

HOUSE BILL NO. HB0008

Coal valuation-intercompany/affiliate sales.

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

A BILL

for

1 AN ACT relating to taxation and revenue; modifying basis
2 for determining the value of certain coal; and providing
3 for an effective date.

4

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

6

7 **Section 1.** W.S. 39-14-103(b)(viii) is amended to
8 read:

9

10 **39-14-103. Imposition.**

11

12 (b) Basis of tax (valuation). The following shall
13 apply:

14

15 (viii) For coal used without sale, or coal not
16 sold pursuant to a bona fide arms-length agreement, the

1 sales value for the purposes of paragraph (vii) of this
2 subsection shall be the fair market value of comparable
3 coal ~~which is comparable in the quality, quantity, terms~~
4 ~~and conditions under which the coal is being used or sold,~~
5 ~~both in the spot market and through long-term agreements~~
6 ~~negotiated within the previous twelve (12) months,~~
7 ~~multiplied by the respective number of tons used or sold~~
8 ~~for each reporting period;~~ as determined by:

9
10 (A) The arms-length price of comparable
11 coal produced from the same mine and sold or used under
12 comparable terms; or

13
14 (B) If a price for comparable coal is not
15 available from the same mine, the arms-length price of
16 comparable coal produced from other mines in the area and
17 sold or used under comparable terms.

18
19 **Section 2.** This act is effective January 1, 2004 and
20 applies to all coal produced on and after January 1, 2004.

21
22 (END)