

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1939



ENROLLED

HOUSE BILL No. 442

(By Mr. McClary of Kanawha)



PASSED March 11, 1939

In Effect ninety days from Passage

ENROLLED

House Bill No. 442

(BY MR. McCLUNG, of Kanawha)

[Passed March 11, 1939; in effect ninety days from passage.]

AN ACT to amend article thirteen, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, by adding thereto section two-j, relating to tax on oil and gas.

Be it enacted by the Legislature of West Virginia:

That article thirteen, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, be amended by adding thereto a new section, designated section two-j, to read as follows:

Section 2-j. *Deductions From Tax; Exemptions.* Every
2 person engaging or continuing within this state in the business
3 of severing oil, natural gas or petroleum products from the
4 strata of the earth, or of operating oil or gas properties, shall
5 use as the measure of the tax imposed by section two-a of this
6 article the value of the entire production, with no deduction

7 by reason of payments under contracts or agreements requir-
8 ing payment, either in money or in kind, to the owners of the
9 royalty interest, excess royalty or working interest in such
10 properties; where such payments are made in kind, the mar-
11 ket value of the natural resource product or other thing so
12 paid, at the time of payment, shall be included in the measure
13 of said tax. Every person who is hereby required to pay
14 said tax measured by the entire production of the property
15 operated, is hereby authorized and empowered to deduct from
16 any payment, in money or in kind, to the owners of any
17 royalty interest, excess royalty or working interest in such
18 properties, that proportion of the tax paid which the said
19 royalty, excess royalty or working interest bears to the entire
20 production; and there is hereby levied upon such royalty
21 interest, excess royalty or working interest, such proportion-
22 ate part of the tax imposed by said section two-a. The ex-
23 emption of five thousand dollars granted to producers of
24 natural gas, by said section two-a, shall be for the benefit of
25 the owners of such royalty interest, excess royalty or working
26 interest in the same proportion which the said royalty interest,
27 excess royalty or working interest bears to the entire produc-

28 tion, and the balance of said exemption shall be for the benefit
 29 of the person operating such properties.

30 No person shall be required to pay the tax imposed by
 31 section two-i of this article, upon income which is included
 32 in the measure of the tax imposed upon the production of
 33 oil, natural gas or other petroleum products by section two-a
 34 of this article.

I certify that the foregoing act,
 having been presented to the Governor for
 his approval, and not having been returned
 by him to the House of the Legislature in
 which it originated within the time pre-
 scribed by the constitution of the state, has
 become a law without his approval.

This the day of


 SECRETARY OF STATE

19.....

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

E. O. Wiseman

Chairman Senate Committee

Wm. G. Walter

Chairman House Committee

Originated in the

House of Delegates

Takes effect

ninety days from passage.

Phelps Crump

Clerk of the Senate

Wm. S. Hall

Clerk of the House of Delegates

Wm. McKim

President of the Senate

James Ray Thomas

Speaker House of Delegates

I certify that the foregoing act, having been presented to the Governor for his approval, and not having been returned by him to the House of the Legislature in which it originated within the time prescribed by the constitution of the state, has become a law without his approval. 1939.

This the *17* day of *March*

Governor.

1939

Wm. S. O'Brien

SECRETARY OF STATE