
NORTH CENTRAL APPALACHIAN COAL SEVERANCE TAX REBATE



INSTRUCTIONS

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
- 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.

Contents

General Information	2
Add A Coal Severance Rebate Account	3
1. Mine Info	3
2. Establish Base	3
3. Base of All Mines	4
4. Review	4
Establish Net Available Coal Rebate	5
1. Investments and Net Available Rebate Calculation	5
Section A: Total Investments.....	5
Section B: Calculation	5
2. Affiliates	6
Production (Total Tonnage).....	6
3. Attachments.....	6
4. Review	6
Eligibility and Claiming Rebate	7
1. Taxes Paid	7
2. Tons Produced.....	7
Production in Current Year (Total Tonnage)	7
3. Claim	8
4. Review	8
5. Refund Information	8

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". 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 that the date you began producing coal at all locations in West Virginia.

Click Next to continue.

2. REVIEW

- Print the review page for your records.

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, select "File, amend or view a return".

Find the period where you made the investment. You should report oldest period first. Click the "File Now" next to the "Coal Mine Severance Rebate" return in the period. This step is required before you will be able to make your claim.

We recommend using the import spreadsheets.

1. INVESTMENTS AND NET AVAILABLE REBATE CALCULATION

SECTION A: TOTAL INVESTMENTS

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.
- **Condition** - (REQUIRED) select New or Refurbished.
- **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. The investment must have a minimum useful life of 5 years.
- **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.

SECTION B: CALCULATION

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.

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
MORE THAN 5 YEARS FROM CURRENT DATE	AVERAGE OF QUALIFIED TAXES PAID IN THE LAST FIVE FULL YEARS OF PRODUCTION
LESS THAN 5 YEARS FROM CURRENT DATE	AVERAGE OF QUALIFIED TAXES PAID IN THE FIRST TWO FULL YEARS OF PRODUCTION

Mines that began during 2018 will have the production pro rated for that year.

- **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.

3. BASE OF ALL MINES

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 A II Mines” Excel Template

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

- **Number of Employees at All Mines-** Enter the number of Employees. See the Rule for details.

Click Next to continue.

AFFILIATES

On this page, you will report the coal production of you and your affiliates in the base year(s).

- **Tonnage for this mine in base year(s)** - (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.

PRODUCTION (TOTAL TONNAGE)

Report all tons of coal produced by you and all your affiliates in the base year(s).

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.

4. ATTACHMENTS

- **Certificate of Good Standing Affidavit-** (REQUIRED) Attach your affidavit stating that you and your affiliates are in Good Standing.

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

5. REVIEW

- 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.

6. PROCESSING

- Your investment and base information will be reviewed by the WV State Tax Department. Please note that you will not be able to proceed to the Claim until this review is complete.

Eligibility and Claiming Rebate

To claim a rebate for a mine, you must demonstrate that your investments have led to an increase in production for you and your affiliates.

Log into your MyTaxes Account.

Go to the Coal Severance Rebate account with the mine permit number of the mine for which you are claiming a rebate.

From the Coal Severance Rebate account, select “File, amend or view a return”.

Find the period for which you are claiming the rebate. You should report oldest period first. Click the “File Now” next to the “Coal Severance Rebate Claim” return in the period.

1. TAXES PAID

You are required to provide the amount of taxes paid at the regular rate for this mine in the current year. The amount of taxes paid at the regular rate during your base year(s) will be populated automatically. If the amount of tax paid in the current year is equal to or less than the base year, you are not eligible for a rebate and will not be able to proceed. You are also required to provide the amount of taxes paid at all rates for each of your mines in the current year.

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

Click Next to continue.

2. CLAIM AVAILABLE COAL REBATE ALL MINES AND AFFILIATES

These pages are similar to the All Mines and Affilaites pages you completed when reporting the investment. This information is for the current production and will be compared to the base production.

Click Next to continue.

3. CLAIM

The table you see is populated with information you previously provided and calculations based on that information. The columns are as follows:

- **The first row on the Claim page will display your base figures for each investment year.**
- **Eligible** – This column will have a check if you have made increases in all categories.
- **Original Rebate** – Column displays the original amount of Net Available Rebate from that year.
- **Rebate Used Previously** – Column displays the amount of that year’s Net Available Rebate that has already been claimed.
- **Rebate Remaining** – Column displays remaining Net Available Rebate for that year.
- **Increase in Production Ratio** – This column displays the proportion of the net increase in production from investment in that year. The increase in tons produced at all affiliated mines from year prior to investment to

current year is divided by the increase in tons produced at this mine from year prior to investment to current year.

- **Rebate Eligible this Year** – This column displays the amount of that year’s rebate eligible to be claimed in the current year.

“Total rebate able to be claimed this year” is displayed below the table. This is a sum of all available rebate amounts you are currently eligible to claim. You may enter a value between zero and that amount in the “Amount of rebate being claimed”.

! Exceeds limit ! The amount of rebate claimed cannot exceed 80% of your overall coal severance tax paid for the current year.

Click Next to continue.

4. REVIEW

- Print the review page for your records.
- This information will be used to determine the amount of your rebate claim. Ensure the information is accurate before you submit.

5. REFUND INFORMATION

You must select how you would like to receive your refund. You may choose paper check or direct deposit. If you choose direct deposit, you must enter:

- **Account type** (checking or savings)
- **Routing Number of your bank or financial institution**
- **Bank Account Number**