

**79-4220. Mineral severance tax; tax due and payable, when; persons liable for payment and collection; withholding by first purchaser; state lien on production, when.** (a) The tax imposed under the provisions of K.S.A. 79-4217, and amendments thereto, shall be due and payable on or before the 20th day of the second month following the end of the month in which oil, gas or coal is removed from the lease or production unit or mine.

(1) The first purchaser of any oil or gas sold shall collect the amount of the tax due from the producers, as defined by K.S.A. 79-4216, and amendments thereto, by deducting and withholding such amount from any payments made by such purchaser to the operator, or such producers where payment is made to same directly, and shall remit the same as provided in this act, unless the operator of the lease or production unit, upon written notice to the first purchaser and the director, elects to remit the tax. In no event shall a producer be relieved of responsibility for the tax until the same has been paid.

In the event the tax shall be withheld by a purchaser from payments due an operator or producer and such purchaser fails to make payment of the tax to the director as required herein, the operator or producer shall be entitled to bring an action against such purchaser to recover the amount of tax so withheld together with penalties and interest which may have accrued by failure to make such payment. The operator or producer shall be entitled to reasonable attorney fees and court costs incurred in such action.

(2) An operator of an oil or gas lease or production unit, upon having given written notice to the first purchaser and the director, may elect to collect and remit the tax due under this act. If an operator of an oil or gas lease or production unit makes this election, such operator shall collect the total amount of tax due and shall remit the same to the director.

(3) The operator of a coal mine shall collect the total amount of tax due and shall remit the same to the director.

(4) If the oil, gas or coal has not been sold by the time the tax is due, the operator shall remit the full amount of the tax due upon certification of the amount thereof by the director. The amount of tax to be remitted shall be determined in the same manner prescribed for remittances by purchasers or operators.

(b) The state shall have a lien on all the oil, gas or coal severed in this state in the hands of the operator, any producer or the first or any subsequent purchaser thereof to secure the payment of the tax. In the event any person required herein to pay the tax fails to do so, the director shall proceed against such person to collect the tax in the manner provided by K.S.A. 79-3235, and amendments thereto.

(c) Penalty and interest for late payment of tax shall be imposed in accordance with K.S.A. 79-4225, and amendments thereto.

**History:** L. 1983, ch. 313, § 5; L. 1984, ch. 364, § 2; L. 1987, ch. 393, § 4; L. 2014, ch. 132, § 7; July 1.