WEST VIRGINIA CODE: §11-13V-14

§11-13V-14. Collection of tax; agreement for processor to pay tax due from severor.

(a) General. -- In the case of natural resources, other than natural gas, where the Tax Commissioner finds that it would facilitate and expedite the collection of the taxes imposed by this article, the Tax Commissioner may authorize the taxpayer processing the natural resource to report and pay the tax which would be due from the taxpayer severing the natural resources. The agreement shall be in the form prescribed by or acceptable to the Tax Commissioner.

(1) The agreement must be signed:

(A) By the owner, if the taxpayer is a natural person;

(B) In the case of a partnership, limited liability company or association, by a partner or member;

(C) In the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the agreement.

(2) The agreement may be terminated by any party to the agreement upon giving thirty days' written notice to the other parties to the agreement: Provided, That the Tax Commissioner may terminate the agreement immediately upon written notice to the other parties when either the taxpayer processing the natural resource or the taxpayer severing the natural resource fails to comply with the terms of the agreement.

(b) Natural gas. --

(1) In the case of natural gas, except for those cases:

(A) Where the person severing (or both severing and processing) the natural gas will sell the gas to the ultimate consumer; or

(B) Where the Tax Commissioner determines that the collection of taxes due under this article would be accomplished in a more efficient and effective manner through the severor, or severor and processor, remitting the taxes, the first person to purchase the natural gas after it has been severed, or in the event that the natural gas has been severed and processed before the first sale, the first person to purchase natural gas after it has been severed and processed, shall be liable for the collection of the taxes imposed by this article. That person shall collect the taxes imposed from the person severing (or severing and processing) the natural gas, and that person shall remit the taxes to the Tax Commissioner;

(C) In those cases where the person severing (or severing and processing) the natural gas sells the gas to the ultimate consumer, the person so severing (or severing and processing)

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the natural gas shall be liable for the taxes imposed by this article;

(D) In those cases where the Tax Commissioner determines that the collection of the taxes due under this article from the person severing the natural gas, or severing and processing the natural gas would be accomplished in a more efficient and effective manner through the severor (or severor and processor) remitting the taxes, the Tax Commissioner shall set out his or her determination in writing, stating his or her reasons for so finding, and so advise the severor (or severor and processor) at least fifteen days in advance of the first reporting period for which the Commissioner's determination is effective.

(2) On or before the last day of the month following each taxable calendar month, the person first purchasing natural gas, as described in subdivision (1) of this subsection, shall report purchases of natural gas during the taxable month, showing the quantities of gas purchased, the price paid, the date of purchase, and any other information considered necessary by the Tax Commissioner for the administration of the tax imposed by this article, and shall pay the amount of tax due, on forms prescribed by the Tax Commissioner.

(3) On or before the last day of the month following each taxable calendar month, each person severing (or severing and processing) natural gas, shall report the sales of natural gas, showing the name and address of the person to whom sold, the quantity of gas sold, the date of sale and the sales price on forms prescribed by the Tax Commissioner.

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