

ENROLLED ACT NO. 90, HOUSE OF REPRESENTATIVES

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING  
2021 GENERAL SESSION

AN ACT relating to mine product taxes; clarifying the imposition of severance taxes on natural gas that is consumed on-site; making conforming amendments; requiring rulemaking; and providing for effective dates.

*Be It Enacted by the Legislature of the State of Wyoming:*

**Section 1.** W.S. 39-14-201(a)(xv) and by creating a new paragraph (xxxvii), 39-14-203(b)(v) and 39-14-205 by creating a new subsection (p) are amended to read:

**39-14-201. Definitions.**

(a) As used in this article:

(xv) "Natural gas" means all gases, both hydrocarbon and nonhydrocarbon, that occur naturally beneath the earth's crust and are produced from an oil or gas well. For the purposes of taxation, the term natural gas includes:

(A) Products separated for sale or distribution during processing of the natural gas stream including, but not limited to plant condensate, natural gas liquids and sulfur;

(B) Natural gas that is consumed on the site where the natural gas is produced for any purpose except for those specified in W.S. 39-14-205(j) and (m).

(xxxvii) "Qualifying well" means a well in which:

(A) A well site is already connected to a pipeline, pipeline capacity is unavailable on the existing

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pipeline and the producer and the pipeline operator jointly have filed an application with the Wyoming oil and gas conservation commission attesting to the lack of existing pipeline takeaway capacity;

(B) A producer's well is not connected to an existing pipeline but the producer's lands, leases, wells or gas are contractually dedicated to a pipeline operator and the producer and the pipeline operator to which the lands, leases, well, or gas are dedicated jointly have filed an application with the Wyoming oil and gas conservation commission attesting that it is either technically or commercially unfeasible to connect a pipeline to the producer's well; or

(C) A producer's well is not already connected to an existing pipeline and the producer's lands, leases, wells or gas are not contractually dedicated but the producer unilaterally has filed an application with the Wyoming oil and gas conservation commission attesting to these facts.

**39-14-203. Imposition.**

(b) Basis of tax. The following shall apply:

(v) If the crude oil, lease condensate or natural gas production as provided by paragraphs (iii) and (iv) of this subsection are consumed as defined by W.S. 39-14-201(a)(xv)(B), processed or transported, sold to a third party, or processed or transported by a third party, at or prior to the point of valuation provided in paragraphs (iii) and (iv) of this subsection, the fair market value shall be the value established by bona fide arms-length transaction;

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**39-14-205. Exemptions.**

(p) Natural gas that is consumed on the site and would have otherwise been vented or flared under the authority of the Wyoming oil and gas conservation commission has no value and is exempt from taxation as long as the natural gas is certified by the Wyoming oil and gas conservation commission as to have originated from a qualifying well.

**Section 2.** The department of revenue shall adopt rules under W.S. 39-11-102 as necessary to implement the changes to mine product taxes in section 1 of this act for tax years beginning in 2022.

ORIGINAL HOUSE  
BILL NO. HB0189

ENGROSSED

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**Section 3.**

(a) Except as provided in subsection (b) of this section, this act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(b) Section 1 of this act is effective January 1, 2022.

(END)

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the House.

\_\_\_\_\_  
Chief Clerk