

## HOUSE BILL NO. HB0161

Hydrogen severance tax.

Sponsored by: Representative(s) Tarver, Clouston, Davis,  
Larson, JT and Lawley and Senator(s) Barlow  
and Boner

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.

6

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

8

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

10

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

12

13 (a) As used in this section:

14

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

3  
4           (ii) "Hydrogen production" means the separation  
5 of hydrogen from water that is produced from the ground;

6  
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.

10  
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.

15  
16          (c) Taxable event: There is levied a severance tax  
17 on the value of the gross product resulting 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.

21  
22          (d) Basis of tax: Hydrogen shall be valued for  
23 taxation as natural gas as provided in W.S. 39-14-203(b).

1

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.

9

10           (f) Tax rate:     Hydrogen resulting from hydrogen  
11 production shall be subject to the following severance tax  
12 rates:

13

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

17

18           (ii) All other hydrogen produced from water  
19 shall be subject to a severance tax rate of six percent  
20 (6%).

21

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

4

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

8

9           (j) Enforcement:           All severance tax related  
10 provisions of W.S. 39-14-208 shall apply to hydrogen  
11 production.

12

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

16

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

20

21           **Section 2.** This act shall apply to any hydrogen  
22 production on or after July 1, 2025.

23

1           **Section 3.** This act is effective July 1, 2025.

2

3

(END)