

By: Callegari

H.B. No. 3785

A BILL TO BE ENTITLED

AN ACT

relating to a tax exemption for inactive oil and gas wells.

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

SECTION 1. Section 202.056, Tax Code, is amended to read as follows:

(c) If the commission designates a three-year inactive well under this section, it shall issue a certificate designating the well as a three-year inactive well as defined by Subsection (a)(3) of this section. The commission may not designate a three-year inactive well under this section after February 29, 1996. If the commission designates a two-year inactive well under this section, it shall issue a certificate designating the well as a two-year inactive well as defined by Subsection (a)(4) of this section. The commission may not designate a two-year inactive well under this section after February 28, 2016 [~~2010~~].

(d) An application for three-year inactive well certification shall be made during the period of September 1, 1993, through August 31, 1995, to qualify for the tax exemption under this section. An application for two-year inactive well certification shall be made during the period September 1, 2011 [~~1997~~], through August 31, 2015 [~~2009~~], to qualify for the tax exemption under this section. Hydrocarbons sold after the date of certification are eligible for the tax exemption.

SECTION 2. This Act takes effect September 1, 2011.