ENGROSSED HOUSE
BILL NO. 2122

BY: LUCAS, BOECKMAN, MADDUX (Elmer), COTNER, COLEMAN, RHOADS (Karroll), FALLIN, KOUBA, JOHNSON (Rob), GREENWOOD and VAUGHN (Ray) of the HOUSE

and

KERR of the SENATE

( REVENUE AND TAXATION - REFUND OF GROSS PRODUCTION TAXES - EFFECTIVE DATE )

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1025 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For the fiscal year beginning July 1, 1993, and for each fiscal year thereafter until the fiscal year beginning July 1, 1998, the Oklahoma Legislature shall appropriate a specified amount of monies from the General Revenue Fund of the state to be deposited in a special account of the Oklahoma Tax Commission for the purpose of refunding gross production taxes paid by any person, firm, association or corporation for any oil, gas, or oil and gas well drilled during the period between January 1, 1993 and December 31, 1995, upon any lease which was nonexistent prior to January 1, 1993, for the first two (2) years of production from each such well. The amount of such appropriation shall be determined each fiscal year by

the Oklahoma Tax Commission based upon the gross production tax reports for such wells which are eligible for the refund pursuant to the provisions of this section, which were filed with the Tax Commission during the previous fiscal year.

B. The Oklahoma Tax Commission shall pay the refund provided by subsection A of this section for the first two (2) years of production from each such well, where an application for such refund is filed with and approved by the Tax Commission, according to the following schedule:

1. For all gross production tax collections from wells specified in subsection A of this section from January 1, 1993 through June 30, 1993, the refund shall be paid on or after July 1, 1993;

2. For all gross production tax collections from wells specified in subsection A of this section from July 1, 1993 through December 31, 1993, the refund shall be paid on or after January 1, 1994;

3. For all gross production tax collections from wells specified in subsection A of this section from January 1, 1994 through June 30, 1994, the refund shall be paid on or after July 1, 1994;

4. For all gross production tax collections from wells specified in subsection A of this section from July 1, 1994 through December 31, 1994, the refund shall be paid on or after January 1, 1995;

5. For all gross production tax collections from wells specified in subsection A of this section from January 1, 1995 through June 30, 1995, the refund shall be paid on or after July 1, 1995;

6. For all gross production tax collections from wells specified in subsection A of this section from July 1, 1995 through

December 31, 1995, the refund shall be paid on or after January 1, 1996;

7. For all gross production tax collections from wells specified in subsection A of this section from January 1, 1996 through June 30, 1996, the refund shall be paid on or after July 1, 1996;

8. For all gross production tax collections from wells specified in subsection A of this section from July 1, 1996 through December 31, 1996, the refund shall be paid on or after January 1, 1997;

9. For all gross production tax collections from wells specified in subsection A of this section from January 1, 1997 through June 30, 1997, the refund shall be paid on or after July 1, 1997;

10. For all gross production tax collections from wells specified in subsection A of this section from July 1, 1997 through December 31, 1997, the refund shall be paid on or after January 1, 1998.

C. Each person, firm, association or corporation who is eligible for a refund pursuant to subsection A of this section shall file an application for such refund prior to the appropriate refund date as provided for in subsection B of this section with the Oklahoma Tax Commission on forms prescribed by the Tax Commission. If such application is approved by the Tax Commission, the Tax Commission shall refund an amount equal to the gross production taxes paid by such person, firm, association or corporation during such refund period.

D. In order to receive the refund provided for in subsection A of this section, the person, firm or corporation shall sign an affidavit stating that the person, firm or corporation is in compliance with all state laws regarding the payment of oil and gas proceeds. Said affidavit shall set forth the amount of royalties

that have not been paid to the royalty owners and the reason therefor.

SECTION 2. This act shall become effective January 1, 1993.

Passed the House of Representatives the 27th day of February, 1992.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1992.

President of the Senate