

Amend CSHB 469 by striking page 6, lines 5 through 14, substituting the following appropriately numbered SECTION, and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 202.0545, Tax Code, is amended by amending Subsections (a), (c), and (f) and adding Subsection (i) to read as follows:

(a) Subject to the limitations provided by this section, ~~[until the later of the seventh anniversary of the date that the comptroller first approves an application for a tax rate reduction under this section or the effective date of a final rule adopted by the United States Environmental Protection Agency regulating carbon dioxide as a pollutant,~~] the producer of oil recovered through an enhanced oil recovery project that qualifies under Section 202.054 for the recovered oil tax rate provided by Section 202.052(b) is entitled to an additional 50 percent reduction in that tax rate if in the recovery of the oil the enhanced oil recovery project uses carbon dioxide that:

(1) is captured from an anthropogenic source in this state;

(2) would otherwise be released into the atmosphere as industrial emissions;

(3) is measurable at the source of capture; and

(4) is sequestered in one or more geological formations in this state following the enhanced oil recovery process.

(c) To qualify for the tax rate reduction under this section, the operator must:

(1) apply to the comptroller for the reduction and include with the application any information and documentation that the comptroller may require; ~~and~~

(2) apply for a certification from:

(A) the Railroad Commission of Texas, if carbon dioxide used in the project is to be sequestered in an oil or natural gas reservoir;

(B) the Texas Commission on Environmental Quality, if carbon dioxide used in the project is to be sequestered in a geological formation other than an oil or natural gas

reservoir; or

(C) both the Railroad Commission of Texas and the Texas Commission on Environmental Quality if both Paragraphs (A) and (B) apply; and

(3) have begun using carbon dioxide that satisfies the criteria of Subsection (a) in an enhanced oil recovery project not later than August 31, 2016.

(f) The comptroller shall approve the application if the operator submits the certification or certifications required by Subsection (c)(2) and if the comptroller determines that the oil is otherwise eligible under this section and the operator meets the requirement specified by Subsection (c)(3).

(i) This section expires August 31, 2039.