

BILL SUMMARY
1st Extraordinary Session of the 56th Legislature

Bill No.:	HB1085X
Version:	FULLPCS1
Request Number:	50232
Author:	Rep. Wallace
Date:	10/31/2017
Impact:	Tax Commission:
	Revenue Increase
	FY-18: \$51,051,000
	FY-19: \$100,525,000

Research Analysis

The proposed committee substitute for HB1085X ends all incentives for production from a horizontally drilled well spudded between July 1, 2011 and June 30, 2015. Production occurring on or after the first full month of the effective date of the act will be taxed at the full 7 percent gross production tax rate. Currently, production from such wells are taxed at 4 percent for the remainder of the well's 48 month incentive period.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission indicates the revenue increases from modifying the gross production tax rate on wells currently subject to a four percent (4%) tax rate to a seven percent (7%) tax rate would result in increases of \$51,051,000 and \$100,525,000 in FY-18 and FY-19, respectively. According to the Commission, the increased revenue is to be apportioned to the General Revenue Fund.

Prepared By: Mark Tygret

Other Considerations

None.