

B-I-100G Instructions Gas Severance Schedule of Gross Receipts and Cost Instructions

B-I-100G - Gas Severance Schedule of Gross Receipts and Costs Instructions

B-I-100G provides detail in support of the total amounts shown as the total severance tax due on natural gas produced during the filing period. The producer is required to report gross cash receipts from the sale of the natural gas produced and is entitled to deduct the actual costs of delivering the gas to the market incurred. Complete the requested information for every column and line on this schedule. List all leases in alphabetical order.

The total on line 10 is carried to Page 1, Line 1 of Form B-I-100, Severance Tax on Energy Minerals Return.

Identifying Information

Legal Name, FEIN or SSN, Account Number, and Month/Year of Return

Complete the information at the top of each schedule showing the producer's legal name as shown on the face of the return, producer's FEIN or SSN, producer's Account Number, and Month/Year of the return. Note: For quarterly taxpayers, please enter the month for the quarter ending in the "Month" box when completing Form B-I-100G.

Column Instructions:

Column 1: Name of Lease -

Enter the name of the lease from which natural gas was produced.

Column 2: Name and Address of First Purchaser -

Enter the name and address of the first purchaser of the natural gas produced.

Column 3: Gross Receipts - Marginal Gas Rate Wells -

Enter the producer's total gross receipts from the sale to the first purchaser in Column 2 that were from wells using the Marginal Gas Rate.

Column 4: Gross Receipts - Gas Rate Wells -

Enter the producer's total gross receipts from the sale to the first purchaser in Column 2 that were from wells using the Gas Rate.

Line 5: Total gross receipts from the sale of natural gas -

Total Columns 3 and 4 separately.

Line 6: Total actual costs to deliver the natural gas to the market -

Enter the total actual costs to deliver the gas to market for all marginal gas rate wells in Column 3 and all the gas rate wells in Column 4 - see below.

"Costs to deliver the gas to the market" are the actual and reasonable costs incurred by the producer to get the gas from the mouth of the well to the first purchaser, except costs incurred in normal lease separation of the oil or condensate from the gas, and costs associated with insurance premiums on a facility used to deliver the gas to market. Costs to deliver the gas to the market include only the following:

- (1) Costs for compressing the gas sold.
- (2) Costs for dehydrating the gas sold.
- (3) Costs for sweetening and treating the gas sold.
- (4) Costs for delivering the gas to the purchaser.
- (5) Reasonable charges for depreciation of the facility used to deliver the gas to market being used, provided that, if the facility is rented, the actual rental fee is added.
- (6) Costs of direct or allocated labor associated with the facility used to deliver the gas to market.
- (7) Costs of materials, supplies, maintenance, repairs, and fuel associated with the facility used to deliver the gas to market.

- (8) Property taxes paid on the facility used to deliver the gas to market.
- (9) Charges for fees paid by the producer to any provider of dehydration, treating, compression, and delivery services.

Line 7: Exemption amount for on-site use (maximum of \$1,200 per year) - Enter the amount for on-site use exemption for all marginal gas rate wells in Column 3 and all the gas rate wells in Column 4 - see below.

On-site use is defined as the use of extracted, or removed, natural gas from the soil or water, owned legally or beneficially by the producer, which is used on the land from which they are taken by the producer as part of the improvement of or use in the producer’s homestead and which have a yearly cumulative delivered to market value of not greater than one thousand two hundred dollars (\$1,200). When on-site use exceeds a cumulative delivered to market value of one thousand two hundred dollars (\$1,200) during any year, the excess shall be subject to the severance tax.

NOTE: The \$1,200 maximum per year amount includes the on-site use for ALL wells combined.

Line 8: Total market value of delivered natural gas - Subtract lines 6 and 7 from line 5 for Columns 3 and 4, but not less than zero.

Line 9: Severance tax due on natural gas produced - Multiply line 8, Columns 3 and 4 by the applicable rate - see below.

Marginal Gas Rate - The producer of a proposed or existing gas well may apply to the Mining and Energy Commission for a determination that the well qualifies as a marginal gas well. The producer may elect to have the gas taxed at the marginal gas rate or the gas rate. For severance of gas from a marginal gas well the percentage rate is eight-tenths of one percent (0.8%).

Gas Rate - The percentage rate for gas is set in the table below. The tax rate is applied to the delivered to market value of the gas sold.

Over	Up to	Rate
-0-	\$3.00 per MCF	0.9%
\$3.01 per MCF	\$4.00	1.9%
\$4.01	\$5.00	2.9%
\$5.01	\$6.00	3.9%
\$6.01	\$7.00	4.9%
\$7.01	\$8.00	5.9%
\$8.01	\$9.00	6.9%
\$9.01	\$10.00	7.9%
\$10.01	N/A	9%

NOTE: These rates are effective January 1, 2023.

Line 10: Severance tax due on natural gas produced - Add Line 9, Columns 3 and 4. Enter the combined total here and on Form B-I-100, Line 1.

G.S. 105-449.120(a)(4) - Penalty for False Statement. Any person making a false statement in an application, a return, or a statement required under this Article is guilty of a Class 1 misdemeanor.

MAIL TO:

North Carolina Department of Revenue
ExciseTax Division
Post Office Box 25000
Raleigh, North Carolina 27640-0950

QUESTIONS:

Contact the Excise Tax Division at:
Telephone Number (919) 707-7500
Toll Free Number (877) 308-9092
Fax Number (919) 250-7898