

**BUSINESS**

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# Severance tax trust fund proposed

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The Legislature should create a permanent severance tax trust fund, the West Virginia Center on Budget & Policy said in a report on Tuesday titled, "Creating an Economic Diversification Fund: Turning Nonrenewable Natural Resources into Sustainable Wealth for West Virginia."

"West Virginia is one of the least economically diverse states in the nation and relies heavily on its natural resources for revenue," the center said in a prepared statement. "The markets for such resources can be volatile due to price fluctuations and demand, as well as regulations. In addition, these resources upon which the state relies will one day be gone." Ted Boettner, the study's co-author and center's executive director, said, "The only feasible way to ensure that future generations always benefit from our rich natural resources is to create a permanent trust fund."

"A permanent trust fund should also be used to diversify our economy through strategic investing in early childhood development, workforce training, infrastructure, and research and development," Boettner said.

The center's study is posted online at [www.wvpolicy.org](http://www.wvpolicy.org).

Gov. Earl Ray Tomblin, in his State of the State speech, proposed the creation of an infrastructure reserve fund that would receive a portion of the state's rainy day fund and would help pay for road improvements, growing Metropolitan Area expenses and water and sewer projects without raising taxes. Tomblin's proposal is being considered by the Legislature.

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