



**BILL/VERSION:** SB 1280 / INTRODUCED

**ANALYST:** EC

**AUTHORS:** Sen. Bergstrom

**DATE:** 1/14/2026

**TAX(ES):** Petroleum Excise Tax

**SUBJECT(S):** Apportionment

**EFFECTIVE DATE:** July 1, 2026

**Emergency** ☒

**ESTIMATED REVENUE IMPACT:**

**FY27 - FY28:** None.

**Impact on Apportionment:** See table below.

**ANALYSIS:** The proposal amends sections 1101, 1102, and 1103 in Title 68 by extending the current oil and gas Petroleum Excise tax rate, apportionment structure and termination dates from 2026 to 2031.

<b>OIL APPORTIONMENT *</b>						
<b>Fund Name</b>	<b>FY 27</b>			<b>FY 28</b>		
	Current	Proposed	Fund Change	Current	Proposed	Fund Change
General Revenue Fund	\$4,722,386	\$4,726,646	\$4,260	\$5,642,011	\$5,646,327	\$4,316
Oil and Gas Division Revolving Fund (OCC)**	\$1,350,000	\$1,350,000	\$0	\$1,350,000	\$1,350,000	\$0
Corporation Commission Plugging Fund	\$0	\$774,049	\$774,049	\$0	\$891,199	\$891,199
Interstate Oil Compact Fund of Oklahoma	\$503,018	\$502,992	-\$26	\$579,197	\$579,118	-\$79
PE Total	\$6,575,404	\$7,353,687	\$778,283	\$7,571,208	\$8,466,645	\$895,436
<b>GAS APPORTIONMENT *</b>						
<b>Fund Name</b>	<b>FY 27</b>			<b>FY 28</b>		
	Current	Proposed	Fund Change	Current	Proposed	Fund Change
General Revenue Fund	\$6,943,274	\$6,944,707	\$1,434	\$6,668,233	\$6,669,748	\$1,515
Oil and Gas Division Revolving Fund (OCC)**	\$1,350,000	\$1,350,000	\$0	\$1,350,000	\$1,350,000	\$0
Corporation Commission Plugging Fund	\$0	\$1,059,928	\$1,059,928	\$0	\$1,024,792	\$1,024,792
Interstate Oil Compact Fund of Oklahoma	\$686,990	\$686,837	-\$154	\$664,207	\$664,069	-\$138
PE Total	\$8,980,264	\$10,041,472	\$1,061,208	\$8,682,440	\$9,708,609	\$1,026,169

\* These totals are based on the State Board of Equalization's December 19, 2025, meeting.

\*\*Current and Proposed language state the first \$1,350,000 of the GRF revenues shall be apportioned to the Oil and Gas Division Revolving Fund of the OK Corporation Commission.

1/26/26

DATE

*Huan Gong*

DR. HUAN GONG, CHIEF TAX ECONOMIST

1/27/26

DATE

*Marie Schuble*

MARIE SCHUBLE, DIVISION DIRECTOR

1/29/26

DATE

*Joseph P. Gappa*

JOSEPH P. GAPPA, FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted. This estimate reflects current available data as of the date of issuance and is subject to revision if additional information becomes known.



**ADDITIONAL INFORMATION:**

The proposal amends apportionment and termination dates for oil and gas Petroleum Excise tax from July 1, 2026 to July 1, 2031. The amended apportionment structure, resulting from the extension of the termination date is as follows:

<b>Petroleum Excise (PE) Tax Rate &amp; Apportionment percentages under current, proposed law.</b>					
	<b>FY 26</b>	<b>FY 27</b>		<b>FY 28</b>	
<b>OIL</b>	<b>Current</b>	<b>Current</b>	<b>Proposed</b>	<b>Current</b>	<b>Proposed</b>
<b>PE Tax Rate*</b>	<b>0.095%</b>	<b>0.085%</b>	<b>0.095%</b>	<b>0.085%</b>	<b>0.095%</b>
Oil and Gas Division Revolving Fund (OCC)	\$1,350,000	\$1,350,000	\$1,350,000	\$1,350,000	\$1,350,000
General Revenue Fund	82.6340%	92.35%	82.6340%	92.35%	82.634%
Corporation Commission Plugging Fund	10.5260%	0%	10.5260%	0%	10.526%
Interstate Oil Compact Fund of Oklahoma	6.84%	7.65%	6.84%	7.65%	6.84%
<b>GAS</b>	<b>Current</b>	<b>Current</b>	<b>Proposed</b>	<b>Current</b>	<b>Proposed</b>
<b>PE Tax Rate*</b>	<b>0.095%</b>	<b>0.085%</b>	<b>0.095%</b>	<b>0.085%</b>	<b>0.095%</b>
Oil and Gas Division Revolving Fund (OCC)	\$1,350,000	\$1,350,000	\$1,350,000	\$1,350,000	\$1,350,000
General Revenue Fund	82.6045%	92.35%	82.6045%	92.35%	82.6045%
Corporation Commission Plugging Fund	10.5555%	0%	10.5555%	0%	10.5555%
Interstate Oil Compact Fund of Oklahoma	6.84%	7.65%	6.84%	7.65%	6.84%

*\*Under current law, the 0.095 of 1% rate moves to 0.085 of 1% effective FY 27, whereas under the proposal the 0.095 of 1% remains through FY 31*