

House of Intro
 _____ To Com No. _____
 _____ Stand Report Do ___ Amd ___ Not ___
 _____ Com Whole Do ___ Amd ___ Not ___
 _____ 2nd Reading Amd ___
 _____ 3rd Reading Amd ___ Pass ___ Fail ___

Second House
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 _____ Stand Report Do ___ Amd ___ Not ___
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 _____ 3rd Reading Amd ___ Pass ___ Fail ___

1979

STATE OF WYOMING

79LSO-554.01

HOUSE BILL NO. 398

Tax on natural gas.

Sponsored by: Representative VINICH

A BILL

for

1 AN ACT to create W.S. 39-6-308 relating to a natural gas
 2 excise tax; providing for a tax and distribution of the
 3 proceeds; providing for sales tax credit; providing for
 4 severability; and providing for an effective date.

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

6 Section 1. W.S. 39-6-308 is created to read:

7 39-6-308. Excise tax imposed; payment and disposi-
 8 tion of taxes; sales tax credit.

9 (a) In addition to any other taxes provided by law,
 10 there is imposed upon the privilege of extracting natural
 11 gas in Wyoming an excise tax of five percent (5%) of the

1 value of the gross product extracted. For the purpose of
2 this section, the value of the gross product is the value
3 fixed by the department of revenue and taxation pursuant
4 to W.S. 39-2-202.

5 (b) Every entity subject to the imposition of the
6 natural gas excise tax shall file a return on forms pro-
7 vided by, and with the information required by, the
8 department of revenue and taxation and shall pay the tax
9 due on or before the last day of the month following the
10 month in which the natural gas was extracted. The pro-
11 ceeds of the tax shall be deposited in the general fund.

12 (c) Every entity paying the tax provided by subsec-
13 tion (a) of this section may deduct from any sales tax
14 liability provided by the Selective Sales Tax Act of 1937,
15 an amount equal to the amount of tax in subsection (a) of
16 this section attributable to natural gas extracted and
17 sold for consumption within the state.

18 Section 2. If any provision of this act or its
19 application to any person or circumstance is held invalid,
20 the invalidity does not affect other provisions or appli-
21 cations of the act which can be given effect without the
22 invalid provision or application, and to this end the
23 provisions of this act are severable.

FISCAL NOTE

Anticipated <u>REVENUE</u> to:	Fiscal Year 19	Fiscal Year 19
General Fund	SEE DISCUSSION	
TOTAL ESTIMATED REVENUE		
Anticipated <u>COST</u> to:	Fiscal Year 19	Fiscal Year 19
TOTAL ESTIMATED COST		

1. It is estimated that the 5% tax on natural gas will produce approximately \$16,560,000 in FY 1980.
2. It is not possible, without an audit of each natural gas entity, to determine the sales tax credit that would be allowed under the proposed measure. However, if all entities engaged in the sale of natural gas to consumers could have exempted their total sales tax collections for FY 1978, the loss would have been approximately \$1,575,000.
3. Additional administrative costs would be incurred by the Department of Revenue and Taxation in administering the provisions of this measure.