

By: Seliger

S.B. No. 1008

A BILL TO BE ENTITLED

AN ACT

relating to funding for the economic stabilization fund, including the rates of severance taxes on oil and gas production.

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

SECTION 1. Section 201.052, Tax Code, is amended by amending Subsection (a) and adding Subsection (b) to read as follows:

(a) Except as provided by Subsection (b), the ~~The~~ tax imposed by this chapter is at the rate of 7.5 percent of the market value of gas produced and saved in this state by the producer.

(b) The rate of tax on gas production described by Subsection (a) is subject to Section 49-g(c-6), Article III, Texas Constitution.

SECTION 2. Section 202.052, Tax Code, is amended by amending Subsections (a) and (b) and adding Subsection (d) to read as follows:

(a) Except as provided by Subsection (d), the ~~The~~ tax imposed by this chapter is at the rate of 4.6 percent of the market value of oil produced in this state or 4.6 cents for each barrel of 42 standard gallons of oil produced in this state, whichever rate results in the greater amount of tax.

(b) Except as provided by Subsection (d), for ~~For~~ oil produced in this state from a new or expanded enhanced recovery project that qualifies under Section 202.054 of this code, the rate

1 of the tax imposed by this chapter is 2.3 percent of the market
2 value of the oil.

3 (d) The rates of tax on oil production described by
4 Subsections (a) and (b) are subject to Section 49-g(c-5), Article
5 III, Texas Constitution.

6 SECTION 3. The heading to Subchapter H, Chapter 316,
7 Government Code, is amended to read as follows:

8 SUBCHAPTER H. STATE HIGHWAY [~~PRESERVATION OF SUFFICIENT BALANCE IN~~
9 ~~ECONOMIC STABILIZATION~~] FUND

10 SECTION 4. Section 404.0241(c), Government Code, is amended
11 to read as follows:

12 (c) The comptroller shall include the fair market value of
13 the investment portfolio of the economic stabilization fund in
14 calculating the amount in the fund for purposes of Section 49-g(g),
15 Article III, Texas Constitution[, and Section 316.093 of this
16 code].

17 SECTION 5. The following provisions of the Government Code
18 are repealed:

19 (1) Sections 316.091, 316.092, and 316.093; and

20 (2) Sections 404.0241(a) and (d).

21 SECTION 6. This Act takes effect January 1, 2018, but only
22 if the constitutional amendment proposed by the 85th Legislature,
23 Regular Session, 2017, providing for foregoing the transfer of oil
24 and gas production tax revenue to the economic stabilization fund
25 if the ending fund balance for the preceding fiscal year is greater
26 than \$5 billion and for reducing the rates of oil and gas production
27 taxes by amounts sufficient to equal the foregone transfer is

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1 approved by the voters. If that amendment is not approved by the
2 voters, this Act has no effect.