Bill No.: HB0011 **Effective:** Immediately

LSO No.: 17LSO-0203

Enrolled Act No.: HEA No. 0085

Chapter No.: [Chapter Number_RO]

Prime Sponsor: Joint Revenue Interim Committee

Catch Title: Discounted cash flow implementation process.

Subject: Discounted cash flow implementation process.

Summary/Major Elements:

- This bill requires the Department of Revenue to study the changes necessary to implement the use of discounted cash flow valuation for the ad valorem tax on oil and gas production in Wyoming by the year 2020.

- Discounted cash flow is a method of valuing a reservoir of petroleum or natural gas using the concept of the time value of money, where all future cash flows, both incoming and outgoing, are estimated and discounted by using the cost of capital. The method provides the present value of a reservoir for the purpose of determining a taxable value.

Comments:

- The Department of Revenue is required to report to the Joint Revenue Interim Committee on the study not later than November 30, 2019, and is required to provide an update on the study not later than November 30, 2017, and November 30, 2018.