

BILL ANALYSIS

S.B. 997
By: Duncan
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

During the 74th Legislature, Regular Session, 1995, the Tax Code was amended to change the due date of the gas production tax to on or before the 20th day of the second month following the month of production. However, the corresponding producer's report due date was not amended to coincide with the tax due date.

As proposed, S.B. 997 amends the Tax Code to ensure that the due dates for the gas production tax and the producer's report submitted to the comptroller of public accounts coincide. This bill amends Section 201.258(a), Tax Code, to delete the exemption described by Section 202.059 (Exemption for Hydrocarbons From Terra Wells) from the exemptions that apply to certain taxes and subject to certain required certifications and approvals.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

SECTION 1. Amends Section 201.058(a), Tax Code, to provide that exemptions described by Sections 202.056 (Exemption for Oil and Gas From Wells Previously Inactive), 202.057 (Tax Credit for Incremental Production Techniques) and 202.060 (Exemption for Oil and Gas From Reactivated Orphaned Wells), rather than the exemptions described by Sections 202.056, 202.057, 202.059 (Exemption for Hydrocarbons From Terra Wells), and 202.060, apply to the taxes imposed by this chapter as authorized by and subject to the certifications and approvals required by those sections.

SECTION 2. Amends Section 201.203(a), Tax Code, to require the producer, on or before the 20th day of the second month following the month in which gas was produced, rather than the last day of each calendar month, to file a report with the comptroller of public accounts (comptroller) on forms prescribed by the comptroller. Requires the report to contain certain information concerning gas produced during the month being reported, rather than the preceding calendar month.

SECTION 3. Amends Section 201.2035(a), Tax Code, to require the first purchaser, on or before the 20th day of the second month following the month in which gas was purchased from a producer, rather than the last day of each calendar month, to file a report with the comptroller on forms prescribed by the comptroller. Requires that the report contain certain information concerning gas purchased from a producer during the month being reported. Makes a conforming change.

EFFECTIVE DATE

Effective date: September 1, 2009.