

ENROLLED ACT NO. 97, HOUSE OF REPRESENTATIVES

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING  
2020 BUDGET SESSION

AN ACT relating to mine product taxes; providing an exemption for production of crude oil and natural gas in specified price environments and for specified periods; providing limitations on the exemption; and providing for an effective date.

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

**Section 1.** W.S. 39-14-204(a)(iv) and 39-14-205 by creating new subsections (n) and (o) are amended to read:

**39-14-204. Tax rate.**

(a) Except as otherwise provided by this section and W.S. 39-14-205, the total severance tax on crude oil, lease condensate or natural gas shall be six percent (6%), comprising one and one-half percent (1.5%) imposed by the Wyoming constitution article 15, section 19 and the remaining amount imposed by Wyoming statute. The tax shall be distributed as provided in W.S. 39-14-211 and is imposed as follows:

(iv) Two percent (2%) except as provided in W.S. 39-14-205(n).

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

(n) Crude oil and natural gas production resulting from any well that is drilled on or after July 1, 2020 and prior to December 31, 2025 as certified, by the oil and gas conservation commission, is exempt from the severance taxes imposed by W.S. 39-14-204(a)(iv) as provided in this subsection. Subject to subsection (o) of this section, the exemption under this subsection shall not apply to natural

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gas production when the twelve (12) month rolling average of the Henry hub spot price for natural gas is two dollars and ninety-five cents (\$2.95) or more per thousand cubic feet at the time of first production from the well and shall not apply to the production of crude oil when the twelve (12) month rolling average of the West Texas Intermediate (WTI) spot price of sweet crude oil is fifty dollars (\$50.00) or more per barrel at the time of first production from the well. If the exemption under this subsection is applicable to a new well based upon the oil or gas price at the time of first production, the exemption shall be an exemption of the full two percent (2%) tax rate under W.S. 39-14-204(a)(iv) for the first six (6) months of production and shall reduce the rate under W.S. 39-14-204(a)(iv) to one percent (1%) for the next six (6) months of production.

(o) In determining the exemption under subsection (n) of this section, the department shall use the twelve (12) month rolling average based on the monthly average of daily spot prices for West Texas Intermediate (WTI) per barrel of oil and the monthly average of daily spot prices for Henry hub per thousand cubic feet of natural gas for the twelve (12) month period immediately preceding first production from the well. The department shall post the most recent monthly average and the twelve (12) month rolling average for the calculated prices on its website. Not later than November 1 of each year, the department shall report to the joint revenue interim committee on the use of the exemptions under subsection (n) of this section, and associated revenue impacts.

ORIGINAL HOUSE  
BILL NO. HB0243

ENGROSSED

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**Section 2.** This act is effective July 1, 2020.

(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