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# **NORTH CENTRAL APPALACHIAN COAL SEVERANCE TAX REBATE**

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## **INSTRUCTIONS**

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# General Information

2019 HB 3144 became effective June 7, 2019 and established the North Central Appalachian Coal Severance Tax Rebate Act.

The following explains how to set up an account for each mine upon which you will base your rebate(s), report investments, and claim your rebate when you are eligible.

Should you have questions regarding this rebate, please contact:

- The Severance Tax Unit at [taxexcisesev@wv.gov](mailto:taxexcisesev@wv.gov)
- Taxpayer Services at (304) 558-3333

For information regarding the interpretive rule for the rebate, see 110 CSR 21F on the West Virginia Secretary of State's Code Of State Rules.

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# Add A Coal Severance Rebate Account

To claim a rebate for the mine, you must request a mine account and establish the mine's base production. Log into your [MyTaxes](#) Account .

If your MyTaxes account is linked to a Coal Severance Account, there will be a link from your home page labeled "Add Coal Severance Rebate Account". It will be listed under the "I Want To" header. Click this link.

## 1. MINE INFO

- **Mine Permit Number** - (REQUIRED) Enter the primary Mine Permit number for this mine. This is the number by which the account will be identified in your MyTaxes account.
- **More Button** - Provide all Mine Permit Numbers associated with this mine. More than one permit may be added. Click the More button and a table will appear. Enter one permit in each line. To delete a row, click the red "x" to the left of the number.
  - ! **Invalid Mine Permit Number** ! If you receive this error message, please check that the number provided is correct. Generally, they are a letter followed by six numbers. Examples: U111111, P222222, S123456
  - ! **Duplicate Mine Permit Number** ! If you receive this error message, please check that the number provided is correct. A permit may not be used for more than one mine account.
- **Date your company began producing coal in West Virginia (All locations)** - (REQUIRED) Enter the Month, Day, and Year on which your company began producing coal in West Virginia at all its locations.
- **Date your company began producing coal at this mine.** - (REQUIRED) Enter the Month, Day, and Year on which your company began producing coal in West Virginia at this mine specifically. This may not be a date earlier than the date you began producing coal at all locations in West Virginia.

Click Next to continue.

## 2. ESTABLISH BASE

- **Year Used in Calculation** - Determined by the answer provided on the previous page, this chart will indicate the "Base year(s)" and request information required to calculate your mine's "base". "Base year(s)" are determined as follows:

MINE BEGAN PRODUCING COAL	"BASE" IS CALCULATED USING
ON OR BEFORE JAN. 1, 2014	AVERAGE OF QUALIFIED TAXES PAID FROM 2014 THROUGH 2018 OR ONLY QUALIFIED TAXES PAID IN 2018, WHICH EVER IS LOWEST
AFTER JAN. 1, 2014 AND BEFORE JAN. 2, 2018	QUALIFIED TAXES PAID IN 2018
AFTER JAN. 2, 2018 AND BEFORE JAN. 1, 2019	AVERAGE MONTHLY QUALIFIED TAXES PAID IN 2018 MULTIPLIED BY 12 MONTHS (ANNUALIZED)
ON OR AFTER JAN. 1, 2019	AVERAGE OF QUALIFIED TAXES PAID IN THE FIRST TWO <b>FULL</b> YEARS OF PRODUCTION

- **Regular Rate** - For the year(s) indicated, enter gross value of the coal produced at this mine that was taxed at the regular rate.
- **Thin Seam 37" to 45"** - For the year indicated, enter gross value of the coal produced at this mine that was taxed at the Thin Seam 37" to 45" rate
- **Thin Seam less than 37"** - For the year indicated, enter gross value of the coal produced at this mine that was taxed at the Thin Seam less than 37" rate
- **Steam Coal** - For mines that start in 2019 or later, the steam coal is also required. Enter gross value of the steam coal produced.

The System will calculate the base and display it. Click Next to continue.

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### 3. BASE OF ALL MINES

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Provide the Gross Value of the coal produced at all your mines that was taxed at each rate.

- **Mine Permit Number** - (REQUIRED) Enter the primary Mine Permit number for this mine. If this mine does or will be associated with a rebate, use the same number you will use to identify it.
- **Base Year** - (REQUIRED) For the mine indicated in the first column, enter one of the base years in which that mine produced coal.

**! Not in base years !** check that you are using the same years that were used in “Step 2. Establishing Base”

For the year indicated in the Base Year column, enter gross value of the coal produced at each mine that was taxed at the indicated rates:

- **Regular Rate**
- **Steam Coal July 2019 to June 2020** - only applicable for base years 2019 and 2020
- **Steam Coal July 2020 to June 2021** - only applicable for base years 2020 and 2021
- **Steam Coal on or after July 2021** - only applicable for base years 2021 or later
- **Thin Seam 37” to 45”**
- **Thin Seam Less than 37”**
- **Total Gross Value** - This will calculate based on the other information provided. The sum of the Total Gross Value column should equal what you have reported on the SEV401C returns you have filed for the base years.

Example:

Coal Co. began producing coal at Mine A in 2013 and has produced coal at that mine every year since.

Coal Co. wants to set up an account to claim rebates for Mine A.

Coal Co. also began producing coal at Mine B in 2017 and Mine C in 2014 and 2018.

Coal Co.’s “Base of All Mines” table will have 9 rows.

- Mine A 2014
- Mine A 2015
- Mine A 2016
- Mine A 2017
- Mine A 2018
- Mine B 2017
- Mine B 2018
- Mine C 2014
- Mine C 2018

An EXCEL SPREADSHEET is available through the blue link labeled : Download “Base of All Mines” Excel Template  
You may enter the information in this spreadsheet and import it into MyTaxes.

Click Next to continue.

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### 4. REVIEW

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- Print the review page for your records.
- At this time there is not a method by which you can amend the base. This information could affect your eligibility to claim your rebates. Ensure the information is accurate before you submit.

# Establish Net Available Coal Rebate

To claim a rebate for the mine, you must make qualified investments at this mine and establish the mine's "Net Available Rebate" which is the potential amount of rebate for which you could be eligible, if you meet the criteria. This will be further explained in the "Eligibility and Rebate Claim" section.

Log into your [MyTaxes](#) Account .

Go to the Coal Severance Rebate account with the mine permit number of the mine at which you are making qualified investment(s).

From the Coal Severance Rebate account, go to the period in which the investment was made.

From the Period, select "File, amend or view a return" listed under the "I Want To" header.

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## 1. INVESTMENTS AND NET AVAILABLE REBATE CALCULATION

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### SECTION A: TOTAL INVESTMENTS

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List all qualified investments made at this mine during this period.

If you purchased multiples of the same item, list them separately. For example, if you purchased three excavators, there would be three lines, one for each excavator.

- **Invoice Number** - (REQUIRED) Enter the invoice number that is associated with the investment.
- **Description of Property** - (REQUIRED) Enter a short description. Preferably one that would match what you have on your invoice
- **Purpose** - (REQUIRED) Enter a short description of the purpose of this investment.
- **Date Acquired**- (REQUIRED) Enter the date your company acquired this investment.
- **Date placed into service** - (REQUIRED) Enter the date your company began using this investment at this mine. It must be within the same year as the period in which you are reporting.  
**! Not Eligible for establishing the rebate. Must be after June 5, 2019 !** This is the date in which the North Appalachian Coal Severance Tax Rebate was effective. Only investments placed into service after this date are eligible to be used for the rebate.
- **Useful Life** - (REQUIRED) Enter in whole years, the useful life of this investment.
- **Net investment** - (REQUIRED) Enter in whole dollar figures

An EXCEL SPREADSHEET is available through the blue link labeled : Download "Establish Net Available Rebate" Excel Template

You may enter the information in this spreadsheet and import it into MyTaxes.

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### SECTION B: CALCULATION

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Based on the total investment, your "Net Available Rebate" is calculated. Note that this is not a credit until you have met eligibility requirements and filed to claim the rebate.

Click Next to continue.

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## 2. AFFILIATES

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On this page, you will report the coal production of you and your affiliates in the year PRIOR to the investment. This will be the year prior to the period on which you are reporting.

- **Tonnage for this mine in the year prior to investment** - (REQUIRED) Enter the amount of coal produced for each tax rate: Regular Rate, Steam Coal, and Thin Seam Coal

Steam Coal will only be available for investments made in periods starting in 2020, since steam coal started in the year prior to that.

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### PRODUCTION IN YEAR 2018 (TOTAL TONNAGE)

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Report all tons of coal produced by you and all your affiliates in the year PRIOR to the investment.

The following information will be used when claiming your rebate(s) for this mine to establish eligibility.

- **Name-** (REQUIRED)
- **FEIN-** (REQUIRED)
- **Severance Account ID-** (REQUIRED)
  - ! **Invalid FEIN/Severance Account Number Combination** ! Ensure the information you have entered is accurate for your affiliate.
- **Tonnage for each Affiliate in the year prior to invest** - (REQUIRED) Enter the amount of coal produced for each tax rate: Regular Rate, Steam Coal, and Thin Seam Coal
- **Total** - (REQUIRED) Automatically calculates.

An EXCEL SPREADSHEET is available through the blue link labeled : Download “Establish Net Available Rebate” Excel Template

You may enter the information in this spreadsheet and import it into MyTaxes.

Click Next to continue.

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## 3. ATTACHMENTS

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Attach any investment related documents. WV Tax recommends attaching proof of purchase of investments (invoices, etc.).

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## 4. REVIEW

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- Print the review page for your records.
- This information could affect your eligibility to claim your rebates. Ensure the information is accurate before you submit.

## Eligibility and Claiming Rebate

This process is still in development and will be made available soon.