

CHAPTER 193

Original House Bill No. 229

SEVERANCE TAX

AN ACT levying an annual severance tax of six and one-fourth per cent (6¼%) of value of the minerals extracted upon the privilege of extracting gold, silver and other precious metals, soda, saline, coal, trona, uranium, bentonite, petroleum or other crude mineral oil or natural gas or other valuable deposit; defining value; providing for reporting of production and information as to the value thereof; providing for notification of the tax due and the time for payment thereof; providing for a protest of the valuation and tax levied; providing for refunds of excess tax paid; providing for deduction by operators a proportionate share of the tax from the share of interest owners; providing a penalty for failure to file returns and for adding interest for non-payment of the tax; providing that the tax due shall be a lien; creating the mineral severance tax fund; providing for transfer of funds to the general fund; providing for certain credits; and providing an effective date.

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

**Amount to be Levied; Fixed by State Board of Equalization;
Computation**

Section 1. There is hereby levied upon the privilege of extracting any gold, silver and other precious metals, soda, saline, coal, trona, uranium, bentonite, petroleum or other crude mineral oil or natural gas, or other valuable deposit, a severance tax which shall be payable to the Tax Commission of Wyoming, in an amount equal to six and one-fourth per cent (6¼%) of the value of the gross product extracted. For the purpose of this act, the value of the gross product shall be the value fixed by the State Board of Equalization pursuant to Section 39-224, Wyoming Statutes 1957, and shall not include gross production otherwise exempt by law.

Payments Due

Section 2. The tax levied by the provisions of this act shall be payable to the Tax Commission of Wyoming annually, beginning in 1969, on the first day of July, and shall be and become delinquent on and after the first day of September. The amount of the tax so payable shall be computed upon the gross production for the preceding calendar year, as described in Section 1 hereof.

Report of the Gross Production to State Board of Equalization

Section 3. Every person, partnership, corporation, company, firm or association of whatever nature, extracting any of the products hereinabove described shall be required to report the gross production for the preceding calendar year, together with such information as shall be requested to determine the value thereof, to the State Board of Equalization not later than the second Monday in February in each and every year, and shall be liable for the payment of the tax assessed thereon.

**Computation of Value; Certification to Revenue Department;
Notification**

Section 4. The State Board of Equalization shall compute the value of the gross production returned, and shall certify the same

to the Department of Revenue within the Tax Commission of Wyoming. The Department of Revenue shall compute the amount of tax herein levied, shall credit the tax of each taxpayer in the amount of fifty-two and one-half (52.5) mills per dollar on the value of all such production required to be returned for taxation pursuant to the provisions of Section 39-222 through 39-227, Wyoming Statutes 1957, and shall notify each taxpayer of the amount of tax due on or before the first week day in June of each and every year, beginning in the year 1969.

Action by Aggrieved Taxpayer; No Restraining Order or Injunction to Issue

Section 5. Every taxpayer who shall feel aggrieved by the valuation and tax levied by this act shall have the right of protest thereof as provided for upon assessments made by the State Board of Equalization, but such protest shall not relieve the taxpayer from paying the tax assessed by the Tax Commission of Wyoming under this act as the same shall become due and payable, provided that the payment of such tax under protest shall not invalidate or nullify the protest. Any excess tax found to have been paid, whether as the result of protest or erroneous assessment, shall be refunded to the person paying said tax. No restraining order or injunction shall be granted or issued by any court or judge to restrain or enjoin the collection of any tax, interest, or penalty imposed pursuant to this act.

Refusal to File Statement; Board of Equalization to Ascertain Value

Section 6. If any person shall fail or refuse to file a statement of gross production with the State Board of Equalization as above provided, the State Board of Equalization shall fix the value of production from the best information or knowledge it can obtain. The State Board of Equalization, for the purpose of ascertaining the correctness of any return or for the purpose of ascertaining the value that should be fixed when a return has not been filed, shall have power to examine or cause to be examined by any agent or representative designated by it for that purpose, any books, papers, records or memoranda bearing upon the matter required by it therefor, and may require the attendance of any officer or employee of any corporation, person required by this act to make a return, or the attendance of any other person having knowledge of any pertinent fact, and may take testimony and require proof material to the required information.

Deduction of Tax

Section 7. Any person upon which a tax is imposed by this act for extracting any of the products referred to shall have the right and be empowered to deduct the tax so paid from any amounts due or to become due to the interest owners of such products in proportion to the interest ownership thereof.

Penalty Tax for Failure to File

Section 8. In case of any failure to make or file a return as required by this act, there shall be added to the tax determined by the State Tax Commission to be due, a penalty of twenty-five per cent

(25%) of said tax, unless the person required to make the return shall for good cause obtain from the State Board of Equalization an extension of time for filing the return prior to the due date thereof. Interest at the rate of eleven per cent (11%) per annum from September 1 until payment shall be added to all taxes which shall become delinquent hereunder. The tax due, together with interest, penalties and costs shall be collectible by the Tax Commission of Wyoming by any appropriate judicial proceedings.

Liability of Persons Extracting Products

Section 9. Any person extracting products under this act, and every person owning an interest in said products to the extent of their interest ownership shall be liable for the payment of the tax imposed by this act, together with any and all penalties and interest, and the tax shall be and become a lien upon the interest of any owner and the interest of any person extracting any such products from and after the time the same are extracted until the tax is paid thereon.

Mineral Severance Tax Fund

Section 10. All sums of money received and collected under the provisions of this act shall be deposited by the Tax Commission in a bank approved by the State Board of Deposits, and after collections have cleared through said banks the same shall be transferred to the State Treasurer who shall place the same to the credit of the mineral severance tax fund of this state, provided that all money in said fund shall be transferred to the general fund, except for the purpose of refunding any erroneously paid taxes there shall be retained in the mineral severance tax fund the sum of Five Thousand Dollars (\$5,000.00), together with the amount of tax on any protest of value for mineral severance tax before the State Board of Equalization.

Refunds

Section 11. Whenever any person shall be entitled to a refund, the Tax Commission of Wyoming upon satisfactory proofs presented to it, shall prepare and present a voucher therefor to the State Auditor, who shall thereupon draw his warrant on the State Treasurer against the mineral severance tax fund in the State Treasury in favor of the person entitled thereto, provided that all applications for refunds shall be made within two (2) years from the payment of the erroneous tax.

Section 12. This act shall take effect and be in force from and after its passage.

Approved March 6, 1969.