

AN ACT

relating to the repeal of the production taxes on crude petroleum and sulphur.

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

SECTION 1. The following provisions are repealed:

(1) Sections 81.111, 81.112, 81.113, and 81.114, Natural Resources Code; and

(2) Chapter 203, Tax Code.

SECTION 2. Section 355.102(f), Estates Code, is amended to read as follows:

(f) Class 5 claims are composed of claims for taxes, penalties, and interest due under Title 2, Tax Code, Chapter 2153, Occupations Code, former Section 81.111, Natural Resources Code, the Municipal Sales and Use Tax Act (Chapter 321, Tax Code), Section 451.404, Transportation Code, or Subchapter I, Chapter 452, Transportation Code.

SECTION 3. Section 81.018(a), Natural Resources Code, is amended to read as follows:

(a) Salaries and other expenses necessary in the administration and enforcement of the oil and gas laws shall be paid by warrants drawn by the comptroller on the State Treasury from general revenue [~~funds provided under Section 81.112 of this code~~].

SECTION 4. The heading to Subchapter E, Chapter 81, Natural Resources Code, is amended to read as follows:

1 SUBCHAPTER E. FEES [~~TAX~~]

2 SECTION 5. Section 81.116(b), Natural Resources Code, is  
3 amended to read as follows:

4 (b) The fee is in addition to, and independent of any  
5 liability for, the tax [~~taxes~~] imposed under [~~Section 81.111 of~~  
6 ~~this code and~~] Chapter 202, Tax Code.

7 SECTION 6. Section 112.155(a), Tax Code, is amended to read  
8 as follows:

9 (a) The amount of a judgment for the plaintiff shall be  
10 credited against any tax, penalty, or interest imposed by this  
11 title [~~or by Section 81.111, Natural Resources Code,~~] and due from  
12 the plaintiff.

13 SECTION 7. Section 151.308, Tax Code, is amended to read as  
14 follows:

15 Sec. 151.308. ITEMS TAXED BY OTHER LAW. (a) The following  
16 are exempted from the taxes imposed by this chapter:

- 17 (1) oil as taxed by Chapter 202;
- 18 (2) [~~sulphur as taxed by Chapter 203,~~
- 19 [~~3~~] motor fuels and special fuels as defined, taxed,  
20 or exempted by Chapter 162;
- 21 (3) [~~4~~] cement as taxed by Chapter 181;
- 22 (4) [~~5~~] motor vehicles, trailers, and semitrailers  
23 as defined, taxed, or exempted by Chapter 152, other than a mobile  
24 office or an oilfield portable unit, as those terms are defined by  
25 Section 152.001;
- 26 (5) [~~6~~] mixed beverages, ice, or nonalcoholic  
27 beverages and the preparation or service of these items if the

1 receipts are taxable by Subchapter B, Chapter 183, or the items are  
2 taxable by Subchapter B-1, Chapter 183;

3 (6) [~~(7)~~] alcoholic beverages when sold to the holder  
4 of a private club registration permit or to the agent or employee of  
5 the holder of a private club registration permit if the holder or  
6 agent or employee is acting as the agent of the members of the club  
7 and if the beverages are to be served on the premises of the club;

8 (7) [~~(8)~~] oil well service as taxed by Subchapter E,  
9 Chapter 191; and

10 (8) [~~(9)~~] insurance premiums subject to gross  
11 premiums taxes.

12 (b) Natural gas is exempted under Subsection (a)(2)  
13 [~~(a)(3)~~] only to the extent that the gas is taxed as a motor fuel  
14 under Chapter 162.

15 SECTION 8. Subchapter H, Chapter 151, Tax Code, is amended  
16 by adding Section 151.3171 to read as follows:

17 Sec. 151.3171. SULPHUR. Sulphur is exempted from the taxes  
18 imposed by this chapter.

19 SECTION 9. The change in law made by this Act does not  
20 affect tax liability accruing before the effective date of this  
21 Act. That liability continues in effect as if this Act had not been  
22 enacted, and the former law is continued in effect for the  
23 collection of taxes due and for civil and criminal enforcement of  
24 the liability for those taxes.

25 SECTION 10. This Act takes effect September 1, 2015.

S.B. No. 757

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 757 passed the Senate on March 24, 2015, by the following vote: Yeas 25, Nays 6.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 757 passed the House on May 22, 2015, by the following vote: Yeas 106, Nays 34, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor