

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

HOUSE BILL HB2498:

Perry

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2001, Section 1003, which relates to taxation of oil from unknown sources; modifying allowance related to water content; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 68 O.S. 2001, Section 1003, is amended to read as follows:

Section 1003. A. It shall be the duty of the Oklahoma Tax Commission to collect, in addition to the gross production tax, twelve and one-half percent (12 1/2%) of the gross value of all oil reported to the Tax Commission as recovered from streams, lakes, ponds, ravines and other natural depressions to which oil shall have escaped or therein was found and twelve and one-half percent (12 1/2%) of the gross value of all oil which is reported to the Tax Commission and which report does not disclose the actual source of the oil. The Tax Commission shall hold the proceeds thereof for twelve (12) months in its depository account with the State Treasurer, during which time the rightful owner or owners of the royalty interest therein, upon proper application and satisfactory proof made to the Tax Commission, shall be paid their proper interest or interests out of the depository account. Otherwise, the Tax Commission shall, after the lapse of one (1) year from the collection of any such sum, distribute the same as provided by law for the distribution of gross production taxes.

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

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

SECTION 2. This act shall become effective July 1, 2004.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

49-2-8023          MAH          01/18/04