

SYNOPSIS

SEVERANCE TAX -- DREDGING COAL IS SUBJECT TO SEVERANCE TAX -
- Pursuant to W. Va. Code § 11-13A-2(c)(8), natural resources subject to severance tax include coal contained in or on the soils or waters of this state.

ADMINISTRATIVE DECISION

The Auditing Division issued a severance tax assessment against the Petitioner. This assessment was for the period of January 1, 1999 through December 31, 2001, for tax, interest, through December 31, 2001, and no additions to tax.

Thereafter, the Petitioner timely filed a petition for reassessment by mail. Prior to the time of the hearing, Petitioner informed Division's counsel that he would not attend the hearing but requested that the decision deal with whether his business was subject to severance tax.

FACTS

During the assessment period the Petitioner was engaged in the business of dredging coal from rivers located in the State of West Virginia.

ISSUE AND DETERMINATION

The sole issue is whether dredging coal is subject to severance tax.

W. Va. Code § 11-13A-2(c)(8) explicitly states that natural resources subject to the severance tax include coal which is contained in or on the soils or waters of this state.

Accordingly, it is **DETERMINED** that Petitioner's business activities, which consist solely of dredging coal for sale are subject to severance tax.

FILED
2003 JUL 23 A 11:02
OFFICE WEST VIRGINIA
SECRETARY OF STATE

WHEREFORE, it is the **DECISION** of the **STATE TAX COMMISSIONER OF WEST VIRGINIA** that the severance tax assessment issued against the Petitioner for the period of January 1, 1999 through December 31, 2001, for tax, interest, updated through December 31, 2002, and no additions to tax, should be and is hereby **AFFIRMED**.