

143A.060 Collection of tax -- Agreement for processor to pay tax due from severor -- Provisions applicable to natural gas.

Notwithstanding any other provisions of this chapter to the contrary:

(1) In the case of natural resources other than natural gas, where the department finds that it would facilitate and expedite the collection of the tax imposed under KRS 143A.020, the department may authorize the taxpayer processing the natural resource to report and pay the tax which would be due from the taxpayer severing the natural resource. Authorization from the department shall be in the form of an agreement executed by the taxpayer processing the natural resource, the taxpayer severing the natural resource, and the department. The agreement shall be in such form as the department may prescribe. The agreement must be signed by the owners if the taxpayers are natural persons; in the case of a partnership or association by a partner or member; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application. The executive director of the Office of Legal Services for Revenue shall sign for the department. The agreement may be terminated by any party to the agreement upon giving thirty (30) days' written notice to the other parties to the agreement; however, the department may terminate the agreement immediately upon written notice to the other parties when either the taxpayer processing the natural resource or the taxpayer severing the natural resource fails to comply with the terms of the agreement; and

(2) (a) In the case of natural gas, except for those cases:

1. Where the person severing or severing and processing the natural gas will sell the gas to the ultimate consumer; or
2. Where the department determines that the collection of the taxes due under KRS 143A.020 would be accomplished in a more efficient and effective manner through the severor, or severor and processor, remitting the taxes,

the first person to purchase the natural gas after it has been severed, or in the event that the natural gas has been severed and processed before the first sale, the first person to purchase the natural gas after it has been severed and processed, shall be liable for the collection of the tax imposed under KRS 143A.020. He shall collect the taxes imposed from the person severing, or severing and processing, the natural gas, and he shall remit the taxes to the department. In those cases where the person severing or severing and processing the natural gas sells the gas to the ultimate consumer, the person so severing or severing and processing the natural gas shall be liable for the tax imposed under KRS 143A.020. In those cases where the department determines that the collection of the taxes due under KRS 143A.020 from the severance or severance and processing of natural gas would be accomplished in a more efficient and effective manner through the severor, or severor and processor, remitting the taxes, the department shall set out its determination in writing, stating its reasons for so finding, and so advise the severor or severor and processor at least fifteen (15) days in advance of the first reporting period for which such action would be effective.

- (b) On or before the last day of the month following each calendar month, each person first purchasing natural gas as described in paragraph (a) of this subsection, shall report purchases of natural gas during the month, showing the quantities of gas purchased, the price paid, the date of purchase, and any other information deemed necessary by the department for the administration of the tax levied by KRS 143A.020, and shall pay the amount of tax due, on forms prescribed by the department.
- (c) On or before the last day of the month following each calendar month, each person severing, or severing and processing natural gas, shall report the sales of natural gas, showing the name and address of the person to whom sold, the quantity of gas sold, the date of sale, and the sales price on forms prescribed by the department.

Effective: June 20, 2005

History: Amended 2005 Ky. Acts ch. 85, sec. 547, effective June 20, 2005. --
Created 1980 Ky. Acts ch. 392, sec. 6, effective June 1, 1980.

Legislative Research Commission Note (6/20/2005) 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.

Legislative Research Commission Note. A technical correction has been made in this section by the Reviser of Statutes pursuant to KRS 7.136.