

# Revenue Streams in Colorado

Commodity	State and County Assessed Taxes <i>On Federal, State, and Private Land</i>			Rents, Bonuses, and Royalties <i>On State Land</i>			Federal Revenue Streams		
	Revenue Category	Severance and License Taxes	Ad Valorem Taxes	Surcharges	Securing a Lease or Claim	Pre or Postponed Production	During or Post Production	Abandoned Mine Land (AML) Fees	U.S. Mineral Royalties
Oil and Gas	<p><b>Oil and Gas Severance Tax:</b></p> <ul style="list-style-type: none"> <li>Gross income under \$25,000: 2%</li> <li>From \$25,000-\$99,000: \$500 and 3% of excess over \$24,999</li> <li>From: \$100,000-\$299,999: \$2,750 and 4% of excess over \$99,999</li> <li>\$300,000 and above: \$10,750 and 5% of excess over \$299,999</li> </ul> <p><b>Oil Shale Severance Tax:</b> 1-4% of gross production beginning 180 days after commercial viability, with an exemption of 15,000 tons of oil shale or 10,000 barrels of shale oil per day, whichever is greater</p>	<p><b>Oil and Gas Property Tax:</b> Oil and Gas properties are assessed at 87.5% of production value if primary well and 75% of production value if secondary well. The ad valorem tax rate itself varies from county to county, ranging from 4-15%</p>	<p><b>COGCC Levy:</b> A rate not to exceed 0.17% (currently 0.07%) is imposed on the market value of all oil and natural gas produced, saved, sold, or transported to address environmental response needs</p>	<p><b>Mining Exploration Permit:</b> Negotiated at a line mile rate</p> <p><b>Bonus:</b> Bids made above the annual rate are referred to as a lease bonus. The amount will vary from lease to lease</p>	<p><b>Annual Rent:</b> Annual rental rate of \$2.50 per acre for the life of lease. State land and board oil and gas leases contain a five year term</p> <p><b>Bonding Requirements:</b> Performance bond requirement ranges from \$25,000 per lease to a \$100,000 blanket bond</p>	<p><b>Royalties:</b> Standard royalty rate of 20% with additional deductions allowed for post-production costs</p>			<p><b>Federal Royalties:</b> The royalty rate for:</p> <ul style="list-style-type: none"> <li>Onshore oil and gas production is 12.5%</li> <li>Surface mining is also 12.5%</li> <li>Underground mining is 8%</li> </ul>
Coal	<p><b>Coal Severance Tax:</b> The tax rate is based on changes in the producer price index, with an exemption for the first 300,000 tons produced each quarter. Underground production is allowed a 50% tax credit, and lignite coal is given a further 50% credit</p>			<p><b>Bonus:</b> Bids made above the annual rate are referred to as a lease bonus. The amount will vary from lease to lease</p>	<p><b>Rents:</b> Annual rentals are \$3.00 per acre per year</p> <p><b>Advanced Minimum Royalty:</b> Leases will require AMR payments based on amount per acre/estimated production volumes. Any AMR paid but not utilized will be surrendered</p>	<p><b>Minimum Royalty Pricing:</b> 8% of Gross Sales Price (GSP) for underground mining, 12.5% of GSP for surface mining</p>	<p><b>AML Fees:</b> Companies pay a per-ton fee to OSMRE</p> <ul style="list-style-type: none"> <li>\$0.28/ton on surface mined coal</li> <li>\$0.12/ton on subsurface</li> <li>\$0.08/ton on lignite</li> </ul>		
Non-Energy Minerals	<p><b>Metallic Mineral Severance Tax:</b> 2.25% of gross income that exceeds \$19 million. A credit for county ad valorem taxes is allowed for up to 50% of severance tax liability</p> <p><b>Molybdenum (Ore) Severance Tax:</b> 5 cents per ton, with an exemption for the first 625,000 tons produced each quarter</p>			<p><b>Mining Exploration Permit:</b> \$100.00</p> <p><b>Bonus:</b> Bids made above the annual rate are referred to as a lease bonus. The amount will vary from lease to lease</p>	<p><b>Rents:</b> Annual rentals are \$3.00 per acre per year</p> <p><b>Advanced Minimum Royalty:</b> Leases will require AMR payments based on amount per acre/estimated production volumes. Any AMR paid but not utilized will be surrendered</p>	<p><b>Minimum Royalty Pricing:</b></p> <ul style="list-style-type: none"> <li>Precious metals: 10% of Gross Sales Price (GSP)</li> <li>Base Metals: 8% of GSP</li> <li>Fissionable Minerals: 5-10% of GSP</li> </ul>			
Renewables				<p><b>Planning Lease:</b> Intended for due diligence phase, and does not allow for surface disturbance. Generally 1-2 years in length</p> <p><b>Exploration Permit:</b> Provides permission to disturb surface, a bond is required to ensure remediation</p>	<p><b>Production Lease:</b> Covers the construction and long term operation (typically 20-40 years)</p> <p><b>Rents:</b> For utility scale projects there is a per acre ground rent, plus a minimum annual payment</p>	<p><b>Royalty:</b> Structure based on Power Purchase Agreement and annual revenue the developer generates from sale of electricity</p>			