

**59-6-102 Producer's obligation to deduct and withhold payments -- Amount -- Exempt payments -- Credit against tax.**

- (1) Except as provided in Subsection (2), each producer shall deduct and withhold from each payment being made to any person in respect to production of minerals in this state, but not including that to which the producer is entitled, an amount equal to 5% of the amount which would have otherwise been payable to the person entitled to the payment.
- (2) The obligation to deduct and withhold from payments as provided in Subsection (1) does not apply to those payments which are payable to:
  - (a) the United States, this state, or an agency or political subdivision of the United States or this state;
  - (b) an organization that is exempt from the taxes imposed by Chapter 7, Corporate Franchise and Income Taxes, in accordance with Subsection 59-7-102(1)(a);
  - (c) an Indian or Indian tribe if the amounts accruing are subject to the supervision of the United States or an agency of the United States; or
  - (d) a business entity that files an exemption certificate in accordance with Section 59-6-102.1.
- (3) A claimant, estate, or trust that files a tax return with the commission may claim a refundable tax credit against the tax reflected on the tax return for the amount withheld by the producer under Subsection (1).

Amended by Chapter 255, 2008 General Session