7-15

B-I-100 Instructions
Severance Tax on Energy Minerals Return Instructions

General Instructions

The severance tax on energy minerals return is required to be filed by persons who produce oil, natural gas, or condensate extracted, or removed, from the soil or water of this State.

Complete all information at the top of form B-I-100 including legal name (first 30 characters), trade name, location, mailing address, county, city, state, zip code, FEIN or SSN, Account Number, return for month of or return for quarter ending, name of contact person, telephone number, and fax number. This return is due to be filed by the 25th day of the second month following the calender month covered by the filing period.

If the return and payment are not submitted timely, a delinquent penalty of five percent (5%) per month, maximum twenty-five percent (25%), of any tax due will be added for each month, or fraction thereof, the return is late. A penalty of ten percent (10%) of any tax due will be added for failure to pay the tax when due. In addition, interest will be charged at a daily rate from the date the tax is due until the date the tax is paid. The interest rate is subject to change every six months; therefore, you should verify the rate on the Department's website at **www.dornc.com**.

The return, supporting schedule, and payment (if applicable) must be received by the Department or postmarked on or before the 25th day of the second month following the end of the filing period. If the 25th falls on a Saturday, Sunday, or state holiday, the return and payment MUST BE RECEIVED by the Department or MUST BE POSTMARKED on the next business day. This also applies to returns when no tax is due.

Amended Returns: Prior period adjustments are not allowed on current returns. If you are filing an amended previously filed Severance Tax on Energy Minerals return, you should complete another Form B-I-100, Severance Tax on Energy Minerals Return and attach Form B-I-100G, Gas Severance Schedule of Gross Receipts and Costs, with the required adjustments. Please indicate the return is an amended by filling in the applicable circle for "Amended return".

Line-by-Line Instructions

Part 1 - Gas Severance Accountability of the Producer

Line 1 - Severance tax due on gas produced: Form B-I-100G, Line 10, attached, but not less than zero.

The tax required to be reported on this line should be the summary of the detail information provided on B-I-100G, Line 10. This amount should reflect the total severance tax due on natural gas produced during the filing period and should not be less than zero.

Part 2 - Oil Severance Accountability

Line 2 - Gross price paid of oil produced at the wellhead

The amount reported on this line should be the gross price paid by the first purchaser for the oil produced at the well in liquid form by ordinary production methods and which were not the result of condensation of gas after it leaves the reservoir.

Line 3 - Severance tax due on oil purchased (Multiply Line 2 by 0.02)

Multipy line 2 by two percent (2% or .02). Enter the amount.

Part 3 - Condensate Severance Accountability

Line 4 - Gross price paid of condensates produced at the wellhead

The amount reported on this line should be the gross price paid by the first purchaser for the condensate produced in the form of liquid hydrocarbons that is, or can be, recovered from gas by a separator or other means.

Line 5 - Severance tax due on condensates purchased: (Multiply Line 4 by 0.02)

Multipy line 4 by two percent (2% or .02). Enter the amount.

Part 4 - Computation of Total Severance Tax

Line 6 - Total Severance Tax Due

Add the amounts on Lines 1, 3, and 5. Enter the amount.

Line 7 - Penalty

Payment of the Failure to File Penalty is required with any return filed after the date the return is due. If this return is late the penalty is 5% per month or any fraction thereof, with a maximum of 25% of the tax that is due.

Payment of the Failure to Pay Penalty is required with any payment received after the date the return is due. If the payment is late the penalty is 10% of the tax that is due.

Line 8 - Interest

Payment of interest is required when payment on any return with tax due is late. The interest rate is subject to change every six months; therefore, you should verify the rate on the Department's website at **www.dornc.com**.

Line 9 - Total Payment Due

Add the amounts from Lines 6, 7, and 8, and enter the total. This is the amount due to be paid with the return. Your payment should equal the amount on Line 9 on the return. Make checks payable to the North Carolina Department of Revenue and include your account number on your check. **Any payment must be drawn on a U.S. (domestic) bank and payable in U.S. dollars.**

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
Excise Tax 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) 733-8654