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WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1997



ENROLLED

COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 142

(By Senator CHAFFIN, ET AL)



PASSED APRIL 11, 1997

In Effect FROM Passage

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OFFICE OF THE CLERK
SENATE

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COMMITTEE SUBSTITUTE
FOR

Senate Bill No. 142

(SENATORS CHAFIN, FANNING, MINEAR, HELMICK, SHARPE AND
ROSS, *original sponsors*)

[Passed April 11, 1997; in effect from passage.]

AN ACT to amend and reenact section three, article thirteen-a, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to a reduction of the severance tax rate for coal mined in West Virginia by underground methods based upon seam thickness.

Be it enacted by the Legislature of West Virginia:

That section three, article thirteen-a, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 13A. SEVERANCE TAXES.

§11-13A-3. Imposition of tax or privilege of severing coal, limestone or sandstone, or furnishing certain health care services, effective dates therefor; reduction of severance rate for coal mined by underground methods based on seam thickness.

1 (a) *Imposition of tax.* — Upon every person exercising
2 the privilege of engaging or continuing within this state in
3 the business of severing, extracting, reducing to possession
4 and producing for sale, profit or commercial use coal,
5 limestone or sandstone, or in the business of furnishing
6 certain health care services, there is hereby levied and
7 shall be collected from every person exercising such
8 privilege an annual privilege tax.

9 (b) *Rate and measure of tax.* — The tax imposed in
10 subsection (a) of this section shall be five percent of the
11 gross value of the natural resource produced or the health
12 care service provided, as shown by the gross income
13 derived from the sale or furnishing thereof by the pro-
14 ducer or the provider of the health care service, except as
15 otherwise provided in this article. In the case of coal, this
16 five percent rate of tax includes the thirty-five one
17 hundredths of one percent additional severance tax on
18 coal imposed by the state for the benefit of counties and
19 municipalities as provided in section six of this article.

20 (c) *“Certain health care services” defined.* — For pur-
21 poses of this section, the term “certain health care ser-
22 vices” means, and is limited to, behavioral health services
23 and community care services.

24 (d) *Tax in addition to other taxes.* — The tax imposed by
25 this section shall apply to all persons severing or process-
26 ing (or both severing and processing) in this state natural
27 resources enumerated in subsection (a) of this section, and
28 to all persons providing certain health care services in this
29 state as enumerated in subsection (c) of this section, and
30 shall be in addition to all other taxes imposed by law.

31 (e) *Effective date.* — This section, as amended in the year
32 one thousand nine hundred ninety-three, shall apply to

33 gross proceeds derived after the thirty-first day of May of
34 such year. The language of this section, as in effect on the
35 first day of January of such year, shall apply to gross
36 proceeds derived prior to the first day of June of such year
37 and, with respect to such gross proceeds, shall be fully and
38 completely preserved.

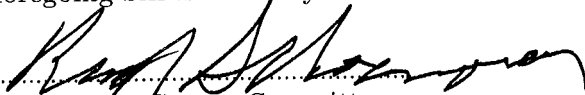
39 (f) *Reduction of severance tax rate.* — For tax years
40 beginning after the effective date of this subsection, any
41 person exercising the privilege of engaging within this
42 state in the business of severing coal for the purposes
43 provided in subsection (a) of this section, shall be allowed
44 a reduced rate of tax on coal mined by underground
45 methods in accordance with the following:

46 (i) For coal mined by underground methods from seams
47 with an average thickness of thirty-seven inches to forty-
48 five inches, the tax imposed in subsection (a) of this
49 section, shall be two percent of the gross value of the coal
50 produced. For coal mined by underground methods from
51 seams with an average thickness of less than thirty-seven
52 inches, the tax imposed in subsection (a) of this section,
53 shall be one percent of the gross value of the coal pro-
54 duced. Gross value is determined from the sale of the
55 mined coal by the producer. This rate of tax includes the
56 thirty-five one hundredths of one percent additional
57 severance tax imposed by the state for the benefit of
58 counties and municipalities as provided in section six of
59 this article.

60 (ii) This reduced rate of tax applies to any new under-
61 ground mine producing coal after the effective date of this
62 subsection, from seams of less than forty-five inches in
63 average thickness or any existing mine that has not
64 produced coal from seams forty-five inches or less in
65 thickness in the one hundred eighty days immediately
66 preceding the effective date of this subsection.

67 (iii) The seam thickness shall be based on the weighted
68 average isopach mapping of actual coal thickness by mine
69 as certified by a professional engineer.

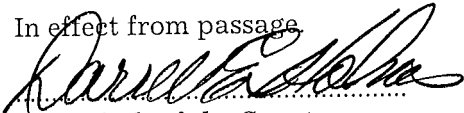
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

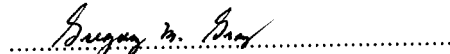

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Chairman Senate Committee

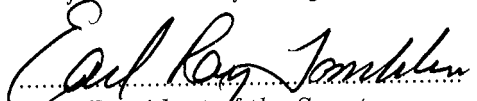

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Chairman House Committee

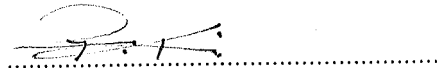
Originated in the Senate.

In effect from passage.

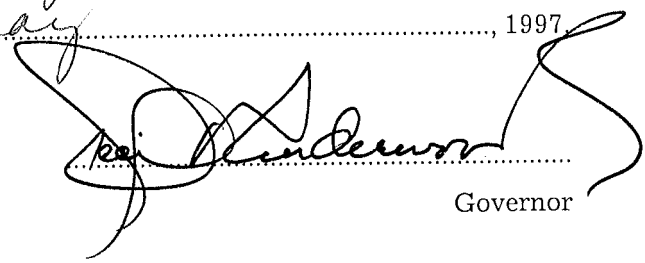

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Clerk of the Senate


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Clerk of the House of Delegates


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President of the Senate


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Speaker House of Delegates

The within is approved this the 5th
day of May, 1997.


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Governor

PRESENTED TO THE

GOVERNOR

Date

4/21/97

Time

11:16am