SF0134	Severance tax-exemption.

Sponsored By: Senator(s) Perkins, Bebout and Coe and
Representative(s) Burkhart, Obermueller and Walters

AN ACT relating to mine product taxes; providing exemptions for production of crude oil and natural gas; providing limitations on the exemptions; and providing for an effective date.

1/23/2019   Bill Number Assigned
1/24/2019   S Received for Introduction
1/25/2019   S Introduced and Referred to S02 - Appropriations
2/1/2019   S02 - Appropriations:Recommend Amend and Do Pass 5-0-0-0-0

ROLL CALL
Ayes: Senator(s) Agar, Bebout, Gierau, Hicks, Kinskey
Ayes 5   **Nays** 0   **Excused** 0   **Absent** 0   **Conflicts** 0

2/1/2019   S Placed on General File

SF0134SS001/ADOPTED
Page 1-line 8   After "W.S." insert "39-14-201(a)(xvii) and".
Page 1-line 9   Delete "is" and insert "are".
Page 1-after line 9   Insert:
     "**39-14-201. Definitions.**
     (a) As used in this article:
          (xvii) "Previously shut-in well" means a well from which crude oil or natural gas previously has been produced and from which no production has occurred for at least ~~the two (2) consecutive years prior to January 1, 1995~~ six (6) months;".
Page 2-line 8   After "oil" insert "and natural gas".
Page 2-line 17   Delete "twelve (12)" and insert "six (6)".
Page 3-line 1   After "production" insert "and shall not apply to natural gas production when the Colorado Interstate Gas (CIG) spot price for natural gas is five dollars ($5.00) or more per thousand cubic feet at the time of production".
Page 3-line 8   After "production" insert "and shall only apply to fifty percent (50%) of natural gas production when the CIG spot price for natural gas is more than four dollars ($4.00) per MCF and less than five dollars ($5.00) per MCF at the time of production".
Page 4-line 1   Delete "six dollars".
Page 4-line 2   Delete "($6.00)" and insert "five dollars ($5.00)".
Page 4-line 12   Delete "five dollars ($5.00)" and insert "four dollars ($4.00)".
Page 4-line 13   Delete "six dollars ($6.00)" and insert "five dollars ($5.00)".
Page 5-line 7   Delete "six dollars ($6.00)" and insert "five dollars ($5.00)".
Page 5-line 18   Delete "five dollars ($5.00)" and insert "four dollars ($4.00)"; delete "six dollars".
Page 5-line 19   Delete "($6.00)" and insert "five dollars ($5.00)".
Page 6-line 16   Delete "six dollars".
Page 6-line 17   Delete "($6.00)" and insert "five dollars ($5.00)".

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Page 7-line 4          Delete "five dollars ($5.00)" and insert "four dollars
                       ($4.00)".
Page 7-line 5          Delete "six dollars ($6.00)" and insert "five dollars
                       ($5.00)". BEBOUT, CHAIRMAN


2/4/2019    S COW:Passed
2/5/2019    S 2nd Reading:Passed
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SF0134S3001/ADOPTED
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Page 1-line 9          Delete "(r)" and insert "(q)".
Page 2-line 4          Delete "(p)" and insert "(o)".
Page 2-line 17         Delete "(q)" and insert "(p)".
Page 3-lines 10 through 23    Delete entirely.
Page 4-lines 1 through 14     Delete entirely including the Senate standing
                       committee amendment (SF0134SS001/A) to these lines.
Page 4-line 16         Delete "(o)" and insert "(n)"; before "Crude" insert
                       "Incremental"; delete "from a well".
Page 4-line 17         Delete "where" and insert "resulting from"; delete
                       "takes place" and insert "of a well".
Page 4-line 22         Delete "(q)" and insert "(p)".
Page 6-line 1          Delete "(p)" and insert "(o)".
Page 6-line 8          Delete "(q)" and insert "(p)".
Page 7-line 8          Delete "(q)" and insert "(p)".
Page 7-line 9          Delete "(p)" and insert "(o)".
Page 7-line 14         Delete "(p)" and insert "(o)".
Page 7-line 22         Delete "(r)" and insert "(q)". BEBOUT, PERKINS
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SF0134S3002/FAILED
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Page 7-after line 20   Insert and renumber as necessary:
    "(q)  The sum of all credits and exemptions under this section for any
single well shall not exceed fifty percent (50%) of the capital investment in
that well that caused the well to be eligible for the severance tax credits and
exemptions under this section.".  ROTHFUSS
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SF0134S3003/FAILED   (CORRECTED COPY)
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Page 2-line 20         Delete "eighty dollars ($80.00)" and insert "forty
                       dollars ($40.00)".
Page 2-line 23         Delete "sixty dollars ($60.00)" and insert "thirty
                       dollars ($30.00)".
Page 3-line 1          In the Senate standing committee amendment
                       (SF0134SS001/A) to this line, delete "four dollars
                       ($4.00)" and insert "two dollars and fifty cents
                       ($2.50)"; delete "five dollars ($5.00)" and insert
                       "three dollars ($3.00)".
Page 3-line 3          Delete "sixty dollars ($60.00)" and insert "thirty
                       dollars ($30.00)".
Page 3-line 4          Delete "eighty dollars ($80.00)" and insert "forty
                       dollars ($40.00)".
Page 3-line 6          Delete "forty".
Page 3-line 7          Delete "dollars ($40.00)" and insert "twenty dollars
                       ($20.00)"; delete "sixty dollars ($60.00)" and insert
                       "thirty dollars ($30.00)".
Page 3-line 8          In the Senate standing committee amendment
                       (SF0134SS001/A) to this line, delete "five dollars
                       ($5.00)" and insert "three dollars ($3.00)".
Page 5-line 1          Delete "eighty".
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Page 5-line 2	Delete "dollars ($80.00)" and insert "forty dollars ($40.00)".
Page 5-line 4	Delete "sixty dollars ($60.00)" and insert "thirty dollars ($30.00)".
Page 5-line 7	Delete the Senate standing committee amendment (SF0134SS001/A) to this line; delete "six dollars ($6.00)" and insert "three dollars ($3.00)".
Page 5-line 11	Delete "sixty dollars ($60.00)" and insert "thirty dollars ($30.00)".
Page 5-line 12	Delete "eighty dollars ($80.00)" and insert "forty dollars ($40.00)".
Page 5-line 14	Delete "forty dollars ($40.00)" and insert "twenty dollars ($20.00)".
Page 5-line 15	Delete "sixty dollars ($60.00)" and insert "thirty dollars ($30.00)".
Page 5-line 18	Delete the Senate standing committee amendment (SF0134SS001/A) to this line; delete "five dollars ($5.00)" and insert "two dollars and fifty cents ($2.50)"; delete "six dollars".
Page 5-line 19	Delete the Senate standing committee amendment (SF0134SS001/A) to this line; delete "($6.00)" and insert "three dollars ($3.00)".
Page 6-line 11	Delete "eighty dollars ($80.00)" and insert "forty dollars ($40.00)".
Page 6-line 13	Delete "sixty".
Page 6-line 14	Delete "dollars ($60.00)" and insert "thirty dollars ($30.00)".
Page 6-line 16	Delete the Senate standing committee amendment (SF0134SS001/A) to this line; delete "six dollars".
Page 6-line 17	Delete the Senate standing committee amendment (SF0134SS001/A) to this line; delete "($6.00)" and insert "three dollars ($3.00)".
Page 6-line 20	Delete "sixty dollars ($60.00)" and insert "thirty dollars ($30.00)".
Page 6-line 21	Delete "eighty dollars ($80.00)" and insert "forty dollars ($40.00)".
Page 7-line 1	Delete "forty dollars ($40.00)" and insert "twenty dollars ($20.00)"; delete "sixty dollars ($60.00)" and insert "thirty dollars ($30.00)".
Page 7-line 4	Delete the Senate standing committee amendment (SF0134SS001/A) to this line; delete "five dollars ($5.00)" and insert "two dollars and fifty cents ($2.50)".
Page 7-line 5	Delete the Senate standing committee amendment (SF0134SS001/A) to this line; delete "six dollars ($6.00)" and insert "three dollars ($3.00)". ROTHFUSS

2/6/2019   S 3rd Reading:Passed 22-7-1-0-0

ROLL CALL

Ayes: Senator(s) Agar, Anderson, Baldwin, Bebout, Biteman, Boner, Bouchard, Coe, Dockstader, Hicks, Hutchings, James, Kinskey, Kost, Landen, Moniz, Nethercott, Pappas, Perkins, Schuler, Scott, Steinmetz
Nays: Senator(s) Anselmi-Dalton, Case, Ellis, Gierau, Rothfuss, Von Flatern, Wasserburger
Excused: Senator Driskill
Ayes 22   **Nays** 7   **Excused** 1   **Absent** 0   **Conflicts** 0

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2/8/2019     H Received for Introduction
2/12/2019    H Introduced and Referred to H03 - Revenue
2/20/2019    H03 - Revenue:Recommend Amend and Do Pass 5-4-0-0-0
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ROLL CALL

Ayes: Representative(s) Hallinan, Laursen, Sweeney, Western, Zwonitzer
Nays: Representative(s) Blackburn, Connolly, Dayton-Selman, Roscoe
Ayes 5   **Nays** 4   **Excused** 0   **Absent** 0   **Conflicts** 0

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2/20/2019    H Placed on General File
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SF0134HS001/ADOPTED   (TO ENGROSSED COPY)
That Substitute No. 1 for SF0134 Engrossed DO PASS. ZWONITZER, CHAIRMAN

SF0134HW001/ADOPTED   (TO ENGROSSED COPY)
                              [TO SUBSTITUTE BILL No. 1]
Page 2-line 5   Delete "eighteen".
Page 2-line 6   Delete "(18)" and insert "twelve (12)".
Page 3-line 6   Delete "eighteen (18)" and insert "twelve (12)".
                       ZWONITZER

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2/22/2019    H COW:Passed
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SF0134H2001/ADOPTED
                              [TO SUBSTITUTE BILL No. 1]
Page 5-line 16   After "website." insert "Not later than November 1 of
                       each year, the department shall report on the use of
                       the exemptions under subsections (h) through (o) of
                       this section, and associated revenue impacts, to the
                       joint revenue interim committee.". ZWONITZER

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2/25/2019    H 2nd Reading:Passed
2/26/2019    H 3rd Reading:Laid Back
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SF0134H3001/ADOPTED
                              [TO SUBSTITUTE BILL No. 1]
Page 1-line 5   After "apply;" insert "providing a sunset date;".
Page 1-line 10   Delete "(p)" and insert "(q)".
Page 5-after line 16   Insert:
     "(q) Subsections (n) through (p) of this section are repealed December
31, 2024.". HARSHMAN

SF0134H3002/WITHDRAWN

SF0134H3003/FAILED   (TO ENGROSSED COPY)
                              [TO SUBSTITUTE BILL NO. 1]
Page 1-line 10   Delete "(p)" and insert "(q)".
Page 5-after line 16   Insert:
     "(q) Subsections (n) through (p) of this section shall only apply to:
          (i) Oil wells that produce fewer than one hundred (100) barrels of
oil per day; and
          (ii) Natural gas wells that produce fewer than two hundred (200)
MCF of natural gas per day.".
Renumber as necessary. NICHOLAS

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2/27/2019    H 3rd Reading:Passed 37-21-2-0-0
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Ayes: Representative(s) Brown, Burkhart, Clem, Crank, Edwards, Eyre, Flitner, Gray, Greear, Haley, Hallinan, Harshman, Henderson, Hunt, Jennings, Larsen, Laursen, Lindholm, MacGuire, Miller, Newsome, Obermueller, Olsen, Paxton, Pownall, Salazar, Simpson, Sommers, Stith, Styvar, Sweeney, Tass, Walters, Washut, Western, Winter, Zwonitzer
Nays: Representative(s) Barlow, Blackburn, Blake, Burlingame, Clausen, Clifford, Connolly, Dayton-Selman, Duncan, Eklund, Freeman, Furphy, Kinner, Loucks, Nicholas, Pelkey, Piiparinen, Roscoe, Schwartz, Wilson, Yin
Excused: Representative(s) Kirkbride, Northrup
Ayes 37   **Nays** 21   **Excused** 2   **Absent** 0   **Conflicts** 0

2/27/2019   S Received for Concurrence
2/27/2019   S Concur:Failed 3-24-3-0-0

Ayes: Senator(s) Case, Gierau, Von Flatern
Nays: Senator(s) Anderson, Anselmi-Dalton, Baldwin, Bebout, Boner, Bouchard, Coe, Dockstader, Driskill, Ellis, Hicks, Hutchings, James, Kinskey, Kost, Landen, Moniz, Nethercott, Pappas, Perkins, Schuler, Scott, Steinmetz, Wasserburger
Excused: Senator(s) Agar, Biteman, Rothfuss
Ayes 3   **Nays** 24   **Excused** 3   **Absent** 0   **Conflicts** 0

2/27/2019   S Appointed JCC01 Members
             Senator(s) Perkins, Bebout, Boner
2/27/2019   H Appointed JCC01 Members
             Representative(s) Zwonitzer, Lindholm, Roscoe
2/27/2019   S Adopted SF0134JC001: 24-4-2-0-0

SF0134JC001/SADOPTED   (TO ENGROSSED COPY)
Adopt the following House amendments:
SF0134HS001/A
SF0134HW001/A
SF0134H2001/A
Delete the following House amendments:
SF0134H3001/A
Further amend the ENGROSSED COPY as follows:
                    [TO SUBSTITUTE BILL No. 1]
Page 1-line 5   After "apply;" insert "providing a sunset date;".
Page 1-line 10   Delete "(p)" and insert "(r)".
Page 3-line 8   After "production of" insert "sweet".
Page 3-line 9   Delete "forty-nine dollars ($49.00)" and insert "sixty dollars ($60.00)".
Page 3-line 10   After "production" insert "or to the production of sour crude oil when the Western Canadian Select (WCS) price of sour crude oil is sixty dollars ($60.00) or more at the time of production".
Page 3-line 23   After "apply to" insert "sweet".
Page 4-line 1   Delete "forty-nine".
Page 4-line 2   Delete "dollars ($49.00)" and insert "sixty dollars ($60.00)"; after "production" insert "or to the production of sour crude oil when the Western Canadian Select (WCS) price of sour crude oil is sixty dollars ($60.00) or more at the time of production".
Page 4-line 18   After "apply to" insert "sweet".

Page 4-line 19   Delete "forty-nine".
Page 4-line 20   Delete "dollars ($49.00)" and insert "sixty dollars ($60.00)"; after "production" insert "or to the production of sour crude oil when the Western Canadian Select (WCS) price of sour crude oil is sixty dollars ($60.00) or more at the time of production".
Page 5-line 7   After "price" insert ", Western Canadian Select (WCS) price".
Page 5-line 15   After "WTI" insert ", WCS".
Page 5-after line 16   Insert:
     "(q) As used in this section:
        (i) "Sour crude oil" means crude oil production containing one-half of one percent (0.5%) or more of sulfur;
        (ii) "Sweet crude oil" means crude oil production containing less than one-half of one percent (0.5%) of sulfur.
    (r) Subsections (n) through (q) of this section are repealed December 31, 2024.". PERKINS, BEBOUT, BONER, ZWONITZER, LINDHOLM, ROSCOE

ROLL CALL
Ayes: Senator(s) Anderson, Baldwin, Bebout, Biteman, Boner, Bouchard, Coe, Dockstader, Driskill, Ellis, Gierau, Hicks, Kinskey, Kost, Landen, Moniz, Nethercott, Pappas, Perkins, Schuler, Scott, Steinmetz, Von Flatern, Wasserburger
Nays: Senator(s) Anselmi-Dalton, Case, Hutchings, Rothfuss
Excused: Senator(s) Agar, James
Ayes 24   **Nays** 4   **Excused** 2   **Absent** 0   **Conflicts** 0

2/28/2019   H Did Not Adopt SF0134JC001: 21-31-8-0-0

SF0134JC001/SADOPTEDHFAILED (TO ENGROSSED COPY)
Adopt the following House amendments:
SF0134HS001/A
SF0134HW001/A
SF0134H2001/A
Delete the following House amendments:
SF0134H3001/A
Further amend the ENGROSSED COPY as follows:
[TO SUBSTITUTE BILL No. 1]
Page 1-line 5   After "apply;" insert "providing a sunset date;".
Page 1-line 10   Delete "(p)" and insert "(r)".
Page 3-line 8   After "production of" insert "sweet".
Page 3-line 9   Delete "forty-nine dollars ($49.00)" and insert "sixty dollars ($60.00)".
Page 3-line 10   After "production" insert "or to the production of sour crude oil when the Western Canadian Select (WCS) price of sour crude oil is sixty dollars ($60.00) or more at the time of production".
Page 3-line 23   After "apply to" insert "sweet".
Page 4-line 1   Delete "forty-nine".
Page 4-line 2   Delete "dollars ($49.00)" and insert "sixty dollars ($60.00)"; after "production" insert "or to the production of sour crude oil when the Western Canadian Select (WCS) price of sour crude oil is sixty dollars ($60.00) or more at the time of production".
Page 4-line 18   After "apply to" insert "sweet".
Page 4-line 19   Delete "forty-nine".

Page 4-line 20   Delete "dollars ($49.00)" and insert "sixty dollars ($60.00)"; after "production" insert "or to the production of sour crude oil when the Western Canadian Select (WCS) price of sour crude oil is sixty dollars ($60.00) or more at the time of production".
Page 5-line 7   After "price" insert ", Western Canadian Select (WCS) price".
Page 5-line 15   After "WTI" insert ", WCS".
Page 5-after line 16   Insert:
     "(q) As used in this section:
          (i) "Sour crude oil" means crude oil production containing one-half of one percent (0.5%) or more of sulfur;
          (ii) "Sweet crude oil" means crude oil production containing less than one-half of one percent (0.5%) of sulfur.
     (r) Subsections (n) through (q) of this section are repealed December 31, 2024.". PERKINS, BEBOUT, BONER, ZWONITZER, LINDHOLM, ROSCOE

ROLL CALL
Ayes: Representative(s) Blackburn, Brown, Burkhart, Burlingame, Gray, Haley, Jennings, Larsen, Lindholm, Obermueller, Paxton, Pownall, Sommers, Styvar, Sweeney, Tass, Walters, Washut, Western, Winter, Zwonitzer
Nays: Representative(s) Barlow, Blake, Clausen, Clifford, Connolly, Crank, Dayton-Selman, Duncan, Eklund, Eyre, Flitner, Freeman, Furphy, Greear, Harshman, Henderson, Hunt, Kinner, Kirkbride, MacGuire, Newsome, Nicholas, Olsen, Pelkey, Piiparinen, Roscoe, Schwartz, Simpson, Stith, Wilson, Yin
Excused: Representative(s) Clem, Edwards, Hallinan, Laursen, Loucks, Miller, Northrup, Salazar
Ayes 21   **Nays** 31   **Excused** 8   **Absent** 0   **Conflicts** 0

2/28/2019   Pursuant to JR 2-1(c): H Appointed JCC02 Members
             Representative(s) Larsen, Burkhart, Connolly
2/28/2019   Pursuant to JR 2-1(c):S Appointed JCC02 Members
2/28/2019   S postponed indefinitely