

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 523

BY SENATOR SYPOLT

(BY REQUEST)

[Introduced February 5, 2016;

Referred to the Committee on Energy, Industry and
Mining; and then to the Committee on Finance.]

**FISCAL
NOTE**

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §11-13A-3f, relating to taxing water that is used in natural gas hydraulic
 3 fracturing; creating a special fund; and establishing how proceeds from that fund may be
 4 used.

Be it enacted by the Legislature of West Virginia:

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
 2 section, designated §11-13A-3f, to read as follows:

ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX ACT.

§11-13A-3f. Imposition of tax on privilege of water extraction used in natural gas well hydraulic fracturing.

1 (a) Imposition of tax. -- For the privilege of engaging or continuing within this state of
 2 extracting water to be used in natural gas well hydraulic fracturing, there is levied and shall be
 3 collected from every person exercising such privilege a privilege tax.

4 (b) Rate of tax. -- The tax imposed in subsection (a) of this section is 1¢ per gallon of water.

5 (c) Tax in addition to other taxes. -- The tax imposed by this section is in addition to all
 6 other taxes imposed by law.

7 (d) Collection and use of tax. --The tax shall be collected monthly, deposited in a new fund,
 8 the Water for Public Works Fund, and shall be used for the development and expansion of public
 9 water works.

NOTE: The purpose of this bill is to tax water that is used in natural gas hydraulic fracturing. The bill creates a special fund and establishes how proceeds from that fund may be used.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.