

HOUSE BILL NO. HB0066

Severance tax.

Sponsored by: Representative(s) Barlow and Senator(s)
Driskill

A BILL

for

1 AN ACT relating to mine product taxes; revising the tax
2 rate for surface coal and underground coal; providing that
3 certain exemptions for coal and oil and gas shall not apply
4 to a portion of the tax; repealing certain exemptions; and
5 providing for an effective date.

6

7 *Be It Enacted by the Legislature of the State of Wyoming:*

8

9 **Section 1.** W.S. 39-14-104(a)(intro), (b)(intro) and
10 (ii), 39-14-105(a) and by creating a new subsection (e),
11 39-14-111(a), 39-14-204(a)(iii) and (iv) and 39-14-205(d)
12 and (j) are amended to read:

13

14 **39-14-104. Tax rate.**

15

1 (a) Except as otherwise provided by W.S. 39-14-105,
2 the total severance tax rate for surface coal shall be
3 ~~seven percent (7%)~~ six percent (6%). This rate comprises
4 one and one-half percent (1.5%) imposed by Wyoming
5 constitution article 15, section 19, and ~~five and one-half~~
6 ~~percent (5.5%)~~ four and one-half percent (4.5%) imposed
7 statutorily. The tax shall be distributed as provided in
8 W.S. 39-14-111 and is imposed as follows:

9
10 (b) Except as otherwise provided by W.S. 39-14-105,
11 the total severance tax rate for underground coal shall be
12 three and three quarters percent (3.75%) three percent
13 (3%). This rate comprises one and one-half percent (1.5%)
14 imposed by Wyoming constitution article 15, section 19, and
15 one and one-half percent (1.5%) imposed statutorily. The
16 tax shall be distributed as provided in W.S. 39-14-111 and
17 is imposed as follows:

18
19 (ii) ~~One and one quarter percent (1.25%)~~ One-
20 half percent (0.5%); plus

21
22 **39-14-105. Exemptions.**

23

1 (a) Coal ~~has no value and is exempt from taxation if~~
2 ~~it is~~ consumed prior to sale for the purpose of treating or
3 processing coal produced from the same mine is exempt from
4 severance taxes imposed by W.S. 39-14-104(a)(ii), (iii),
5 (iv) and (vi) and 39-14-104(b)(ii) and (iii).

6
7 (e) Coal mined from federal lease acreage which is
8 purchased on or after January 1, 2014 is exempt from the
9 severance taxes imposed by W.S. 39-14-104(a)(vi) and
10 (b)(ii).

11
12 **39-14-111. Distribution.**

13
14 (a) ~~As provided by W.S. 39-14-104(a), the total~~
15 ~~severance tax rate for surface coal shall be seven percent~~
16 ~~(7%). As provided by W.S. 39-14-104(b), the total severance~~
17 ~~tax rate for underground coal shall be three and three-~~
18 ~~quarters percent (3.75%). A The one and one-half percent~~
19 (1.5%) tax imposed by W.S. 39-14-104(a)(i) and ~~a the~~ one
20 and one-half percent (1.5%) tax imposed by W.S.
21 39-14-104(b)(i) shall be deposited into the permanent
22 Wyoming mineral trust fund. All other taxes imposed by W.S.
23 39-14-104(a) and (b) shall be deposited into the severance
24 tax distribution account.

1

2 **39-14-204. Tax rate.**

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4 (a) Except as otherwise provided by this section and
5 W.S. 39-14-205, the total severance tax on crude oil, lease
6 condensate or natural gas shall be six percent (6%),
7 comprising one and one-half percent (1.5%) imposed by the
8 Wyoming constitution article 15, section 19 and the
9 remaining amount imposed by Wyoming statute. The tax shall
10 be distributed as provided in W.S. 39-14-211 and is imposed
11 as follows:

12

13 (iii) Two percent (2%) ~~i~~, ~~except for the period~~
14 ~~January 1, 1999 through December 31, 1999, the rate for~~
15 ~~crude oil production under this paragraph shall be one~~
16 ~~percent (1%). If the average monthly price received by~~
17 ~~Wyoming crude oil producers as determined by the department~~
18 ~~of revenue equals or exceeds twenty dollars (\$20.00) per~~
19 ~~barrel for three (3) consecutive months, the reduced tax~~
20 ~~rate of one percent (1%) specified in this paragraph for~~
21 ~~the period of January 1, 1999 through December 31, 1999~~
22 ~~shall terminate;~~ plus

23

1 (iv) Two percent (2%) ~~., except for the period~~
2 ~~January 1, 1999 through December 31, 1999, the rate for~~
3 ~~crude oil production under this paragraph shall be one~~
4 ~~percent (1%). If the average monthly price received by~~
5 ~~Wyoming crude oil producers as determined by the department~~
6 ~~of revenue equals or exceeds twenty dollars (\$20.00) per~~
7 ~~barrel for three (3) consecutive months, the reduced tax~~
8 ~~rate of one percent (1%) specified in this paragraph for~~
9 ~~the period of January 1, 1999 through December 31, 1999~~
10 ~~shall terminate.~~

11
12 **39-14-205. Exemptions.**

13
14 (d) In the case of tertiary production of crude oil
15 resulting from injection of carbon dioxide gas, all Wyoming
16 severance taxes paid on the carbon dioxide gas injected
17 shall be deducted from and allowed as a credit against the
18 severance taxes imposed by W.S. 39-14-204(a)(ii), (iii) and
19 (iv) on the oil produced by the injection.

20
21 (j) Natural gas which is vented or flared under the
22 authority of the Wyoming oil and gas conservation
23 commission and natural gas which is reinjected or consumed
24 prior to sale for the purpose of maintaining, stimulating,

1 treating, transporting or producing crude oil or natural
2 gas on the same lease or unit from which it was produced
3 ~~has no value and is exempt from taxation~~ is exempt from
4 severance taxes imposed by W.S. 39-14-204(a)(ii), (iii) and
5 (iv).

6

7 **Section 2.** W.S. 39-14-104(a)(v), 39-14-105(b) and
8 (c), 39-14-111(e) and 39-14-205(b), (c), (e) through (h)
9 and (k) are repealed.

10

11 **Section 3.** This act is effective July 1, 2014.

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13

(END)