

By: Gonzalez Toureilles

H.B. No. 4063

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the periods for applying for and receiving designation
3 of a well as a two-year inactive well for purposes of the oil and gas
4 severance tax exemption.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Sections 202.056(c) and (d), Tax Code, are
7 amended to read as follows:

8 (c) If the commission designates a three-year inactive well
9 under this section, it shall issue a certificate designating the
10 well as a three-year inactive well as defined by Subsection (a)(3)
11 of this section. The commission may not designate a three-year
12 inactive well under this section after February 29, 1996. If the
13 commission designates a two-year inactive well under this section,
14 it shall issue a certificate designating the well as a two-year
15 inactive well as defined by Subsection (a)(4) of this section. The
16 commission may not designate a two-year inactive well under this
17 section after February 28, 2020 [~~2010~~].

18 (d) An application for three-year inactive well
19 certification shall be made during the period of September 1, 1993,
20 through August 31, 1995, to qualify for the tax exemption under this
21 section. An application for two-year inactive well certification
22 shall be made during the period September 1, 1997, through August
23 31, 2019 [~~2009~~], to qualify for the tax exemption under this
24 section. Hydrocarbons sold after the date of certification are

1 eligible for the tax exemption.

2 SECTION 2. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect on the 91st day after the last day of the
7 legislative session.