

TAXES

TABLE 7.20

State Severance Taxes: 2018

Alabama	Iron Ore Mining Tax (c)	\$.03/ton.
	Forest Products Severance Tax	Varies by species and ultimate use.
	Oil and Gas Conservation & Regulation of Production Tax	2% of gross value at point of production, of all oil and gas produced. 1% of the gross value (for a 5-year period from the date production begins) for well, for which the initial permit issued by the Oil and Gas Board is dated on or after July 1, 1996 and before July 1, 2002, except a replacement well for which the initial permit was dated before July 1, 1996; 1.66% gross proceeds from offshore production greater than 8,000 ft. below sea level.
	Oil and Gas Privilege Tax on Production	8% of gross value at point of production; 4% of gross value at point of incremental production resulting from a qualified enhanced recovery project; 4% if wells produce 25 bbl. or less oil per day or 200,000 cu. ft. or less gas per day; 6% of gross value at point of production for certain on-shore and off-shore wells. A 50% rate reduction for wells permitted by the oil and gas board on or after July 1, 1996 and before July 1, 2002 for 5 years from initial production, except for replacement wells for which the initial permit was dated before July 1, 1996; 3.65% gross proceeds from offshore production greater than 8,000 ft. below sea level.
	Coal and Lignite Severance Tax	\$.20/ton in addition to coal severance tax. In 2012 state legislature extended through 2021.
	Local Solid Minerals Tax	Varies by county for sand, clay, gravel, granite, shale, and other products.
	Uniform Natural Minerals Tax	\$.10/ton.
Alaska	Common Property Fisheries Assessment (b)	\$0.10/lb; determined annually by the department of revenue.
	Dive Fishery Management Assessment (b)	Elective; currently 5% or 7% of value for select dive fishery species in select management regions.
	Fisheries Business Tax	Tax based on unprocessed value of fishery resources processed in or exported from the state. 1% of value for shore-based processing in developing fisheries; 3% of value for floating processing in developing fisheries or shore-based processing in established fisheries; 4.5% of value for salmon cannery processing in established fisheries; 5% of value for floating processing in established fisheries.
	Fishery Resource Landing Tax	Tax based on unprocessed value of fishery resources processed outside and first landed in the state. 1% of value for developing fisheries; 3% of value for established fisheries.
	Mining License Tax	Up to 7% of net income and royalties received in connection with mining properties and activities in Alaska. Quarry rock, sand and gravel, and marketable earth mining operations are exempt from the mining license tax. New mining operations exempt for 3½ years after production begins.
	Alaska Oil Production Tax	Alaska will impose a base rate of 35 percent on oil companies' net profits in the state.
	Salmon Enhancement Tax (b)	Elective; 2% or 3% of value for salmon sold in or exported from select aquaculture regions.
	Seafood Development Tax (b)	Elective; currently 1% of value for select commercial fish species in select seafood development regions.
	Seafood Marketing Assessment (b)	Elective; currently 0.5% of value for all commercial fish species exported from, landed or processed in state.
Arizona	Severance Tax	.025% for metalliferous mining; 0.0312% for nonmetal mining. Additional severance taxes on these and other products are levied at the city or county level. For timber, \$2.13 per thousand for board fee (Ponderosa) and \$1.51 per thousand board feet (other).
Arkansas	Timber Severance Tax	\$0.178/ton (pine), all other \$0.125/ton.
	Natural Gas Severance Tax	1.25%, 1.5%, and 5% depending on well classification.
	Oil Severance Tax	Crude oil 4% to 5% depending on production levels; additional taxes of 5 mills and \$0.02 per barrel of oil produced in the state.
	Other Severance Taxes	Separate rate for each substance.
California	Oil and Gas Conservation Assessment	Maximum 43 mills/bbl. of oil and 9 mills per MCF produced of gas.
	Lumber Products Assessment	Rate determined annually by Department of Conservation to fund agency operations; no state severance tax. The assessment rate for fiscal year 2017/18 is \$0.5038349.
Colorado	Severance Tax	1% on purchases of lumber products and engineered wood products for use in California, based on the selling price of the products.
	Severance Tax	\$0.803 for amount of coal produced above 300,000 tons, rate updated monthly by the department of revenue. 2.25% for metallic minerals above \$19 million in gross producer income. \$0.05/ton of molybdenum above 625,000 tons. Oil and gas rate varies from 2% to 5% depending on gross income brackets; up to 15 barrels per day of oil 90,000 cubic feet of gas per producing day are exempt. Oil shale is taxed based on years of operation, where 1 year = 1%, 2 years, = 2%, etc. up to 4% of the gross proceeds above the threshold and after the first 180 days of production.
	Oil and Gas Conservation Levy (d)	0.07% charge on all oil, natural gas, and CO ₂ produced.

See footnotes at end of table

TABLE 7.20
State Severance Taxes: 2018 (continued)

Florida	Oil Production Tax	5% of gross value for small well oil, and 8% of gross value for ordinary oil production, and 12.5% for escaped oil; tiered formula for tertiary oil.
	Gas and Sulfur Production Tax	The gas base rate (\$0.171) times the gas base adjustment rate each fiscal year for gas (2017-18 rate \$0.172 per MCF); and the sulfur base rate (\$2.43) times the sulfur base rate adjustment each fiscal year for sulfur (2017-18 rate \$4.82 per ton).
	Solid Minerals Tax (e)	8% of the value of the minerals severed; heavy minerals (rate computed annually at \$1.34/ton plus times the base rate adjustment currently at 3.26288). Year 2017 Tax Rate \$4.37 per ton; phosphate rock (rate computed annually at a base rate of \$1.80/ton).
Idaho	Mine License Tax	1% of net value of ores mined or extracted and royalties received from mining.
	Oil and Gas Production Tax	2.5% of the gross income earned for the sale of oil and gas.
Illinois	Oil and Gas Production Assessment (f)	0.1% fee per well of gross revenue for oil and natural gas.
	Timber Fee	4% of purchase price (g).
Indiana	Petroleum Severance Tax (h)	1% of value of petroleum; \$0.24 per barrel for oil; and \$0.03 per 1,000 cu. ft. of natural gas.
Kansas	Mineral Tax (i)	8% of gross value of oil and gas, less property tax credit of 3.67%; and \$1/ton of coal.
	Oil Inspection Fee/Barrel (i)	\$0.015/barrel.
	Oil and Gas Conservation Tax	91.00 mills/bbl. crude oil or petroleum marketed or used each month; 12.9 mills/1,000 cu. ft. of gas sold or marketed each month.
	Mined-Land Conservation & Reclamation Tax	The first-time fee for a mining license is \$300. Licenses must be renewed annually. The annual renewal fee varies between \$25 and \$150 depending upon the amount of material sold or consumed in the previous year. Plus per ton fee of \$.03.
Kentucky	Oil Production Tax	4.5% of market value.
	Coal Severance Tax	4.5% of gross value, less transportation expenses; \$0.50/ton minimum for extraction and processing.
	Natural Resource Severance Tax	4.5% of gross value, less transportation expenses.
Louisiana	Natural Gas Severance Tax (j)	The natural gas severance tax rate effective July 1, 2017 through June 30, 2018 has been set at 11.1 cents per thousand cubic feet (MCF) measured at a base pressure of 15.025 pounds per square inch absolute and at the temperature base of 60° Fahrenheit.
	Oil/Condensate Severance Tax (j)	Value on a per barrel basis (42 gallons) the rates are: full-rate, 12.5%; incapable oil rate, 6.25%; stripper oil rate, 3.125%; reclaimed oil, 3.125%; produced water full-rate, 10%; produced water incapable oil rate, 5.0%; produced water stripper oil rate, 2.5%.
	Timber Severance Tax (j)	Trees and timber: 2.25% of current stumpage value. Pulpwood: 5% of current stumpage value.
	Mineral Severance Tax (j)	Sulfur, \$1.03 per long ton of 2,240 lbs.; salt, \$0.06 per ton of 2,000 lbs.; marble, \$0.20 per ton; stone, \$0.03 per ton; sand, \$0.06 per ton; lignite, \$0.12 per ton; salt content in brine, when used in the manufacture of other products and not marketed as salt: \$0.005 per ton.
	Oil Field Site Restoration Fee	\$.015 per barrel of oil and condensate; \$.003 for every thousand cubic feet of gas.
	Freshwater Mussel Tax	5% of revenues from the sale of whole freshwater mussels, at the point of first sale.
Maine	Mining Excise Tax	The greater of a tax on facilities and equipment or a tax on gross proceeds.
Maryland	Mine Reclamation Surcharge	\$.15/ton of coal removed by open-pit, strip or deep mine methods. Of the \$.15, \$.06 is remitted to the county from which the coal was removed.
Michigan	Gas and Oil Severance Tax	5% (gas), 6.6% (oil) and 4% (oil from stripper wells and marginal properties) of gross cash market value of the total production. Maximum additional fee of 1% of gross cash market value on all oil and gas (2018 fee).
Minnesota	Taconite and Iron Sulfides	\$2.659 per taxable ton of concentrates or pellets (rate indexed to inflation by law).
	Direct Reduced Iron (k)	\$2.659 per taxable ton of concentrates plus an additional \$.03 per ton for each 1% that the iron content exceeds 72%.
Mississippi	Natural Gas Severance Tax	6% of value at point of gas production; 1.3% for gas produced from a horizontally drilled well for the first 30 months from the first sale of production or until payout of the well cost is achieved, whichever comes first.
	Oil Severance Tax	6% of value at point of oil production; 3% reduced rate for wells using the enhanced oil recovery method; 1.3% for oil produced from a horizontally drilled well for the first 30 months from the first sale of production or until payout of the well cost is achieved, whichever comes first.
	Timber Severance Tax	Varies depending on type of wood and ultimate use.
	Salt Severance Tax	3% of value of entire production in state.

See footnotes at end of table

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TABLE 7.20

State Severance Taxes: 2018 (continued)

Montana	Coal Severance Tax	Varies from 3% to 15% depending on quality of coal and type of mine.
	Metal Mines License Tax (l)	Progressive rate, taxed on amounts in excess of \$250,000. For concentrate shipped to smelter, mill or reduction work, 1.81%. Gold, silver or any platinum group metal shipped to refinery, 1.6%.
	Oil and Gas Conservation Tax	Maximum 0.3% on the market value of each barrel of crude petroleum oil or 10,000 cu. ft. of natural gas produced, saved and marketed or stored within or exported from the state. (m)
	Oil and Natural Gas Production Tax	Varies from 0.8% to 15.1% according to the type of well and type of production.
	Micaceous Mineral Mines License Tax	\$.05/ton.
	Cement and Gypsum License Tax (n)	\$.22/ton of cement, \$.05/ton of gypsum or gypsum products.
	Resource Indemnity Trust & Ground Water Assessment Tax	\$25 plus 0.5% of gross value greater than \$5,000. For talc, \$25 plus 4% of gross value greater than \$625. For coal, \$25 plus 0.40% of gross value greater than \$6,250. For vermiculite, \$25 plus 2% of gross value greater than \$1,250. For limestone, \$25 plus 10% of gross value greater than \$250. For industrial garnets, \$25 plus 1% of gross value greater than \$2,500.
Nebraska	Electrical Energy Producers License Tax	\$.0002/kilowatt-hour of electrical energy generated, manufactured or produced.
	Oil and Gas Severance Tax	3% of value of nonstripper oil and natural gas; 2% of value of stripper oil.
	Oil and Gas Conservation Tax	0.30%.
Nevada	Uranium Tax	2% of gross value over \$5 million. The value of the uranium severed subject to tax is the gross value less transportation and processing costs.
	Minerals Extraction Tax	Between 2% and 5% of net proceeds of each geographically separate extractive operation, based on ratio of net proceeds to gross proceeds of whole operation.
New Hampshire	Oil and Gas Conservation Tax	\$50/mills/bbl. of oil and 50 mills/50,000 cu. ft. of gas.
	Refined Petroleum Products Tax	0.1% of fair market value.
	Excavation Tax	\$.02 per cubic yard of earth excavated.
New Mexico	Timber Tax	10% of stumpage value at the time of cutting. Not assessed under the general property tax but rather is taxed by municipalities.
	Resources Excise Tax	Severance: Potash .5%, Molybdenum .125%, all others .75% of value. Processing: timber .375%. Potash .125%. Molybdenum .125%. All others .75%
	Severance Tax	Copper .5%, Timber .125% of value. Pumice, gypsum, sand, gravel, clay, fluorspar and other non-metallic minerals, .125% of value. Gold, silver .20%; Lead, zinc, thorium, molybdenum, manganese, rare earth and other .125% of value.
	Oil and Gas Severance Tax	Rate varies according to type of well and production.
	Oil and Gas Emergency School Tax	3.15% of value of oil, other liquid hydrocarbons and carbon dioxide. 4% of value of natural gas.
	Natural Gas Processor's Tax	\$0.0096/Mmbtu tax on volume.
North Carolina	Oil and Gas Ad Valorem Production Tax	Varies, based on property tax in district of production.
	Oil and Gas Conservation Tax (p)	0.19% of value.
	Primary Forest Product Assessment Tax	\$.50/1,000 board ft. for softwood sawtimber, \$.40/1,000 board ft. for hardwood sawtimber, \$.20/cord for softwood pulpwood, \$.12/cord hardwood pulpwood.
North Dakota	Extracted Energy Minerals Tax	Oil and condensates: 2% of gross price paid. Gas: 0.9% of the market value as determined in N.C. Gen. Stat. § 105-187.78.
	Oil Gross Production Tax	5% of gross value at well.
	Gas Gross Production Tax	\$0.555/MCF rate through June 30, 2018
	Coal Severance Tax	\$.375/ton plus \$.02/ton. (r)
Ohio	Oil Extraction Tax	5%, adjusted between 5% and 6% whenever the average price is above or below the "trigger price" per bbl. for 3 consecutive months. The "trigger price" is set by the tax commissioner each year and is \$90 for 2018.
	Resource Severance Tax	\$.10/bbl. of oil; \$.025/1,000 cu. ft. of natural gas; \$.04/ton of salt; \$.02/ton of sand, gravel, limestone and dolomite; \$.10/ton of coal; and \$0.01/ton of clay, sandstone or conglomerate, shale, gypsum or quartzite.
Oklahoma	Oil, Gas and Mineral Gross Production Tax	0.75% levied on asphalt and metals. 7% on gross production of oil and gas after the first three years of production. During the first three years of production, rate of 2% of gross production. Oil Gross Production Tax is now a variable rate tax, beginning with January 1999 production, at the following rates based on the average price of Oklahoma oil: a) If the average price equals or exceeds \$17/bbl, the tax shall be 7%; b) If the average price is less than \$17/bbl, but is equal to or exceeds \$14/bbl, the tax shall be 4%; c) If the average price is less than \$14/bbl, the tax shall be 1%.
	Petroleum Excise Tax (r)	Oil and Natural gas .095%.

See footnotes at end of table

TABLE 7.20

State Severance Taxes: 2018 (continued)

Oregon	Forest Products Harvest Tax	\$4.2311/1,000 board ft. harvested from public and private land—through Dec. 31, 2018. The first 25,000 board feet of timber harvested by an owner each year is exempt.
	Oil and Gas Production Tax	6% of gross value at well.
	STF Severance Tax—Eastern Oregon Forestland Option	\$4.52/1,000 board ft. harvested from land under the Small Tract Forestland Option—through Dec. 31, 2018
	STF Severance Tax—Western Oregon Forestland Option	\$5.81/1,000 board ft. harvested from land under the Small Tract Forestland Option—through Dec. 31, 2018
Pennsylvania	Natural Gas Impact Fee	The state issues an annual fee based on the average price of gas for that year along with the number on a schedule that considers a well's years in production. Local fees and taxes determined by county.
South Carolina	Forest Renewal Tax	Softwood products: 50 cents per 1,000 board feet or 20 cents per cord. Hardwood products: 25 cents per 1,000 board feet or 7 cents per cord.
South Dakota	Precious Metals Severance Tax	\$4 per ounce of gold severed plus additional tax depending on price of gold; 10% on net profits or royalties from sale of precious metals, and 8% of royalty value.
	Energy Minerals Severance Tax (s)	4.5% of taxable value of any energy minerals.
	Conservation Tax	2.4 mills of taxable value of any energy minerals.
Tennessee	Oil and Gas Severance Tax	3% of sales price.
	Coal Severance Tax (t)	\$1.00/ton (effective 7/17/13).
	Mineral Tax	Up to \$0.15 per ton, rate set by county legislative body.
Texas	Natural Gas Production Tax	7.5% of market value of gas. Condensate Production Tax: 4.6% of market value of gas.
	Crude Oil Production Tax	4.6% of market value or \$.046/bbl.
	Cement Production Tax	\$0.55 per ton or \$.0275/100 lbs. or fraction of 100 pounds of taxable cement.
	Oil-Field Cleanup Regulatory Fees	5/8 of \$.01/barrel; 1/15 of \$.01/1,000 cubic feet of gas. (u)
	Oyster Sales Fee	\$1 per 300 lb. barrel of oysters taken from Texas waters.
Utah	Mining Severance Tax	2.6% of taxable value for metals or metalliferous minerals sold or otherwise disposed of.
	Oil and Gas Severance Tax	3% of value for the first \$13 per barrel of oil, 5% from \$13.01 and above; 3% of value for first \$1.50/mcf natural gas, 5% from \$1.51 and above; and 4% of taxable value of natural gas liquids.
	Oil and Gas Conservation Fee	.002% of market value at wellhead.
Virginia	Forest Products Tax	\$1.15 per 1,000 feet B.M. of pine lumber and 1,000 board feet of pine logs. \$0.475 collected per cord of pine pulpwood.
	Coal Surface Mining Reclamation Tax	Varies depending on balance of Coal Surface Mining Reclamation Fund and the type of mine.
Washington	Enhanced Food Fish Tax	0.09% to 5.62% of value (depending on species) at point of landing.
	Timber Excise Tax	5% of stumpage value for harvests on public and private lands.
West Virginia	Coal Severance Tax	Coal: State rate is greater of 5% or \$.75 per ton. Special state rates for coal from new low seam mines. For seams between 37" and 45" the rate is greater of 2% or \$.75/ton (1.65% for state purposes and .35% for distribution to local governments). For seams less than 37" the rate is greater of 1% or \$.75/ton (.65% for state purposes and .35% for distribution to local governments). For coal from gob, refuse piles, or other sources of waste coal, the rate is 2.5% (distributed to local governments). Additional tax for workers' compensation debt reduction is \$.56/ton. Special reclamation taxes at \$.02/clean ton.
	Natural Resource Severance Taxes	5% for sand, gravel, oil, natural gas, coalbed methane, limestone, sandstone, or other natural gas liquids.
	Timber Severance Tax	1.50%.
Wisconsin	Mining Net Proceeds Tax	Progressive net proceeds tax ranging from 0% to 15% is imposed on the net proceeds from mining metalliferous minerals. The tax brackets are annually adjusted for inflation based on the change in the GNP deflator.
	Oil and Gas Severance Tax	7% of market value of oil or gas at the mouth of the well.
	Forest Crop Law Severance Tax	\$2.52 per acre, rate effective through 2022.
	Managed Forest Law Tax	Open land \$2.04/acre; close land \$10.20/acre.
Wyoming	Severance Taxes	Severance Tax is defined as an excise tax imposed on the present and continuing privilege of removing, extracting, severing or producing any mineral in this state. Except as otherwise provided by W.S. 39-14-205. The total Severance Tax on crude oil, lease condensate or natural gas shall be six percent (6%). Stripper oil is taxed at four percent (4%). Surface coal is taxed at seven percent (7%). Underground coal is taxed at three and three-fourths percent (3.75%). Trona is taxed at four percent (4%). Bentonite, sand and gravel, and all other minerals are taxed at two percent (2%). Natural Gas (6%) Uranium (4%).

See footnotes at end of table

TAXES

TABLE 7.20

State Severance Taxes: 2018 (continued)

Sources: The Council of State Governments, February 2018.

Note: Severance tax collection totals may be found in the Chapter 7 table entitled "State Government Revenue, By Type of Tax."

Key:

- (a) Application of tax is same as that of title unless otherwise indicated by a footnote.
- (b) Tax rates and applicability for these severance taxes determined by a vote of the appropriate association within the seafood industry, by the Alaska Seafood Marketing Institute, or by the Department of Revenue. Proceeds from these elective assessments are customarily appropriated for benefit of the seafood industry.
- (c) The iron ore tax was suspended as of Oct. 1, 2014 by administrative rule due to the cost of administering the collection of the tax exceeded the total amount of the tax collected.
- (d) As of July 1, 2007, set at .0007 mill/\$1.
- (e) Clay, gravel, phosphate rock, lime, shells, stone, sand, heavy minerals and rare earths.
- (f) Fee sunsets in 2018 under state law.
- (g) Buyer deducts amount from payment to grower; amount forwarded to Department of Natural Resources.
- (h) Petroleum, oil, gas and other hydrocarbons. Oil inspection fee rate based Department of Revenue factsheet.
- (i) Coal, oil and gas, based on Department of Revenue information.
- (j) Oil inspection fee rate based Department of Revenue factsheet.
- (k) Coal, oil and gas, based on Department of Revenue information.
- (l) Production is considered commercial when it exceeds 50,000 tons annually. There is a six-year phase-in of the tax. In years one and two, the rate is zero. In year three, it is 25% of the statutory rate and 50% and 75% in years four and five respectively. An Aggregate Materials Tax is imposed by resolution of county boards. It is not required that any county impose the tax, which is \$.10/cubic yard or \$.07/ton on materials produced in the county.
- (m) Metals, precious and semi-precious stones and gems.
- (n) The maximum rate of 0.3% is split between the Oil or Gas Conservation Tax and the Oil, Gas and Coal Natural Resource Account Fund. Currently the Oil or Gas Conservation Tax is .18% and the Oil, Gas and Coal Natural Resource Account fund tax rate is .08%.
- (o) Cement and gypsum or allied products.
- (p) Natural resources except oil, natural gas, liquid hydrocarbons or carbon dioxide.
- (q) Oil, coal, gas, liquid hydrocarbons, geothermal energy, carbon dioxide and uranium.
- (r) Rate reduced by 50 percent if burned in cogeneration facility using renewable resources as fuel to generate at least 10 percent of its energy output. Coal shipped out of state is subject to the \$.02/ton tax and 30% of the \$.375/ton tax. The coal may be subject to up to the \$.375/ton tax at the option of the county in which the coal is mined.
- (s) Asphalt and ores bearing lead, zinc, jack, gold, silver, copper or petroleum or other crude oil or other mineral oil, natural gas or casinghead gas and uranium ore.
- (t) Any mineral fuel used in the production of energy, including coal, lignite, petroleum, oil, natural gas, uranium and thorium.
- (u) Counties and municipalities also authorized to levy severance taxes on sand, gravel, sandstone, chert and limestone at a rate up to \$.15/ton.
- (v) Fees will not be collected when Oil-Field Cleanup Fund reaches \$20 million, but will again be collected when fund falls below \$10 million.