

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. _____

Mineral taxation-property tax.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to taxation and revenue; providing for the
2 imposition of ad valorem tax upon mineral production as
3 specified; amending related provisions; providing for
4 application of the act; and providing for an effective
5 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. 39-13-103(a)(ii) and by creating new
10 paragraphs (iii) and (iv) and 39-14-203(c)(i) are amended
11 to read:

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13 **39-13-103. Imposition.**

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15 (a) Taxable event. The following shall apply:

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17 (ii) All property claimed to be in transit shall
18 be designated as being in transit upon the books and
19 records of the public or private warehouse or storage area

1 supervisor wherein the same is located. The books and
2 records of the public or private warehouse or storage area
3 supervisor shall contain a full, true and correct inventory
4 of all in transit property, together with the date of the
5 withdrawal of the same, the point of origin thereof and
6 point of ultimate destination thereof if known. The books
7 and records of the public or private warehouse or storage
8 area supervisor with reference to any in transit property
9 shall at all times be open to the inspection of all taxing
10 authorities of the state of Wyoming and any political
11 subdivision thereof. Any person claiming property to be in
12 transit shall do so in the form and manner provided by the
13 board. The books and records of the public or private
14 warehouse or storage area supervisor must be maintained in
15 a manner which will enable the county assessor or his agent
16 to quickly ascertain the amount of the property-i

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18 (iii) The gross product of all mines and
19 mining claims shall be valued and assessed at its fair
20 market value upon the person or entity removing,
21 extracting, producing, selling or otherwise taking the
22 gross product, notwithstanding whether the right is by
23 lease, contract or any other right, and notwithstanding
24 where the sale, exchange or other disposition occurs. The
25 value of the gross product of the mines or mining claim and
26 the ad valorem tax shall be assessed, levied and imposed to
27 the extent of the person or entity's interest in the gross
28 product removed, extracted, produced, sold or otherwise
29 taken;

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31 (iv) Any mineral sold, exchanged or otherwise
32 disposed of by the federal government which is subject to
33 an exemption from any federal mineral leasing act and which
34 is not used exclusively by the federal government primarily
35 for a governmental purpose shall be included in the value
36 of the gross product and be taxable for ad valorem tax
37 purposes. If the governmental entity owning the mineral
38 does take physical custody of the mineral and uses the
39 mineral for primarily a governmental purpose, the value of
40 that portion of the mineral shall not be included in the
41 gross product for ad valorem purposes. Only that portion,
42 if any, of the fair market value of the proceeds or other
43 consideration of any nature from the sale, exchange or
44 other disposition of the valuable mineral and mine product
45 actually retained by or paid to the exempt entity or person
46 shall be exempt from taxation.

39-14-203. Imposition.

(c) Taxpayer. The following shall apply:

(i) In the case of ad valorem taxes on crude oil, lease condensate or natural gas produced under lease, contract or any other right the ~~lessor~~person or entity having such right is liable for the payment of ad valorem taxes on crude oil, lease condensate or natural gas production removed only to the extent of the ~~lessor's~~person's or entity's retained interest under the lease, contract or any other right whether royalty or otherwise, and the lessee, ~~or~~ his assignee or any other person or entity removing, extracting, producing, selling or otherwise taking the gross product by lease, contract or any other right is liable to the extent of their interest for all other ad valorem taxes due on production under the lease, contract or any other right, notwithstanding where the sale, exchange or other disposition occurs;

Section 2. This act shall apply to the gross product of any valuable mineral deposit and mine product produced on or after January 1, 2008.

Section 3. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)