

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 24, 2017**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB3232** by Darby (relating to the penalty imposed on certain delinquent oil and gas severance taxes.), **Committee Report 1st House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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This bill would amend Chapters 201 and 202 of the Tax Code regarding oil or natural gas production taxes to allow a taxpayer to file an amended natural gas or oil production tax return without incurring a penalty if certain conditions are met.

Taxpayers typically wait until the end of the four year statute of limitations to file amendments to their oil and natural gas production tax returns. The bill would encourage taxpayers to file their amendments within 730 days of filing the original return, and to resolve all errors identified on the original or amended report within 60 days of filing, in order to be eligible for the automatic penalty waiver. The Comptroller of Public Accounts indicates that no significant fiscal impact is expected.

This bill would take effect January 1, 2018.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD, LCO, RC