

Senate Bill No. 638

(By Senators Prezioso and Plymale)

[Introduced March 25, 2013; referred to the Committee on Energy,
Industry and Mining; and then to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §11-13A-22, relating to exemptions from the tax on the privilege of severing natural gas and oil; terminating a severance tax exemption for natural gas or oil; providing an exception; and specifying a controlling effective date.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §11-13A-22, to read as follows:

ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX ACT.

§11-13A-22. Termination of exemption.

(a) On and after July 1, 2013, the exemption set forth in subdivision (4), subsection (a), section three-a of this article is

1 void and of no force or effect. However, if a well for which the
2 producer established entitlement to that exemption on or before
3 June 30, 2013, the exemption from tax continues for natural gas or
4 oil produced from that well for the remainder of the ten-year
5 period for which the exemption was originally applicable.

6 (b) Pursuant to section five-p, article ten of this chapter,
7 termination of the exemption set forth in subdivision (4),
8 subsection (a), section three-a of this article on and after July
9 1, 2013, is subject to the controlling internal effective date of
10 this section and is not subject to the alternative effective date
11 provisions of section five-p, article ten of this chapter.

NOTE: The purpose of this bill is to terminate a severance
tax exemption for the production of natural gas and oil. The bill
provides an exception and specifies a controlling effective date.

§11-13A-22 is new; therefore, strike-throughs and underscoring
have been omitted.