

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 25, 2009

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: SB997 by Duncan (Relating to the administration of and exemptions from the gas production tax.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 201 of the Tax Code, regarding the natural gas production tax.

The bill would remove the tax exemption for natural gas that is provided to oil production from a well subject to Texas Experimental Research and Recovery Activity (TERRA) provisions. Also, the bill would make changes codifying Comptroller rules relating to the filing of the natural gas production tax reports.

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 contains no revenue implications.

The 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