

HOUSE BILL NO. HB0012

Mineral audit period.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to taxation and revenue; providing for
2 audit periods for mineral taxation as specified; and
3 providing for an effective date.

4

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

6

7 **Section 1.** W.S. 39-14-108(b)(iii), (v)(D) and (vii),
8 39-14-208(b)(iii), (v)(D) and (vii), 39-14-308(b)(iii),
9 (v)(D) and (vii), 39-14-408(b)(iii), (v)(D) and (vii),
10 39-14-508(b)(iii), (v)(D) and (vii), 39-14-608(b)(iii),
11 (v)(D) and (vii) and 39-14-708(b)(iii), (v)(D) and (vii)
12 are amended to read:

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14 **39-14-108. Enforcement.**

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16 (b) Audits. The following shall apply:

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1 (iii) Commencing January 1, 2003, the department
2 is authorized to rely on final audit findings, taxpayer
3 amended returns or department review, and to certify mine
4 product valuation amendments to the county assessor of the
5 county in which the property is located, to be entered upon
6 the assessment rolls of the county and taxes computed and
7 collected thereon subject to appeal under W.S.
8 39-14-109(b)(ii), provided that the return is filed within
9 three (3) years from the date the production should have
10 been or was reported pursuant to W.S. 39-14-107(a)(i),
11 whichever is later, and that the audit or review commenced
12 within the time period as required by paragraph (vii) of
13 this subsection. Commencement of an audit, completion of
14 an audit, and final audit findings and final determination
15 by the department being issued to the taxpayer shall not
16 preclude the taxpayer from filing amended returns within
17 the time period specified herein, and any such amended
18 return may be audited within the time period stated in
19 paragraph (vii) of this subsection;

20

21 (v) All audits or department reviews, as
22 applicable, pursuant to paragraphs (ii), (iii) and (iv) of
23 this subsection are subject to the following conditions:

24

1 (D) Unless otherwise agreed to in writing,
2 audits shall be completed and the final audit findings
3 issued to the taxpayer not later than the end of the month
4 two (2) years after the audit is commenced and not sooner
5 than one (1) year following the reporting period for ad
6 valorem taxes;

7
8 (vii) Audits provided by this article shall
9 commence within three (3) years and six (6) months
10 immediately following the ~~three (3) years following the~~
11 reporting ~~period~~ date for ad valorem taxes and taxpayers
12 shall keep accurate books and records of all production
13 subject to taxes imposed by this article and determinations
14 of taxable value as prescribed by W.S. 39-14-103(b) for a
15 period of seven (7) years and make them available to
16 department examiners for audit purposes. Amended returns
17 filed with the department during the conduct of an audit
18 prior to the issuance of the final audit findings may be
19 made available by the taxpayer to the audit examiners. If
20 the examination discloses evidence of gross negligence by
21 the taxpayer in reporting and paying the tax, the
22 department may examine all pertinent records for any
23 reporting period without regard to the limitations set
24 forth in paragraphs (vii) and (viii) of this subsection;

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39-14-208. Enforcement.

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(b) Audits. The following shall apply:

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(iii) Commencing January 1, 2003, the department is authorized to rely on final audit findings, taxpayer amended returns or department review, and to certify mine product valuation amendments to the county assessor of the county from which the crude oil, lease condensate or natural gas was produced, to be entered upon the assessment rolls of the county and taxes computed and collected thereon subject to appeal under W.S. 39-14-209(b)(v), provided that the return is filed within three (3) years from the date the production should have been or was reported pursuant to W.S. 39-14-207(a)(i), whichever is later, and that the audit or review commenced within the time period as required by paragraph (vii) of this subsection. Commencement of an audit, completion of an audit, and final audit findings and final determination by the department being issued to the taxpayer shall not preclude the taxpayer from filing amended returns within the time period specified herein, and any such amended

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1 return may be audited within the time period stated in
2 paragraph (vii) of this subsection;

3

4 (v) All audits or department reviews, as
5 applicable, pursuant to paragraphs (ii), (iii) and (iv) of
6 this subsection are subject to the following conditions:

7

8 (D) Unless otherwise agreed to in writing,
9 audits shall be completed and the final audit findings
10 issued to the taxpayer not later than the end of the month
11 two (2) years after the audit is commenced and not sooner
12 than one (1) year following the reporting period for ad
13 valorem taxes;

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15 (vii) Audits provided by this article shall
16 commence within three (3) years and six (6) months
17 immediately following the ~~three (3) years following the~~
18 reporting ~~period~~ date for ad valorem taxes and taxpayers
19 shall keep accurate books and records of all production
20 subject to severance taxes imposed by this article and
21 determinations of taxable value as prescribed by W.S.
22 39-14-103(b) for a period of seven (7) years and make them
23 available to department examiners for audit purposes.

24 Amended returns filed with the department during the

1 conduct of an audit prior to the issuance of the final
2 audit findings may be made available by the taxpayer to the
3 audit examiners. If the examination discloses evidence of
4 gross negligence by the taxpayer in reporting and paying
5 the tax, the department may examine all pertinent records
6 for any reporting period without regard to the limitations
7 set forth in paragraphs (vii) and (viii) of this
8 subsection;

9
10 **39-14-308. Enforcement.**

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12 (b) Audits. The following shall apply:

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14 (iii) Commencing January 1, 2003, the department
15 is authorized to rely on final audit findings, taxpayer
16 amended returns or department review, and to certify mine
17 product valuation amendments to the county assessor of the
18 county in which the property is located, to be entered upon
19 the assessment rolls of the county and taxes computed and
20 collected thereon subject to appeal under W.S.
21 39-14-309(b)(ii), provided that the return is filed within
22 three (3) years from the date the production should have
23 been or was reported pursuant to W.S. 39-14-307(a)(i),
24 whichever is later, and that the audit or review commenced

1 within the time period as required by paragraph (vii) of
2 this subsection. Commencement of an audit, completion of
3 an audit, and final audit findings and final determination
4 by the department being issued to the taxpayer shall not
5 preclude the taxpayer from filing amended returns within
6 the time period specified herein, and any such amended
7 return may be audited within the time period stated in
8 paragraph (vii) of this subsection;

9
10 (v) All audits or department reviews, as
11 applicable, pursuant to paragraphs (ii), (iii) and (iv) of
12 this subsection are subject to the following conditions:

13
14 (D) Unless otherwise agreed to in writing,
15 audits shall be completed and the final audit findings
16 issued to the taxpayer not later than the end of the month
17 two (2) years after the audit is commenced and not sooner
18 than one (1) year following the reporting period for ad
19 valorem taxes;

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21 (vii) Audits provided by this article shall
22 commence within three (3) years and six (6) months
23 immediately following the ~~three (3) years following the~~
24 reporting ~~period~~ date for ad valorem taxes and taxpayers

1 shall keep accurate books and records of all production
2 subject to taxes imposed by this article and determinations
3 of taxable value as prescribed by W.S. 39-14-303(b) for a
4 period of seven (7) years and make them available to
5 department examiners for audit purposes. Amended returns
6 filed with the department during the conduct of an audit
7 prior to the issuance of the final audit findings may be
8 made available by the taxpayer to the audit examiners. If
9 the examination discloses evidence of gross negligence by
10 the taxpayer in reporting and paying the tax, the
11 department may examine all pertinent records for any
12 reporting period without regard to the limitations set
13 forth in paragraphs (vii) and (viii) of this subsection;

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15 **39-14-408. Enforcement.**

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17 (b) Audits. The following shall apply:

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19 (iii) Commencing January 1, 2003, the department
20 is authorized to rely on final audit findings, taxpayer
21 amended returns or department review, and to certify mine
22 product valuation amendments to the county assessor of the
23 county in which the property is located, to be entered upon
24 the assessment rolls of the county and taxes computed and

1 collected thereon subject to appeal under W.S.
2 39-14-409(b)(ii), provided that the return is filed within
3 three (3) years from the date the production should have
4 been or was reported pursuant to W.S. 39-14-407(a)(i),
5 whichever is later, and that the audit or review commenced
6 within the time period as required by paragraph (vii) of
7 this subsection. Commencement of an audit, completion of
8 an audit, and final audit findings and final determination
9 by the department being issued to the taxpayer shall not
10 preclude the taxpayer from filing amended returns within
11 the time period specified herein, and any such amended
12 return may be audited within the time period stated in
13 paragraph (vii) of this subsection;

14

15 (v) All audits or department reviews, as
16 applicable, pursuant to paragraphs (ii), (iii) and (iv) of
17 this subsection are subject to the following conditions:

18

19 (D) Unless otherwise agreed to in writing,
20 audits shall be completed and the final audit findings
21 issued to the taxpayer not later than the end of the month
22 two (2) years after the audit is commenced and not sooner
23 than one (1) year following the reporting period for ad
24 valorem taxes;

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(vii) Audits shall commence within three (3) years and six (6) months immediately following the ~~three (3) years following the~~ reporting ~~period~~ date for ad valorem taxes and taxpayers shall keep accurate books and records of all production subject to taxes imposed by this article and determinations of taxable value as prescribed by W.S. 39-14-403(b) for a period of seven (7) years and make them available to department examiners for audit purposes. Amended returns filed with the department during the conduct of an audit prior to the issuance of the final audit findings may be made available by the taxpayer to the audit examiners. If the examination discloses evidence of gross negligence by the taxpayer in reporting and paying the tax, the department may examine all pertinent records for any reporting period without regard to the limitations set forth in paragraphs (vii) and (viii) of this subsection;

39-14-508. Enforcement.

(b) Audits. The following shall apply:

1 (iii) Commencing January 1, 2003, the department
2 is authorized to rely on final audit findings, taxpayer
3 amended returns or department review, and to certify mine
4 product valuation amendments to the county assessor of the
5 county in which the property is located, to be entered upon
6 the assessment rolls of the county and taxes computed and
7 collected thereon subject to appeal under W.S.
8 39-14-509(b)(ii), provided that the return is filed within
9 three (3) years from the date the production should have
10 been or was reported pursuant to W.S. 39-14-507(a)(i),
11 whichever is later, and that the audit or review commenced
12 within the time period as required by paragraph (vii) of
13 this subsection. Commencement of an audit, completion of
14 an audit, and final audit findings and final determination
15 by the department being issued to the taxpayer shall not
16 preclude the taxpayer from filing amended returns within
17 the time period specified herein, and any such amended
18 return may be audited within the time period stated in
19 paragraph (vii) of this subsection;

20

21 (v) All audits or department reviews, as
22 applicable, pursuant to paragraphs (ii), (iii) and (iv) of
23 this subsection are subject to the following conditions:

24

1 (D) Unless otherwise agreed to in writing,
2 audits shall be completed and the final audit findings
3 issued to the taxpayer not later than the end of the month
4 two (2) years after the audit is commenced and not sooner
5 than one (1) year following the reporting period for ad
6 valorem taxes;

7
8 (vii) Audits provided by this article shall
9 commence within three (3) years and six (6) months
10 immediately following the ~~three (3) years following the~~
11 reporting ~~period~~ date for ad valorem taxes and taxpayers
12 shall keep accurate books and records of all production
13 subject to taxes imposed by this article and determinations
14 of taxable value as prescribed by W.S. 39-14-503(b) for a
15 period of seven (7) years and make them available to
16 department examiners for audit purposes. Amended returns
17 filed with the department during the conduct of an audit
18 prior to the issuance of the final audit findings may be
19 made available by the taxpayer to the audit examiners. If
20 the examination discloses evidence of gross negligence by
21 the taxpayer in reporting and paying the tax, the
22 department may examine all pertinent records for any
23 reporting period without regard to the limitations set
24 forth in paragraphs (vii) and (viii) of this subsection;

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39-14-608. Enforcement.

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(b) Audits. The following shall apply:

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(iii) Commencing January 1, 2003, the department is authorized to rely on final audit findings, taxpayer amended returns or department review, and to certify mine product valuation amendments to the county assessor of the county in which the property is located, to be entered upon the assessment rolls of the county and taxes computed and collected thereon subject to appeal under W.S. 39-14-609(b)(ii), provided that the return is filed within three (3) years from the date the production should have been or was reported pursuant to W.S. 39-14-607(a)(i), whichever is later, and that the audit or review commenced within the time period as required by paragraph (vii) of this subsection. Commencement of an audit, completion of an audit, and final audit findings and final determination by the department being issued to the taxpayer shall not preclude the taxpayer from filing amended returns within the time period specified herein, and any such amended return may be audited within the time period stated in paragraph (vii) of this subsection;

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2 (v) All audits or department reviews, as
3 applicable, pursuant to paragraphs (ii), (iii) and (iv) of
4 this subsection are subject to the following conditions:

5

6 (D) Unless otherwise agreed to in writing,
7 audits shall be completed and the final audit findings
8 issued to the taxpayer not later than the end of the month
9 two (2) years after the audit is commenced and not sooner
10 than one (1) year following the reporting period for ad
11 valorem taxes;

12

13 (vii) Audits provided by this article shall
14 commence within three (3) years and six (6) months
15 immediately following the ~~three (3) years following the~~
16 reporting ~~period~~ date for ad valorem taxes and taxpayers
17 shall keep accurate books and records of all production
18 subject to taxes imposed by this article and determinations
19 of taxable value as prescribed by W.S. 39-14-603(b) for a
20 period of seven (7) years and make them available to
21 department examiners for audit purposes. Amended returns
22 filed with the department during the conduct of an audit
23 prior to the issuance of the final audit findings may be
24 made available by the taxpayer to the audit examiners. If

1 the examination discloses evidence of gross negligence by
2 the taxpayer in reporting and paying the tax, the
3 department may examine all pertinent records for any
4 reporting period without regard to the limitations set
5 forth in paragraphs (vii) and (viii) of this subsection;

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7 **39-14-708. Enforcement.**

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9 (b) Audits. The following shall apply:

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11 (iii) Commencing January 1, 2003, the department
12 is authorized to rely on final audit findings, taxpayer
13 amended returns or department review, and to certify mine
14 product valuation amendments to the county assessor of the
15 county in which the property is located, to be entered upon
16 the assessment rolls of the county and taxes computed and
17 collected thereon subject to appeal under W.S.
18 39-14-709(b)(ii), provided that the return is filed within
19 three (3) years from the date the production should have
20 been or was reported pursuant to W.S. 39-14-707(a)(i),
21 whichever is later, and that the audit or review commenced
22 within the time period as required by paragraph (vii) of
23 this subsection. Commencement of an audit, completion of
24 an audit, and final audit findings and final determination

1 by the department being issued to the taxpayer shall not
2 preclude the taxpayer from filing amended returns within
3 the time period specified herein, and any such amended
4 return may be audited within the time period stated in
5 paragraph (vii) of this subsection;

6

7 (v) All audits or department reviews, as
8 applicable, pursuant to paragraphs (ii), (iii) and (iv) of
9 this subsection are subject to the following conditions:

10

11 (D) Unless otherwise agreed to in writing,
12 audits shall be completed and the final audit findings
13 issued to the taxpayer not later than the end of the month
14 two (2) years after the audit is commenced and not sooner
15 than one (1) year following the reporting period for ad
16 valorem taxes;

17

18 (vii) Audits provided by this article shall
19 commence within three (3) years and six (6) months
20 immediately following the ~~three (3) years following the~~
21 reporting ~~period~~ date for ad valorem taxes and taxpayers
22 shall keep accurate books and records of all production
23 subject to taxes imposed by this article and determinations
24 of taxable value as prescribed by W.S. 39-14-703(b) for a

1 period of seven (7) years and make them available to
2 department examiners for audit purposes. Amended returns
3 filed with the department during the conduct of an audit
4 prior to the issuance of the final audit findings may be
5 made available by the taxpayer to the audit examiners. If
6 the examination discloses evidence of gross negligence by
7 the taxpayer in reporting and paying the tax, the
8 department may examine all pertinent records for any
9 reporting period without regard to the limitations set
10 forth in paragraphs (vii) and (viii) of this subsection;

11

12 **Section 2.** This act is effective July 1, 2005.

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(END)