



Montana Department of Revenue



Mike Kadas
Director

Steve Bullock
Governor

Date: July 29, 2014

TO: County Treasurer
Oil and Natural Gas Producing Counties

FROM: Lee Baerlocher, Bureau Chief

SUBJECT: Distribution of Oil and Natural Gas Production Tax for 1st Quarter 2014

Please find the supporting documents for the oil and gas production tax distribution listed above at the following web site.

http://revenue.mt.gov/home/local_governments. Then click on the Oil and Gas Distribution Reports tab.

We collected and are distributing \$59,578,608.43 in production taxes and interest earnings. The total revenue and distribution is as follows:

<u>Revenue:</u>	Total Collections	\$59,578,608.43
	Total	\$59,578,608.43
<u>County Total Distribution:</u>		
	County	\$27,022,786.14
	Guarantee Account	\$83,067.56
	State School Oil and Natural Gas Impact Account	\$5,933.40
	County School Oil and Natural Gas Impact Fund	\$29,666.99
	Total	\$27,141,454.09
<u>Tribal Distribution:</u>		\$0.00
	Total	\$0.00
<u>State Distribution:</u>		
	Oil, Gas, & Coal Natural Resource Account	\$1,198,215.13
	Board of Oil and Gas Conservation	\$634,348.73
	Natural Resources Operations Special Revenue Account	\$618,212.73
	Natural Resources Projects State Special Revenue Account	\$661,059.15
	Orphan Share Account	\$902,835.42
	University System	\$811,021.65
	General Fund	\$27,611,461.53
	Total	\$32,437,154.34

New As Of 4th Quarter 2013 Distribution

Please see the bolded sections below for changes as of the 4th Quarter 2013 distribution.

Approximately a month after the Department of Revenue's distribution, in accordance with SB 175, the Office of Public Instruction (OPI) will complete their distribution by school district (SD) of any amount over the maximum oil and gas distribution allowed for the school FY.

School District Fiscal Year Distribution Report

At the above web site, you will find a report called the School District Fiscal Year Distribution that summarizes our distribution calculation at the SD level. Column one lists the SD numbers in ascending order for the oil and gas producing counties. Column two provides a brief description of the SD. Column three shows the maximum oil and gas distribution allowed for FY 2015 by SD. The FY 2015 maximum oil and gas distribution allowed amounts by SD were provided to us by the Superintendent of Public Instruction as required by law. Column four shows the amount distributed to each SD by the Department of Revenue (DOR) and the OPI during the first quarterly distribution of the school FY 2015. **Please note that this column has changed from showing just the DOR distributed amounts to showing both the DOR and the OPI distributed amounts.** In some cases, this could be a negative number due to amended returns or audit refunds. Column five shows the amount a SD is over their maximum oil and gas distribution allowed during the first quarterly distribution of the school FY 2015. Columns six through eleven follow the same format for the remaining quarters of the school FY 2015. **Please note that the OPI distribution amounts for the current quarter will not be included until approximately a month after the DOR's distribution. At that time, the School District Fiscal Year Distribution report will be updated on the above web site to include the OPI distribution amounts.**

Levy District Fiscal Year Distribution Report

At the above web site, you will find a report called the Levy District Fiscal Year Distribution that breaks down our distribution calculation by SD into the levy districts that contribute to each SD. This report contains the same information in the same format as the above report except that it is broken down by the levy districts that contribute to each SD and **separates out any money distributed by the OPI. Please note that the OPI distribution amounts for the current quarter will not be included until approximately a month after the DOR's distribution. At that time, the Levy District Fiscal Year Distribution report will be updated on the above web site to include the OPI distribution amounts.**

School District Quarterly Distribution Detail Report

After the OPI has completed their distribution, you will find at the above web site, a report called the School District Quarterly Distribution Detail that summarizes by quarter our distribution calculation at the SD level and additionally shows the oil and gas distribution completed by the OPI. Column one lists the SD numbers in ascending order for the oil and gas producing counties. Column two provides a brief description of the SD. Column three shows the maximum oil and gas distribution allowed for FY 2015 by SD. Column four shows the amount distributed to each SD by the DOR during the current quarterly distribution of the school FY 2015. Column five shows the amount a SD is over their maximum oil and gas distribution allowed during the current quarterly distribution of the school FY 2015. Column six shows the oil and gas distribution completed by the OPI during the current quarterly distribution of the school FY 2015. Column seven shows the total of the oil and gas distribution completed by the DOR and the OPI during the current quarterly distribution of the school FY 2015. Column eight shows the total of the school FY 2015 oil and gas distribution completed by the DOR and the OPI.

MCA 15-36-331 through 15-36-332 provides the specific information you will need to distribute the funds in your county. You can find the MCA on the state's government home page at http://leg.mt.gov/bills/mca_toc/index.htm

Your check is being mailed separately or electronically if requested.

If you have any questions regarding the distribution of the oil and natural gas production taxes, please contact any of the following individuals:

Kelli Barcus	(406) 444-6921
Keith Broussard	(406) 444-3585
Van Charlton	(406) 444-3584
Melissa Quigley	(406) 444-3777
Dale Smith	(406) 444-6958
Josh Kamensky	(406) 444-3501
Tyler Flaig	(406) 444-5877

c: County Commissioners
School Superintendents
DOR County Offices