTITUTE
H-2

Sponsor
Committee

Rep. Michael Kowall
TAX POLICY

Analyst(s) Ross, Rebecca

Completed 3/27/01

State Fiscal Impact

Cost	None
Revenues	Increase

Local Fiscal Impact

Cost	None
Revenues	None

House Bill 4478 (H-2) would create the home heating energy assistance act. Essentially, this act would levy a replacement energy tax on the portion of the purchase price of natural gas that is greater than \$3.00/mcf at a rate of 3% for residential use and 5% on all other use. The replacement energy tax would be deposited into the Home Heating Credit Fund. This bill would take effect October 1, 2001, and is tie-barred to HB 4476 and HB 4477.

The fiscal impact of HB 4478 (H-2) depends on the volume of natural gas that is priced above \$3.00/mcf, the price in excess of \$3.00/mcf, and the timing of the price increases. Using the same estimates for price changes as in HB 4476 (H-1)/HB4477 (H-1), the fiscal impact would be an estimated increase of \$40.8 million in replacement energy tax revenue.