

Mineral Tax History & Incentives*

1969 through 2020

Year	Chapter	Explanation
1969	193	Imposed the first severance tax on gold, silver & other precious metals, soda, saline, coal, trona, uranium, bentonite, petroleum or other crude mineral oil or natural gas or other valuable deposit (1% rate based on property tax valuation)
1974	HJR2A	Created the Permanent Wyoming Mineral Trust Fund (PWMTF); 1.5% severance tax on coal, oil, natural gas, oil shale & such other minerals as designated by the Legislature deposited in the PWMTF
1974	19	Increased severance tax rate to 3% on trona, coal, other fossil fuel minerals, & oil, natural gas & oil shale
1975	125	Increased severance tax rate to 4% on trona, coal, oil, natural gas & oil shale (2% severance tax rate remained on uranium, bentonite, gold, silver, or other precious metals, soda & saline)
1975	120	Imposed a coal impact severance tax on a graduated scale (1974 - .4%; 1975 - .8%; 1976 - 1.2%; 1977 - 1.6%; 1978 & after - 2%) until \$120M collected
1977	189	Increased severance tax on coal by 1.6% for CY 77 & 2% for CY 78 until \$160M collected; increased severance tax on coal by 1.5% for Water development account; increased severance tax on coal by 1% for highway fund; increased severance tax on coal by .5% to PWMTF; effective 1/1/78 ¹ (total 10.1%); increased severance tax on trona by 1.5% (total 5.5%); increased severance tax on uranium by 3.5% (total 5.5%)
1977	155	Increased severance tax on coal, uranium & trona by 1.5% until \$250M collected; effective 1/1/78
1981	49	Increased severance tax on oil/gas by 2% (6% total); distributed to state (highway fund, PWMTF & water development account) & cities & counties
1983	173	Decreased severance tax on underground coal by 3.25% to 7.25%
1985	182	Decreased severance tax on collection wells from 6% to 1.5% & exempted from property tax through 1989
1986	3	1/4 of proceeds from severance taxes (except underground coal) diverted to worker's compensation fund
1987	97	Coal Equity Tax Act of 1987 - limited severance tax to \$.80/ton on high-cost coal
1987	29	Severance taxes paid on CO2 injected in oil production allowed as a credit against oil severance tax
1987	241	Granted 4% severance tax exemption for wildcat wells for 4 years (total 2%)

*Mineral tax incentives are displayed in bold type.

Year	Chapter	Explanation
1988	93	Allowed deduction for return on investment for mineral production on certain capital investments for transportation facilities or processing plants
1988	SJR7	Amended constitution to provide for 3 tier system for fair market value of taxation (minerals, industrial, & all other)
1988	73	Implemented 3 tier system for fair market value in assessing property for property tax (minerals, industrial, & all other)
1988	72	Budget reserve account diversion of severance taxes begun
1989	35	Extended Coal Tax Equity Act to 1991 (3/31/91)
1989	172	Exempted coal used in processing from property & severance taxes
1989	287	Exemption for tertiary oil production from projects certified by Oil & Gas Commn.; granted a severance tax exemption up to 1/2 of wages paid to resident workers or total amount of 2% severance tax
1989	36	Created municipal rainy day account funded with excess oil & gas severance tax & federal mineral royalties
1989	57	Repealed deduction allowed for return on investment for mineral production (on transportation facilities & processing plants)
1989	120	Continued budget reserve account diversion of severance taxes through 6/30/91
1989	144	Decreased severance tax on uranium from 4% to 2%
1990	22	Extended 1.5% severance tax on collection wells to 1/1/95
1990	13	Budget reserve account diversion extended through 6/30/92
1991	13	Coal Tax Equity Act extended through 3/31/95
1991	237	Extension of 2% severance tax exemption on tertiary production to 12/31/94 (4% total)
1991	239	Exempted specified underground mining equipment from property tax
1991	42	Exempted uranium from 4% severance tax as long as price under \$17/pound
1991	139	Extended 4% severance tax exemption on wildcat wells to 12/31/94 (2% total)
1992	4	Reallocated 30% of revenues from 1.5% severance tax on coal & trona to public school foundation program account
1993	167	Exempted oil & gas from 4% severance tax if well drilled (new production) between 93 to 96 (cap on oil \$25/bbl; gas \$2.75/mcf); same reduction for workover or completion for 24 months but no cap on price (2% total)

Year	Chapter	Explanation
1994	6	Extended budget reserve account diversion to 6/30/96
1995	141	Granted 50% credit against natural gas severance tax (2%) for research projects to enhance natural gas production (2% total)
1995	48	Coal Tax Equity Act extended through 3/15/99
1995	55	Exempted oil produced from previously shut-in wells from all but 1.5% severance tax for PWMTF
1995	59	Budget reserve account diversion extended 6/30/2000
1995	76	Extended tertiary production 2% exemption through 12/31/96 (4% total)
1995	104	Extended uranium severance tax exemption through 1/1/99; lowered spot price for qualifying uranium from \$17 to \$14/pound
1995	74	Extended 1.5% severance tax for collection wells through 1/1/99
1995	75	Extended reduced severance tax rate on oil/gas wells drilled (new production) through 3/31/98
1997	171	Extended 4% severance tax exemption for oil/gas produced from workovers & recompletions to 2001 (2% total)
1997	72	Extended tertiary production 2% exemption to March 2001 (4% total)
1998	16	Specified collection well property tax exemption applied to production for CY 94
1998	47	Extended reduced severance tax rate on oil/gas wells drilled (new production) through 3/31/2003 (2% total)
1998	48	Extended uranium tax severance tax exemption through 3/31/2003
1999	64	Coal Equity Tax Act extended through 12/31/2003; lowered maximum severance tax per ton from \$.80 to \$.60
1999	168	Oil Producers Recovery Act - reduced severance tax on oil from 6% to 4% (if oil price exceeds \$20/barrel the tax returns to 6%); granted sales tax exemption for sales of power to person engaged in oil extraction
1999	121	Budget reserve account diversion extended from 6/30/2000 to 6/30/2004
2000	4	Repeal of the Oil Producers Recovery Act of 1999 (severance tax on oil returned from 4% to 6%; repealed sales tax exemption for sales of power to person engaged in oil extraction)
2000	99	Removed certain shallow gas wells (like coalbed methane) less than 2,000 feet in depth from the 4% severance tax reduction in W.S. 39-14-205(f) (granted by 1993 Wyo. Sess. Laws Ch. 167) so they will be taxed at full 6% severance tax
2001	N/A	No significant bills affecting mineral taxation

Year	Chapter	Explanation
2002	37	Clarifies taxable services at an oil or gas well site (exempts all activities prior to the setting and cementing of production casing)
2002	49	Changes period in which audits of mineral taxes are to be commenced from within 5 years of production to within 3 years of production
2002	50	Amends and clarifies mineral lien statutes (comprehensive changes to the statutes)
2002	62	Changes the diversion of severance taxes (above the 1.5%) from the budget reserve account to the severance tax distribution account; repeals distribution of severance tax on shallow gas wells (coalbed methane wells) to the PWMTF and deposits in severance tax distribution account
2003	24	Changes the industry factor for trona valuation to 32.5%
2003	62	Amends and clarifies property tax liens on mineral production (changes made to follow severance tax liens)
2003	105	Extended uranium tax severance tax exemption through 3/31/2009
2003	130	Extended tertiary production 2% exemption to March, 2008 (4% total), provided the price received by the producer is less than \$27.50 per barrel
2004	N/A	No significant bills affecting mineral taxation
2005	4	Amends and clarifies mineral audit periods (must commence within 3 years and 6 months following the reporting date; must be completed within 2 years after the audit is commenced)
2006	96	Extends the oil/gas well service sales tax exemption to the deepening of a well
2006	14	Grants a sales/use tax exemption for coal gasification or liquefaction facilities operational equipment
2007	N/A	No significant bills affecting mineral taxation
2008	28	Provides for valuation and taxation of helium
2009	153	Provides for valuation and property taxation of helium
2009	150	Clarifies time periods for auditing and reporting of mineral production
2010	N/A	No significant bills affecting mineral taxation
2011	4	Clarifies excise tax on tangible personal property used in oil/gas well site services
2012	15	Allows dept. of revenue and taxpayer to agree on alternative method of trona tax valuation
2013	N/A	No significant bills affecting mineral taxation

Year	Chapter	Explanation
2014	68	Clarifies procedures for mineral tax audits
2015	61	Revises the definition of "well site" for oil and gas taxation purposes
2015	73	Creates task force on mineral taxes
2016	16	Cleanup of archaic provisions within the mineral tax code. Recommended by the task force on mineral taxes.
2017	143	Requires the Department of Revenue to study and report on the possibility of using discounted cash flow to value oil and gas production, rather than the current method of using actual value. Final report is due November 30, 2019.
2018	76	Provides a tax exemption for natural gas used to treat by-product water to make the water available for beneficial use.
2019	187	Provides for lien priority for tax liens on mineral production.
2020	120	Provides for a differential severance tax rate on uranium for specified market spot prices. The current rate is 4%. Under the bill the rate can range from 0% up to 5% depending on the market prices. Sunsets December 31, 2025.
2020	139	Provides a 3% severance tax exemption for coal that is transported to market outside of North America through a coal export terminal in Canada or Mexico. Sunsets July 1, 2030 or if a specified amount of coal is exported through United States coal export terminals.
2020	141	Addresses lien priority for tax liens on mineral production and clarifies different procedures before and after January 1, 2021.
2020	142	Requires monthly payments of the ad valorem tax on mineral production and provides a payment schedule for the initial transition period. Will require future legislative action to fully implement.
2020	155	Provides a tax exemption for new oil and gas wells, subject to certain price requirements. The exemption is a reduction of the severance tax rate from 6% to 4% for the first six months and 5% for the following six months of production. The exemption applies to wells drilled on or after July 1, 2020 and prior to December 31, 2025.
1985	182	Decreased severance tax on collection wells from 6% to 1.5% & exempted from property tax through 1989
1986	3	1/4 of proceeds from severance taxes (except underground coal) diverted to worker's compensation fund
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