

SENATE FILE NO. SF0009

Taxation-point of valuation for coal bed methane gas.

Sponsored by: Joint Minerals, Business and Economic  
Development Interim Committee

A BILL

for

1 AN ACT relating to taxation; providing a definition;  
2 providing the point at which the production process of coal  
3 bed methane gas is complete for purposes of taxation; and  
4 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. 39-14-201(a) by creating a new  
9 paragraph (xxxiii) and 39-14-203(b)(iv) are amended to  
10 read:

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12 **39-14-201. Definitions.**

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14 (a) As used in this article:

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1           (xxxiii) "Coal bed methane" means natural gas,  
2 as defined in paragraph (xv) of this subsection, which  
3 generally consists of methane gas and a small amount of  
4 inert gases and is produced from coal beds or coal seams.

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6           **39-14-203. Imposition.**

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8           (b) Basis of tax. The following shall apply:

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10           (iv) The production process for natural gas is  
11 completed after extracting from the well, gathering,  
12 separating, injecting and any other activity which occurs  
13 before the outlet of the initial dehydrator. When no  
14 dehydration is performed, other than within a processing  
15 facility, the production process is completed at the inlet  
16 to the initial transportation related compressor, custody  
17 transfer meter or processing facility, whichever occurs  
18 first. For coal bed methane, the production process is  
19 complete at the inlet of the initial compression facility  
20 designed to boost the pressure of the gas to a minimum of  
21 six hundred (600) pounds per square inch;

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1       **Section 2.** This act is effective July 1, 2002.

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(END)