

HOUSE BILL NO. HB0125

Low production oil and gas well tax exemption.

Sponsored by: Representative(s) Miller, Gay, Kasperik, Krone, Madden, McKim, Pownall and Walters

A BILL

for

1 AN ACT relating to taxation and revenue; modifying an  
2 existing exemption and providing an additional severance  
3 tax exemption for stripper production of oil wells;  
4 providing a severance tax exemption for natural gas wells  
5 as specified; amending the definition of "stripper  
6 production" to include natural gas wells; and providing for  
7 an effective date.

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

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11 **Section 1.** W.S. 39-14-201(a)(xxiv) and 39-14-205(a)  
12 are amended to read:

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

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1 (a) As used in this article:

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3 (xxiv) "Stripper production" means the  
4 production from a property or lease whose average daily  
5 production of crude petroleum or natural gas from wells  
6 reported as oil or natural gas wells to the Wyoming oil and  
7 gas commission did not exceed:

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9 (A) Ten (10) barrels per day per stripper  
10 oil well during the preceding calendar year if the average  
11 price received by the producer for production from the  
12 property was ~~twenty dollars (\$20.00)~~ thirty dollars  
13 (\$30.00) or more per barrel; ~~or~~

14

15 (B) Fifteen (15) barrels per day per  
16 stripper oil well during the preceding calendar year if the  
17 average price received by the producer for production from  
18 the property was less than ~~twenty dollars (\$20.00)~~ thirty  
19 dollars (\$30.00) per barrel; ~~or~~

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21 (C) Fifty (50) MCF per day per stripper  
22 natural gas well during the preceding calendar year.

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1           **39-14-205. Exemptions.**

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3           (a) Stripper production is exempt from the severance  
4 taxes imposed by W.S. 39-14-204(a)(iii). Stripper oil wells  
5 under W.S. 39-14-201(a)(xxiv)(B) shall be exempt from the  
6 severance taxes imposed by W.S. 39-14-204(a)(iv). Stripper  
7 natural gas wells under W.S. 39-14-201(a)(xxiv)(C) shall be  
8 exempt from the severance taxes imposed by W.S.  
9 39-14-204(a)(iv) when the average price of natural gas  
10 received by the producer for production on the property is  
11 less than two dollars and fifty cents (\$2.50) per MCF  
12 during the proceeding calendar year.

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14           **Section 2.** This act is effective July 1, 2016.

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(END)