



## COMMONLY ASKED QUESTIONS ABOUT THE SPECIAL TAX ON COAL

*This publication provides answers to commonly asked questions about the special tax on coal. It is not a substitute for tax laws or regulations.*

### QUESTION

#### What is the rate of the special tax on coal?

### ANSWER

*This tax is applied at the rate of two cents (\$0.02) per ton of clean coal sold by the producer of the coal.*

---

#### Who is subject to the special tax on coal?

*Producers of coal are the persons liable for payment of this tax. A producer of coal is the person who owns the coal immediately after it is severed from the ground. Producers are also responsible for payment of the severance tax imposed by W. Va. Code §11-13A-3 and the minimum severance tax imposed by W. Va. Code §11-12B-3.*

*As a general rule, a contract miner does not own the coal immediately after it is severed. Therefore, a contract miner is, as a general rule, not the producer of the coal and he is not liable for payment of either the severance tax, the minimum severance tax or this special tax on coal.*

*Although a person who processes coal that he purchased from another person is liable for severance tax, he is not liable for payment of either the minimum severance tax, or this tax, on tons of clean coal processed from purchased tons of raw coal.*

---

#### What is the measure of the special tax on coal?

*The measure of this tax is tons of clean coal. A producer of coal who sells raw coal must convert "raw tons sold" to "tons of clean coal" and pay tax on the lower number.*

*A person who processes coal he produces as well as coal produced by another producer pays this tax only on the tons of clean coal attributable to the tons of raw coal he produced. Such person must keep adequate records to substantiate the accuracy of his returns.*

---

#### When does the special tax on coal accrue?

*Liability for payment of this tax accrues when the coal is sold by the producer, or the coal is shipped for commercial use by the producer.*

---

#### When must this special tax on coal be paid?

*This tax is due and payable in the same manner and at the same time as the minimum severance tax on coal.*

*Producers must file returns and pay the tax shown thereon by the last day of the calendar month following the month in which the special tax on coal accrued. The single exception is that any special tax on coal that accrues during the month of May each year must be remitted by June 15th rather than June 30th.*

---

#### What return is this tax reported on?

*[Form CSR-1](#) "West Virginia Coal Mining Assessment and Special 2 Cent Per Ton" is used to report this tax as well as the coal reclamation tax. Because the coal reclamation tax is imposed on clean tons of coal mined and the special tax on coal is imposed on clean tons of coal sold, the tonnage figures for the two taxes may differ.*

---

#### Is the special tax on coal allowed as a deduction or credit when determining the producer's minimum severance tax liability under W. Va. Code §11-12B?

*No.*

Is the special tax on coal allowed as a deduction or credit when determining the producer's severance tax liability under W. Va. Code §11-13A-3?

No.

---

Are the industrial expansion and revitalization credit or the research and development credit allowed under W. Va. Code §11-13D allowed as a credit against the special tax on coal?

No.

---

Is the credit for qualified investment in coal loading facilities allowed under W. Va. Code §11-13E allowed as a credit against the special tax on coal?

No.

---

Is the special tax on coal subject to the "West Virginia Tax Procedure and Administration Act" (W. Va. Code § 11-10-1 et seq.)?

Yes.

---

Is the special tax on coal subject to the West Virginia Tax Crimes and Penalties Act" (W. Va. Code § 11-9-1 et seq.)?

Yes.

---

Where is the special tax on coal found in the West Virginia Code?

*This tax is codified in W. Va. Code §22-3-32 and clarified in §22-3-32a.*

---

**ASSISTANCE AND  
ADDITIONAL  
INFORMATION**

- For assistance or additional information, you may call a Taxpayer Service Representative at:

**1-800-WVA-TAXS  
(1-800-982-8297)**

Or visit our website at:

[www.tax.wv.gov](http://www.tax.wv.gov)

File and pay taxes online at:

<https://mytaxes.wvtax.gov>

Email questions to:

[taxhelp@wv.gov](mailto:taxhelp@wv.gov)