BILL ANALYSIS

DIGEST

Currently, under Texas law, during odd-numbered years, oil and gas operators must pay their estimated July taxes on August 15th, rather than at the end of the standard grace period on September 1st, in order for the legislature to appropriate the funds for the upcoming biennium. This bill would eliminate the early payment of estimated taxes in odd numbered years for oil and gas operators.

PURPOSE

As proposed, S.B. 329 eliminates the early payment of estimated taxes in odd numbered years for oil and gas operators.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1.   Repealer: (1) Section 153.118(e), Tax Code (regarding gasoline tax reports);
                        (2) Section 153.221(e), Tax Code (regarding diesel fuel tax reports);
                        (3) Section 201.2015, Tax Code (regarding gas production estimated tax payments); and
                        (4) Section 202.1515, Tax Code (regarding oil production estimated tax payments).

SECTION 2.   Amends Section 201.203(b), Tax Code, to delete text requiring a penalty, if a producer fails to remit a reasonable estimate of tax due, of 10 percent of the delinquent estimate tax due.

SECTION 3.   Amends Section 201.2035(b), Tax Code, to delete text requiring a penalty, if a purchaser fails to remit a reasonable estimate of tax due, of 10 percent of the delinquent estimate tax due.

SECTION 4.   Amends Section 202.201(b), Tax Code, to delete text requiring a penalty, if a producer fails to remit a reasonable estimate of tax due, of 10 percent of the delinquent estimate tax due.

SECTION 5.   Amends Section 202.202(b), Tax Code, to delete text requiring a penalty, if a first purchaser fails to remit a reasonable estimate of tax due, of 10 percent of the delinquent estimate tax due.

SECTION 6.   Effective date: September 1, 1999.
                  Makes application of this Act prospective.

SECTION 7.   Emergency clause.