

Property:

West Virginia: New Law Revises Oil and Gas Well Valuation to Incorporate Actual Receipts and Costs

H.B. 2581, signed by gov. 4/28/21. New law directs the West Virginia Tax Commissioner to issue by July 1, 2021, proposed emergency rules regarding the valuation for property tax purposes of property producing oil, natural gas, and/or natural gas liquids that would determine the property's "fair market value" by applying a "yield capitalization model" to the producer's net proceeds. Net proceeds under the new law generally means the actual gross receipts on a sales volume basis determined from the actual price received by taxpayers less royalties, and less actual annual operating costs, as reported on the taxpayer's returns. Please contact us with any questions.

URL: https://www.wvlegislature.gov/bill_status/bills_history.cfm?INPUT=2581&year=2021&sessiontype=RS

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