



CHAPTER 105
ARTICLE 5I - SEVERANCE TAX

N.C.G.S. § 105-187.78.

Delivered to Market Value.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT No amendment history on record	RETRIEVED 21 September 2026, 04:03 UTC	SOURCE FINGERPRINT 9239c4540f7237edc98471af - 6ee8b2386ea48808e71fa6db - 10420eb9682375a3
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- § 105-187.78(a)

Delivered to Market Value of Natural Gas. - The delivered to market value of natural gas is the total actual gross price as adjusted in this section. The delivered to market value of gas is determined by subtracting the producer's actual costs to deliver the gas to the market from the producer's total gross cash receipts from the sale of the natural gas. A producer receiving a cost reimbursement from the gas purchaser shall include the reimbursement in the gross cash receipts and is entitled to deduct the actual costs of delivering the gas to market incurred.
- § 105-187.78(b)

Records. - In order to be eligible to subtract the actual costs to deliver the gas to the market from the producer's gross receipts for purposes of calculating the delivered-to-market value of natural gas, the producer shall provide any information required by the Secretary. Every producer subtracting the costs to deliver the gas to the market as permitted under this subsection shall maintain and make available for inspection by the Secretary any records the Secretary considers necessary to determine and verify the amount of the costs to deliver the gas to the market the producer is eligible to subtract. The burden of proving eligibility for subtracting the costs to deliver the gas to the market and the amount of the costs to deliver the gas to the market to be subtracted shall rest upon the producer, and no subtraction of costs to deliver the gas to the market shall be allowed to a producer that fails to maintain adequate records or to make them available for inspection.
- § 105-187.78(c)

Costs to Deliver the Gas to the Market and Facilities Used to Deliver the Gas to the Market. - A "facility used to deliver the gas to market" includes flow lines or gathering systems from the separator to the purchaser's transmission line, compressor stations,

dehydration units, line heaters after the separator, and treating facilities. "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. (2014-4, s. 17(a).)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 105-187.78 (2026).

PINPOINT

N.C. Gen. Stat. § 105-187.78(a) (2026).

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