

HOUSE BILL NO. HB0172

Produced water treatment.

Sponsored by: Representative(s) Byrd, Blake, Bovee and Halverson

A BILL

for

1 AN ACT relating to oil and gas taxes; specifying that
2 natural gas used to treat by-product water is exempt from
3 taxation; providing a credit for equipment to treat
4 by-product water; and providing for an effective date.

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

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8 **Section 1.** W.S. 39-14-205 by creating a new
9 subsection (m) and 39-14-209(d) by creating a new paragraph
10 (iv) are amended to read:

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

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14 (m) Natural gas which is consumed prior to sale for
15 treating by-product water as defined in W.S. 41-3-903 so

1 the water is acceptable for beneficial use in Wyoming has
2 no value and is exempt from taxation.

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4 **39-14-209. Taxpayer remedies.**

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6 (d) Credits. The following shall apply:

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8 (iv) The taxpayer is entitled to receive a
9 credit against future payments for the costs of any reverse
10 osmosis equipment that is purchased by the taxpayer and
11 used to treat by-product water as defined in W.S. 41-3-903
12 so the water is acceptable for beneficial use in Wyoming.
13 The department may require supporting documentation prior
14 to allowing any credit under this paragraph.

15

16 **Section 2.** This act is effective July 1, 2018.

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18

(END)