Monthly Payment of Mineral Ad Valorem Tax

Presented February 10, 2022

Brenda Henson
Director
The year is 2022. It’s time:

• Timeline
• Producer Reporting
• Invoice Generation
• Payment of Tax
• Distribution to Counties
• County Treasurer Duties
DIFFERENT NAMES

SAME TAX

• PROPERTY TAX
• GROSS PRODUCTS TAX
• AD VALOREM TAX
Timeline for January 2022 production
Monthly filers

• **MARCH 25, 2022** - Producer reports no later than the 2\textsuperscript{nd} month following the month of production

• **APRIL 10, 2022** - Dept. of Revenue will send invoice to taxpayer
  • Penalty for late reporting 1\% of value up to $5,000

• **APRIL 25, 2022** – Taxpayer payment due to DOR
  • Interest for late payment 18\%

• **APRIL 30, 2022** – Dept. of Revenue send taxes to the County Treasurer

• **MAY 10, 2022** – County Treasurer distributes to the taxing entities
Reconciliation Timeline for production year 2022

• **FEB 25, 2023** – Producer submits annual gross products report to the Department (DOR rules provide up to 60 day extension)
• **JUNE 1, 2023** – Department certifies value to county assessor
• **AUGUST 2023** – County Commissioners establish 2023 Mill Levy.
• **SEPTEMBER 20, 2023** – County Treasurer reconciles estimated tax amount received to actual tax and notifies taxpayer.
• **DECEMBER 20, 2023** – County Treasurer processes refund if appropriate, Taxpayer pays any amount owed.
Producer Reporting

• No later than the 25th of the 2nd month following production the month of production
• Producers accomplish this when they file their severance tax reports
• No change for producers
• Amended severance tax returns will only impact the severance tax.
• Producers must still complete the Gross Products Return as they have historically. This is the point when Ad Valorem values are updated.
• Amended Gross Products Returns will be processed as Notice of Valuation Changes “NOVCs”. No change from historical.
Currently over 93% of severance taxes are reported electronically on WYIFS.
Producer submits both ad valorem and severance by submitting severance tax as done historically.
Department of Revenue Generates Ad Valorem Invoice

• Revenue Staff will
  • Ensure all mineral groups are assigned to a county and tax district
  • Address any issues that impact the ability to calculate tax amount
  • Determine the PRIOR year mill levy for the tax district
  • Calculate tax amount due by multiplying value by the mill levy per reporting group.
  • Determine any penalty for late reporting - 39-13-108(c)(ii)(C)
  • Determine any applicable interest for late or non-payment of prior tax amount - 39-13-108(b)(ii)
• Generate invoice for that month of production
• Send the invoice electronically to the producer on or before the 10th of the month following when the producer filed severance report.
23 Counties
600 Tax Districts

District boundaries may change from year to year due to:
* New Taxing Entities
* Dissolutions
* District Consolidations
* Municipal Annexations

2021Property Tax Mill Levies.pdf - Google Drive
# Estimated Ad Valorem Tax Invoice

**Operator ID:** 03097  
**Attention:** Saul Hudson  
8901 Sunset Blvd.  
West Hollywood, CA 90069

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**Note:** Balance is good if received and processed within 15 days of invoice date.

## Ad Valorem Tax Ledger

<table>
<thead>
<tr>
<th>Prod Period</th>
<th>Reporting Group</th>
<th>Mineral</th>
<th>County</th>
<th>Tax District</th>
<th>Mill Levy</th>
<th>Tax Value</th>
<th>Tax Due</th>
<th>Tax Paid</th>
<th>Tax Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>032021</td>
<td>012624</td>
<td>OIL</td>
<td>Niobrara</td>
<td>0100</td>
<td>69,000</td>
<td>118,175</td>
<td>6,254.10</td>
<td>0.00</td>
<td>6,254.10</td>
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<tr>
<td>032021</td>
<td>013397</td>
<td>OIL</td>
<td>Laramie</td>
<td>0103</td>
<td>67,000</td>
<td>119,123</td>
<td>1,403.04</td>
<td>0.00</td>
<td>1,403.04</td>
</tr>
<tr>
<td>032021</td>
<td>014004</td>
<td>OIL</td>
<td>Lincoln</td>
<td>1304</td>
<td>66,000</td>
<td>125,000</td>
<td>1,760.04</td>
<td>0.00</td>
<td>1,760.04</td>
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<tr>
<td>032021</td>
<td>001384</td>
<td>GAS</td>
<td>Natrona</td>
<td>0100</td>
<td>62,155</td>
<td>32,500</td>
<td>2,020.04</td>
<td>0.00</td>
<td>2,020.04</td>
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<tr>
<td>032021</td>
<td>045659</td>
<td>OIL</td>
<td>Carbon</td>
<td>0150</td>
<td>64,000</td>
<td>132,000</td>
<td>869.34</td>
<td>0.00</td>
<td>869.34</td>
</tr>
</tbody>
</table>

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Wyoming Department of Revenue, Mineral Tax Division, 122 West 25th Street, 3-East Cheyenne, WY 82002-0110  
Phone (307) 777-7961 | Internet: http://revenue.wyo.gov | E-mail: dor@wyo.gov

10/18/2021 v1

XX-ACCT #
# DEPARTMENT OF REVENUE

**MARK GORDON**, Governor  
**BRENDA L. HENSON**, Director

122 West 25th Street, 3-East, Cheyenne, Wyoming 82002-0110  
Tel: (307) 777-5237  Web: http://revenue.wyo.gov  E-mail: directorofrevenue@wyo.gov

Administration Tel (307)777-7961  Property Tax Division (307)777-5235  Excise Division (307)777-5200  Mineral Division (307)777-5237  Liquor Division (307)777-6448

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**Invoice No:** AV0000123  
**Invoice Date:** 06/10/2021

## Estimated Ad Valorem Tax Invoice

### Ad Valorem Interest Ledger (at 18%)

<table>
<thead>
<tr>
<th>Prod Period</th>
<th>Reporting Group</th>
<th>Mineral</th>
<th>County</th>
<th>Tax District</th>
<th>Interest Due</th>
<th>Interest Paid</th>
<th>Interest Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>062021</td>
<td>058407</td>
<td>OIL</td>
<td>Washakie</td>
<td>0145</td>
<td>45.00</td>
<td>0.00</td>
<td>45.00</td>
</tr>
<tr>
<td>062021</td>
<td>058501</td>
<td>OIL</td>
<td>Crook</td>
<td>0528</td>
<td>51.00</td>
<td>0.00</td>
<td>51.00</td>
</tr>
<tr>
<td>062021</td>
<td>058519</td>
<td>OIL</td>
<td>Absaroka</td>
<td>0235</td>
<td>53.00</td>
<td>0.00</td>
<td>53.00</td>
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<tr>
<td>062021</td>
<td>058520</td>
<td>OIL</td>
<td>Hot Springs</td>
<td>0411</td>
<td>61.00</td>
<td>0.00</td>
<td>61.00</td>
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<tr>
<td>062021</td>
<td>058571</td>
<td>OIL</td>
<td>Fremont</td>
<td>0317</td>
<td>63.00</td>
<td>0.00</td>
<td>63.00</td>
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<tr>
<td>062021</td>
<td>059061</td>
<td>OIL</td>
<td>Sheridan</td>
<td>0611</td>
<td>28.00</td>
<td>0.00</td>
<td>28.00</td>
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<tr>
<td>062021</td>
<td>049639</td>
<td>OIL</td>
<td>Campbell</td>
<td>0514</td>
<td>45.00</td>
<td>0.00</td>
<td>45.00</td>
</tr>
</tbody>
</table>

**Ledger Balance:** 2,921.00

## Ad Valorem Penalty Ledger

<table>
<thead>
<tr>
<th>Prod Period</th>
<th>Reporting Group</th>
<th>Mineral</th>
<th>County</th>
<th>Tax District</th>
<th>Penalty Due</th>
<th>Penalty Paid</th>
<th>Penalty Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>062021</td>
<td>012624</td>
<td>OIL</td>
<td>Niobrara</td>
<td>0100</td>
<td>1,500.00</td>
<td>0.00</td>
<td>1,500.00</td>
</tr>
</tbody>
</table>

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Payment of Monthly Tax
ALL Ad Valorem Invoices start with AV
Thank you for using the Wyoming Internet Tax Filing Service. This screen is to confirm your payment has been received successfully. If any of the information below is incorrect, please contact: Rick Meese (Tel: 307-777-7807).

NOTE: This is your only confirmation!

Print this page for your records by clicking "Print A Copy" below.
You have submitted a payment through E-Check.
Please verify the following:

Operator: 03097
Total Amount Paid: $221,380.20
From Account Name: NightTrain Operating, LLC.
From Bank Name: WAR Funding International
Effective Date: 11/26/2021
Your Transaction ID for this transaction was: e68b23f9-40c3-4f6e-a308-76416c03e815

Please keep a secure copy of this notification screen with your transaction ID for your records.

Print A Copy
Click here to print a copy of the confirmation for your records.
Go Back To The Payments Menu
Click here to return to the payment menu screen.
Go Back To The Main Screen
Click here to return to the main screen.
Department Distributes Funds to County Treasurer

• Department sends check accompanied by report and spreadsheet to each County Treasurer by the 30th of each month
  • Transmittal report reflects:
    • Operator ID & Name
    • Report Group
    • Tax District
    • Production Period
    • Payment Received Month
    • Mineral Type
    • Taxable Value
    • Mill Levy
    • Ad Valorem Tax Due
    • Paid Amount
    • Balance Due
    • Interest/Penalty Collected
County Treasurer distributes to taxing entities based on the prior year mill levy

• Example using $100,000 taxable value

2022 production year - in tax district 0102 - Laramie County.

• 100,000 x .06734 = $6,734.00 tax paid by producer

<table>
<thead>
<tr>
<th>Taxing Entity</th>
<th>2021 Mill Levies</th>
<th>Tax Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Foundation</td>
<td>12</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>SD Operating Levy</td>
<td>25</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>SD Recreation Levy</td>
<td>1</td>
<td>$100.00</td>
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<tr>
<td>County School</td>
<td>6</td>
<td>$600.00</td>
</tr>
<tr>
<td>Conservation District</td>
<td>0.5</td>
<td>$50.00</td>
</tr>
<tr>
<td>Fire District</td>
<td>3</td>
<td>$300.00</td>
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<tr>
<td>Weed &amp; Pest</td>
<td>0.8</td>
<td>$80.00</td>
</tr>
<tr>
<td>Community College</td>
<td>5</td>
<td>$500.00</td>
</tr>
<tr>
<td>Community College Bond</td>
<td>1.04</td>
<td>$104.00</td>
</tr>
<tr>
<td>Community College Voter Approved</td>
<td>1</td>
<td>$100.00</td>
</tr>
<tr>
<td>Laramie County</td>
<td>12</td>
<td>$1,200.00</td>
</tr>
</tbody>
</table>

67.34 | $6,734.00
County Treasurer reconciles in September 2023
County Treasurer administers

• Monthly filers only
  • Deferred payment of
    • 2020 production = 2\textsuperscript{nd} half 2021 tax
    • 2021 production = 2022 tax
    • Clarifying language included in SF0038
• Exemptions granted by County Commissioners whereby taxpayer is not required to pay monthly.
  • Only granted in 2 counties, total of 8 companies statewide
**Annual Filers – 2021 Production**

- *Defined as taxpayers with liability of less than $30,000 for severance tax for the preceding calendar year.*

- Producer reports all of 2021 Production to the Department no later than February 25, 2022.

- Department generates invoice and sends it to the taxpayer by March 10, 2022.

- Taxpayer remits payment no later than March 25, 2022

- Department certifies values to county assessor by June 1, 2022

- 2022 mill levies are established and county treasurer reconciles estimated tax paid versus actual tax, then notifies taxpayer of results by September 20, 2022.
IMPORTANT LEGISLATION!!!
SF0038 – Monthly ad valorem tax revisions

• The reporting and payment timelines reflected in this presentation assume passage of this legislation.

• [https://www.wyoleg.gov/Legislation/2022/SF0038](https://www.wyoleg.gov/Legislation/2022/SF0038)

• Without passage, current statute requires
  • Taxpayer to determine tax district, prior year mill levy and tax amount.
  • Payment is also required the same time as the report.
Bottom Line for Producers

• Reporting does not change
• You pay severance tax when you report. NO CHANGE
• You will get an invoice and remit payment of estimated ad valorem tax the next month.
• County Treasurer will send you notification of overpayment or underpayment in September of the year after production year.
Let’s be real....

• This is the most significant change to Wyoming tax law since the constitutional change in 1988 to fair market value basis.
• This change affects
  • All Producers
  • Department of Revenue
  • County Treasurers
  • County Commissioners
  • Attorneys for all parties
  • Every taxing entity that receives property tax dollars
The difference between stumbling blocks and stepping stones is how you use them....

• Let’s “PACE” ourselves
  • Patience
  • Attitude
  • Communication
  • Empathy
THANK YOU for your participation!