COAL SEVERANCE TAXES –OTHER STATES**

State	Tax Rate	Tax Base	Comments
Virginia	**License Tax – Not to exceed 1% of the gross receipts from sales.** **Road Improvement – Not to exceed 1% of the gross receipts from sales.**	**Gross receipts - the gross receipts are the fair market value measured at the time the coal or gases are utilized or sold for utilization in the locality or at the time they are placed in transit for shipment from the locality.** **In calculating the fair market value, no person engaging in the production and operation of severing gases from the earth in connection with coal mining is permitted to take any deductions, including but not limited to, depreciation, compression, marketing fees, overhead, maintenance, transportation fees and personal property taxes.**	**Imposed by the City of Norton and the Counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise.** **All impose both the license tax and the road improvement tax at the rate of 1% of the gross receipts – for a total of 2%.**
Tennessee	July 1, 2011, through June 30, 2013: 75 cents per ton On or after July 1, 2013: $1.00 per ton.	State tax on severed coal * Includes coal ore and any other substance that might be severed from the earth in the process of producing salable coal The tax is levied per ton of coal products severed from the ground in Tennessee. Applies to the entire production of coal products in Tennessee, regardless of the place of sale or the fact that delivery may be made outside Tennessee. Accrues at the time the coal products are severed from the earth and in their natural or unprocessed state.	Administered by the Division of Mines All revenues collected from the coal products severance tax, except deductions for administration and collection, as provided for herein, must be allocated to the county from which such coal products were severed.

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Kentucky	4.5% of the gross value of all coal severed and/or processed during the reporting period. A minimum tax of 50¢ per ton of coal severed per reporting period	State tax on the privilege of severing or processing coal imposed on the gross value of all coal severed and/or processed during the reporting period. The minimum tax applies to all taxpayers except those who only process coal.	Gross value is to be reported as follows: •If coal is processed and sold during a report period, the gross value is the amount received by the taxpayer. •If the coal is not sold, but is contracted for sale, the gross value is the contract price. •If the coal is not sold, and there is no contract of sale, the gross value is the fair market value for that grade and quality of coal. •In transactions involving related parties, the gross value is the fair market value for coal of a similar grade and quality. •If severed coal is purchased for resale, the gross value is the amount received for the coal less the amount paid to the taxpayer actually severing the coal. •If severed coal is purchased for consumption, gross value is the fair market value of a similar grade and quality of coal reduced by the amount paid to the taxpayer severing the coal.
Maryland	30¢ per ton	County coal severance tax imposed on surface mined coal that is reported to the Bureau of Mines. Imposed on every person exercising the privilege of engaging in or continuing in the business of severing coal by the surface mining method in the county.	Garrett County and code counties impose the tax.

State	Tax Rate	Tax Base	Comments
West Virginia	4.65% of the gross value as well as a minimum severance tax of 75¢ per ton of coal plus other rates depending on the coal (See comments) There is also a temporary additional state tax is imposed at a rate equal to 56¢ per ton of clean coal severed or produced in-state for sale, profit or commercial use during the taxable year Local severance tax of 0.35%	Imposed on the privilege of engaging or continuing in the activity of severing, extracting, reducing to possession and producing for sale, profit or commercial use any natural resource product or products.	The local severance tax is collected for the benefit of counties and municipalities. A minimum severance tax of 75¢ per ton is imposed. The minimum severance tax may not be imposed on coal mined from thin seams on which the reduced severance tax rate is imposed. A credit for the minimum tax is available to those subject to the regular state severance tax on coal. For coal severance activities associated with new underground mines or existing mines that did not produce coal from October 14, 1996, to April 11, 1997 with a seam thickness of less than 37 inches, the state tax equals 1% of gross receipts. For qualified mines with a seam thickness of between 37 inches and 45 inches, the state tax equals 2% of gross receipts. Both the 1% and 2% rates include the 0.35% additional local severance tax. If a coal processor buys coal from a qualified thin seam mine, the additional processing activities associated with the coal are subject to the same reduced rate as the coal mined. Thin seam coal is not subject to the minimum tax. Coal producers are also subject to a special 2¢ per ton tax on clean coal. Effective July 1, 2012, a special reclamation tax of 27.9¢ per ton of clean coal mined is imposed. A 2.5% tax is imposed for the privilege of extracting and recovering materials from sources of waste coal. The tax rate on coalbed methane is 5%.
Alabama	20¢ per ton	The severance tax is determined on a per-ton basis and measured on the amount of coal produced by the person severing the coal.	
Alaska	Varies (Denali Borough - 5¢ per ton, Kodiak Island Borough – 1.05%, Yakutat – 4%)	Local Severance Tax with the base and rate depending on the locality	Municipalities may levy a tax or special assessment, and impose a lien for its enforcement.

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Arizona	6.6%	No severance tax – However, gross receipts from mining are subject to the transaction privilege (sales) tax The tax base is the gross income derived from the business, including income derived from service or manufacturing charges.	A locality cannot levy a local transaction privilege (sales) tax on mineral processors, in excess of 0.1% of the value of the entire product mined, smelted, extracted, refined, produced, prepared for sale, profit, or commercial use, except to the extent the tax is computed on the gross income from sales at retail.
Arkansas	2¢ per ton	Privilege or license tax on each producer of natural resources The severance tax is levied on each ton of coal.	The severance tax is in addition to property taxes, but no additional privilege or excise tax on utilization of natural resources may be imposed. The tax is paid to the Director of the Department of Finance and Administration
Colorado	36¢ per ton	The severance tax, which is determined on a per-ton basis over the first 300,000 tons that is exempt from tax, is measured on the amount of coal produced by the person severing the coal. "Coal" is defined to mean coal that has been processed into the form in which it is sold or otherwise used; processing includes, but is not limited to, cleaning and washing.	
Kansas	$1 per ton	Mineral severance tax on severance and production of coal, oil, or gas The mineral severance tax is an excise tax applied to each ton of coal severed	
Louisiana	10¢ per ton	Severance tax on coal and other natural resources severed from soil or water. Applies to the owner or owners of the coal at the time of severance.	
Montana	Generally, a $25 annual tax plus 0.50% of the gross value of product at the time of extraction from the ground, if in excess of $5,000.	The tax is imposed on coal mine operators on each ton of coal produced in the state. The annual tax is paid by a person engaged in or carrying on the business of mining, extracting, or producing a mineral.	

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New Mexico	Severance tax: 57¢ per ton for surface coal and 55¢ per ton for underground coal Severance surtax: indexed each July - $1.17 per ton for surface coal and $1.13 per ton for underground coal effective July 1, 2011 through July 1, 2012	The severance tax on coal is measured by the quantity of coal severed and saved. The taxable event is the sale, transportation out of New Mexico or consumption of the coal, whichever first occurs.	
North Dakota	39.5¢ per ton(a 37.5¢ basic tax and a 2¢ additional tax for lignite research)	The tax is imposed on coal severed for sale or for industrial purposes by coal mines. Coal is considered to be severed when it is first removed from where it was placed by nature, unless within 30 days of first removal it is placed into a long-term inventory storage deposit, in which case it is considered to be severed when removed from the deposit or it is pledged as collateral on a loan.	
Ohio	10¢ per ton An additional tax of 1.2¢ per ton of coal is imposed on coal mined by surface mining methods An additional tax of 14¢ per ton of coal is imposed on coal produced from an area under a coal mining and reclamation permit*	An excise tax levied on the privilege of severing specified natural resources, including coal, from the soil or water. The severance tax is imposed on each ton of coal	* If at the end of a fiscal biennium, the balance of the reclamation forfeiture fund is at least $10 million, the rate is reduced to 12¢ per ton. If at the end of a fiscal biennium, the balance of the fund is at least $5 million, but less than $10 million, the rate is 14¢ per ton. If at the end of a fiscal biennium, the balance of the fund is less than $5 million, the rate is 16¢ per ton.
South Dakota	4 1/2% of the taxable value	A tax on the severance of energy minerals in the state. The tax is imposed on the owners and operators of energy minerals for the privilege of severing energy minerals in the state. An energy mineral is subject to the severance tax when it is sold or consumed, whichever is first.	Half of the proceeds of the state tax are required to be returned to the county in which the energy minerals or mineral products were severed.

State	Tax Rate	Tax Base	Comments
Wyoming	Surface coal: 7% of the value of the gross product extracted* Underground coal: 3.75% of the value of the gross product extracted* * For certain types of agreements, if the application of the severance tax results in a tax on surface mined coal in excess of 60¢ a ton or a tax on underground mined coal in excess of 30¢ a ton, the coal is exempt from the tax exceeding the maximum amount per ton.	Imposed on the severing or extracting both surface and underground coal. An excise tax imposed on the present and continuing privilege of removing, extracting, severing or producing coal. Imposed on the value of the gross product. The "taxable value" is 100% of the product's fair market value, after the production process is completed. "Fair market value" includes expenses incurred by the producer prior to the point of valuation. "Underground coal" means coal mined by methods of man-made excavation under the surface of the earth using shafts, tunnels or lifts, including planes connected with excavations penetrating the mineral stratum.	The value of the gross product is the fair market value of the coal at the mouth of the mine where the product was produced, after the mining or production process is completed. The point at which the "production process" is complete for coal is when the mineral product reaches the mouth of the mine. The value of the coal does not include any processing functions or operation, regardless of where the processing is performed. If the product is sold at the mouth of the mine, the fair market value is the price established by a bona fide arms-length sale. If the product is sold at the mouth of the mine without further movement or processing, the fair market value is the price established by a bona fide arms-length sale minus exempt royalties. If the coal is not sold at the mouth of the mine by bona fide arms-length sale, or is used without sale, the Department determines the fair market value by application of recognized appraisal techniques. If the coal is sold away from the mouth of the mine pursuant to a bona fide arms-length sale, the Department will calculate the fair market value of coal by multiplying the sales value of extracted coal, minus transportation to market provided by a third party to the extent included in the sales value, all royalties, ad valorem production taxes, severance taxes, black lung excise taxes and abandoned mine lands fees, by the ratio of direct mining costs to total direct costs. Nonexempt royalties, ad valorem production taxes, severance taxes, black lung excise taxes and abandoned mine lands fees are then be added to determine fair market value.

**** The following states do not impose a severance tax on oil: California, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Vermont, Washington, Wisconsin and Washington, D.C.**