

**SAMPLE RESOLUTION**  
*for*  
**AN ILLINOIS COAL SEVERANCE TAX THAT  
BENEFITS COMMUNITIES IN COAL-PRODUCING COUNTIES**

WHEREAS, Illinois is a major coal-producing state, ranking fourth in national production in 2013<sup>1</sup>;

WHEREAS, coal production in Illinois is projected to increase from 48.5 million tons in 2012 to 77.2 million tons by 2040, and average coal prices are projected to increase from \$53 per ton in 2012 to \$67 per ton by 2040<sup>2</sup>;

WHEREAS, nearly 80% of the coal mined in Illinois leaves the state rather than being used locally, meaning that Illinois communities do not fully benefit from their natural resource wealth;

WHEREAS, Illinois is one of three out of 25 coal-producing states in the country that does not collect a coal severance tax;

WHEREAS, it is estimated that a minimum 5% tax on the value of Illinois coal produced could generate as much as \$173.5 million annually by 2020, and \$258.2 million each year by 2040. These revenues have the potential to help support and enhance the health and well-being of coal mining communities by providing funds for job-creating projects that will strengthen local economies and help Illinois' hard-working families get ahead<sup>3</sup>;

WHEREAS, the tax would be paid mostly by out-of-state consumers because Illinois is a major exporter of coal<sup>4</sup>;

WHEREAS, economic studies and the experience of 22 other states show that a severance tax does not affect coal production nor result in job loss<sup>5</sup>;

WHEREAS, coal is a non-renewable energy source, and revenues from a coal severance tax will last only as long as coal is economical to extract; and

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<sup>1</sup> U.S. Energy Information Administration. *Frequently Asked Questions*. February 2, 2015. <http://www.eia.gov/tools/faqs/faq.cfm?id=69&t=2>

<sup>2</sup> Downstream Strategies and Center for Tax and Budget Accountability. *Capturing Resource Wealth to Invest in the Future: Possible Structures and Potential Benefits of an Illinois Coal Severance Tax*. October 23, 2015.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

WHEREAS, creating a Permanent Mineral Trust Fund would extend the impact of the revenue into periods with little or no coal mining, accumulating interest for the benefit of future generations.

NOW, THEREFORE, BE IT RESOLVED that the *(name of board or organization)* asks *(name of state representative or state senator)* to support an Illinois coal severance tax set at 5% of the gross value of coal produced, distributing the revenues equally between:

(1) The State's General Revenue Fund OR state-managed funds that would directly benefit Illinois communities where coal is mined;

(2) Local communities where coal is mined for economic development, infrastructure, workforce development, education, healthcare, environmental protection and clean-up, and more; and

(3) A Permanent Mineral Trust Fund (to be created) that allocates a portion of the interest accrued each year for the purpose of providing economic development incentives to communities where coal is mined.

PRESENTED, APPROVED and RESOLVED by *(name of board or organization)* on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Name of President, Chair or Executive Director  
Name of Organization or Group  
Name of Municipality or County, Illinois

ATTEST:

\_\_\_\_\_  
Name of Secretary  
Name of Organization or Group  
Name of Municipality or County, Illinois\

DATED: \_\_\_\_\_