

Eyre

00 LSO - 0140

HOUSE BILL 0191

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Title: HB0191 Oil producers recovery.

AN ACT relating to taxation and revenue; providing for taxation of certain oil as specified; deleting a sales tax exemption for power in the extraction of oil; and providing for an effective date.

*Withdrawn
By Sponsor
2/16/00*

Introduced by:

HOUSE ACTION ON HOUSE BILL

- Introduced
Aye ___ No ___ Ex ___ Ab ___
- Read First Time and Ref. to Committee No. _____
- Failed Introduction
Aye ___ No ___ Ex ___ Ab ___
- Returned from Committee No. _____ with Recommendation:
 Do Pass; Amend & Do Pass; Do Not Pass;
 W/O Recomm; Re-Refer to Committee No. _____
- Re-referred to Committee No. _____
- Returned from Committee No. _____ with Recommendation:
 Do Pass; Amend & Do Pass; Do Not Pass;
 W/O Recomm; Re-Refer to Committee No. _____
- Considered in Comm. of Whole
 Amended
 Recommended Do Pass
 Failed Comm. of Whole
 Indefinitely Postponed
 Other: _____
- Read Second Time
 Amended
 Do Pass
 Do Not Pass
 Accelerated to 3rd Rdg.
- Read Third Time
 Amended
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
 Held for Reconsideration
 Motion to Reconsider
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
- Third Reading Vote (On Reconsideration)
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
- Sent to Senate (No Amendments)
- Sent to LSO for Engrossing
 ENGROSSED
 Sent to Senate

SENATE ACTION

- Rece
- Referred to Committee No. _____
- Returned from Committee No. _____ with Recommendation:
 Do Pass; Amend & Do Pass; Do Not Pass;
 W/O Recomm; Re-Refer to Committee No. _____
- Re-referred to Committee No. _____
- Returned from Committee No. _____ with Recommendation:
 Do Pass; Amend & Do Pass; Do Not Pass;
 W/O Recomm; Re-Refer to Committee No. _____
- Considered in Comm. of Whole
 Amended
 Recommended Do Pass
 Failed Comm. of Whole
 Indefinitely Postponed
 Other: _____
- Read Second Time
 Amended
 Do Pass
 Do Not Pass
 Accelerated to 3rd Rdg.
- Read Third Time
 Amended
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
 Held for Reconsideration
 Motion to Reconsider
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
- Third Reading Vote (On Reconsideration)
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
- Sent to House
- Sent for Enrolling
HEA No. _____
- Signed by Speaker
- Signed by President
- Approved by Governor
- Chapter No. _____

HOUSE BILL NO. HB0191

Oil producers recovery.

Sponsored by: Representative(s) Eyre and Huckfeldt

A BILL

for

1 AN ACT relating to taxation and revenue; providing for
2 taxation of certain oil as specified; deleting a sales tax
3 exemption for power in the extraction of oil; and providing
4 for an effective date.

5

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

7

8 **Section 1.** W.S. 39-14-204(a)(iii) and (iv) is amended
9 to read:

10

11 **39-14-204. Tax rate.**

12

13 (a) Except as otherwise provided by this section and
14 W.S. 39-14-205, the total severance tax on crude oil, lease
15 condensate or natural gas shall be six percent (6%),
16 comprising one and one-half percent (1.5%) imposed by the
17 Wyoming constitution article 15, section 19 and the
18 remaining amount imposed by Wyoming statute. The tax shall

1 be distributed as provided in W.S. 39-14-211 and is imposed
2 as follows:

3
4 (iii) Two percent (2%), except ~~for the period~~
5 ~~January 1, 1999 through December 31, 2000,~~ the rate for
6 crude oil production under this paragraph shall be one
7 percent (1%). If any time the average monthly price received
8 by Wyoming crude oil producers as determined by the
9 department of revenue equals or exceeds twenty dollars
10 (\$20.00) is less than or equal to eleven dollars (\$11.00)
11 per barrel for three (3) consecutive months, and the reduced
12 tax rate of one percent (1%) specified in this paragraph for
13 the period of January 1, 1999 through December 31, 2000
14 shall terminate shall apply until the average monthly price
15 received by Wyoming crude oil producers as determined by the
16 department of revenue again exceeds eleven dollars (\$11.00)
17 per barrel for three (3) consecutive months; plus

18
19 (iv) Two percent (2%), except ~~for the period~~
20 ~~January 1, 1999 through December 31, 2000,~~ the rate for
21 crude oil production under this paragraph shall be one
22 percent (1%). If any time the average monthly price
23 received by Wyoming crude oil producers as determined by the
24 department of revenue equals or exceeds twenty dollars
25 (\$20.00) is less than or equal to eleven dollars (\$11.00)

1 per barrel for three (3) consecutive months, and the reduced
2 tax rate of one percent (1%) specified in this paragraph ~~for~~
3 ~~the period of January 1, 1999 through December 31, 2000~~
4 ~~shall terminate~~ shall apply until the average monthly price
5 received by Wyoming crude oil producers as determined by the
6 department of revenue again exceeds eleven dollars (\$11.00)
7 per barrel for three (3) consecutive months.

8

9 **Section 2.** W.S. 39-15-105(a)(iii)(H) is repealed.

10

11 **Section 3.** This act is effective immediately upon
12 completion of all acts necessary for a bill to become law as
13 provided by Article 4, Section 8 of the Wyoming
14 Constitution.

15

16

(END)

FISCAL NOTE

	FY 2001	FY 2002	FY 2003
NON-ADMINISTRATIVE IMPACT			
<u>Anticipated Revenue Increase:</u>			
BUDGET RESERVE FUND	300,000	0	0
GENERAL FUND	4,000,000	0	0
HIGHWAY FUND	1,200,000	0	0
LOCAL SOURCES FUND	2,200,000	0	0
WATER DEVELOPMENT II FUND	300,000	0	0

Source of revenue increase:

Reinstatement of severance tax rates to levels prior to the Oil Producers Recovery Act. Also, a portion of the projected increases come from repealing the sales tax exemption for power in the extraction of oil.

Assumptions:

The Department of Revenue assumes the effective date will be in April 2000, and that the \$11.00 per barrel is not retroactive but will go into effect in April 2000. The \$20.00 per barrel is still effective from January 1, 1999 until March 31, 2000. With the next three months (April-June) ending the tax incentive based on CREG's estimates of \$15.00 per barrel average for FY00.

The estimates above are based on October 1999 CREG estimates; therefore, no revenue decreases are anticipated in the projection period. The increases are derived from two sources: sales taxes and severance taxes. The breakout follows:

Sales taxes:

General Fund	\$1,300,000
Local Sources	\$500,000

Severance taxes:

General Fund	\$2,700,000
Local Sources	\$1,700,000
Highway Fund	\$1,200,000
Budget Reserve	\$300,000
Water II	\$300,000

In addition, to the profiled increases, there will likely be revenue increases from the sales tax provision in FY2000. (This is due to the fact the bill becomes effective immediately.)

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