

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 2, 2019**

**TO:** Honorable Dustin Burrows, Chair, House Committee on Ways & Means

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB3865** by Bailes (Relating to calculation of daily production for purposes of the oil and gas production tax credits for low-producing wells and leases.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend Sections 201 and 202 of the Tax Code regarding the oil and gas production tax credits for low-producing gas wells and oil leases.

The bill would provide that for determination of qualification for the tax credits, the greater of the monthly production volume reported to the Railroad Commission or the monthly production volume reported to the comptroller be used.

The bill would codify the comptroller's existing use of the reported production volume available to the comptroller under certain circumstances in the qualification process, therefore bill would have no fiscal impact on the state or units of local government.

The bill would take effect September 1, 2019.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** WP, SZ, SD, KK