

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 SENATE BILL 824

By: Mazzei

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5
6 AS INTRODUCED

7 An Act relating to gross production taxes; amending
8 68 O.S. 2011, Sections 1003 and 1005, which relate to
9 procedures for collection and distribution of tax
10 revenue; modifying time frame for distribution of
11 specified tax revenue; modifying procedures by which
12 certain information is reported to Oklahoma Tax
13 Commission; repealing 68 O.S. 2011, Section 1016,
14 which relates to distribution of certain gross
15 production tax revenue under certain circumstances;
16 and providing an effective date.

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

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

20 Section 1003. A. It shall be the duty of the Oklahoma Tax
21 Commission to collect, in addition to the gross production tax,
22 twelve and one-half percent (12 1/2%) of the gross value of all oil
23 reported to the Tax Commission as recovered from streams, lakes,
24 ponds, ravines and other natural depressions to which oil shall have
25 escaped or therein was found and twelve and one-half percent (12
26 1/2%) of the gross value of all oil which is reported to the Tax
27 Commission and which report does not disclose the actual source of

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

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

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

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

23 Section 1005. ~~(a) A. It shall be the duty of~~ Upon request by
24 the Oklahoma Tax Commission every railroad company, pipeline or

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

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

21 ~~(e)~~ C. It shall be the duty of every person engaged in the
22 selling, purchasing, treating or transporting of tank bottoms, pit
23 oil or liquid hydrocarbons from which petroleum oil is extracted, to
24 furnish monthly a report to the Tax Commission, upon forms

1 prescribed by it, any and all information relative to the selling,
2 purchasing, treating or transporting of all tank bottoms, pit oil or
3 liquid hydrocarbons that may be required to properly enforce the
4 provisions of this article.

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

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

1 the Tax Commission and shall be apportioned as other gross
2 production tax penalties.

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

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

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