

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB 2639
Version:	INT
Request Number:	8828
Author:	Rep. D. Roberts
Date:	2/14/2018
Impact:	Tax Commission: Unknown Impact

Research Analysis

HB2639, as introduced, establishes a new tax equal to 5 percent of the gross value of rock, gravel, granite, sand, gypsum, limestone or any other natural materials mined for the purpose of producing aggregate. Revenue from the tax is to be distributed to the General Revenue Fund. Using existing forms and procedures established by the Oklahoma Tax Commission, entities subject to the aggregate tax must submit monthly production and value reports to the commission.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

HB 2639 amends O.S. 68 Section 1010 and proposes new law to provide for a five percent (5%) tax on the severance or production of rock, gravel, granite, sand, gypsum, limestone or any other natural materials mined for purposes of producing aggregate within the state by any lawfully recognized for-profit business entity. The resulting severance tax proceeds shall be paid to the State Treasurer to be placed in the General Revenue Fund. The Tax Commission shall assign a production unit number, subnumber and merge number for such sites.

The impact of such a severance tax on state revenues cannot be estimated. The administrative impact to the Tax Commission is unknown but expected to be minimal.

Prepared By: Mark Tygret

Other Considerations

The 2012 Economic Census by the U.S. Bureau of the Census indicates there were 61 establishments identified as “Stone Mining and Quarrying (NAICS Code 21231)” with “Total value of shipments and receipts for services” of \$298,954,000. The total for receipts may not reliably reflect the value of the severed material that would be subject to the gross production levy included in Section 1.

