

By: Rodriguez

H.B. No. 4433

Substitute the following for H.B. No. 4433:

By: Oliveira

C.S.H.B. No. 4433

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from the severance tax for gas and oil incidentally produced in the production of geothermal energy.

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

SECTION 1. Subchapter B, Chapter 201, Tax Code, is amended by adding Section 201.060 to read as follows:

Sec. 201.060. EXEMPTION FOR GAS INCIDENTALLY PRODUCED IN PRODUCTION OF GEOTHERMAL ENERGY. Gas incidentally produced in the production of geothermal energy is exempt from the severance tax imposed by this chapter.

SECTION 2. Subchapter B, Chapter 202, Tax Code, is amended by adding Section 202.062 to read as follows:

Sec. 202.062. EXEMPTION FOR OIL INCIDENTALLY PRODUCED IN PRODUCTION OF GEOTHERMAL ENERGY. Oil incidentally produced in the production of geothermal energy is exempt from the severance tax imposed by this chapter.

SECTION 3. Sections 201.060 and 202.062, Tax Code, as added by this Act, apply only to gas or oil produced on or after the effective date of this Act. Gas or oil produced before the effective date of this Act is governed by the law in effect when the gas or oil was produced, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2009.