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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

COMMITTEES

CONSUMER AFFAIRS, CHAIRMAN
INSURANCE
LEGISLATIVE BUDGET & FINANCE

MEMORANDUM

DATE: June 6, 2011
TO: All House Members
FROM: Representative Robert W. Godshall, Chairman 
House Consumer Affairs Committee
SUBJECT: Co-Sponsorship of Severance Tax on Natural Gas

In the near future, I plan to introduce legislation imposing a severance tax on natural gas extraction in the Commonwealth.

My legislation is similar to the Arkansas severance tax as it assesses a tax of 1.5% of the gross value of units severed at the wellhead for the first 60 months of production and 5% of the gross value of units severed thereafter on wells that produce natural gas in excess of 90,000 cubic feet per day.

Revenue collected through the tax would be distributed through a Property Tax Assistance Program to assist eligible applicants in the payment of property taxes. PA residents eligible for this program would have to be over 65 years of age and have an annual household income of not more than \$50,000.

As our low income seniors remain particularly vulnerable to ever-increasing property taxes and the stresses of these difficult economic times, this plan is both a responsible approach to a severance tax on natural gas production in our Marcellus Shale and addressing the needs of senior citizens across Pennsylvania.

If you wish to co-sponsor this legislation, please contact Jane Hugendubler at jhugendu@pahousegop.com or 783-6428.

RWG:JL:jh