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NAVIGATING THE TAX LANDSCAPE

A Comprehensive Guide to State and Local Taxation for **US Oil and Gas** Companies

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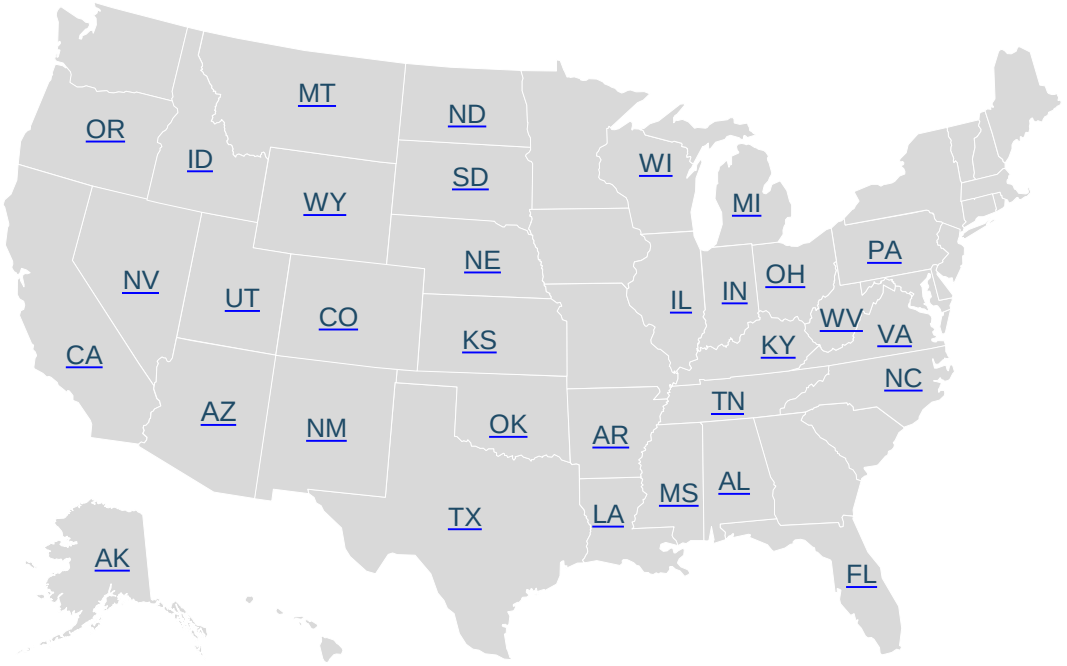
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REPORT OVERVIEW

US oil and gas companies are potentially subject to state and local taxation. Oil, gas, and other natural resource tax rates vary by state and possibly other political subdivisions such as counties, cities, and municipalities. One common type of tax that states impose on oil and gas companies is severance tax. Severance taxes are imposed on the extraction, production, and sale of non-renewable resources to compensate for the severance (loss) of the resource from the earth's surface.

Report Highlights:

- Reference Tax Documents by State
- 2023 Tax Updates
- List of all states with no tax updates
- Severance Tax and relevant exceptions



States with No Oil and Gas Severance Taxes or Fees

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ALABAMA

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Oil And Gas Privilege Tax

- 2% of the gross value of gas or oil at the point of production

Exceptions

- 1% of the gross value for five years from the first production for wells permitted July 1, 1996, through June 20, 2002
- 1.66% of the gross proceeds from offshore production at depths greater than 8,000 feet below mean sea level

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ALABAMA

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Oil And Gas Privilege Tax (Continued)

- 8% of the gross value of gas or oil at point of production

Exceptions

- 6% of the gross value of gas or oil at point of production for:
  - Offshore wells producing more than 200 MCF or 25 BBLs per day at depths less than 8,000 feet
  - Wells permitted after July 1, 1988
- 4% of the gross value of gas or oil at point of production for:
  - Offshore wells producing 200 MCF or 25 BBLs or less per day at depths less than 8,000 feet
  - Oil wells producing 25 BBLs or less per day
  - Gas wells producing 200 MCF or less per day
  - Incremental production from qualified enhanced recovery projects and supplemental enhanced recovery projects approved by the State Oil and Gas Board
- 3.65% of the gross proceeds from offshore production from depths greater than 8,000 feet below mean sea level

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ALABAMA

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Oil And Gas Privilege Tax (Continued)

- 3% of the gross value of gas or oil at the point of production for five years from first production for wells normally qualifying for the 6% privilege tax rate and permitted from July 1, 1996, through July 1, 2002
- 2% of the gross value of gas or oil at the point of production for five years from first production for wells normally qualifying for the 4% privilege tax rate and permitted from July 1, 1996, through July 1, 2002

revenue.alabama.gov/business-license/severance-tax-2/severance-taxes-administered/

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ALASKA

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Oil And Gas Production Tax

- 35% of the net value of oil and gas (the value at the point of production, less all qualified lease expenditures) before January 1, 2022
- 35% of the annual production tax value of the taxable oil on and after January 1, 2022
- 13% of the gross value at the point of production of the taxable gas on or after January 1, 2022

Exceptions

- Tax rates for oil and gas produced from the Cook Inlet are effectively capped at the rate that was imposed on oil and gas produced from each lease or property during the period April 1, 2005, through March 31, 2006
- Tax rates for North Slope Gas used in the state are capped at 17.7 cents per MCF
- State and federal royalty production are exempt from tax
- Oil and gas used on a lease or property for drilling, production, or repressuring is not taxed

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ALASKA

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Oil And Gas Production Tax (Continued)

- Cook Inlet Leases
  - The levy of tax may not exceed the amount derived by multiplying the annual gas volumes produced by 17.7 cents per MCF
  - The production tax levied on oil produced may not exceed $1.00 per barrel
- Outside the Cook Inlet Sedimentary Basin and not including lands north of 68 degrees north latitude: levy of tax on oil and gas may not exceed 4% of the gross value of the oil or gas at the point of production
- Leases or properties north of 68 degrees north latitude: for gas produced that is used in-state, the levy of tax may not exceed the amount derived by multiplying the annual gas volumes produced by 17.7 cents per MCF

Oil Conservation Surcharges

- $0.01 per barrel (suspended when the balance of the fund is over $50 MM per AS 43.55.221)
- $0.04 per BBL

tax.alaska.gov/programs/programs/index.aspx?60650

tax.alaska.gov/programs/programs/reports/Historical.aspx?60650

tax.alaska.gov/programs/programs/reports/Historical.aspx?60655

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ARIZONA

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Transaction Privilege Tax

- 3.125% on gross oil and gas production

azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/42/05072.htm

azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/42/05010.htm

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ARKANSAS

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Oil Tax Credit

- Allowed for any oil producer in this state who provides for the disposition of salt water produced in the production of oil in this state by the means of an approved underground saltwater disposal system
- The total severance tax credits allowed to all oil producers during any calendar year by the director shall not exceed $370,000

Severance Classification	Oil Severance Tax Rate
10 BBLs or Less per Well per Day (Average)	4%
More Than 10 BBLs per Well per Day (Average)	5%
Additional Taxes Levied	$0.025 per BBL Produced

dfa.arkansas.gov/excise-tax/miscellaneous-tax/oil/

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ARKANSAS

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Gas Severance Tax

- A producer shall pay the severance tax rate provided in NG-6.A. according to the well determination made by the Director of the Oil Commission in NG-8.C for each natural gas well
- Tax must be paid regardless of whether a well contains two or more separately metered or commingled gas-producing zones

Gas Severance Tax

Severance Classification	Gas Severance Tax Rate
New Discovery or Payout	1.5%
Marginal	1.25%
Full Rate	5%

dfa.arkansas.gov/excise-tax/miscellaneous-tax/natural-gas-severance

aogc.state.ar.us/rules/tax/default.aspx

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CALIFORNIA

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Oil And Gas Production Tax

- Adjusted annually in June. 2022/23 Fiscal Year - $0.8738461 (rate per BBL Oil and 10 MCF of Gas)

Oil And Gas Ad Valorem Tax

- There are ad valorem (property) taxes in California, administered by each county. Contact the county tax assessor in the county you are interested in

conservation.ca.gov/calgem/for_operators/Pages/Assessments.aspx

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COLORADO

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Oil And Gas Production Tax

- Levied on the gross income from oil and gas

Gross Income ($)	Tax Rate (%)	Maximum Tax Paid ($)
1 - 24,999.99	2	500
25,000 - 99,999.99	3	2,250
100,000 – 299,999.99	4	8,000
300,000 +	5	Unlimited

Exception

- Oil produced from any well that produces 15 BBLs per day or less of oil, and gas produced from wells that produce 90,000 cubic feet or less of gas per day exempt (stripper well exemption)

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COLORADO

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Oil And Gas Production Tax (Continued)

Oil and Gas Production Tax

Year(s) of Commercial Production	Tax Rate (%)
1	1
2	2
3	3
4 and Beyond	4

Exception

- The greater of the first 15,000 tons per day or first 10,000 BBLs per day are exempt

leg.colorado.gov/publications/energy-handbook-2020

leg.colorado.gov/publications/oil-and-gas-severance-tax-ad-valorem-credit

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COLORADO

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Ad Valorem Tax

- Rates vary by county. Severance tax can be reduced to credit 87.5% of ad valorem (property) taxes paid on the prior year's oil or natural gas production for non-stripper wells

Oil And Gas Conservation Levy (Cogcc)

- 1.5 mills, or $0.15 cents on every dollar of production value

cogcc.state.co.us/documents/media/Press_Release_Commission_Adopts_Mill_Levy_Increase_20200804.pdf

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FLORIDA

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Oil Severance Tax

- Oil Rates (on the gross value of oil produced and saved or sold during a month):
  - 12.5% on escaped oil
  - 8% on ordinary oil production
  - 5% on small well oil (less than 100 BBLs per day)

Tertiary oil based on a tiered formula and updated annually:

Value ($)	Tax Rate (%)
First 60.00	1
60.01-79.99	7
>80.00	9

floridarevenue.com/taxes/taxesfees/Pages/tax_interest_rates.aspx

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FLORIDA

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Gas Severance Tax

- $0.441 per MCF on the gross volume able to be transported for further use or processing (July 1, 2023)

Sulphur Severance Tax

- $7.48 per ton produced or recovered by a producer, measured at the point where the sulphur is in its molten, elemental state, and is capable of being sold, delivered, transported, or stored (Effective July 1, 2023)

floridarevenue.com/taxes/taxesfees/Pages/severance.aspx

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IDAHO

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Oil And Gas Production Tax

- Oil and gas are taxed at the rate of 2.5% of the gross income earned for the sale of oil and gas
- The tax applies whether the sale occurs at the wellhead or after transportation of the product

tax.idaho.gov/taxes/product-excise-taxes/oil-and-gas-production-tax/

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ILLINOIS

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Oil And Gas Production Tax

- Wells commencing production on or after July 1, 2013:
  - 3% on the value of oil and gas severed during the first 24 months of a well's production

Oil And Gas Production Assessment

- 0.1% fee per well of gross revenue for oil and natural gas

Product	Avg Daily Production Amount Per Month	Severance Tax Rate (%)
Gas	Any	6
Oil	< 25 BBLs	3
	≥ 25 BBLs and < 50 BBLs	4
	≥ 50 BBLs and < 100 BBLs	5
	≥ 100 BBLs	6

After the first 24 months of a well's production.

Exception

- Oil produced from a well whose average daily production is 15 BBLs or less for the 12 months immediately preceding the month of production is exempt from the tax imposed by the Tax Act

ilga.gov/commission/jcar/admincode/086/08600475sections.html

tax.illinois.gov/content/dam/soi/en/web/tax/research/publications/bulletins/documents/1999/fy99-01.pdf

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INDIANA

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Petroleum Severance Tax

- 1% of the value of petroleum
- $0.24 per BBL for oil
- $0.03 per MCF of natural gas

in.gov/dor/business-tax/tax-rates-fees-and-penalties/miscellaneous-tax-rates/#pet

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KANSAS

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Mineral Tax

- 8% of the gross value of oil and gas, less property tax credit of 3.67%
- $1.00 per ton of coal

Severance Tax Incentives

- Minimum Production: 6 BBL per day (wells 2000 feet or greater) or 5 BBL per day (wells less than 2000 feet)
- Incremental Production: seven-year incremental or enhanced recovery exemption for gas wells

Conservation Tax

- 0.0205 $ per MCF of gas
- 0.144 $ per BBL of oil

ksrevenue.org/taxrates.html

ksrevenue.gov/bustaxtypesmin.html

ksrevenue.gov/taxnotices/notice18-03.pdf

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KENTUCKY

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Oil And Gas Severance Tax

- 4.5% of gross value of the natural resource severed or processed

Incentives

- Inactive wells for a consecutive two-year period or a well that has been plugged and abandoned that resumes producing natural gas, is allowed a credit of 4.5% of the gross value of natural gas that is produced

apps.legislature.ky.gov/law/statutes/chapter.aspx?id=37687

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LOUISIANA

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Gas Severance Tax

- Adjusted annually and never to be less than 7 cents per 1,000 cubic feet

Category	Severance Tax Rate ($/MCF)
Full Rate	0.251
Low-producing oil-well, gas	0.03
Low-producing gas-well, gas	0.013
Half Rate – Inactive Gas	0.1255
Quarter Rate – Orphan Gas	0.06275
Produced Water – Full Rate	0.2008
Produced water - Incapable oil-well gas	0.024
Produced water - Incapable gas-well gas	0.0104
Horizontal Rate	0.0502

The rates for July 1, 2023, through June 30, 2024

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LOUISIANA

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Oil/Condensate Severance Tax Exemption

- Stripper oil is exempt if the average posted price for a 30-day period is less than $20 per barrel

Category	Severance Tax Rate (% of Value per BBL)
Full Rate	12.5
Incapable Oil Rate	6.25
Stripper Oil Rate*	3.125
Reclaimed Oil	3.125
Half Rate - Inactive Oil	6.25
Quarter Rate - Orphan Oil	3.125
Produced water - Full Rate	10.0
Produced water - Half Rate - Incapable Oil	5.0
Produced water - Quarter Rate - Stripper Oil	2.5
Tertiary - Full Rate	6.25
Tertiary - Incapable Oil Rate	3.125
Tertiary - Stripper Oil Rate	1.5625
Horizontal Rate - 7/1/23 to 6/30/24	5.0

revenue.louisiana.gov/

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LOUISIANA

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Oil Field Site Restoration Fee

- Natural gas and casing head gas fee is $0.003 per MCF

Oil Price ($/BBL)	Oil & Condensate Fee ($/BBL)
≤ 60	0.015
> 60 and ≤ 90*	0.03
> 90	0.045
Half Rate – Inactive Oil	6.25
Quarter Rate – Orphan Oil	3.125
Reclaimed Oil	3.125

*For the fiscal year beginning July 1, 2023 and ending June 30, 2024, it has been determined that the price of crude oil per BBL is $81.03. Since this amount is above $60, but below $90 per BBL for oil, the Oilfield Site Restoration Fee will be three cents per barrel on crude oil and condensate.

revenue.louisiana.gov/SeveranceTaxes/Oil
revenue.louisiana.gov/SeveranceTaxes/Gas
Party Responsible for Paying the Oilfield Site Restoration Fee
Oilfield Site Restoration Fees
Revenue Information Bulletin – Severance Tax - 7/1/23-6/30/24

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MICHIGAN

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Oil And Gas Severance Tax

- Oil - 6.6% of the gross market value ofoil
- Marginal/Stripper Oil Well – 4% of the gross market value of oil
- Gas and NGL - 5% of the gross market value of gas

Oil And Gas Fee

- 1% of gross cash market value

michigan.gov/taxes/0,4676,7-238-43519_43545---,00.html

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MISSISSIPPI

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Oil Severance Tax

- 6% of the value at point of oil production; 3% reduced rate for wells using the enhanced oil recovery method

Gas Severance Tax

- 6% of value at point of gas production

Exemption

- Oil wells that meet Enhanced Oil Recovery (EOR) production criteria qualify for a reduced rate of 3% for as long as the well maintains its production by the EOR method
- Tax is not levied against gas lawfully injected into the earth for lifting or enhancing the recovery of oil except gas that is sold for such purposes
- The gas must be used only in Mississippi to qualify for exemption

dor.ms.gov/business/miscellaneous-taxes

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MONTANA

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Gas Severance Tax

- Percentage of gross value per cubic foot of natural gas produced and sold
- Natural gas used in operating the well may be deducted
- Total Cubic Feet - Production Used in Operation X Average Wellhead Value = Gross Value

		Working Interest	Nonworking Interest
Primary Recovery Production	First 12 months of production	0.80%	15.10%
	Pre-1999 wells after incentive period	15.10%	15.10%
	Post-1999 wells after incentive period	9.30%	15.10%
Stripper wells averaging < 60 MCF/day	Pre-1999 wells	11.30%	15.10%
Horizontally completed well production	First 18 months of qualifying production	0.80%	15.10%

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MONTANA

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Oil Severance Tax

- Percentage of gross value per barrel produced and sold
- Oil used in operating the well may be deducted
- (Total BBLs – BBLs Used in Operation) x Average Wellhead Value = Gross Value

		Working Interest	Nonworking Interest
Primary Recovery Production	First 12 months of production	0.80%	15.10%
	Pre-1999 wells after incentive period	12.80%	15.10%
	Post-1999 wells after incentive period	9.30%	15.10%
Stripper Wells Averaging < 10 bbls/day (pre -99 wells) OR < 15 bbls/day (post -99 wells)	Pre-1999 stripper oil	9.50%	15.10%
	Post-1999: First 10 bbls stripper oil Average quarterly sales price reported for all Montana Oil < $30/bbl	5.80%	15.10%
	Post-1999: Over 10 bbls stripper oil Average quarterly sales price reported for all Montana Oil < $30/bbl	9.30%	15.10%

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MONTANA

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Oil Severance Tax (Continued)

		Working Interest	Nonworking Interest
Stripper Well Exemption or Bonus Averaging ≤ 3 BBLs/day	Pre-1999 and Post-1999 stripper well exemption Average quarterly sales price reported for all MT oil < $54/BBL	0.80%	15.10%
	Pre-1999 stripper well bonus Average quarterly sales price reported for all MT oil ≥ $54/BBL	5.30%	15.10%
	Post-1999 stripper well bonus Average quarterly sales price reported for all MT oil ≥ $54/BBL	6.30%	15.10%
Horizontally Drilled	Post-1999 wells first 18 months	0.80%	15.10%
Incremental Production Avg qtrly price must be <$54/BBL*	New or expanded secondary recovery production	8.80%	15.10%
	New or expanded tertiary production	6.10%	15.10%
Horizontally Recompleted Well	Post-1999 wells first 18 months (on incremental production)	5.8%	15.10%

*The average price for the quarter ending March 31, 2023 is $75.9302. mtrevenue.gov/taxes/natural-resource-taxes/oil-and-natural-gas-production-tax/

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NEBRASKA

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Oil And Gas Severance Tax

- 3% of value of nonstripper oil and natural gas
- 2% of value of stripper oil (oil production is 10 or less BBL per day)

Oil And Gas Conservation Tax

- May 1, 2022, through current period is 7.0 Mills (.007)

revenue.nebraska.gov/about/forms/miscellaneous-tax-forms
(Severance and Conservation link)

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NEVADA

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Commerce Tax - Mining, quarrying and oil and gas extraction

- Subtract $4,000,000 from the Nevada gross revenue of the business entity for the taxable year and multiply that amount by 0.051 percent

Administrative Fee

- $0.15 per 50 MCF of natural gas or BBL of oil

minerals.nv.gov/Programs/OG/OG/
leg.state.nv.us/nrs/NRS-363C.html#NRS363CSec320
leg.state.nv.us/NAC/NAC-522.html#NAC522Sec342

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NEW MEXICO

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Oil And Gas Severance, Conservation, Emergency School, And Ad Valorem Taxes

- Taxes differ by county and school district – see link for updates under “Tax Rates – Oil and Gas”

tax.newmexico.gov/businesses/oil-and-gas-severance-tax-registration-and-filing/

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NORTH CAROLINA

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Gas Severance Tax

- Gross Market Value Sold

Over ($/MCF)	Up to ($/MCF)	Effective 01/23 Rate (%)
0.00	3.00	0.9
3.01	4.00	1.9
4.01	5.00	2.9
5.01	6.00	3.9
6.01	7.00	4.9
7.01	8.00	5.9
8.01	9.00	6.9
9.01	10.00	7.9
10.01	N/A	9.0

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NORTH CAROLINA

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Marginal Gas Severance Tax

- 0.8%

Oil And Condensate Severance Tax

- 5% of gross value sold

ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-187.77.pdf

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NORTH DAKOTA

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Oil & Gas Gross Production Tax

- The oil and gas gross production tax is imposed in lieu of property taxes on oil and gas-producing properties

Oil Gross Production Tax

- A 5% rate is applied to the gross value at the well of all oil produced, except royalty interest in oil produced from a state, federal or municipal holding and an American Indian holding within the boundary of a reservation

Gas Gross Production Tax

- The tax on gas is an annually adjusted flat rate per MCF of all nonexempt gas produced in the state
- The annual adjustments are made according to the average producer price index for gas fuels
- $.1423 per MCF of gas (July 1, 2023, to June 30, 2024)

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NORTH DAKOTA

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Oil Extraction Tax

- A 5% rate is applied to the gross value at the point of oil extraction from the earth unless the oil trigger price adjustment occurs, increasing the rate to 6%
- The oil trigger price for January 1, 2023, through December 31, 2023, is $115.55 per BBL

Exceptions

- 2% is applied to the gross value at the point of extraction of oil from the earth for qualified wells completed outside the Bakken and Three Forks formations
- Stripper wells are exempt from this tax
- Incremental production from qualifying secondary and tertiary recovery wells are exempt from oil extraction tax for a period of 5 or 10 years

nd.gov/tax/oilgas/

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OHIO

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Oil Severance Tax

- $.10 per BBL of oil extracted

Gas Severance Tax

- $.025 per MCF of natural gas extracted

Oil And Gas Regulatory Cost Recovery Assessment

- $.10 per BBL of oil extracted
- $.005 per MCF of natural gas extracted

tax.ohio.gov/help-center/communications/publications/annual-reports/2022annualreport

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OKLAHOMA

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Gross Production Severance Tax

- **Tax on gross production and based on monthly average crude oil and gas prices:**
  - 7% base tax rate for gross value of oil and gas production
  - If Oil was recovered from an unknown source an additional 12.5% is levied
- **Incentives:**
  - 5% for a new well for 36 months of production, then increased to 7%

Additional Excise Tax On Oil And Gas Petroleum

- 0.095% of the gross value on each barrel of petroleum oil and of the gross value of all-natural gas and/or casinghead gas (0.095 of 1%)

Oklahoma Energy Resources Board Fee

- 0.1% of the taxable value

Sustaining Oklahoma's Energy Resources Fee

- Oil taxable volume multiplied by $0.0035
- Natural gas taxable volume by $0.00015

okpolicy.org/resources/online-budget-guide/revenues/an-overview-of-our-tax-system/oklahomas-major-taxes/severance-tax/
oklahoma.gov/tax/businesses/gross-production.html
oklahoma.gov/content/dam/ok/en/tax/documents/forms/businesses/gross-production/300-C.pdf
oklahoma.gov/content/dam/ok/en/tax/documents/forms/businesses/gross-production/300.pdf

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OREGON

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Oil And Gas Production Tax

- 6% of gross value at well (Chapter 324 — Oil and Gas Tax)

Exceptions

- Exemptions granted upon the first $3,000 in gross sales value of the gross production each calendar quarter from each well [1981 c.889 §3]
- Any royalty or other interest in oil or gas owned by the state, counties, cities, towns, school districts or other municipal corporations or political subdivisions is exempt from the gross production tax imposed by ORS 324.070
- A credit against taxes imposed by all ad valorem taxes imposed by the state, counties, cities, towns, school districts and other municipal corporations and political subdivisions upon any property rights attached to or inherent in the right to produce oil and gas used in the operation of the well, upon oil and gas produced in the state and upon any investment in any property

oregonlegislature.gov/bills_laws/ors/ors324.html

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PENNSYLVANIA

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Impact Fee (No Severance Tax)

- Fee is assessed to operators on an unconventional well when they are spud
- The fee is based on two factors: the average natural gas sales price as determined each January by the PA PUC and the age of the well
- The average annual price for natural gas in 2022 was $6.64
- Each unconventional natural gas well is subject to an impact fee for a period of 15 years
- Active vertical wells are assessed at 20% of the horizontal well fee for 10 years
- A fee schedule through 2022 can be found in the link below

act13-reporting.puc.pa.gov/Modules/Disbursements/FeeSchedule.aspx

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SOUTH DAKOTA

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Energy Minerals Severance Tax

- 4.5% of taxable value of energy minerals (including oil and gas)

Conservation Tax On Severance Of Energy Materials

- Excise tax of 2.4 mills of the taxable value of any energy minerals (including oil and gas) severed and saved

sdlegislature.gov/Statutes/Codified_Laws/2038530
sdlegislature.gov/Statutes/Codified_Laws/2038533

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TENNESSEE

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Oil And Gas Severance Tax

- 3% of sales price

tn.gov/revenue/taxes/severance-taxes/due-dates-and-tax-rates.html

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TEXAS

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Gas Production Tax

- 7.5% tax on gas and liquid hydrocarbons market value
- Regulatory fee for report periods September 2001 and later, $0.000667 per MCF of gas produced

Oil And Condensate Production Tax

- 4.6% tax on oil market value
- Oil field clean-up fee of $0.00625 per BBL

Exceptions

- High-Cost gas reduced tax rate
- Flared gas exemption
- Enhanced oil recovery projects are taxed at 2.3% of the market value of oil
- Enhanced recovery projects using anthropogenic carbon dioxide
- There is a tax credit for qualifying low-producing oil leases (≤15 BBL per day or 5% recoverable oil per BBL of produced water) and for low-producing gas wells
- Inactive wells (2 yrs.) are exempt

comptroller.texas.gov/taxes/natural-gas/
comptroller.texas.gov/taxes/crude-oil/

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UTAH

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Conservation Fee

- 0.2% of the value of oil and gas produced and saved, sold, or transported from the field where the oil or gas is produced

Gas Severance Tax

Over ($/MCf)	Up to ($/MCF)	Rate
0	1.50	3%
1.51	N/A	5%

Oil Severance Tax

Over ($/BBL)	Up to ($/BBL)	Rate
0	13.00	3%
13.01	N/A	5%

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UTAH

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Natural Gas Liquids Severance Tax

- 4% of the taxable value

Exceptions

- Stripper wells, with oil wells at less than 20 BOPD and gas wells at less than 60 MCFD
- The first 12 months of production for wildcat wells
- The first 6 months of production for development wells

Incentives

- Working interest owners who pay for all or part of the recompletion/workover expenses
- Enhanced recovery project incremental production achieve

Ad Valorem Taxes

- The actual tax rate is established by each respective county, and thus varies by county. Statutory Reference: § 59-2-20

oilgas.ogm.utah.gov/oilgasweb/publications/publications-main.xhtml
("Production Tax Description Summary" link)

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VIRGINIA

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City And County License Taxes On Severed Materials

- County or city governing bodies are authorized to impose not to exceed 1% gross severance tax gross receipts from the sale of gas

law.lis.virginia.gov/vacode/58.1-3286/

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WEST VIRGINIA

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Natural Resource Severance Tax

- Tiered tax system based on volume

Volume	Rate
Gas Mid Vertical Wells (5-60 MCF/Day)	2.5%
Oil Mid Vertical Wells (0.5-10 BBL/Day)	2.5%
Non-Mid Vertical Wells (Oil, Gas, CBM, NGL, other)	5%

tax.wv.gov/Business/SeveranceTax/Pages/SeveranceTaxForms.aspx

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WISCONSIN

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Oil And Gas Severance Tax

- 7% of the market value of oil or gas during the previous year

docs.legis.wisconsin.gov/statutes/statutes/70/397

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WYOMING

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Oil And Gas Conservation Tax

- 0.05%

Ad Valorem Taxes

- Varies By County

Oil And Natural Gas Severance Tax	Rate
Base Rate (Oil, Condensate, and Gas)	6%
Oil Stripper Wells (≤15 bpd)	4%
Renewed Production (for 60 months)	1.5%

revenue.wyo.gov/divisions/mineral-tax/mineral-tax-publications
(click on Severance Tax link)
wogcc.wyo.gov/public-resources/oil-gas-resources
(click on Conservation Tax/Mill Levy link)

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States With No Oil and Gas Severance Taxes or Fees Found

Connecticut
Delaware
Georgia
Hawaii
Iowa
Maine
Maryland
Massachusetts
Minnesota
Missouri
New Hampshire
New Jersey
New York
Rhode Island
South Carolina
Vermont
Washington

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US Oil and Gas Tax Report

2023

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About Sproule

A global energy consulting firm, Sproule provides technical and commercial knowledge to help clients discover value from energy resources around the world. Sproule is anchored by deep geotechnical and engineering expertise and a strong commercial understanding of energy markets and policy requirements. Sproule helps E&P companies, financial institutions, and governments minimize risk and optimize business decisions.

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