

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 335

**FISCAL
NOTE**

BY SENATORS KARNES, LEONHARDT AND WILLIAMS

[Introduced January 20, 2016;

Referred to the Committee on Energy, Industry and Mining;

and then to the Committee on Finance.]

1 A BILL to amend and reenact §11-13A-3b of the Code of West Virginia, 1931, as amended,
2 relating to eliminating severance tax on timber.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX ACT.

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

1 (a) *Imposition of tax.* -- For the privilege of engaging or continuing within this state in the
2 business of severing timber for sale, profit or commercial use, there is hereby levied and shall be
3 collected from every person exercising such privilege an annual privilege tax.

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

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

13 (d) *Elimination of tax.* -- ~~Beginning in the tax year 2010 and continuing until the imposition~~
14 ~~of the additional tax on the privilege of severing timber imposed by subsection (c), section four,~~
15 ~~article thirteen-v of this chapter expires under the authority of subsection (g), section four, article~~
16 ~~thirteen-v of this chapter, the tax imposed by this section is discontinued. On and after expiration~~
17 ~~of the additional tax on the privilege of severing timber imposed by subsection (c), section four,~~
18 ~~article thirteen-v of this chapter, the tax imposed by this section resumes, and shall apply to all~~
19 ~~persons severing timber in this state at the rate of one and twenty-two hundredths percent of the~~

20 ~~gross value of the timber produced, as shown by the gross proceeds derived from the sale thereof~~
21 ~~by the producer, except as otherwise provided in this article~~ Beginning in the tax year 2016 the
22 tax imposed by this section shall terminate and expire.

NOTE: The purpose of this bill is to eliminate the severance tax on timber.

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