

# **WEST VIRGINIA LEGISLATURE**

**2016 REGULAR SESSION**

**Enrolled**

## **Senate Bill 505**

BY SENATOR HALL

[Passed March 11, 2016;

in effect 90 days from passage]

1 AN ACT to amend and reenact the Code of West Virginia, 1931, as amended, by adding thereto  
2 a new section, designated §11-14C-9a, relating to exempting from motor fuel excise tax  
3 certain uses of field gas; and defining field gas.

*Be it enacted by the Legislature of West Virginia:*

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new  
2 section, designated §11-14C-9a, to read as follows:

**ARTICLE 14C. MOTOR FUEL EXCISE TAX.**

**§11-14C-9a. Additional exemptions from tax.**

1 (a) *Additional per se exemptions from flat rate component of tax.* — In addition to the  
2 provisions of section nine of this article, sales of motor fuel to the following, or as otherwise stated  
3 in this subsection, are exempt per se from the flat rate of the tax levied by section five of this  
4 article and the flat rate may not be paid at the rack:

5 Field gas used as fuel to run drilling equipment, compressor engines and other stationary  
6 internal combustion engines not used on the roads of this state: *Provided,* That any royalty  
7 payments shall have previously been paid to the appropriate mineral owners pursuant to the terms  
8 of any existing lease. For purposes of this exemption, “field gas” means “natural gas” or any  
9 derivative thereof, extracted from a production well, storage well, gathering system, pipeline, main  
10 or transmission line that is used as fuel to power field equipment. The term “field gas” does not  
11 include compressed natural gas, liquefied natural gas, liquefied petroleum gas, gasoline, diesel,  
12 kerosene or other fuels used to power motor vehicles.

13 (b) *Additional per se exemptions from variable component of tax.* — In addition to the  
14 provisions of section nine of this article, sales of motor fuel to the following are exempt per se  
15 from the variable component of the tax levied by section five of this article and the variable  
16 component may not be paid at the rack:

17 Field gas used as fuel to run drilling equipment, compressor engines and other stationary

18 internal combustion engines not used on the roads of this state: *Provided*, That any royalty  
19 payments shall have previously been paid to the appropriate mineral owners pursuant to the terms  
20 of any existing lease. For purposes of this exemption, “field gas” means “natural gas” or any  
21 derivative thereof, extracted from a production well, storage well, gathering system, pipeline, main  
22 or transmission line that is used as fuel to power field equipment. The term “field gas” does not  
23 include compressed natural gas, liquefied natural gas, liquefied petroleum gas, gasoline, diesel,  
24 kerosene or other fuels used to power motor vehicles.