

SENATE FILE NO. SF0149

Oil and gas-royalty and tax rates.

Sponsored by: Senator(s) Boner, Biteman, Cooper, Landen and
Perkins and Representative(s) Harshman

A BILL

for

1 AN ACT relating to oil and gas; establishing an exemption
2 for the reduction of certain oil and gas severance taxes
3 based on royalty rates; specifying procedures for the tax
4 exemption; requiring rulemaking; and providing for
5 effective dates.

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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. 39-14-205 by creating a new
10 subsection (p) is amended to read:

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12 **39-14-205. Exemptions.**

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14 (p) The severance taxes imposed under W.S.
15 39-14-204(a)(ii), (iii) and (iv) on crude oil, lease

1 condensate or natural gas that is owned or leased by the
2 United States or any federal agency and that is removed,
3 extracted, severed or produced by any taxpayer shall be
4 reduced upon an increase in the federal energy royalty
5 rates charged or imposed on crude oil or natural gas that
6 is extracted, developed or produced in Wyoming. The tax
7 exemption available under this subsection shall only become
8 effective upon certification of the governor to the
9 department that the federal energy royalty rate has been
10 increased pursuant to federal law. The reduction in
11 severance taxes under this subsection shall be as follows:

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13 (i) The tax imposed under W.S. 39-14-204(a)(ii)
14 shall be reduced to zero percent (0%) if the federal energy
15 royalty rate for crude oil and natural gas is increased by
16 an additional one percent (1%);

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18 (ii) If the tax imposed under W.S.
19 39-14-204(a)(ii) is reduced to zero percent (0%), then the
20 tax imposed under W.S. 39-14-204(a)(iii) shall be reduced
21 by one-half percent (0.5%) for each additional one percent
22 (1%) increase in the federal energy royalty rate for crude
23 oil and natural gas;

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(iii) If the taxes imposed under W.S. 39-14-204(a)(ii) and (iii) are both reduced to zero percent (0%), then the tax imposed under W.S. 39-14-204(a)(iv) shall be reduced by one-half percent (0.5%) for each additional one percent (1%) increase in the federal energy royalty rate for crude oil and natural gas, subject to any exemption available under subsection (n) of this section.

Section 2. The Wyoming oil and gas conservation commission and the department of revenue shall promulgate all rules necessary to implement the provisions of this act.

1 **Section 3.**

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3 (a) Except as provided in subsection (b) of this
 4 section, this act is effective immediately upon completion
 5 of all acts necessary for a bill to become law as provided
 6 by Article 4, Section 8 of the Wyoming Constitution.

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8 (b) Section 1 of this act is effective July 1, 2021.

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(END)