

1 ENGROSSED SENATE
2 BILL NO. 824

By: Committee on Finance of the
Senate

3 and

4 Sears of the House

5
6
7 [gross production taxes - procedures for collection
8 and distribution of tax revenue - specified tax
revenue - repealer - effective date]

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11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

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

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

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

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

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

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

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

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

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

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

