

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. [BILL NUMBER]

Monthly payment of ad valorem tax on mineral production.

Sponsored by: Representative(s) HDraft

A BILL

for

1 AN ACT relating to ad valorem taxation of mineral
2 production; providing for monthly payment of ad valorem
3 taxes on mineral production commencing January 1, 2019;
4 providing a process for reporting, payment, reconciliation
5 and distribution of the monthly ad valorem tax; providing
6 legislative findings; providing a revised payment schedule
7 for the transition period; and providing for an effective
8 date.

9

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

11

12 **Section 1.** W.S. 39-13-113 is created to read:

13

1 **39-13-113. Monthly payment of ad valorem tax on gross**
2 **product of mineral production.**

3
4 (a) Commencing with mineral production on January 1,
5 2019, this section shall govern the payment of all ad
6 valorem taxes on the value of the gross product of the
7 mineral produced. Any provisions of this title that do not
8 conform to the processes and procedures set forth in this
9 section and that have not been specifically amended or
10 repealed by the legislature are superseded by this section.

11
12 (b) Commencing January 1, 2019, all mineral producers
13 in the state shall report and pay an ad valorem tax on the
14 value of the gross product produced, also called the ad
15 valorem tax on mineral production, on a monthly basis in
16 the same manner as the severance tax on minerals
17 established in chapter 14 of this title.

18
19 (c) Monthly report. Each taxpayer liable for ad
20 valorem taxes on the value of the gross product produced
21 shall report monthly to the department in accordance with
22 the processes and timing governing severance tax set forth
23 in W.S. 39-14-107(a)(iv) for coal, W.S. 39-14-207(a)(iv)

1 for oil and gas, 39-14-307(a)(iv) for trona, 39-14-
2 407(a)(iv) for bentonite, 39-15-507(a)(iv) for uranium, 39-
3 14-607(a)(iv) for sand and gravel and 39-14-707(a)(iv) for
4 other valuable deposits.

5
6 (d) Ad valorem tax on mineral production. The ad
7 valorem tax shall be determined by the taxpayer, subject to
8 review and audit by the department, on a monthly basis by
9 applying the mill levy rate established by the county
10 commissioners under W.S. 39-13-102, 39-13-104 and 39-13-107
11 in the immediately preceding year to the value of the gross
12 product of the mineral produced, as reported on the monthly
13 form filed with the department. For monthly reports of the
14 ad valorem tax on mineral production filed by March 25 of
15 each year for production in January of that year, the
16 taxpayer shall use as the basis of the tax the mill levy
17 rate established by the county commissioners in August of
18 the preceding year. The same mill levy rate shall be used
19 for production through the month of June as the basis for
20 the monthly tax report and payment. After the counties
21 adopt new mill levy rates in August of each year, the
22 department shall not later than September 15 of each year
23 send to each mineral producer a statement that identifies

1 the difference between the mill levy rate in the prior year
2 and the newly adopted mill levy rate. If the mill levy rate
3 has increased the statement shall constitute an invoice to
4 the mineral producer to apply the difference between the
5 rates to the taxes reported and paid by the producer for
6 January through June production and pay the increased tax
7 within thirty (30) days of receipt of the statement. If the
8 mill levy rate has decreased the producer shall seek a
9 refund of the taxes overpaid for January through June
10 production. The mineral producer shall apply the newly
11 adopted mill levy rate to determine the taxes due on
12 production from July 1 through June of the following year.

13

14 (e) Distribution. The monthly payment of ad valorem
15 tax on mineral production as provided in this section shall
16 be collected by the department on behalf of the county.
17 Except as otherwise provided in this subsection, the
18 department shall properly account for the payments received
19 and distribute the payments promptly in the course of
20 ordinary business to the county treasurer of the county
21 where the production occurred. The department shall, on
22 behalf of the county treasurer, distribute the twenty-five
23 (25) mills collected under W.S 21-13-102 and the six (6)

1 mills collected under W.S. 21-13-201 to the appropriate
2 school districts. The department shall also distribute the
3 twelve (12) mills collected under W.S. 21-13-303 to the
4 department of education. Nothing in this subsection shall
5 be deemed to change the distribution of any funds under the
6 school foundation program as provided in title 21, chapter
7 13 of the Wyoming statutes.

8

9 **Section 2.** W.S. 39-13-107(b)(i)(D), 39-13-108(b)(i),
10 39-13-111 by creating a new subsection (c),
11 39-14-107(b)(ii), 39-14-207(b)(ii), 39-14-307(b)(ii),
12 39-14-407(b)(ii), 39-14-507(b)(ii), 39-14-607(b)(ii) and
13 39-14-707(b)(ii) are amended to read:

14

15 **39-13-107. Compliance; collection procedures.**

16

17 (b) The following provisions shall apply to the
18 payment of taxes, distraint of property and deferral:

19

20 (i) The following shall apply to the payment of
21 taxes due:

22

1 (D) Except as otherwise provided in W.S.
2 39-13-113, taxes provided by this act are due and payable
3 at the office of the county treasurer of the county in
4 which the taxes are levied. Fifty percent (50%) of the
5 taxes are due on and after September 1 and payable on and
6 after November 10 in each year and the remaining fifty
7 percent (50%) of the taxes are due on and after March 1 and
8 payable on and after May 10 of the succeeding calendar year
9 except as hereafter provided. If the entire tax is paid on
10 or before December 31, no interest or penalty is
11 chargeable;

12

13 **39-13-108. Enforcement.**

14

15 (b) Interest. The following shall apply:

16

17 (i) Except as otherwise provided in W.S.
18 39-13-113, taxes provided by this act are due and payable
19 at the office of the county treasurer of the county in
20 which the taxes are levied. Fifty percent (50%) of the
21 taxes are due on and after September 1 and payable on and
22 after November 10 in each year and the remaining fifty
23 percent (50%) of the taxes are due on and after March 1 and

1 payable on and after May 10 of the succeeding calendar year
2 except as hereafter provided. If the entire tax is paid on
3 or before December 31, no interest or penalty is
4 chargeable;

5

6 **39-13-111. Distribution.**

7

8 (c) Taxes collected pursuant to W.S. 39-13-113 shall
9 be distributed as provided in W.S. 39-13-113(e).

10

11 **39-14-107. Compliance; collection procedures.**

12

13 (b) Payment. The following shall apply:

14

15 (ii) Ad valorem taxes provided by this act are
16 due and payable:

17

18 (A) For the 2018 tax year and all preceding

19 tax years, at the office of the county treasurer of the

20 county in which the taxes are levied. Fifty percent (50%)

21 of the taxes are due on and after September 1 and payable

22 on and after November 10 in each year and the remaining

23 fifty percent (50%) of the taxes are due on and after March

1 1 and payable on and after May 10 of the succeeding
2 calendar year except as hereafter provided. If the entire
3 tax is paid on or before December 31, no interest or
4 penalty is chargeable;

5

6 (B) Effective January 1, 2019 for tax year
7 2019 and each year thereafter, ad valorem taxes are due as
8 provided in W.S. 39-13-113.

9

10 **39-14-207. Compliance; collection procedures.**

11

12 (b) Payment. The following shall apply:

13

14 (ii) Ad valorem taxes are due and payable:

15

16 (A) For the 2018 tax year and all preceding
17 tax years, at the office of the county treasurer of the
18 county in which the taxes are levied. Fifty percent (50%)
19 of the taxes are due on and after September 1 and payable
20 on and after November 10 in each year and the remaining
21 fifty percent (50%) of the taxes are due on and after March
22 1 and payable on and after May 10 of the succeeding
23 calendar year except as hereafter provided. If the entire

1 tax is paid on or before December 31, no interest or
2 penalty is chargeable;

3

4 (B) Effective January 1, 2019 for tax year
5 2019 and each year thereafter, ad valorem taxes are due as
6 provided in W.S. 39-13-113.

7

8

9 **39-14-307. Compliance; collection procedures.**

10

11 (b) Payment. The following shall apply:

12

13 (ii) Ad valorem taxes provided by this act are
14 due and payable:

15

16 (A) For the 2018 tax year and all preceding
17 tax years, at the office of the county treasurer of the
18 county in which the taxes are levied. Fifty percent (50%)
19 of the taxes are due on and after September 1 and payable
20 on and after November 10 in each year and the remaining
21 fifty percent (50%) of the taxes are due on and after March
22 1 and payable on and after May 10 of the succeeding
23 calendar year except as hereafter provided. If the entire

1 tax is paid on or before December 31, no interest or
2 penalty is chargeable;

3

4 (B) Effective January 1, 2019 for tax year
5 2019 and each year thereafter, ad valorem taxes are due as
6 provided in W.S. 39-13-113.

7

8 **39-14-407. Compliance; collection procedures.**

9

10 (b) Payment. The following shall apply:

11

12 (ii) Ad valorem taxes provided by this act are
13 due and payable:

14

15 (A) For the 2018 tax year and all preceding
16 tax years, at the office of the county treasurer of the
17 county in which the taxes are levied. Fifty percent (50%)
18 of the taxes are due on and after September 1 and payable
19 on and after November 10 in each year and the remaining
20 fifty percent (50%) of the taxes are due on and after March
21 1 and payable on and after May 10 of the succeeding
22 calendar year except as hereafter provided. If the entire

1 tax is paid on or before December 31, no interest or
2 penalty is chargeable;

3

4 (B) Effective January 1, 2019 for tax year
5 2019 and each year thereafter, ad valorem taxes are due as
6 provided in W.S. 39-13-113.

7

8 **39-14-507. Compliance; collection procedures.**

9

10 (b) Payment. The following shall apply:

11

12 (ii) Ad valorem taxes provided by this act are
13 due and payable:

14

15 (A) For the 2018 tax year and all preceding
16 tax years, at the office of the county treasurer of the
17 county in which the taxes are levied. Fifty percent (50%)
18 of the taxes are due on and after September 1 and payable
19 on and after November 10 in each year and the remaining
20 fifty percent (50%) of the taxes are due on and after March
21 1 and payable on and after May 10 of the succeeding
22 calendar year except as hereafter provided. If the entire

1 tax is paid on or before December 31, no interest or
2 penalty is chargeable;

3

4 (B) Effective January 1, 2019 for tax year
5 2019 and each year thereafter, ad valorem taxes are due as
6 provided in W.S. 39-13-113.

7

8 **39-14-607. Compliance; collection procedures.**

9

10 (b) Payment. The following shall apply:

11

12 (ii) Ad valorem taxes provided by this act are
13 due and payable:

14

15 (A) For the 2018 tax year and all preceding
16 tax years, at the office of the county treasurer of the
17 county in which the taxes are levied. Fifty percent (50%)
18 of the taxes are due on and after September 1 and payable
19 on and after November 10 in each year and the remaining
20 fifty percent (50%) of the taxes are due on and after March
21 1 and payable on and after May 10 of the succeeding
22 calendar year except as hereafter provided. If the entire

1 tax is paid on or before December 31, no interest or
2 penalty is chargeable;

3

4 (B) Effective January 1, 2019 for tax year
5 2019 and each year thereafter, ad valorem taxes are due as
6 provided in W.S. 39-13-113.

7

8 **39-14-707. Compliance; collection procedures.**

9

10 (b) Payment. The following shall apply:

11

12 (ii) Ad valorem taxes provided by this act are
13 due and payable:

14

15 (A) For the 2018 tax year and all preceding
16 tax years, at the office of the county treasurer of the
17 county in which the taxes are levied. Fifty percent (50%)
18 of the taxes are due on and after September 1 and payable
19 on and after November 10 in each year and the remaining
20 fifty percent (50%) of the taxes are due on and after March
21 1 and payable on and after May 10 of the succeeding
22 calendar year except as hereafter provided. If the entire

1 tax is paid on or before December 31, no interest or
2 penalty is chargeable;

3

4 (B) Effective January 1, 2019 for tax year
5 2019 and each year thereafter, ad valorem taxes are due as
6 provided in W.S. 39-13-113.

7

8 **Section 3.**

9

10 (a) The legislature recognizes that there will be a
11 transition in calendar years 2019 and 2020 in which mineral
12 producers will pay the ad valorem tax on mineral
13 legislation in two (2) ways and in two (2) separate
14 amounts. The legislature asserts that this is not double
15 taxation of the same production, it is taxation of two (2)
16 separate and distinct taxable events. The taxable events
17 are the taxation of 2018 mineral production which is
18 payable in 2019 and 2020 under the processes and procedures
19 prior to the effective date of W.S. 39-13-113 as provided
20 by this act, and the monthly tax payment of ad valorem
21 taxes on mineral production beginning January 1, 2019 as
22 provided by this act. For calendar years 2019 and 2020
23 only, in addition to the monthly payment of ad valorem tax

1 on mineral production as provided in W.S. 39-13-113 and
2 commencing with the first reports and payments due March
3 25, 2019, the legislature recognizes that mineral producers
4 shall also owe the following pursuant to the processes and
5 procedures prior to the effective date of W.S. 39-13-113:

6

7 (i) Ad valorem tax on production from calendar
8 year 2017 of which the second half of the payment is due by
9 May 10, 2019 unless the entire amount was paid by December
10 31, 2018;

11

12 (ii) Ad valorem tax on production from 2018.
13 Notwithstanding W.S. 39-14-107(b)(ii), 39-14-207(b)(ii),
14 39-14-307(b)(ii), 39-14-407(b)(ii), 39-14-507(b)(ii),
15 39-14-607(b)(ii) and 39-14-707(b)(ii), ad valorem tax on
16 production from 2018 shall be due and payable as provided
17 in this paragraph. Failure to pay any tax due pursuant to
18 this paragraph shall be subject to interest and penalties
19 as provided by law:

20

21 (A) The first half of the payment for 2018
22 production is due by November 10, 2019 pursuant to the

1 processes and procedures prior to the effective date of
2 this act;

3

4 (B) Notwithstanding W.S. 39-13-113 as
5 created by this act, the first monthly payment under W.S.
6 39-13-113 shall be due in September 2019 for July 2019
7 mineral production;

8

9 (C) Beginning January 1, 2020 mineral
10 producers shall make double monthly payments each month
11 under W.S. 39-13-113 to account for the second half of the
12 payment for 2019 mineral production which would otherwise
13 be due by May 10, 2020 and to account for the monthly
14 payments due for mineral production under W.S. 39-13-113
15 from January 1 through June 30, 2019 which were not made as
16 provided by subparagraph (B) of this paragraph. Double
17 payments shall continue until all of the unpaid taxes are
18 paid.

19

20 **Section 4.** This act is effective July 1, 2016.

21

22

(END)