

HOUSE BILL NO. HB0064

Monthly payment of ad valorem tax on mineral production.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to ad valorem taxation of mineral
2 production; providing for monthly payment of ad valorem
3 taxes on mineral production commencing January 1, 2019;
4 providing a process for reporting, payment, reconciliation
5 and distribution of the monthly ad valorem tax; providing
6 legislative findings; providing a revised payment schedule
7 for the transition period; requiring a report; and
8 providing for an effective date.

9

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

11

12 **Section 1.** W.S. 39-13-113 is created to read:

13

14 **39-13-113. Monthly payment of ad valorem tax on gross**
15 **product of mineral production.**

16

1 (a) Commencing with mineral production on January 1,
2 2019, this section shall govern the payment of all ad
3 valorem taxes on the value of the gross product of the
4 mineral produced. Any provisions of this title related to
5 taxation of mineral production that do not conform to the
6 processes and procedures set forth in this section and that
7 have not been specifically amended or repealed by the
8 legislature are superseded by this section.

9

10 (b) Commencing January 1, 2019, all mineral producers
11 in the state shall report and pay an ad valorem tax on the
12 value of the gross product produced, also called the ad
13 valorem tax on mineral production, on a monthly basis in
14 the same manner as the severance tax on minerals
15 established in chapter 14 of this title.

16

17 (c) Monthly report. Each taxpayer liable for ad
18 valorem taxes on the value of the gross product produced
19 shall report monthly to the department in accordance with
20 the processes and timing governing severance tax set forth
21 in W.S. 39-14-107(a)(iv) for coal, W.S. 39-14-207(a)(iv)
22 for oil and gas, W.S. 39-14-307(a)(iv) for trona, W.S.
23 39-14-407(a)(iv) for bentonite, W.S. 39-15-507(a)(iv) for

1 uranium, W.S. 39-14-607(a)(iv) for sand and gravel and W.S.
2 39-14-707(a)(iv) for other valuable deposits.

3

4 (d) Ad valorem tax on mineral production. The ad
5 valorem tax shall be determined by the taxpayer, subject to
6 review and audit by the department, on a monthly basis by
7 applying the mill levy rate established by the county
8 commissioners under W.S. 39-13-102, 39-13-104 and 39-13-107
9 in the immediately preceding year to the value of the gross
10 product of the mineral produced, as reported on the monthly
11 form filed with the department. For monthly reports of the
12 ad valorem tax on mineral production filed by March 25 of
13 each year for production in January of that year, the
14 taxpayer shall use as the basis of the tax the mill levy
15 rate established by the county commissioners in August of
16 the preceding year. The same mill levy rate shall be used
17 for production through the month of June as the basis for
18 the monthly tax report and payment. After the counties
19 adopt new mill levy rates in August of each year, the
20 department shall not later than September 15 of each year
21 send to each mineral producer a statement that identifies
22 the difference between the mill levy rate in the prior year
23 and the newly adopted mill levy rate. If the mill levy rate

1 has increased the statement shall constitute an invoice to
2 the mineral producer to apply the difference between the
3 rates to the taxes reported and paid by the producer for
4 January through June production and pay the increased tax
5 within thirty (30) days of receipt of the statement. If the
6 mill levy rate has decreased the producer shall seek a
7 refund of the taxes overpaid for January through June
8 production. The mineral producer shall apply the newly
9 adopted mill levy rate to determine the taxes due on
10 production from July 1 through June of the following year.

11

12 (e) Distribution. The monthly payment of ad valorem
13 tax on mineral production as provided in this section shall
14 be collected by the department on behalf of the county.
15 Except as otherwise provided in this subsection, the
16 department shall properly account for the payments received
17 and distribute the payments promptly in the course of
18 ordinary business to the county treasurer of the county
19 where the production occurred. The department shall, on
20 behalf of the county treasurer, distribute the revenue
21 arising from the twenty-five (25) mills collected under
22 W.S. 21-13-102 and the six (6) mills collected under W.S.
23 21-13-201 to the appropriate school districts. The

1 department shall also distribute the revenue arising from
2 the twelve (12) mills collected under W.S. 21-13-303 to the
3 department of education. Nothing in this subsection shall
4 be deemed to change the distribution of any funds under the
5 school foundation program as provided in title 21, chapter
6 13 of the Wyoming statutes.

7

8 **Section 2.** W.S. 39-13-107(b)(i)(D), 39-13-108(b)(i),
9 39-13-111 by creating a new subsection (c),
10 39-14-107(b)(ii), 39-14-207(b)(ii), 39-14-307(b)(ii),
11 39-14-407(b)(ii), 39-14-507(b)(ii), 39-14-607(b)(ii) and
12 39-14-707(b)(ii) are amended to read:

13

14 **39-13-107. Compliance; collection procedures.**

15

16 (b) The following provisions shall apply to the
17 payment of taxes, distraint of property and deferral:

18

19 (i) The following shall apply to the payment of
20 taxes due:

21

22 (D) Except as otherwise provided in W.S.
23 39-13-113, taxes provided by this act are due and payable

1 at the office of the county treasurer of the county in
2 which the taxes are levied. Fifty percent (50%) of the
3 taxes are due on and after September 1 and payable on and
4 after November 10 in each year and the remaining fifty
5 percent (50%) of the taxes are due on and after March 1 and
6 payable on and after May 10 of the succeeding calendar year
7 except as hereafter provided. If the entire tax is paid on
8 or before December 31, no interest or penalty is
9 chargeable;

10

11 **39-13-108. Enforcement.**

12

13 (b) Interest. The following shall apply:

14

15 (i) Except as otherwise provided in W.S.
16 39-13-113, taxes provided by this act are due and payable
17 at the office of the county treasurer of the county in
18 which the taxes are levied. Fifty percent (50%) of the
19 taxes are due on and after September 1 and payable on and
20 after November 10 in each year and the remaining fifty
21 percent (50%) of the taxes are due on and after March 1 and
22 payable on and after May 10 of the succeeding calendar year
23 except as hereafter provided. If the entire tax is paid on

1 or before December 31, no interest or penalty is
2 chargeable;

3

4 **39-13-111. Distribution.**

5

6 (c) Taxes collected pursuant to W.S. 39-13-113 shall
7 be distributed as provided in W.S. 39-13-113(e).

8

9 **39-14-107. Compliance; collection procedures.**

10

11 (b) Payment. The following shall apply:

12

13 (ii) Ad valorem taxes provided by this act are
14 due and payable:

15

16 (A) For the 2018 tax year and all preceding
17 tax years, at the office of the county treasurer of the
18 county in which the taxes are levied. Fifty percent (50%)
19 of the taxes are due on and after September 1 and payable
20 on and after November 10 in each year and the remaining
21 fifty percent (50%) of the taxes are due on and after March
22 1 and payable on and after May 10 of the succeeding
23 calendar year except as hereafter provided. If the entire

1 tax is paid on or before December 31, no interest or
2 penalty is chargeable;

3

4 (B) Effective January 1, 2019 for tax year
5 2019 and each year thereafter, ad valorem taxes are due as
6 provided in W.S. 39-13-113.

7

8 **39-14-207. Compliance; collection procedures.**

9

10 (b) Payment. The following shall apply:

11

12 (ii) Ad valorem taxes are due and payable:

13

14 (A) For the 2018 tax year and all preceding
15 tax years, at the office of the county treasurer of the
16 county in which the taxes are levied. Fifty percent (50%)
17 of the taxes are due on and after September 1 and payable
18 on and after November 10 in each year and the remaining
19 fifty percent (50%) of the taxes are due on and after March
20 1 and payable on and after May 10 of the succeeding
21 calendar year except as hereafter provided. If the entire
22 tax is paid on or before December 31, no interest or
23 penalty is chargeable;

1

2

3

4

5

6

39-14-307. Compliance; collection procedures.

7

8

(b) Payment. The following shall apply:

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

(B) Effective January 1, 2019 for tax year 2019 and each year thereafter, ad valorem taxes are due as provided in W.S. 39-13-113.

(ii) Ad valorem taxes provided by this act are due and payable:

(A) For the 2018 tax year and all preceding tax years, at the office of the county treasurer of the county in which the taxes are levied. Fifty percent (50%) of the taxes are due on and after September 1 and payable on and after November 10 in each year and the remaining fifty percent (50%) of the taxes are due on and after March 1 and payable on and after May 10 of the succeeding calendar year except as hereafter provided. If the entire tax is paid on or before December 31, no interest or penalty is chargeable;

1 (B) Effective January 1, 2019 for tax year
2 2019 and each year thereafter, ad valorem taxes are due as
3 provided in W.S. 39-13-113.

4
5 **39-14-407. Compliance; collection procedures.**

6
7 (b) Payment. The following shall apply:

8
9 (ii) Ad valorem taxes provided by this act are
10 due and payable:

11
12 (A) For the 2018 tax year and all preceding
13 tax years, at the office of the county treasurer of the
14 county in which the taxes are levied. Fifty percent (50%)
15 of the taxes are due on and after September 1 and payable
16 on and after November 10 in each year and the remaining
17 fifty percent (50%) of the taxes are due on and after March
18 1 and payable on and after May 10 of the succeeding
19 calendar year except as hereafter provided. If the entire
20 tax is paid on or before December 31, no interest or
21 penalty is chargeable;

22

1 (B) Effective January 1, 2019 for tax year
2 2019 and each year thereafter, ad valorem taxes are due as
3 provided in W.S. 39-13-113.

4
5 **39-14-507. Compliance; collection procedures.**

6
7 (b) Payment. The following shall apply:

8
9 (ii) Ad valorem taxes provided by this act are
10 due and payable:

11
12 (A) For the 2018 tax year and all preceding
13 tax years, at the office of the county treasurer of the
14 county in which the taxes are levied. Fifty percent (50%)
15 of the taxes are due on and after September 1 and payable
16 on and after November 10 in each year and the remaining
17 fifty percent (50%) of the taxes are due on and after March
18 1 and payable on and after May 10 of the succeeding
19 calendar year except as hereafter provided. If the entire
20 tax is paid on or before December 31, no interest or
21 penalty is chargeable;

22

1 (B) Effective January 1, 2019 for tax year
2 2019 and each year thereafter, ad valorem taxes are due as
3 provided in W.S. 39-13-113.

4
5 **39-14-607. Compliance; collection procedures.**

6
7 (b) Payment. The following shall apply:

8
9 (ii) Ad valorem taxes provided by this act are
10 due and payable:

11
12 (A) For the 2018 tax year and all preceding
13 tax years, at the office of the county treasurer of the
14 county in which the taxes are levied. Fifty percent (50%)
15 of the taxes are due on and after September 1 and payable
16 on and after November 10 in each year and the remaining
17 fifty percent (50%) of the taxes are due on and after March
18 1 and payable on and after May 10 of the succeeding
19 calendar year except as hereafter provided. If the entire
20 tax is paid on or before December 31, no interest or
21 penalty is chargeable;

22

1 (B) Effective January 1, 2019 for tax year
2 2019 and each year thereafter, ad valorem taxes are due as
3 provided in W.S. 39-13-113.

4
5 **39-14-707. Compliance; collection procedures.**

6
7 (b) Payment. The following shall apply:

8
9 (ii) Ad valorem taxes provided by this act are
10 due and payable:

11
12 (A) For the 2018 tax year and all preceding
13 tax years, at the office of the county treasurer of the
14 county in which the taxes are levied. Fifty percent (50%)
15 of the taxes are due on and after September 1 and payable
16 on and after November 10 in each year and the remaining
17 fifty percent (50%) of the taxes are due on and after March
18 1 and payable on and after May 10 of the succeeding
19 calendar year except as hereafter provided. If the entire
20 tax is paid on or before December 31, no interest or
21 penalty is chargeable;

22

1 (B) Effective January 1, 2019 for tax year
2 2019 and each year thereafter, ad valorem taxes are due as
3 provided in W.S. 39-13-113.
4

5 **Section 3.**
6

7 (a) The legislature recognizes that there will be a
8 transition in calendar years 2019 and 2020 in which mineral
9 producers will pay the ad valorem tax on mineral production
10 in two (2) ways and in two (2) separate amounts. The
11 legislature asserts that this is not double taxation of the
12 same production, it is taxation of two (2) separate and
13 distinct taxable events. The taxable events are the
14 taxation of 2018 mineral production which is payable in
15 2019 and 2020 under the processes and procedures prior to
16 the effective date of W.S. 39-13-113 as provided by this
17 act, and the monthly tax payment of ad valorem taxes on
18 mineral production beginning January 1, 2019 as provided by
19 this act. For calendar years 2019 and 2020 only, in
20 addition to the monthly payment of ad valorem tax on
21 mineral production as provided in W.S. 39-13-113 and
22 commencing with the first reports and payments due March
23 25, 2019, the legislature recognizes that mineral producers

1 shall also owe the following pursuant to the processes and
2 procedures in place prior to January 1, 2019 as provided in
3 W.S. 39-13-113(a) and (b):

4

5 (i) Ad valorem tax on production from calendar
6 year 2017 of which the second half of the payment is due by
7 May 10, 2019 unless the entire amount was paid by December
8 31, 2018;

9

10 (ii) Ad valorem tax on production from calendar
11 year 2018. Notwithstanding W.S. 39-14-107(b)(ii),
12 39-14-207(b)(ii), 39-14-307(b)(ii), 39-14-407(b)(ii),
13 39-14-507(b)(ii), 39-14-607(b)(ii) and 39-14-707(b)(ii), ad
14 valorem tax on production from calendar year 2018 shall be
15 due and payable as provided in this paragraph. Failure to
16 pay any tax due pursuant to this paragraph shall be subject
17 to interest and penalties as provided by law:

18

19 (A) The first half of the payment for 2018
20 production is due by November 10, 2019 pursuant to the
21 processes and procedures prior to the effective date of
22 this act;

23

1 (B) Notwithstanding W.S. 39-13-113 as
2 created by this act, the first monthly payment under W.S.
3 39-13-113 shall be due in September 2019 for July 2019
4 mineral production;

5
6 (C) Beginning January 1, 2020 mineral
7 producers shall make double monthly payments each month
8 under W.S. 39-13-113 to account for the second half of the
9 payment for 2018 mineral production, which would otherwise
10 be due by May 10, 2020, and to account for the monthly
11 payments due for mineral production under W.S. 39-13-113
12 from January 1 through June 30, 2019 which were not made as
13 provided by subparagraph (B) of this paragraph. Double
14 payments shall continue until all of the unpaid taxes are
15 paid.

16
17 (b) The mineral tax task force shall conduct a review
18 of related statutes to ensure no conflicting or superfluous
19 provisions exist as a result of passage of this act. The
20 task force shall report to the joint revenue interim
21 committee prior to the 2017 general session and shall
22 include any draft legislation necessary to address any
23 items found through the review process.

1

2

Section 4. This act is effective July 1, 2016.

3

4

(END)