

2023 Kansas Statutes

79-4216. Mineral severance tax; definitions. As used in this act, unless the context clearly requires otherwise, the following words and phrases shall have the meanings ascribed to them herein:

- (a) "Barrel" for oil measurement means a barrel of 42 U.S. gallons of 231 cubic inches per gallon, computed at a temperature of 60 degrees Fahrenheit.
- (b) "Director" means the director of taxation.
- (c) "Gas" means natural gas, and all other raw, unrefined gas or gases, all constituent parts of any such gas or gases and refined products derived from any such gas or gases, including, but not limited to, methane, ethane, propane, butane and helium, taken from below the surface of the earth or water in this state, regardless of whether from a gas well or from a well also productive of oil or any other product.
- (d) "Gross value" means the sale price of oil or gas at the time of removal of the oil or gas from the lease or production unit and if oil or gas is exchanged for something other than cash, or if no sale occurs at the time of removal or if the director determines that the relationship between the buyer and the seller is such that the consideration paid, if any, is not indicative of the true value or market price, then the director shall determine the value of the oil or gas subject to tax based on the cash price paid to one or more producers for the oil or gas or based on the cash price paid to producers for like quality oil or gas in the vicinity of the lease or production unit at the time of the removal of the oil or gas from the lease or production unit.
- (e) "Lease number" means the number assigned by the director of taxation to identify each well, lease or combination of wells within a lease.
- (f) "Oil" means petroleum, or other crude oil, condensate, casinghead gasoline, or other mineral oil which is severed or withdrawn from below the surface of the soil or water in this state.
- (g) "Operator" means the person primarily responsible for the management and operation of coal, oil or gas productions from a lease, production unit or mine.
- (h) "Person" means any natural person, firm, copartnership, joint venture, association, corporation, estate, trust or any other group or combination acting as a unit, and the plural as well as the singular number.
- (i) "Producer" means any person owning, controlling, managing or leasing any coal, oil or gas property or oil or gas well or coal or salt mine, and any person who serves in any manner any coal, oil or gas in this state, and shall include any person owning any direct and beneficial interest in any coal, oil or gas produced, whether severed by such person or some other person on their behalf, either by lease, contract or otherwise, including a royalty owner.
- (j) "Remove" or "removal" means the physical transportation of coal, oil or gas off of the lease or production unit or from the mine where severed; and if the manufacture or conversion of crude oil or natural gas into refined products occurs on the premises where severed, oil or gas shall be deemed to have been removed on the date such manufacture or conversion begins.
- (k) "Secretary" means the secretary of revenue.
- (l) "Severed" or "severing" means: (1) The production of oil through extraction or withdrawal of the same from below the surface of the soil or water, whether such extraction or withdrawal shall be by natural flow, mechanical flow, forced flow, pumping or any other means employed to get the oil from below the surface of the soil or water and shall include the withdrawal by any means whatsoever of oil upon which the tax has not been paid, from any surface reservoir, natural or artificial, or from a water surface; (2) the production of gas through the extraction or withdrawal of the same by any means whatsoever, from below the surface of the earth or water; and (3) the physical removal of coal from the earth.
- (m) "Taxpayer" means any person liable for the taxes imposed by this act.
- (n) "Disruption of production" means, in the case of oil, a continuous 24-hour period during which a well is not producing. Circulating and missed production days shall be considered production days if the operator can demonstrate that any lost production is subsequently recovered during a later production day. In the case of gas, a continuous one-hour period during which a well is not open to the pipeline shall be

deemed to be a disruption of production. Missed production hours shall be considered production hours if the operator can demonstrate that any lost production is subsequently recovered during later production hours.

History: L. 1983, ch. 313, § 1; L. 1987, ch. 393, § 2; L. 1992, ch. 10, § 1; L. 1997, ch. 126, § 50; L. 2004, ch. 173, § 17; L. 2013, ch. 135, § 13; June 20.