

HOUSE BILL NO. HB0208

Hydrogen severance tax.

Sponsored by: Representative(s) Tarver, Burkhart,
Haroldson, Harshman, Knapp, Slagle and
Strock and Senator(s) Boner and Cooper

A BILL

for

1 AN ACT relating to mine product taxes; providing for the
2 taxation of certain hydrogen production; specifying tax
3 rates for different types of hydrogen production; providing
4 for the administration of the tax; specifying
5 applicability; and providing for an effective date.

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

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9 **Section 1.** W.S. 39-14-213 is created to read:

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11 **39-14-213. Taxation of certain hydrogen production.**

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13 (a) As used in this section:

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1 (i) "Hydrogen" means hydrogen subject to
2 taxation pursuant to the provisions of this section;

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4 (ii) "Hydrogen production" means the separation
5 of hydrogen from water that is produced from the ground;

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7 (iii) All other definitions in W.S. 39-14-201
8 are incorporated herein by reference to the extent that
9 they may apply.

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11 (b) Administration; confidentiality: The department
12 shall annually value and assess hydrogen production at its
13 fair market value for taxation in accordance with the
14 applicable provisions of W.S. 39-14-202.

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16 (c) Taxable event: There is levied a severance tax
17 on the value of the gross product extracted from hydrogen
18 production in this state. The tax imposed by this
19 subsection shall be in addition to all other taxes imposed
20 by law.

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22 (d) Basis of tax: Hydrogen shall be valued for
23 taxation as natural gas as provided in W.S. 39-14-203(b).

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2 (e) Taxpayer: Any person engaging in hydrogen
3 production; or, to the extent of his ownership interest,
4 any person owning an interest in the hydrogen, is liable
5 for the payment of the severance tax together with any
6 penalties and interest. Nothing in this subsection shall
7 be deemed to require the tax to be paid more than one (1)
8 time as provided in this section.

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10 (f) Tax rate: Hydrogen shall be subject to the
11 following severance tax rates:

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13 (i) Hydrogen produced from by-product water as
14 defined in W.S. 41-3-903 shall be subject to a severance
15 tax rate of three percent (3%);

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17 (ii) All other hydrogen produced from water
18 shall be subject to a severance tax rate of six percent
19 (6%).

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21 (g) Exemptions: The exemptions from taxation
22 provided by W.S. 39-14-205 for natural gas shall apply to
23 hydrogen under this section.

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2 (h) Compliance; collection procedures: The severance
3 tax related provisions of W.S. 39-14-207 shall apply to
4 hydrogen production.

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6 (j) Enforcement: All severance tax related
7 provisions of W.S. 39-14-208 shall apply to hydrogen
8 production.

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10 (k) Taxpayer remedies: All severance tax related
11 provisions of W.S. 39-14-209 shall apply to hydrogen
12 production.

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14 (m) Distribution: Severance tax revenues from
15 hydrogen production shall be distributed as provided by
16 W.S. 39-14-211.

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18 **Section 2.** This act shall apply to any hydrogen
19 production on or after July 1, 2024.

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21 **Section 3.** This act is effective July 1, 2024.

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(END)