



Notice To West Virginia Timber Producers Elimination Of The Severance Tax On Timber For A Three Year Period

Beginning in the 2010 tax year, the regular Severance Tax on Timber (West Virginia Code §11-13A-3b) will be discontinued for 3 tax years.

CALENDAR YEAR TAXPAYERS – For calendar year Taxpayers, the first year for which the Severance Tax elimination would operate would be from January 1, 2010 to December 31, 2010. It would also apply to the next 2 consecutive tax years. The total time period over which the Severance Tax would be eliminated for calendar year Taxpayers would be:

January 1, 2010 to December 31, 2010
January 1, 2011 to December 31, 2011
January 1, 2012 to December 31, 2012

The Taxpayer would be required to resume payment of the Severance Tax for tax years beginning on January 1, 2013 and thereafter.

FISCAL YEAR TAXPAYERS — For fiscal year Taxpayers, the first year for which the Severance Tax elimination would operate would be the fiscal year beginning in 2010. For example: Assume a Taxpayer has a fiscal year that begins on October 1. For this Taxpayer, the fiscal year beginning in 2010 is the tax year beginning October 1, 2010, and the tax elimination would begin in the tax year from October 1, 2010 to September 30, 2011. It would also apply to the next 2 consecutive tax years. The total time period over which the severance tax would be eliminated for this fiscal year Taxpayer would be:

October 1, 2010 to September 2011
October 1, 2011 to September 2012
October 1, 2012 to September 2013

The Taxpayer would be required to resume payment of the Severance Tax for tax years beginning on October 1, 2013 and thereafter.

WORKERS' COMPENSATION DEBT REDUCTION ACT West Virginia Code § 11-13V-4(c)

The elimination of the regular severance tax on timber (discussed above) **does not apply** to the so called "Workers' Compensation Tax on Timber Severance," also know as the "additional tax on privilege of severing timber." During the period of the discontinuance of the regular severance tax on timber, the "Workers' Compensation Tax on Timber Severance," will continue to be imposed, and **Taxpayers will continue to file tax returns for, and pay the "Workers' Compensation Tax on Timber Severance."**

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