

By: Ellis

S.B. No. 71

A BILL TO BE ENTITLED

AN ACT

relating to eligibility for the tax reduction for certain high-cost gas and the allocation of certain gas production tax revenue.

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

SECTION 1. Section 201.057, Tax Code, is amended by adding Subsections (e-1) and (e-2) to read as follows:

(e-1) Each month, the commission shall certify the average closing price of gas during the previous three months based on various price indices available to producers. The commission shall publish certifications under this subsection in the Texas Register. Notwithstanding any other provision of this section, the commission may not certify that gas is high-cost gas for purposes of this section during any month that the average closing price of gas certified by the commission for the previous three-month period is more than \$4 per mcf. If the price is later \$4 per mcf or less, any drilling and completion costs incurred during a month when the price exceeds \$4 per mcf are excluded from the calculation of the cumulative value of the exemption under Subsection (c).

(e-2) The comptroller shall determine the additional revenue from the tax imposed under this chapter that results from the application of Subsection (e-1). After deducting the amount required by Section 201.403, the comptroller shall deposit that revenue to the credit of the foundation school fund. Section 201.404 does not apply to revenue deposited under this subsection.

1 SECTION 2. The Railroad Commission of Texas shall publish
2 the initial certification required by Section 201.057(e-1), Tax
3 Code, as added by this Act, not later than September 30, 2013.

4 SECTION 3. The change in law made by this Act does not
5 affect tax liability accruing before the effective date of this
6 Act. That liability continues in effect as if this Act had not been
7 enacted, and the former law is continued in effect for the
8 collection of taxes due and for civil and criminal enforcement of
9 the liability for those taxes.

10 SECTION 4. This Act takes effect September 1, 2013.