

HOUSE BILL NO. HB0121

Hydrogen severance taxation.

Sponsored by: Representative(s) Campbell, K

A BILL

for

1 AN ACT relating to mine product taxes; providing for the
2 taxation of hydrogen production as specified; specifying
3 tax rates for different types of hydrogen production;
4 providing 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 (ii) "Feedstock" means the raw material used to
2 produce hydrogen and includes without limitation water,
3 biomass, natural gas and other fossil fuels;

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5 (iii) "Hydrogen" means hydrogen subject to
6 taxation under this section;

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8 (iv) "Hydrogen production" means the separation
9 or extraction of hydrogen from a feedstock;

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11 (v) All other definitions in W.S. 39-14-201 are
12 incorporated herein by reference to the extent that they
13 may apply.

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15 (b) Administration, confidentiality: The department
16 shall annually value and assess hydrogen production at its
17 fair market value for taxation in accordance with the
18 applicable provisions of W.S. 39-14-202.

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20 (c) Taxable event: There is levied a severance tax on
21 the value of the gross product of hydrogen resulting from
22 hydrogen production in this state. The tax imposed by this

1 subsection shall be in addition to all other taxes imposed
2 by law.

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

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7 (e) Taxpayer: Any person engaging in hydrogen
8 production or, to the extent of the person's ownership
9 interest, any person owning an interest in the hydrogen, is
10 liable for the payment of the severance tax together with
11 any penalties and interest. Nothing in this subsection
12 shall be deemed to require the tax to be paid more than one
13 (1) time for the same gross product as provided in this
14 section.

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16 (f) Tax rate: Hydrogen resulting from hydrogen
17 production shall be subject to the following severance tax
18 rates:

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20 (i) Except as provided in paragraph (ii) of this
21 subsection, hydrogen produced from water shall be subject
22 to a severance tax rate of nine percent (9%);

1 (ii) Hydrogen produced from by-product water as
2 defined in W.S. 41-3-903 or hydrogen produced from any
3 feedstock or source other than water shall be subject to a
4 severance tax rate of three percent (3%).

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

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10 (h) Compliance, collection procedures: The severance
11 tax related provisions of W.S. 39-14-207 shall apply to
12 hydrogen production.

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

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

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

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2 **Section 2.** This act shall apply to all hydrogen
3 production occurring on or after July 1, 2026.

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5 **Section 3.** This act is effective July 1, 2026.

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(END)