

WEST VIRGINIA STATE TAX DEPARTMENT
Administrative Notice 2005-22

SUBJECT: Additional Tax on Severing Natural Gas -- Automatic Extension for Filing and Payment of Tax.

This Administrative Notice advises the public of the policy the Tax Department will follow with respect to the requirement for filing the annual return for, and payment of, the additional tax on natural gas.

W. Va. Code § 11-13V-6 requires filing an annual return on or before the last day of the month following the end of the taxable year. Due to the lack of production data, which is the measure of the tax, this period of time will be insufficient for many natural gas Taxpayers to file a complete, accurate and timely annual return for the new tax. W. Va. Code § 11-13V-8 authorizes the Tax Commissioner to grant a reasonable extension of time for filing the annual return and periodic estimates. Also, W. Va. Code § 11-13V-9 authorizes the Tax Commissioner to extend the time for payments of the tax. Accordingly, the Tax Commissioner hereby grants an automatic extension of time to all natural gas Taxpayers for filing and paying tax imposed by Chapter 11, Article 13V of the West Virginia Code. The following time requirements for filing and paying the additional West Virginia Code §11-13V severance tax on natural gas shall apply:

1. There will be an automatic extension of time to file the annual return, from January 31, 2006 to March 31, 2006 for all Taxpayers.
2. For quarterly and annual Taxpayers, the Taxpayer may delay paying the tax until March 31, 2006, and the annual return need not be filed until March 31, 2006, per the automatic extension set forth in item (1).
3. For monthly Taxpayers, the Taxpayer may delay paying the tax for the month of December 2005 until March 31, 2006, and the annual return need not be filed until March 31, 2006, per the automatic extension set forth in item (1). Monthly Taxpayers may delay paying the tax for the month of January, 2006 until May 1, 2006 and Monthly Taxpayers may delay paying the tax for the month of February 2006 until May 31, 2006.

Additions to tax and penalties otherwise applicable for failure to file or pay pursuant to the deadlines set forth in W. Va. Code § 11-13V-6 and W. Va. Code § 11-13V-7 shall not be imposed on any natural gas producer filing and paying the tax within the extended periods set forth herein. If a Taxpayer needs additional time to file, an additional extension may be sought by submitting to the Tax Commissioner a written request on or before the extended due date, explaining why additional time is required. The Tax Commissioner will grant an additional extension only if good cause is shown for the additional time requested.

The policy set forth in this Notice will remain in effect only to and including May 31, 2006, unless this notice is earlier withdrawn.

If you have any questions about this notice, please contact Taxpayer Services at 304-558-3333 or 1-800-982-8297 or www.taxaid@tax.state.wv.us.

Issued: December 22, 2005

Virgil Helton
Acting State Tax Commissioner

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