

HOUSE BILL NO. HB0317

Incentives for mineral exploration.

Sponsored by: Representative(s) Miller, Buchanan, Cohee and Simpson

A BILL

for

1 AN ACT relating to taxation and revenue; providing for a
2 severance tax credit for certain mineral exploration as
3 specified; providing procedures; providing for a report;
4 providing for rules and regulations; and providing for an
5 effective date.

6

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

8

9 **Section 1.** W.S. 39-14-105 by creating a new
10 subsection (e), 39-14-205 by creating a new subsection (m),
11 39-14-305, 39-14-405, 39-14-505 by creating a new
12 subsection (c), 39-14-605 and 39-14-705 are amended to
13 read:

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15 **39-14-105. Exemptions.**

16

1 (e) The following shall apply to the mineral
2 exploration tax credit:

3
4 (i) Any person conducting certain mineral
5 exploration activities which are performed on or for the
6 benefit of land in this state for the purpose of
7 determining the existence, location, extent or quality of a
8 locatable or leasable mineral deposit may be eligible for a
9 tax credit as provided by this subsection. The mineral
10 exploration activities eligible for the credit shall
11 include:

12
13 (A) Surveying by geophysical or geochemical
14 methods;

15
16 (B) Drilling an exploration hole;

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18 (C) Conducting underground exploration;

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20 (D) Surface trenching and bulk sampling; or

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22 (E) Performing other exploratory work,
23 including aerial photographs, geological and geophysical
24 logging, sample analysis and metallurgical testing.

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(ii) An exploration incentive exemption may not be granted under paragraph (i) of this subsection for exploration activity described in that paragraph which occurs after the mine construction commencement date of a new mine. As used in this paragraph, "mine construction commencement date" means the date not later than which all of the following have occurred:

(A) There has been issued to the owner or an agent of the owner permits, leases, title and other rights in land, and other approvals, permits, licenses and certificates by federal, state and local agencies that a reasonable and prudent person would consider adequate to commence construction of a mine in the expectation that all other approvals, permits, licenses and certificates necessary for the completion of the facilities will be obtained;

(B) All approvals, permits, licenses and certificates are in full force and effect, unrevoked and without any modification which might jeopardize the completion or continued construction of the mine; and

1 (C) An order, judgment decree,
2 determination or award of a court or administrative or
3 regulatory agency enjoining, either temporarily or
4 permanently, the construction or the continuation of
5 construction of the mine is not in effect.

6
7 (iii) Any person wishing to obtain the credit
8 authorized by this subsection shall apply to the department
9 of revenue on a form and in such manner approved by the
10 department. The application shall:

11
12 (A) Include a list of expenditures
13 qualifying for the credit authorized under this subsection
14 in a manner approved by the department;

15
16 (B) Describe the work accomplished during
17 each year of the period covered by the request, the number
18 of employees, and the names and number of consultants;

19
20 (C) Provide a detailed list or ledger of
21 expenditures of the accomplishments described in
22 subparagraph (B) of this paragraph and a list of
23 exploration activity data to be provided to the department;

24

1 (D) Provide a statement by a certified
2 public accountant that expenditures are supported by
3 receipts for all activities eligible for the credit under
4 paragraph (i) of this subsection for each calendar year
5 that these expenditures for a single mining operation equal
6 or exceed forty thousand dollars (\$40,000.00);

7
8 (E) Such other items as the department by
9 rule and regulation may reasonably require.

10
11 (iv) If the application for the tax credit is
12 granted, the person obtaining the credit may apply the
13 credit against the tax due under W.S. 39-14-104(a)(ii) or
14 (b)(ii). In no event shall the credit taken against the
15 severance tax due exceed the lesser of:

16
17 (A) Fifty percent (50%) of the person's
18 total tax liability under W.S. 39-14-104(a)(ii) or (b)(ii)
19 for the tax year that is related to production from the
20 mining operation at which the exploration activities
21 occurred;

22

1 (B) Fifty percent (50%) of the person's
2 total tax liability under W.S. 39-14-104(a)(ii) or (b)(ii)
3 for the calendar year.

4
5 (v) In no event shall the total credit granted
6 under this subsection exceed two hundred thousand dollars
7 (\$200,000.00) and shall not exceed a length of five (5)
8 years from the date the application is made under paragraph
9 (iii) of this subsection;

10
11 (vi) The department shall promulgate reasonable
12 rules and regulations for the implementation of this
13 subsection;

14
15 (vii) The department shall report on the results
16 of the credit authorized by this subsection annually on or
17 before November 1 to the governor and the legislature.

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19 **39-14-205. Exemptions.**

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21 (m) The following shall apply to the mineral
22 exploration tax credit:

23

1 (i) Any person conducting certain mineral
2 exploration activities which are performed on or for the
3 benefit of land in this state for the purpose of
4 determining the existence, location, extent or quality of a
5 locatable or leasable mineral deposit may be eligible for a
6 tax credit as provided by this subsection. The mineral
7 exploration activities eligible for the credit shall
8 include:

9
10 (A) Surveying by geophysical or geochemical
11 methods;

12
13 (B) Drilling an exploration hole;

14
15 (C) Conducting underground exploration;

16
17 (D) Surface trenching and bulk sampling; or

18
19 (E) Performing other exploratory work,
20 including aerial photographs, geological and geophysical
21 logging, sample analysis and metallurgical testing.

22
23 (ii) An exploration incentive exemption may not
24 be granted under paragraph (i) of this subsection for

1 exploration activity described in that paragraph which
2 occurs after the well construction commencement date of a
3 new well. As used in this paragraph, "well construction
4 commencement date" means the date not later than which all
5 of the following have occurred:

6
7 (A) There has been issued to the owner or
8 an agent of the owner permits, leases, title and other
9 rights in land, and other approvals, permits, licenses and
10 certificates by federal, state and local agencies that a
11 reasonable and prudent person would consider adequate to
12 commence construction of a well the expectation that all
13 other approvals, permits, licenses and certificates
14 necessary for the completion of the facilities will be
15 obtained;

16
17 (B) All approvals, permits, licenses and
18 certificates are in full force and effect, unrevoked and
19 without any modification which might jeopardize the
20 completion or continued construction of the well; and

21
22 (C) An order, judgment decree,
23 determination or award of a court or administrative or
24 regulatory agency enjoining, either temporarily or

1 permanently, the construction or the continuation of
2 construction of the well is not in effect.

3
4 (iii) Any person wishing to obtain the credit
5 authorized by this subsection shall apply to the department
6 of revenue on a form and in such manner approved by the
7 department. The application shall:

8
9 (A) Include a list of expenditures
10 qualifying for the credit authorized under this subsection
11 in a manner approved by the department;

12
13 (B) Describe the work accomplished during
14 each year of the period covered by the request, the number
15 of employees, and the names and number of consultants;

16
17 (C) Provide a detailed list or ledger of
18 expenditures of the accomplishments described in
19 subparagraph (B) of this paragraph and a list of
20 exploration activity data to be provided to the department;

21
22 (D) Provide a statement by a certified
23 public accountant that expenditures are supported by
24 receipts for all activities eligible for the credit under

1 paragraph (i) of this subsection for each calendar year
2 that these expenditures for a single mining operation equal
3 or exceed forty thousand dollars (\$40,000.00);

4
5 (E) Such other items as the department by
6 rule and regulation may reasonably require.

7
8 (iv) If the application for the tax credit is
9 granted, the person obtaining the credit may apply the
10 credit against the tax due under W.S. 39-14-204(a)(ii). In
11 no event shall the credit taken against the severance tax
12 due exceed the lesser of:

13
14 (A) Fifty percent (50%) of the person's
15 total tax liability under W.S. 39-14-204(a)(ii) for the tax
16 year that is related to production from the mining
17 operation at which the exploration activities occurred;

18
19 (B) Fifty percent (50%) of the person's
20 total tax liability under W.S. 39-14-204(a)(ii) for the
21 calendar year.

22
23 (v) In no event shall the total credit granted
24 under this subsection exceed two hundred thousand dollars

1 (\$200,000.00) and shall not exceed a length of five (5)
2 years from the date the application is made under paragraph
3 (iii) of this subsection;

4
5 (vi) The department shall promulgate reasonable
6 rules and regulations for the implementation of this
7 subsection;

8
9 (vii) The department shall report on the results
10 of the credit authorized by this subsection annually on or
11 before November 1 to the governor and the legislature.

12
13 **39-14-305. Exemptions.**

14
15 (a) ~~There are no specific applicable provisions for~~
16 ~~exemptions for this chapter.~~ The following shall apply to
17 the mineral exploration tax credit:

18
19 (i) Any person conducting certain mineral
20 exploration activities which are performed on or for the
21 benefit of land in this state for the purpose of
22 determining the existence, location, extent or quality of a
23 locatable or leasable mineral deposit may be eligible for a
24 tax credit as provided by this subsection. The mineral

1 exploration activities eligible for the credit shall
2 include:

3

4 (A) Surveying by geophysical or geochemical
5 methods;

6

7 (B) Drilling an exploration hole;

8

9 (C) Conducting underground exploration;

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11 (D) Surface trenching and bulk sampling; or

12

13 (E) Performing other exploratory work,
14 including aerial photographs, geological and geophysical
15 logging, sample analysis and metallurgical testing.

16

17 (ii) An exploration incentive exemption may not
18 be granted under paragraph (i) of this subsection for
19 exploration activity described in that paragraph which
20 occurs after the mine construction commencement date of a
21 new mine. As used in this paragraph, "mine construction
22 commencement date" means the date not later than which all
23 of the following have occurred:

24

1 (A) There has been issued to the owner or
2 an agent of the owner permits, leases, title and other
3 rights in land, and other approvals, permits, licenses and
4 certificates by federal, state and local agencies that a
5 reasonable and prudent person would consider adequate to
6 commence construction of a mine in the expectation that all
7 other approvals, permits, licenses and certificates
8 necessary for the completion of the facilities will be
9 obtained;

10
11 (B) All approvals, permits, licenses and
12 certificates are in full force and effect, unrevoked and
13 without any modification which might jeopardize the
14 completion or continued construction of the mine; and

15
16 (C) An order, judgment decree,
17 determination or award of a court or administrative or
18 regulatory agency enjoining, either temporarily or
19 permanently, the construction or the continuation of
20 construction of the mine is not in effect.

21
22 (iii) Any person wishing to obtain the credit
23 authorized by this subsection shall apply to the department

1 of revenue on a form and in such manner approved by the
2 department. The application shall:

3

4 (A) Include a list of expenditures
5 qualifying for the credit authorized under this subsection
6 in a manner approved by the department;

7

8 (B) Describe the work accomplished during
9 each year of the period covered by the request, the number
10 of employees, and the names and number of consultants;

11

12 (C) Provide a detailed list or ledger of
13 expenditures of the accomplishments described in
14 subparagraph (B) of this paragraph and a list of
15 exploration activity data to be provided to the department;

16

17 (D) Provide a statement by a certified
18 public accountant that expenditures are supported by
19 receipts for all activities eligible for the credit under
20 paragraph (i) of this subsection for each calendar year
21 that these expenditures for a single mining operation equal
22 or exceed forty thousand dollars (\$40,000.00);

23

1 (E) Such other items as the department by
2 rule and regulation may reasonably require.

3
4 (iv) If the application for the tax credit is
5 granted, the person obtaining the credit may apply the
6 credit against the tax due under W.S. 39-14-304(a)(ii). In
7 no event shall the credit taken against the severance tax
8 due exceed the lesser of:

9
10 (A) Fifty percent (50%) of the person's
11 total tax liability under W.S. 39-14-304(a)(ii) for the tax
12 year that is related to production from the mining
13 operation at which the exploration activities occurred;

14
15 (B) Fifty percent (50%) of the person's
16 total tax liability under W.S. 39-14-304(a)(ii) for the
17 calendar year.

18
19 (v) In no event shall the total credit granted
20 under this subsection exceed two hundred thousand dollars
21 (\$200,000.00) and shall not exceed a length of five (5)
22 years from the date the application is made under paragraph
23 (iii) of this subsection;

24

1 (vi) The department shall promulgate reasonable
2 rules and regulations for the implementation of this
3 subsection;

4
5 (vii) The department shall report on the results
6 of the credit authorized by this subsection annually on or
7 before November 1 to the governor and the legislature.

8
9 **39-14-405. Exemptions.**

10
11 ~~(a) There are no specific applicable provisions for~~
12 ~~exemptions for this chapter.~~ The following shall apply to
13 the mineral exploration tax credit:

14
15 (i) Any person conducting certain mineral
16 exploration activities which are performed on or for the
17 benefit of land in this state for the purpose of
18 determining the existence, location, extent or quality of a
19 locatable or leasable mineral deposit may be eligible for a
20 tax credit as provided by this subsection. The mineral
21 exploration activities eligible for the credit shall
22 include:

23

1 (A) Surveying by geophysical or geochemical
2 methods;

3

4 (B) Drilling an exploration hole;

5

6 (C) Conducting underground exploration;

7

8 (D) Surface trenching and bulk sampling; or

9

10 (E) Performing other exploratory work,
11 including aerial photographs, geological and geophysical
12 logging, sample analysis and metallurgical testing.

13

14 (ii) An exploration incentive exemption may not
15 be granted under paragraph (i) of this subsection for
16 exploration activity described in that paragraph which
17 occurs after the mine construction commencement date of a
18 new mine. As used in this paragraph, "mine construction
19 commencement date" means the date not later than which all
20 of the following have occurred:

21

22 (A) There has been issued to the owner or
23 an agent of the owner permits, leases, title and other
24 rights in land, and other approvals, permits, licenses and

1 certificates by federal, state and local agencies that a
2 reasonable and prudent person would consider adequate to
3 commence construction of a mine in the expectation that all
4 other approvals, permits, licenses and certificates
5 necessary for the completion of the facilities will be
6 obtained;

7
8 (B) All approvals, permits, licenses and
9 certificates are in full force and effect, unrevoked and
10 without any modification which might jeopardize the
11 completion or continued construction of the mine; and

12
13 (C) An order, judgment decree,
14 determination or award of a court or administrative or
15 regulatory agency enjoining, either temporarily or
16 permanently, the construction or the continuation of
17 construction of the mine is not in effect.

18
19 (iii) Any person wishing to obtain the credit
20 authorized by this subsection shall apply to the department
21 of revenue on a form and in such manner approved by the
22 department. The application shall:

23

1 (A) Include a list of expenditures
2 qualifying for the credit authorized under this subsection
3 in a manner approved by the department;

4
5 (B) Describe the work accomplished during
6 each year of the period covered by the request, the number
7 of employees, and the names and number of consultants;

8
9 (C) Provide a detailed list or ledger of
10 expenditures of the accomplishments described in
11 subparagraph (B) of this paragraph and a list of
12 exploration activity data to be provided to the department;

13
14 (D) Provide a statement by a certified
15 public accountant that expenditures are supported by
16 receipts for all activities eligible for the credit under
17 paragraph (i) of this subsection for each calendar year
18 that these expenditures for a single mining operation equal
19 or exceed forty thousand dollars (\$40,000.00);

20
21 (E) Such other items as the department by
22 rule and regulation may reasonably require.

23

1 (iv) If the application for the tax credit is
2 granted, the person obtaining the credit may apply the
3 credit against the tax due under W.S. 39-14-404. In no
4 event shall the credit taken against the severance tax due
5 exceed the lesser of:

6
7 (A) Fifty percent (50%) of the person's
8 total tax liability under W.S. 39-14-404 for the tax year
9 that is related to production from the mining operation at
10 which the exploration activities occurred;

11
12 (B) Fifty percent (50%) of the person's
13 total tax liability under W.S. 39-14-404 for the calendar
14 year.

15
16 (v) In no event shall the total credit granted
17 under this subsection exceed two hundred thousand dollars
18 (\$200,000.00) and shall not exceed a length of five (5)
19 years from the date the application is made under paragraph
20 (iii) of this subsection;

21
22 (vi) The department shall promulgate reasonable
23 rules and regulations for the implementation of this
24 subsection;

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39-14-505. Exemptions.

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(vii) The department shall report on the results of the credit authorized by this subsection annually on or before November 1 to the governor and the legislature.

(c) The following shall apply to the mineral exploration tax credit:

(i) Any person conducting certain mineral exploration activities which are performed on or for the benefit of land in this state for the purpose of determining the existence, location, extent or quality of a locatable or leasable mineral deposit may be eligible for a tax credit as provided by this subsection. The mineral exploration activities eligible for the credit shall include:

(A) Surveying by geophysical or geochemical methods;

(B) Drilling an exploration hole;

1 (C) Conducting underground exploration;

2

3 (D) Surface trenching and bulk sampling; or

4

5 (E) Performing other exploratory work,
6 including aerial photographs, geological and geophysical
7 logging, sample analysis and metallurgical testing.

8

9 (ii) An exploration incentive exemption may not
10 be granted under paragraph (i) of this subsection for
11 exploration activity described in that paragraph which
12 occurs after the mine construction commencement date of a
13 new mine. As used in this paragraph, "mine construction
14 commencement date" means the date not later than which all
15 of the following have occurred:

16

17 (A) There has been issued to the owner or
18 an agent of the owner permits, leases, title and other
19 rights in land, and other approvals, permits, licenses and
20 certificates by federal, state and local agencies that a
21 reasonable and prudent person would consider adequate to
22 commence construction of a mine in the expectation that all
23 other approvals, permits, licenses and certificates

1 necessary for the completion of the facilities will be
2 obtained;

3

4 (B) All approvals, permits, licenses and
5 certificates are in full force and effect, unrevoked and
6 without any modification which might jeopardize the
7 completion or continued construction of the mine; and

8

9 (C) An order, judgment decree,
10 determination or award of a court or administrative or
11 regulatory agency enjoining, either temporarily or
12 permanently, the construction or the continuation of
13 construction of the mine is not in effect.

14

15 (iii) Any person wishing to obtain the credit
16 authorized by this subsection shall apply to the department
17 of revenue on a form and in such manner approved by the
18 department. The application shall:

19

20 (A) Include a list of expenditures
21 qualifying for the credit authorized under this subsection
22 in a manner approved by the department;

23

1 (B) Describe the work accomplished during
2 each year of the period covered by the request, the number
3 of employees, and the names and number of consultants;

4
5 (C) Provide a detailed list or ledger of
6 expenditures of the accomplishments described in
7 subparagraph (B) of this paragraph and a list of
8 exploration activity data to be provided to the department;

9
10 (D) Provide a statement by a certified
11 public accountant that expenditures are supported by
12 receipts for all activities eligible for the credit under
13 paragraph (i) of this subsection for each calendar year
14 that these expenditures for a single mining operation equal
15 or exceed forty thousand dollars (\$40,000.00);

16
17 (E) Such other items as the department by
18 rule and regulation may reasonably require.

19
20 (iv) If the application for the tax credit is
21 granted, the person obtaining the credit may apply the
22 credit against the tax due under W.S. 39-14-504(a)(ii). In
23 no event shall the credit taken against the severance tax
24 due exceed the lesser of:

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(A) Fifty percent (50%) of the person's total tax liability under W.S. 39-14-504(a)(ii) for the tax year that is related to production from the mining operation at which the exploration activities occurred;

(B) Fifty percent (50%) of the person's total tax liability under W.S. 39-14-504(a)(ii) for the calendar year.

(v) In no event shall the total credit granted under this subsection exceed two hundred thousand dollars (\$200,000.00) and shall not exceed a length of five (5) years from the date the application is made under paragraph (iii) of this subsection;

(vi) The department shall promulgate reasonable rules and regulations for the implementation of this subsection;

(vii) The department shall report on the results of the credit authorized by this subsection annually on or before November 1 to the governor and the legislature.

1 **39-14-605. Exemptions.**

2

3 (a) There are no specific applicable provisions for
4 exemptions for this chapter. The following shall apply to
5 the mineral exploration tax credit:

6

7 (i) Any person conducting certain mineral
8 exploration activities which are performed on or for the
9 benefit of land in this state for the purpose of
10 determining the existence, location, extent or quality of a
11 locatable or leasable mineral deposit may be eligible for a
12 tax credit as provided by this subsection. The mineral
13 exploration activities eligible for the credit shall
14 include:

15

16 (A) Surveying by geophysical or geochemical
17 methods;

18

19 (B) Drilling an exploration hole;

20

21 (C) Conducting underground exploration;

22

23 (D) Surface trenching and bulk sampling; or

24

1 (E) Performing other exploratory work,
2 including aerial photographs, geological and geophysical
3 logging, sample analysis and metallurgical testing.

4
5 (ii) An exploration incentive exemption may not
6 be granted under paragraph (i) of this subsection for
7 exploration activity described in that paragraph which
8 occurs after the mine construction commencement date of a
9 new mine. As used in this paragraph, "mine construction
10 commencement date" means the date not later than which all
11 of the following have occurred:

12
13 (A) There has been issued to the owner or
14 an agent of the owner permits, leases, title and other
15 rights in land, and other approvals, permits, licenses and
16 certificates by federal, state and local agencies that a
17 reasonable and prudent person would consider adequate to
18 commence construction of a mine in the expectation that all
19 other approvals, permits, licenses and certificates
20 necessary for the completion of the facilities will be
21 obtained;

22
23 (B) All approvals, permits, licenses and
24 certificates are in full force and effect, unrevoked and

1 without any modification which might jeopardize the
2 completion or continued construction of the mine; and

3
4 (C) An order, judgment decree,
5 determination or award of a court or administrative or
6 regulatory agency enjoining, either temporarily or
7 permanently, the construction or the continuation of
8 construction of the mine is not in effect.

9
10 (iii) Any person wishing to obtain the credit
11 authorized by this subsection shall apply to the department
12 of revenue on a form and in such manner approved by the
13 department. The application shall:

14
15 (A) Include a list of expenditures
16 qualifying for the credit authorized under this subsection
17 in a manner approved by the department;

18
19 (B) Describe the work accomplished during
20 each year of the period covered by the request, the number
21 of employees, and the names and number of consultants;

22
23 (C) Provide a detailed list or ledger of
24 expenditures of the accomplishments described in

1 subparagraph (B) of this paragraph and a list of
2 exploration activity data to be provided to the department;

3
4 (D) Provide a statement by a certified
5 public accountant that expenditures are supported by
6 receipts for all activities eligible for the credit under
7 paragraph (i) of this subsection for each calendar year
8 that these expenditures for a single mining operation equal
9 or exceed forty thousand dollars (\$40,000.00);

10
11 (E) Such other items as the department by
12 rule and regulation may reasonably require.

13
14 (iv) If the application for the tax credit is
15 granted, the person obtaining the credit may apply the
16 credit against the tax due under W.S. 39-14-604. In no
17 event shall the credit taken against the severance tax due
18 exceed the lesser of:

19
20 (A) Fifty percent (50%) of the person's
21 total tax liability under W.S. 39-14-604 for the tax year
22 that is related to production from the mining operation at
23 which the exploration activities occurred;

24

1 (B) Fifty percent (50%) of the person's
2 total tax liability under W.S. 39-14-604 for the calendar
3 year.

4
5 (v) In no event shall the total credit granted
6 under this subsection exceed two hundred thousand dollars
7 (\$200,000.00) and shall not exceed a length of five (5)
8 years from the date the application is made under paragraph
9 (iii) of this subsection;

10
11 (vi) The department shall promulgate reasonable
12 rules and regulations for the implementation of this
13 subsection;

14
15 (vii) The department shall report on the results
16 of the credit authorized by this subsection annually on or
17 before November 1 to the governor and the legislature.

18
19 **39-14-705. Exemptions.**

20
21 (a) ~~There are no specific applicable provisions for~~
22 exemptions for this article. The following shall apply to
23 the mineral exploration tax credit:

24

1 (i) Any person conducting certain mineral
2 exploration activities which are performed on or for the
3 benefit of land in this state for the purpose of
4 determining the existence, location, extent or quality of a
5 locatable or leasable mineral deposit may be eligible for a
6 tax credit as provided by this subsection. The mineral
7 exploration activities eligible for the credit shall
8 include:

9
10 (A) Surveying by geophysical or geochemical
11 methods;

12
13 (B) Drilling an exploration hole;

14
15 (C) Conducting underground exploration;

16
17 (D) Surface trenching and bulk sampling; or

18
19 (E) Performing other exploratory work,
20 including aerial photographs, geological and geophysical
21 logging, sample analysis and metallurgical testing.

22
23 (ii) An exploration incentive exemption may not
24 be granted under paragraph (i) of this subsection for

1 exploration activity described in that paragraph which
2 occurs after the mine construction commencement date of a
3 new mine. As used in this paragraph, "mine construction
4 commencement date" means the date not later than which all
5 of the following have occurred:

6
7 (A) There has been issued to the owner or
8 an agent of the owner permits, leases, title and other
9 rights in land, and other approvals, permits, licenses and
10 certificates by federal, state and local agencies that a
11 reasonable and prudent person would consider adequate to
12 commence construction of a mine in the expectation that all
13 other approvals, permits, licenses and certificates
14 necessary for the completion of the facilities will be
15 obtained;

16
17 (B) All approvals, permits, licenses and
18 certificates are in full force and effect, unrevoked and
19 without any modification which might jeopardize the
20 completion or continued construction of the mine; and

21
22 (C) An order, judgment decree,
23 determination or award of a court or administrative or
24 regulatory agency enjoining, either temporarily or

1 permanently, the construction or the continuation of
2 construction of the mine is not in effect.

3

4 (iii) Any person wishing to obtain the credit
5 authorized by this subsection shall apply to the department
6 of revenue on a form and in such manner approved by the
7 department. The application shall:

8

9 (A) Include a list of expenditures
10 qualifying for the credit authorized under this subsection
11 in a manner approved by the department;

12

13 (B) Describe the work accomplished during
14 each year of the period covered by the request, the number
15 of employees, and the names and number of consultants;

16

17 (C) Provide a detailed list or ledger of
18 expenditures of the accomplishments described in
19 subparagraph (B) of this paragraph and a list of
20 exploration activity data to be provided to the department;

21

22 (D) Provide a statement by a certified
23 public accountant that expenditures are supported by
24 receipts for all activities eligible for the credit under

1 paragraph (i) of this subsection for each calendar year
2 that these expenditures for a single mining operation equal
3 or exceed forty thousand dollars (\$40,000.00);

4
5 (E) Such other items as the department by
6 rule and regulation may reasonably require.

7
8 (iv) If the application for the tax credit is
9 granted, the person obtaining the credit may apply the
10 credit against the tax due under W.S. 39-14-704. In no
11 event shall the credit taken against the severance tax due
12 exceed the lesser of:

13
14 (A) Fifty percent (50%) of the person's
15 total tax liability under W.S. 39-14-704 for the tax year
16 that is related to production from the mining operation at
17 which the exploration activities occurred;

18
19 (B) Fifty percent (50%) of the person's
20 total tax liability under W.S. 39-14-704 for the calendar
21 year.

22
23 (v) In no event shall the total credit granted
24 under this subsection exceed two hundred thousand dollars

1 (\$200,000.00) and shall not exceed a length of five (5)
2 years from the date the application is made under paragraph
3 (iii) of this subsection;

4
5 (vi) The department shall promulgate reasonable
6 rules and regulations for the implementation of this
7 subsection;

8
9 (vii) The department shall report on the results
10 of the credit authorized by this subsection annually on or
11 before November 1 to the governor and the legislature.

12
13 **Section 2.** This act is effective January 1, 2006.

14

15

(END)