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OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 2002



ENROLLED

COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 651

(By Senator REDO, ET AL)



PASSED MARCH 7, 2002

In Effect NINETY Days From Passage

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COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 651

(SENATORS REDD, ANDERSON, SNYDER, CHAFIN, MITCHELL,
LOVE, CALDWELL, FACEMYER, HUNTER, ROWE, KESSLER,
HELMICK, FANNING, EDGELL, MINARD, UNGER, SHARPE AND
SPOUSE, *original sponsors*)

[Passed March 7, 2002; in effect ninety days 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 explicitly eliminating community care services from the severance tax definition of "certain health care services".

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 the
2 privilege of engaging or continuing within this state in the
3 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 producer
14 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 hun-
17 dredths of one percent additional severance tax on coal
18 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 purposes
21 of this section, the term “certain health care services”
22 means, and is limited to, behavioral health services.

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

30 (e) *Effective date.* – This section, as amended in the year
31 one thousand nine hundred ninety-three, shall apply to
32 gross proceeds derived after the thirty-first day of May of

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

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

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

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

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

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

[Signature]
.....
Chairman Senate Committee

[Signature]
.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

[Signature]
.....
Clerk of the Senate

[Signature]
.....
Clerk of the House of Delegates

[Signature]
.....
President of the Senate

[Signature]
.....
Speaker House of Delegates

The within *is approved* this the *21st*
Day of *March*, 2002.

[Signature]
.....
Governor

PRESENTED TO THE

GOVERNOR

Date

3/5/02

Time

10:45 am