

By: Averitt, Harris

S.B. No. 846

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the exemption of oil and gas royalty interests owned by  
3 private institutions of higher education from oil and gas severance  
4 taxes.

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

6 SECTION 1. Subchapter B, Chapter 201, Tax Code, is amended  
7 by adding Section 201.056 to read as follows:

8 Sec. 201.056. EXEMPTION OF PRIVATE OR INDEPENDENT  
9 INSTITUTIONS OF HIGHER EDUCATION. (a) "Private or independent  
10 institution of higher education" has the meaning assigned by  
11 Section 61.003, Education Code.

12 (b) Royalty interests owned by a private or independent  
13 institution of higher education are not subject to the tax imposed  
14 by this chapter.

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

17 Sec. 202.062. EXEMPTION OF PRIVATE OR INDEPENDENT  
18 INSTITUTIONS. (a) "Private or independent institution of higher  
19 education" has the meaning assigned by Section 61.003, Education  
20 Code.

21 (b) Royalty interests owned by a private or independent  
22 institution of higher education are not subject to the tax imposed  
23 by this chapter.

24 SECTION 3. The change in law made by this Act does not

1 affect tax liability accruing before the effective date of this  
2 Act. That liability continues in effect as if this Act had not been  
3 enacted, and the former law is continued in effect for the  
4 collection of taxes due and for civil and criminal enforcement of  
5 the liability for those taxes.

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