

CONFERENCE COMMITTEE REPORT SUMMARY

Measure HB2562

Principal Authors: Representative Hickman and Dank
Senator Marlatt

General Subject Matter: Revenue and Taxation

General Description of **Major Differences** between the current report and the version last seen and voted on in the House and the sections in which such differences are located:

√ Changes from engrossed House measure which were made in the Senate and contained in conference committee report/substitute (applies *only* to House measures):

Section1: Extends the exemption period for deep well between 12,500 to 14,999 feet in depth and new discovery wells. The currently exemption period sunsets on July 1, 2014 and the measure extends the sunset until July, 1 2015.

√ Changes made in conference:

Section 1: Provides a reduced 2 percent gross production tax rate on production from a new well spudded on or after 7/1/2015 for 36 months of production. Thereafter, the standard 7 percent rate takes effect.

Extends the exemption period for the following drilling incentives to July 1, 2020:

- secondary recovery projects
- tertiary recover projects
- reestablished production from an inactive well
- production enhancement project

Section 2: Extends the exemption period for economically at-risk oil or gas leases to July 1, 2020.

Section 3: Provides for the apportionment of gross production taxes collected at the 2 percent tax rate:

- 50 percent will be credited to the General Revenue Fund;
- 25 percent will be credited to the County Highway Fund; and
- 25 percent will be credited to the counties, to be distributed to the schools districts in each county on an average daily attendance per capita distribution basis.

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