

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 5, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3899** by Oliveira (Relating to the administration of and exemptions from the gas production tax.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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This bill would amend Chapter 201 of the Tax Code, relating to exemptions for hydrocarbons from the Texas Experimental Research and Recovery Activity (TERRA) wells and the reporting of the natural gas production tax.

The bill would amend Section 201.058(a) by removing the reference to Section 202.059, relating to exemptions for hydrocarbons from TERRA wells. However, the TERRA well exemption had previously been nullified by the removal of Chapter 93 of the Natural Resource Code during the 77th Legislative, Regular Session (2001). Therefore, the bill would have no fiscal impact on the state or units of local government.

The bill would amend Sections 201.203(a) and 201.2035(a) to conform with Comptroller rules relating to the filing of natural gas production tax reports.

This bill would take effect September 1, 2009.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, SD, KK