

1 **SENATE FLOOR VERSION**

2 February 24, 2015

3 **AS AMENDED**

4 SENATE BILL NO. 824

5 By: **Committee on Finance**

6 **[gross production taxes - procedures for collection**
7 **and distribution of tax revenue - specified tax**
8 **revenue - repealer - effective date]**

9
10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. AMENDATORY 68 O.S. 2011, Section 1003, is
12 amended to read as follows:

13 Section 1003. A. It shall be the duty of the Oklahoma Tax
14 Commission to collect, in addition to the gross production tax,
15 twelve and one-half percent (12 1/2%) of the gross value of all oil
16 reported to the Tax Commission as recovered from streams, lakes,
17 ponds, ravines and other natural depressions to which oil shall have
18 escaped or therein was found and twelve and one-half percent (12
19 1/2%) of the gross value of all oil which is reported to the Tax
20 Commission and which report does not disclose the actual source of
21 the oil. ~~The Tax Commission shall hold the proceeds thereof for~~
22 ~~twelve (12) months in its depository account with the State~~
23 ~~Treasurer, during which time~~ In the event the rightful owner or
24 owners of the royalty interest therein, ~~upon proper application and~~

1 provide satisfactory proof ~~made~~ of mineral ownership to the Tax
2 Commission, within twelve (12) months of the date the tax payment
3 was received by the Tax Commission, such royalty interest owner or
4 owners shall be paid their proper interest or interests ~~out of the~~
5 ~~depository account.~~ Otherwise, the Tax Commission shall, ~~after the~~
6 ~~lapse of one (1) year from the collection of any such sum,~~
7 distribute ~~the same~~ such sum as provided by law for the distribution
8 of gross production taxes.

9 B. For purposes of this section, "actual source" shall be the
10 well or wells and particular leasehold from which the oil was
11 produced.

12 C. The operators of salt water disposal facilities shall be
13 required to pay to the Tax Commission the fee of twelve and one-half
14 percent (12 1/2%) as required by this section on the amount of oil
15 recovered in excess of two percent (2%) of the volume of water
16 handled.

17 SECTION 2. AMENDATORY 68 O.S. 2011, Section 1005, is
18 amended to read as follows:

19 Section 1005. ~~(a) A. It shall be the duty of~~ Upon request by
20 the Oklahoma Tax Commission every railroad company, pipeline or
21 transportation company ~~to furnish to the Tax Commission~~ shall
22 provide, upon forms prescribed by it, any and all information
23 relative to the transportation of crude oil or gas subject to gross
24 production tax, that may be required to properly enforce the

1 provisions of this article; and such reports shall contain, along
2 with other information required, the name of shipper, amount of oil
3 and gas transported, point of receipt of shipment and point of
4 destination. The Tax Commission may require any such pipeline or
5 transportation company to install suitable measuring devices to
6 enable such company to include in such reports the quantity of oil
7 or gas transported within, into, out of, or across the State of
8 Oklahoma.

9 ~~(b)~~ B. It shall be the duty of every person engaged in the
10 operation of a refinery for the processing of oil or gas in the
11 State of Oklahoma to furnish monthly to the Tax Commission, upon
12 forms prescribed by it, any and all information relative to the
13 amount of oil or gas subject to gross production tax that has been
14 processed by it during such monthly period, and oil on hand at the
15 close of such period, that may be required to properly enforce the
16 provisions of this article.

17 ~~(e)~~ C. It shall be the duty of every person engaged in the
18 selling, purchasing, treating or transporting of tank bottoms, pit
19 oil or liquid hydrocarbons from which petroleum oil is extracted, to
20 furnish monthly a report to the Tax Commission, upon forms
21 prescribed by it, any and all information relative to the selling,
22 purchasing, treating or transporting of all tank bottoms, pit oil or
23 liquid hydrocarbons that may be required to properly enforce the
24 provisions of this article.

1 ~~(d)~~ D. It shall be the duty of every person engaged in the
2 purchasing or storing of oil subject to gross production tax in the
3 State of Oklahoma to furnish monthly a report to the Tax Commission,
4 upon forms prescribed by it, showing the amount of such oil in
5 storage, giving, along with other information required, the
6 location, identity, character and capacity of the storage receptacle
7 in which such oil is stored.

8 ~~(e)~~ E. All reports required by this article shall become due on
9 the first day of each calendar month on all lead, zinc, jack, gold,
10 silver or copper, petroleum oil, tank bottoms, pit oil and liquid
11 hydrocarbons from which petroleum oil is extracted, natural gas or
12 casinghead gas produced in and saved during the preceding monthly
13 period, and if such reports are not received on or before the tenth
14 day of the calendar month following the month such reports become
15 due, the reports shall become delinquent. The failure of any person
16 to comply with the provisions of this section shall make any such
17 person liable for a penalty, in accordance with Section 1010 of this
18 title, for each day it shall fail or refuse to furnish such
19 statement or comply with the provisions of this article. Such
20 penalty may be recovered at the suit of the state, on relation of
21 the Tax Commission and shall be apportioned as other gross
22 production tax penalties.

23 SECTION 3. REPEALER 68 O.S. 2011, Section 1016, is
24 hereby repealed.

1 SECTION 4. This act shall become effective November 1, 2015.

2 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
3 February 24, 2015 - DO PASS AS AMENDED
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