

By: Keffer

H.B. No. 4246

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the reporting of lost or unaccounted gas by the first  
3 purchaser and the tax due by the first purchaser on lost or  
4 unaccounted for gas.

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

6 SECTION 1. Section 201.2035, Subchapter E, Chapter 201, Tax  
7 Code, is amended by amending subsection (b) and adding subsections  
8 (c) and (d) to read as follows:

9 Sec. 201.2035. FIRST PURCHASER'S REPORT AND LOST OR  
10 UNACCOUNTED FOR GAS REPORTS AND PAYMENT OF TAX. (a) On or before  
11 the last day of each calendar month, each first purchaser must file  
12 a report with the comptroller on forms prescribed by the  
13 comptroller. The report must contain the following information  
14 concerning gas purchased from a producer during the preceding  
15 calendar month:

16 (1) the gross amount of gas purchased from each  
17 producer;

18 (2) the price paid for the gas;

19 (3) the leases from which the gas was produced; and

20 (4) other information the comptroller may reasonably  
21 require.

22 (b) If the report the first purchaser is required to file  
23 pursuant to subsection (a) shows any additional tax due, the first  
24 purchaser must pay the tax when he files the report.

1       (c) On or before the last day of each calendar month, each  
2 first purchaser who is either a gatherer, an intra-state pipeline  
3 or an affiliate of a gatherer or an intra-state pipeline must also  
4 file a lost or unaccounted for gas report with the comptroller on  
5 forms prescribed by the comptroller. The report must contain the  
6 following information for the preceding calendar month:

7           (1) the gross volume of lost or unaccounted for gas the  
8 first purchaser who is either a gatherer, an intra-state pipeline  
9 or an affiliate of a gatherer or an intra-state pipeline reported to  
10 all producers in the state of Texas;

11           (2) two percent of the gross volume of gas the first  
12 purchaser received from all producers in the state of Texas;

13           (3) the resulting gross volume when (c)(2) is  
14 subtracted from (c)(1).

15 If the report the first purchaser who is either a gatherer, an  
16 intra-state pipeline or an affiliate of a gatherer or an  
17 intra-state pipeline is required to file pursuant to this  
18 subsection shows a positive gross volume reported under (c)(3),  
19 then notwithstanding any other provision of this act, the first  
20 purchaser who is either a gatherer, an intra-state pipeline or an  
21 affiliate of a gatherer or an intra-state pipeline is solely liable  
22 for the tax on the positive gross volume reported under (c)(3), the  
23 first purchaser who is either a gatherer, an intra-state pipeline  
24 or an affiliate of a gatherer or an intra-state pipeline may not  
25 transfer or contract away this liability for the tax on the positive  
26 gross volume reported under (c)(3) to any other entity or  
27 individual by any means and must pay the tax on the positive gross

1 volume reported under (c)(3) at the price reported under (a)(2)  
2 when he files the report.

3 (d) On or before the last day of each calendar month, each  
4 gatherer, intra-state pipeline or an affiliate of a gatherer or an  
5 intra-state pipeline that transports gas for a fee must also file a  
6 lost or unaccounted for gas report with the comptroller on forms  
7 prescribed by the comptroller. The report must contain the  
8 following information for the preceding calendar month:

9 (1) the gross volume of lost or unaccounted for gas the  
10 gatherer, an intra-state pipeline or an affiliate of a gatherer or  
11 an intra-state pipeline that transports gas for a fee reported to  
12 all producers in the state of Texas;

13 (2) two percent of the gross volume of gas the  
14 gatherer, an intra-state pipeline or an affiliate of a gatherer or  
15 an intra-state pipeline that transports gas for a fee received from  
16 all producers in the state of Texas; and

17 (3) the resulting gross volume when (d)(2) is  
18 subtracted from (d)(1).

19 If the report the gatherer, an intra-state pipeline or an affiliate  
20 of a gatherer or an intra-state pipeline that transports gas for a  
21 fee is required to file pursuant to this subsection shows a positive  
22 gross volume reported under (d)(3), then notwithstanding any other  
23 provision of this act, the gatherer, an intra-state pipeline or an  
24 affiliate of a gatherer or an intra-state pipeline that transports  
25 gas for a fee is solely liable for the tax on the positive gross  
26 volume reported under (d)(3), the gatherer, an intra-state pipeline  
27 or an affiliate of a gatherer or an intra-state pipeline that

1 transports gas for a fee may not transfer or contract away this  
2 liability for the tax on the positive gross volume reported under  
3 (d)(3) to any other entity or individual by any means and must pay  
4 the tax when he files the report on the positive gross volume  
5 reported under (d)(3) at the closing price at the Houston Ship  
6 Channel on the day before the date when he files the report.

7         SECTION 2. The revenue derived from Section 201.2035 (c)  
8 and (d) shall be deposited in the General Revenue Fund and  
9 one-fourth of the funds collected shall be used for the  
10 administration of the state's oil and gas conservation laws.

11         SECTION 3. This Act takes effect September 1, 2009.