

1-1 By: Flores S.B. No. 925
1-2 (In the Senate - Filed February 20, 2019; March 1, 2019,
1-3 read first time and referred to Committee on Natural Resources &
1-4 Economic Development; March 14, 2019, reported favorably by the
1-5 following vote: Yeas 11, Nays 0; March 14, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	<u>Birdwell</u>	X		
1-9	<u>Zaffirini</u>	X		
1-10	<u>Fallon</u>	X		
1-11	<u>Flores</u>	X		
1-12	<u>Hancock</u>	X		
1-13	<u>Hinojosa</u>	X		
1-14	<u>Hughes</u>	X		
1-15	<u>Miles</u>	X		
1-16	<u>Paxton</u>	X		
1-17	<u>Powell</u>	X		
1-18	<u>Rodríguez</u>	X		

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to calculation of daily production for purposes of the oil
1-22 and gas production tax credits for low-producing wells and leases.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 201.059(a)(3), Tax Code, is amended to
1-25 read as follows:

1-26 (3) "Qualifying low-producing well" means a gas well
1-27 whose production during a three-month period is no more than 90 mcf
1-28 per day, excluding gas flared pursuant to the rules of the
1-29 commission. For purposes of qualifying a gas well, production per
1-30 well per day is determined by computing the average daily
1-31 production from the well using the greater of the monthly
1-32 production from the well as reported in the monthly well production
1-33 reports [~~report~~] made to the commission and the monthly production
1-34 from the well as reported in the producer's reports made to the
1-35 comptroller under Section 201.203, including any amendments to
1-36 those reports.

1-37 SECTION 2. Section 202.058(b), Tax Code, is amended to read
1-38 as follows:

1-39 (b) For purposes of qualifying a lease, production per well
1-40 per day is determined by computing the average daily per well
1-41 production from the lease using the greater of the monthly
1-42 production from the well as reported in the monthly lease
1-43 production reports [~~report~~] made to the commission and the monthly
1-44 production from the well as reported in the producer's reports made
1-45 to the comptroller under Section 202.201, including any amendments
1-46 to those reports. For purposes of qualifying a lease, production
1-47 per well per day is measured by dividing the sum of lease production
1-48 during the three-month period by the sum of the number of well-days,
1-49 where a well-day is one well producing for one day. The operator of
1-50 a lease that is eligible for a credit under this section only on the
1-51 basis of Subsection (a)(2)(B) must pay to the comptroller a filing
1-52 fee of \$100 before the comptroller may authorize the credit.

1-53 SECTION 3. The change in law made by this Act does not
1-54 affect tax liability accruing before the effective date of this
1-55 Act. That liability continues in effect as if this Act had not been
1-56 enacted, and the former law is continued in effect for the
1-57 collection of taxes due and for civil and criminal enforcement of
1-58 the liability for those taxes.

1-59 SECTION 4. This Act takes effect September 1, 2019.

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