

2012 SESSION

INTRODUCED

12102918D

HOUSE BILL NO. 712

Offered January 11, 2012

Prefiled January 11, 2012

A BILL to amend and reenact § 58.1-3712 of the Code of Virginia, relating to coal severance tax.

Patron—Kilgore

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-3712 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-3712. Counties and cities authorized to levy severance tax on coal and gases.

A. The governing body of any county or city may levy a license tax on every person engaging in the business of severing coal or gases from the earth. ~~Such~~ *In cases where the severer is a contract miner, such tax shall not exceed one percent of the gross receipts received by the unrelated contract miner from the contracting entity. In cases where the severer is not a contract miner, such tax shall be at a* rate not to exceed one percent of the gross receipts from the sale of coal or gases severed within such county. Such gross receipts shall be the fair market value measured at the time such coal or gases are utilized or sold for utilization in such county or city or at the time they are placed in transit for shipment therefrom, provided that if the tax provided herein is levied, such county or city cannot enact the provisions of § 58.1-3286 relating to a tax on gross receipts. In calculating the fair market value, no person engaging in the production and operation of severing gases from the earth in connection with coal mining shall be allowed to take deductions, including but not limited to, depreciation, compression, marketing fees, overhead, maintenance, transportation fees, and personal property taxes.

B. Notwithstanding any other provision of this section or law, for purposes of calculating the fair market value of gases severed in Buchanan County, except as otherwise provided in a settlement agreement regarding the calculation of fair market value, including deductions for transportation and compression costs, between the County and the taxpayer, no person engaging in the production and operation of severing gases from the earth in connection with coal mining shall be allowed to take deductions, including but not limited to, depreciation, compression, marketing fees, overhead, maintenance, transportation fees, and personal property taxes.

C. Any county or city enacting a license tax under this section may require producers of coal or gas and common carriers to maintain records and file reports showing the quantities of and receipts from coal or gases which they have produced or transported.

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HB712