

# 1998 SESSION

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## HOUSE BILL NO. 753

Offered January 23, 1998

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

Patrons—Stump; Senator: Reasor

Referred to Committee on Mining and Mineral Resources

**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 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.

B. The governing body of any county or city may levy an additional license tax on every person engaging in the business of severing gases from the earth. Such tax shall be at a rate not to exceed two percent of the gross receipts from the sale of gases severed within such county or city. Such gross receipts shall be the fair market value measured at the time such 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.

The moneys collected for each county or city from the tax imposed pursuant to this subdivision shall be paid into a special fund of such county or city to be called the Rural Water Development Fund of such county or city, and shall be spent solely for the development of rural water systems as deemed necessary by the governing body of such county or city.

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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