

## HB33 – Severance Tax Summary

**Short Title:** Natural Gas Severance Tax Act

**Rate of Tax:** -5% of the gross value of units severed at the wellhead +  
-4.6¢ per unit severed  
[One unit = 1000 cubic feet of natural gas]

### Distribution:

- **General Fund Distribution – 33.3%**
  - 32% to the General Fund
  - 1.3% to the Low Income Home Energy Assistance Program (LIHEAP)
  
- **Environmental Distribution – 33.4%**
  - 29.6% to the Environmental Stewardship Fund
  - 1.6% to the Hazardous Sites Cleanup Fund
  - 1.4% to the Fish and Boat Commission
  - 0.8% to the DEP for dam removal, restoration, and repair projects
  
- **Local Government Distribution – 33.3%**
  - 32% to Local Governments
    - *30% - Counties with producing sites*
      - Priority to reconstruction, repair, maintenance of county roads and bridges
    - *45% - Municipalities with producing sites*
      - Shall not exceed 50% of Municipalities annual budget
      - Shall be used for:
        - Reconstruction, maintenance and repair of roadways and bridges; preservation of water supplies; maintenance of waste and sewer systems; preservation of surface waters.
    - *15% - Municipalities with no producing sites located within Counties with producing sites*
      - Shall not exceed 50% of the Municipalities annual budget
      - Shall be used for:
        - Reconstruction, maintenance and repair of roadways and bridges; preservation of water supplies; maintenance of waste and sewer systems; preservation of surface waters.
    - *10% - Pennsylvania Emergency Management Agency*
      - Distributed to fire and ambulance services in counties with producing sites
  - 1.3% to the Conservation District Fund