



WYOMING LEGISLATIVE SERVICE OFFICE

Memorandum

DATE November 27, 2019

TO Members, Select Committee on Coal/Mineral Bankruptcies

FROM Matthew Willmarth, Senior School Finance Analyst

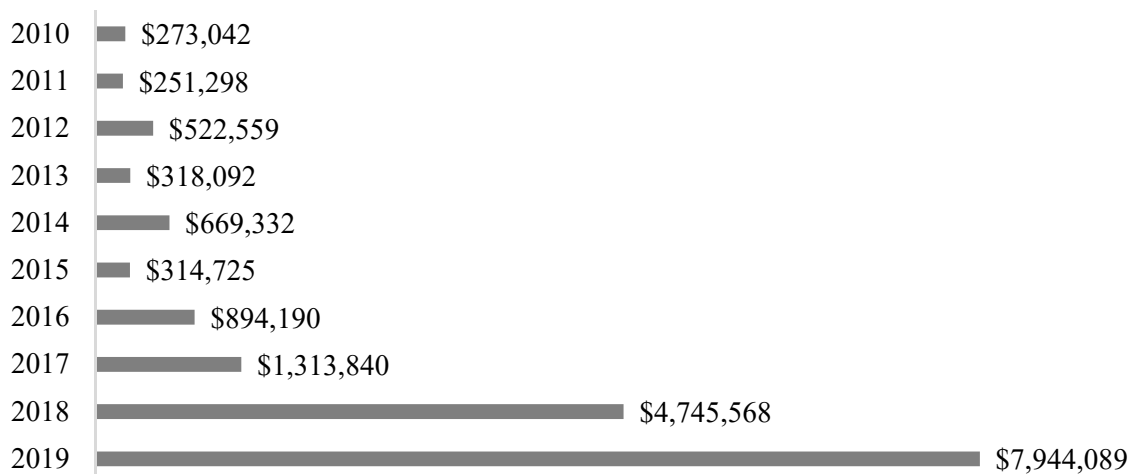
SUBJECT Historical Severance Tax and Ad Valorem Delinquencies

During the October 14 meeting of the Select Committee on Coal/Mineral Bankruptcies (Select Committee), the Department of Revenue and Wyoming County Commissioners Association (WCCA) were requested to work with the LSO provide information related to the number taxpayers that were delinquent and amount of delinquencies related to severance taxes and ad valorem taxes related to mineral property for the past ten years. Both entities were also requested to provide information related to settlement amounts for severance taxes and ad valorem taxes. The Select Committee also requested the Department of Revenue to identify the top property taxpayers for personal property across all industries. This memorandum addresses each request.

SEVERANCE TAXES

The Department of Revenue has calculated a total amount of severance tax delinquencies of \$17.2 million from 2010 through 2019. This amount is inclusive of settlement amounts until such time the settlement amount is paid. Of the amount, 73.6 percent or \$12.7 million is attributable to tax years 2018 and 2019. Figure 1 depicts the total severance tax delinquencies by tax year. Please note, for tax years 2016 through 2019, operators can amend production values so amounts for these years are subject to change.

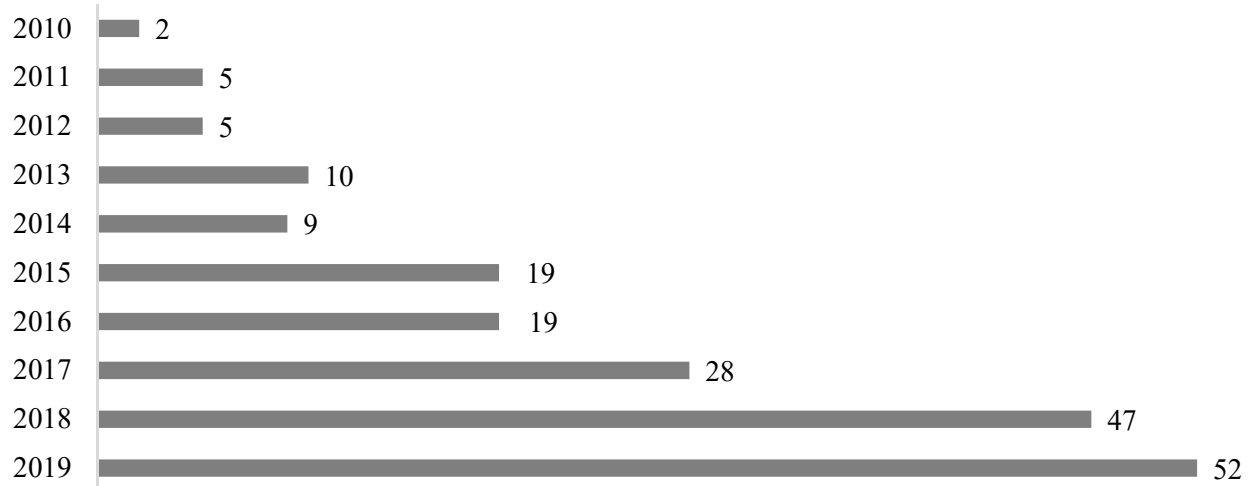
Figure 1. Total Amount of Delinquencies for Severance Tax, 2010-2019.



Source: LSO analysis of Department of Revenue data.

The Department of Revenue has also seen an increase in the number of delinquent taxpayers related to severance taxes. Figure 2 illustrates the total delinquent number of taxpayers from 2010 to 2019. The 2019 amount is through November 7, 2019.

Figure 2. Total Number of Delinquent Taxpayers for Severance Tax, 2010-2019.



Source: LSO analysis of Department of Revenue data.

The Department of Revenue also identified the settlement amounts by year related to severance tax, as depicted in Table 1. Between 2010 and 2019, \$5.13 million was paid of \$9.85 million that was owed or 52.08 percent.

Table 1. Total Amount of Severance Tax Settlements, 2010-2019.

Year	Amount Owed	Amount Paid	Balance	Percent Paid
2010	\$0	\$0	\$0	
2011	\$479,785	\$457,256	\$22,529	95.30%
2012	\$253,114	\$238,687	\$14,428	94.30%
2013	\$6,649	\$6,649	\$0	100.00%
2014	\$9,082	\$9,082	\$0	100.00%
2015	\$51,012	\$51,012	\$0	100.00%
2016	\$645	\$645	\$0	100.00%
2017	\$0	\$0	\$0	
2018	\$8,759,848	\$4,362,775	\$4,397,073	49.80%
2019	\$290,722	\$4,000	\$286,722	1.38%
Total	\$9,850,857	\$5,130,105	\$4,720,752	52.08%

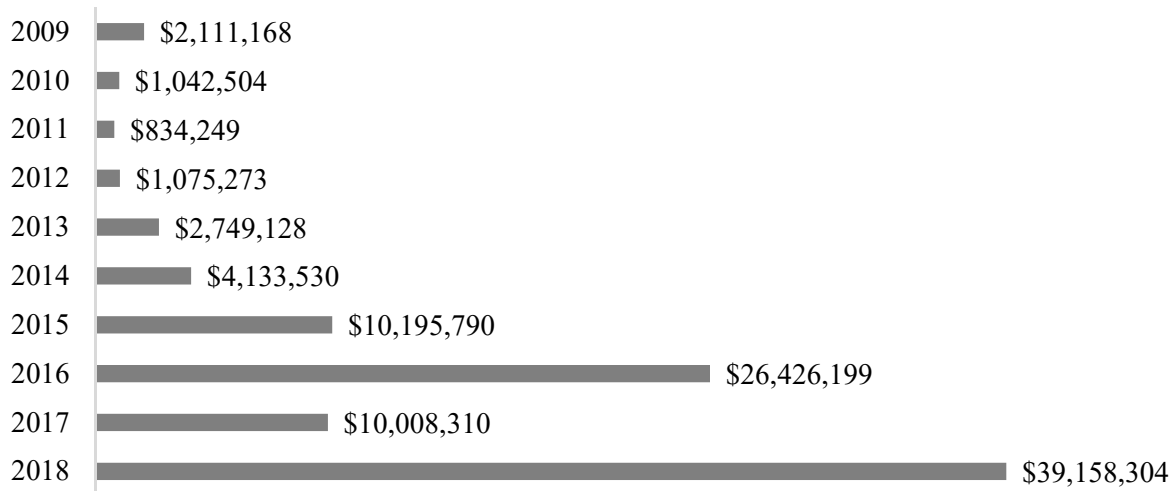
Source: LSO analysis of Department of Revenue data.

LEGISLATIVE SERVICE OFFICE Memorandum

MINERAL AD VALOREM TAXES

The WCCA surveyed each county related to mineral ad valorem tax delinquencies. Figures 3 and 4 depict the statewide total mineral ad valorem delinquencies and number of taxpayers delinquent on mineral ad valorem tax between tax years 2009 and 2018, respectively. Wyoming counties reported a total of \$97.7 million in delinquent mineral ad valorem tax between tax years 2009 and 2018, with \$85.8 million or 87.8 percent attributable to tax years 2015 through 2018.

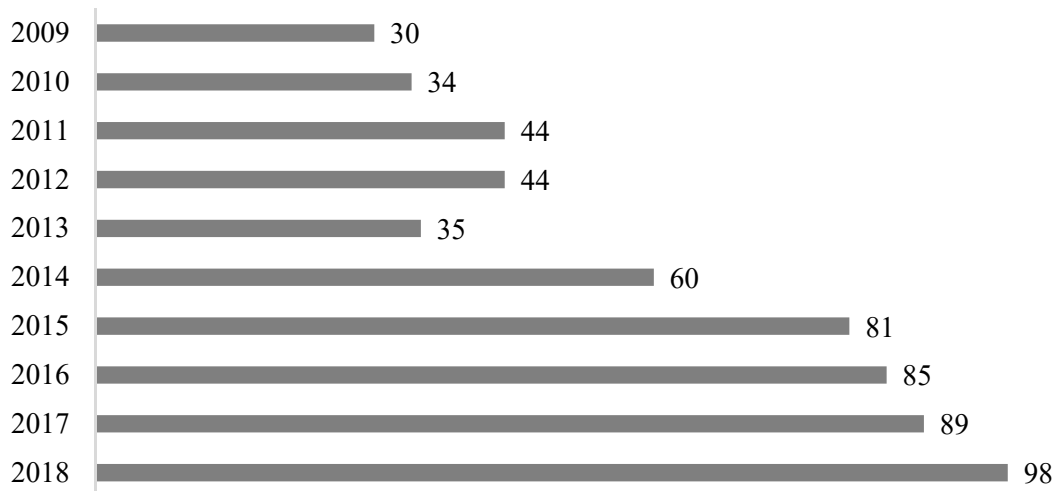
Figure 3. Total Amount of Delinquencies for Mineral Ad Valorem Tax, 2009-2018.



Source: LSO analysis of WCCA data.

Wyoming counties reported a total of 600 delinquent mineral ad valorem taxpayers between 2009 and 2018. Figure 4 depicts the statewide total by year.

Figure 4. Total Amount of Delinquent Mineral Ad Valorem Taxpayers, 2009-2018.



Source: LSO analysis of WCCA data.

LEGISLATIVE SERVICE OFFICE Memorandum

Two counties reported mineral ad valorem tax settlements, Campbell and Uinta. Uinta county reported settlements related to tax years 2015, 2016 and 2017 and Campbell county reported settlements in tax year 2018. In total, \$19.2 million of the \$19.8 million has been paid. Table 2 identifies the mineral ad valorem tax settlements by year.

Table 2. Total Amount of Mineral Ad Valorem Tax Settlements, 2015-2018.

Year	Amount Owed	Amount Paid	Balance	Percent Paid
2015	\$1,877,549	\$1,797,323	\$80,226	95.73%
2016	\$1,594,988	\$610,184	\$984,804	38.26%
2017	\$1,157,842	\$673,295	\$484,547	58.15%
2018*	\$15,172,255	\$16,139,567	\$0	106.38%
Total	\$19,802,634	\$19,220,369	\$582,265	97.06%

Source: LSO analysis of WCCA data.

*Note: Campbell county indicated that the amount paid is \$967,312 greater than the original amount owed due to penalties and interest paid.

Please refer to Attachment 1 for a county summary of the mineral ad valorem tax delinquencies and the number of delinquent taxpayers for tax years 2009 through 2018.

PERSONAL PROPERTY TAX FOR LOCALLY ASSESSED COMPANIES

The Department of Revenue provided the tax amount for 2019 personal property for each locally assessed oil and gas and personal property account in Wyoming. For 2019, a total of \$134.8 million of personal property tax is owed. Table 3 depicts the taxes owed by county and the percent of the total for each county.

Table 3. 2019 Personal Property Taxes by County for Locally Assessed Oil and Gas and Personal Property Accounts.

County	2019 Tax Amount	Percent of Total	County	2019 Tax Amount	Percent of Total
Albany	\$1,290,415	0.96%	Natrona	\$9,271,367	6.88%
Bighorn	\$1,370,538	1.02%	Niobrara	\$334,937	0.25%
Campbell	\$16,996,106	12.61%	Park	\$2,334,615	1.73%
Carbon	\$10,830,409	8.03%	Platte	\$1,205,204	0.89%
Converse	\$9,279,156	6.88%	Sheridan	\$1,259,112	0.93%
Crook	\$963,023	0.71%	Sublette	\$7,363,367	5.46%
Fremont	\$6,231,871	4.62%	Sweetwater	\$29,155,147	21.63%
Goshen	\$770,760	0.57%	Teton	\$976,263	0.72%
Hot Springs	\$479,835	0.36%	Uinta	\$3,753,012	2.78%
Johnson	\$5,275,713	3.91%	Washakie	\$1,262,151	0.94%
Laramie	\$12,600,755	9.35%	Weston	\$1,070,679	0.79%
Lincoln	\$10,733,101	7.96%	Wyoming	\$134,807,536	100.00%

Source: LSO analysis of Department of Revenue data.

Table 4 identifies the top 50 locally assessed oil and gas and personal property accounts and the 2019 personal property taxes with the associated percent of the total paid. Please note, that the list by individual

LEGISLATIVE SERVICE OFFICE Memorandum

taxpayer owner has not been consolidated by company, as many mineral companies file taxes under multiple subsidiaries. As illustrated in Table 4, the top 50 company subsidiaries comprise approximately 60 percent of all locally assessed oil and gas and personal property account taxes paid.

Table 4. Top 50 Locally Assessed Oil and Gas and Personal Property Accounts for 2019 Personal Property Taxes.

Owner	2019 Tax Amount	Percent of Total	Cumulative Total
SINCLAIR OIL CORPORATION	\$6,887,911	5.11%	5.11%
MICROSOFT CORPORATION	\$6,767,820	5.02%	10.13%
SIMPLLOT PHOSPHATES LLC	\$4,960,873	3.68%	13.81%
EXXONMOBIL CORP	\$4,600,632	3.41%	17.22%
WILLIAMS GAS PROCESSING	\$3,644,372	2.70%	19.93%
GENESIS ALKALI WYOMING LP	\$3,092,723	2.29%	22.22%
ENTERPRISE GAS PROCESSING LLC	\$2,281,792	1.69%	23.91%
ULTRA RESOURCES INC.	\$2,176,842	1.61%	25.53%
FLEUR DE LIS	\$2,085,264	1.55%	27.07%
WGR OPERATING LP	\$2,024,097	1.50%	28.58%
CINER WYOMING LLC	\$1,941,557	1.44%	30.02%
POWDER RIVER COAL CO	\$1,896,008	1.41%	31.42%
ANTELOPE COAL, LLC	\$1,670,657	1.24%	32.66%
EOG RESOURCES INC	\$1,615,034	1.20%	33.86%
DEVON ENERGY PRODUCTION CO LP	\$1,582,639	1.17%	35.03%
JONAH ENERGY LLC	\$1,581,530	1.17%	36.21%
BURLINGTON RESOURCES	\$1,529,582	1.13%	37.34%
PACIFICORP (BRIDGER COAL MINE)	\$1,469,440	1.09%	38.43%
TATA CHEMICALS (SODA ASH) PARTNERS	\$1,402,609	1.04%	39.47%
SOLVAY CHEMICALS SODA ASH	\$1,397,791	1.04%	40.51%
LITTLE AMERICA REFINING CO	\$1,356,829	1.01%	41.52%
WAMSUTTER GATHERING & PROCESS	\$1,332,539	0.99%	42.50%
CLOUD PEAK ENERGY RESOURCES LLC	\$1,208,665	0.90%	43.40%
LIGHTHOUSE RESOURCES INC (BLACK BUTTE MINE)	\$1,204,658	0.89%	44.29%
THUNDER CREEK GAS SERVICE LLC	\$1,204,424	0.89%	45.19%
HILCORP ENERGY COMPANY	\$1,201,372	0.89%	46.08%
POWDER RIVER MIDSTREAM, LLC	\$1,005,332	0.75%	46.82%
GREEN RIVER PROCESSING LLC	\$972,644	0.72%	47.55%
WESTMORELAND KEMMERER INC	\$946,921	0.70%	48.25%
THUNDER BASIN COAL COMPANY	\$915,258	0.68%	48.93%
EXXON MOBIL CORP	\$862,720	0.64%	49.57%
NORTH SHORE ENERGY LLC	\$841,261	0.62%	50.19%
EOG RESOURCES, INC	\$797,389	0.59%	50.78%

LEGISLATIVE SERVICE OFFICE Memorandum

Owner	2019 Tax Amount	Percent of Total	Cumulative Total
JONAH GAS GATHERING COMPANY	\$790,792	0.59%	51.37%
WILLIAMS FIELD SERVICES	\$771,485	0.57%	51.94%
JACKALOPE GAS GATHERING, LLC	\$750,405	0.56%	52.50%
THUNDER CREEK GAS SERVICES, LLC	\$747,546	0.55%	53.05%
BUCKSKIN MINING COMPANY	\$712,633	0.53%	53.58%
SPIRE ENERGY (RYCKMAN CREEK RESOURCES)	\$711,313	0.53%	54.11%
WYODAK RESOURCES DEVELOPMENT CORP	\$701,528	0.52%	54.63%
MOUNTAIN GAS RESOURCES INC	\$682,194	0.51%	55.14%
GREENCORE PIPELINE COMPANY LLC	\$675,752	0.50%	55.64%
PEGASUS OPTIMIZATION MANAGERS, LLC	\$670,097	0.50%	56.13%
PINEDALE ENERGY PARTNERS OPERATING LLC	\$658,705	0.49%	56.62%
WEXPRO CO	\$657,096	0.49%	57.11%
BLACKJEWEL LLC	\$652,353	0.48%	57.59%
FDL OPERATING	\$651,447	0.48%	58.08%
AETHON ENERGY OPERATING LLC	\$640,524	0.48%	58.55%
ENTERPRISE JONAH GAS GATHERING CO LLC	\$631,294	0.47%	59.02%
BP AMERICA PRODUCTION CO	\$606,077	0.45%	59.47%

Source: LSO analysis of Department of Revenue data.

Should the Select Committee have further questions, please advise.

Attachment (1)

LEGISLATIVE SERVICE OFFICE Memorandum

Attachment 1 to November 27, 2019 Memorandum

Table A-1. Total Amount of Delinquencies for Mineral Ad Valorem Tax, 2009-2018.

County	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total	Percent of Total
Albany	\$0	\$0	\$0	\$0	\$0	\$3,918	\$124,786	\$53,070	\$0	\$12,949	\$194,723	0.20%
Big Horn	\$0	\$1,034	\$16,832	\$22,381	\$20,241	\$42,429	\$326,289	\$229,668	\$234,173	\$164,502	\$1,057,549	1.08%
Campbell	\$1,856,503	\$672,222	\$478,858	\$344,311	\$915,953	\$1,206,424	\$3,132,519	\$21,035,117	\$2,284,931	\$25,881,582	\$57,808,420	59.15%
Carbon	\$0	\$23,192	\$25,977	\$9,894	\$56	\$773,565	\$1,795,190	\$710,361	\$671,571	\$658,789	\$4,668,595	4.78%
Converse	\$11,401	\$13,651	\$11,276	\$39,000	\$24,789	\$36,918	\$60,765	\$42,700	\$3,447	\$3,547,669	\$3,791,616	3.88%
Crook	\$23,956	\$14,471	\$43,301	\$0	\$147,987	\$79,863	\$7,378	\$3,415	\$19,877	\$40,105	\$380,353	0.39%
Fremont	\$463	\$2,170	\$17,453	\$0	\$477	\$32,295	\$42,837	\$25,017	\$5,520	\$25,029	\$151,261	0.15%
Goshen	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Hot Springs	\$1,032	\$0	\$0	\$0	\$0	\$11,875	\$99,301	\$152,648	\$83,318	\$116,281	\$464,455	0.48%
Johnson	\$49,178	\$18,583	\$11,611	\$124,672	\$91,819	\$87,241	\$210,230	\$66,457	\$3,817,336	\$7,752,963	\$12,230,090	12.51%
Laramie	\$0	\$0	\$6,246	\$1,117	\$0	\$0	\$0	\$0	\$0	\$5,721	\$13,083	0.01%
Lincoln	\$0	\$139,921	\$127,378	\$71,952	\$83,578	\$129,062	\$134,659	\$0	\$0	\$6,143	\$692,693	0.71%
Natrona	\$23,535	\$15,325	\$35,900	\$65,692	\$24,246	\$155,851	\$63,434	\$65,466	\$37,994	\$100,894	\$588,337	0.60%
Niobrara	\$2,935	\$0	\$0	\$31,156	\$0	\$10,774	\$4,371	\$5,873	\$983	\$0	\$56,092	0.06%
Park	\$0	\$0	\$30,416	\$0	\$127	\$0	\$3,256	\$23,302	\$896,992	\$11,671	\$965,764	0.99%
Platte	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Sheridan	\$19,523	\$3,267	\$25,633	\$211,729	\$1,146,000	\$1,465,257	\$1,802,803	\$208,549	\$108,978	\$133,393	\$5,125,132	5.24%
Sublette	\$0	\$0	\$2,347	\$3,512	\$381	\$38,674	\$8,328	\$2,111,710	\$10,179	\$0	\$2,175,131	2.23%
Sweetwater	\$121,038	\$138,668	\$1,021	\$0	\$197,668	\$0	\$453,133	\$66,365	\$647,600	\$54,054	\$1,679,547	1.72%
Teton	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Uinta	\$1,604	\$0	\$0	\$0	\$0	\$3,317	\$1,878,169	\$1,607,174	\$1,162,045	\$635,418	\$5,287,727	5.41%
Washakie	\$0	\$0	\$0	\$102,958	\$90,236	\$55,466	\$48,342	\$19,307	\$18,931	\$8,767	\$344,007	0.35%
Weston	\$0	\$0	\$0	\$46,899	\$5,570	\$601	\$0	\$0	\$4,435	\$2,375	\$59,880	0.06%
Wyoming	\$2,111,168	\$1,042,504	\$834,249	\$1,075,273	\$2,749,128	\$4,133,530	\$10,195,790	\$26,426,199	\$10,008,310	\$39,158,304	\$97,734,454	100.00%

Table A-2. Total Amount of Delinquent Mineral Ad Valorem Taxpayers, 2009-2018.

County	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total	Percent of Total
Albany	0	0	0	0	0	1	1	2	0	3	7	1.17%
Big Horn	0	2	1	1	1	8	14	18	22	20	87	14.50%
Campbell	11	15	9	12	12	11	12	14	14	17	127	21.17%
Carbon	0	1	5	2	1	5	11	4	11	6	46	7.67%
Converse	1	2	3	1	1	2	3	10	2	7	32	5.33%
Crook	1	1	2	0	2	1	1	1	2	2	13	2.17%
Fremont	1	1	1	0	1	4	3	5	3	6	25	4.17%
Goshen	0	0	0	0	0	0	0	0	0	0	0	0.00%
Hot Springs	2	0	0	0	0	1	3	3	3	6	18	3.00%
Johnson	2	2	6	5	1	2	9	5	8	4	44	7.33%
Laramie	0	0	2	1	0	0	0	0	0	2	5	0.83%
Lincoln	0	1	1	1	1	3	4	0	0	5	16	2.67%
Natrona	3	3	5	8	4	8	3	5	3	4	46	7.67%
Niobrara	1	0	0	3	0	1	3	2	1	0	11	1.83%
Park	0	0	1	0	1	0	1	3	2	1	9	1.50%
Platte	0	0	0	0	0	0	0	0	0	0	0	0.00%
Sheridan	3	2	2	2	4	3	4	3	3	2	28	4.67%
Sublette	0	0	4	2	1	4	2	2	2	0	17	2.83%
Sweetwater	4	4	2	0	2	0	3	4	4	3	26	4.33%
Teton	0	0	0	0	0	0	0	0	0	0	0	0.00%
Uinta	1	0	0	0	0	3	2	2	2	5	15	2.50%
Washakie	0	0	0	3	2	2	2	2	3	2	16	2.67%
Weston	0	0	0	3	1	1	0	0	3	3	12	2.00%
Wyoming	30	34	44	44	35	60	81	85	89	98	600	100.00%

Source: LSO analysis of WCCA data.