

# MEMO

Tax Policy and Research Division



**OKLAHOMA**  
Tax Commission

DATE: January 31, 2024

TO: Marie Schuble, Director  
Tax Policy & Research Division

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FROM: Corey Jager  
Tax Policy Analyst

SUBJECT: SENATE BILL 2025 COMMITTEE SUBSTITUTE

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This memo outlines the potential revenue impact of Senate Bill 2025 (committee substitute), which proposes to amend 68 O.S. § 1009 to allow oil producers to report and remit gross production taxes when oil is not sold at the time of production and require these producers to follow up with a report when the oil is ultimately sold to reconcile production data with sales data.

Currently, gross production tax is paid by the purchaser. When produced oil is transferred to a commingled source, such as Cushing Hub, and then sold later, purchasers are unable to accurately report oil purchases back to the production unit number (PUN) level as required under 68 O.S. § 1010.

The amendments propose to allow producers to report and remit in situations where oil is not immediately sold and may require reports to reconcile production with sales that occur at a later date.

The proposed amendments outlined in SB 2025 (CS) will have no impact on tax revenue to the State. OTC anticipates minimal, one-time administrative expenses to administer the changes proposed in this committee substitute.