

**OKLAHOMA TAX COMMISSION**

**FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT  
FIRST REGULAR SESSION, FIFTY-FOURTH OKLAHOMA LEGISLATURE**

**DATE OF IMPACT STATEMENT:** January 26, 2013

**BILL NUMBER:** SB 322 **STATUS AND DATE OF BILL:** Introduced 1/14/13

**AUTHORS:** House n/a Senate Mazzei

**TAX TYPE (S):** Gross Production **SUBJECT:** Tax Rate

**PROPOSAL:** Amendatory

Senate Bill 322 proposes an amendment to 68 O.S. Section 1001, changing the oil price threshold for reducing the levy of gross production tax on crude oil.

**EFFECTIVE DATE:** Upon passage and approval.

**REVENUE IMPACT:**

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 14: None.

**ADMINISTRATIVE IMPACT:**

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 14: None.

Feb. 6, 2013  
DATE

Rick Miller  
DIVISION DIRECTOR

mjh

2-6-2013  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

2/7/13  
DATE

Dan Cas  
FOR THE COMMISSION

**Attachment to Fiscal/Administrative Impact – SB 322 (Introduced) Prepared 01/26/2013**

Senate Bill 322 proposes an amendment to 68 O.S. Section 1001, changing the oil price threshold for reducing the levy of gross production tax on crude oil.

Currently the statute provides for a tax levy of 7% on the production of crude oil whenever the monthly average price is equal to, or greater than \$17.00 per barrel as determined by the Tax Commission. If the monthly average price is less than \$17.00 but greater than \$14.00 per barrel, the tax rate is reduced to 4%. If the average price falls below \$14.00 per barrel, the tax rate is reduced to 1%.

As proposed, effective July 1, 2013, the amendment would change the \$17.00 threshold to \$23.49 and change the \$14.00 threshold to \$19.35. Beginning with the production month of July 1, 2014, and each year thereafter, the threshold amounts will be adjusted by the Tax Commission based on inflation or deflation measured by the Consumer Price Index.

There is no impact to state revenues associated with this proposal because the estimated forecast price of crude oil for Fiscal Year 2014 is greater than the proposed threshold prices.