The **natural resource consumption tax** is a kind of tax which is aimed to help ensure long run sustainability by increasing awareness of natural resource consumption.

Note that severance taxes are used in jurisdictions where most resource extraction occurs on privately owned land and/or where sub-surface minerals are privately owned (for example, the United States).[1][2] Where the resources are publicly owned to begin with (for example, in most Commonwealth and European Union countries), it is not a tax but rather a resource royalty that is paid. In the case of the forestry industry, this royalty is called "stumpage".

Severance tax is a tax imposed on the extraction of non-renewable natural resources that are intended for consumption outside of the resources' jurisdiction. Natural resources include crude oil, condensate and natural gas, coalbed methane, timber, uranium, sand and gravel and carbon dioxide.

Severance tax is charged to resource producers, or anyone with a working or royalty interest in the resource from outside the jurisdiction. The tax is calculated based on either the value or volume of production, though it can be a combination of both. A severance tax is imposed to compensate the jurisdiction for the loss or "severance" of the non-renewable resource and to compensate for the costs associated with mitigating the impact of extracting these resources.

Alaska typically depends on severance tax revenue more than any other state. However, the price and production of oil have fallen dramatically and so has the state's tax revenue. In 2012, Alaska's severance tax revenue was nearly $6 billion and accounted for over 40 percent of the state's combined state and local own-source general revenue. Since then, however, revenue has fallen to $4 billion in 2013 (33 percent), $2 billion in 2014 (23 percent), $636 million in 2015 (8 percent), $337 million in 2016 (4 percent), and $585 million in 2017 (7 percent).

Alaska highlights the volatility of severance taxes and the challenge they pose to states that heavily rely on them. These states must have flexible budgeting arrangements or significant rainy day funds to accommodate unforeseen changes in severance tax revenue flows.