

H. B. 4087

(BY MR. SPEAKER, MR. THOMPSON, AND DELEGATE ARMSTEAD)
[BY REQUEST OF THE EXECUTIVE]

[Introduced January 17, 2012; referred to the
Committee on Finance.]

A BILL to amend and reenact §11-13A-3b of the Code of West Virginia, 1931, as amended, relating to the severance and business privilege tax; and continuing the discontinuance of the severance and business privilege tax on the privilege of severing timber.

Be it enacted by the Legislature of West Virginia:

That §11-13A-3b of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX.

§11-13A-3b. Imposition of tax on privilege of severing timber.

- 1 (a) *Imposition of tax.* -- For the privilege of engaging or
- 2 continuing within this state in the business of severing timber

3 for sale, profit or commercial use, there is hereby levied and
4 shall be collected from every person exercising such
5 privilege an annual privilege tax.

6 (b) *Rate and measure of tax.* -- The tax imposed in
7 subsection (a) of this section shall be three and twenty-two
8 hundredths percent of the gross value of the timber produced,
9 as shown by the gross proceeds derived from the sale thereof
10 by the producer, except as otherwise provided in this article:
11 *Provided,* That as to timber produced after December 31,
12 2006 the rate of the tax imposed in subsection (a) of this
13 section shall be one and twenty-two hundredths percent of
14 the gross value of the timber produced, as shown by the gross
15 proceeds derived from the sale thereof by the producer,
16 except as otherwise provided in this article.

17 (c) *Tax in addition to other taxes.* -- The tax imposed by this
18 section shall apply to all persons severing timber in this state and
19 shall be in addition to all other taxes imposed by law.

20 (d) *Elimination of tax.* -- Beginning in the tax year 2010
21 and continuing ~~for two consecutive tax years thereafter~~ until

22 the imposition of the additional tax on the privilege of
23 severing timber imposed by subsection (c), section four,
24 article thirteen-v of this chapter expires under the authority
25 of subsection (g), section four, article thirteen-v of this
26 chapter, the tax imposed by this section is discontinued. On
27 and after expiration of the additional tax on the privilege of
28 severing timber imposed by subsection (c), section four,
29 article thirteen-v of this chapter, the tax imposed by this
30 section resumes, and shall apply to all persons severing
31 timber in this state at the rate of one and twenty-two
32 hundredths percent of the gross value of the timber produced,
33 as shown by the gross proceeds derived from the sale thereof
34 by the producer, except as otherwise provided in this article.

NOTE: The purpose of this bill is to extend the moratorium on the regular severance tax on the privilege of severing timber until such time as the additional "Workers' Compensation Debt Reduction Act" tax on the privilege of severing timber expires.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.