

1                   A bill to be entitled  
 2           An act relating to oil and gas production taxes; amending  
 3           s. 211.02, F.S.; providing for differential rates for the  
 4           oil production tax on tertiary oil adjusted for delivered  
 5           price; revising definitions; amending s. 211.027, F.S.;  
 6           exempting certain oil and gas production from the tax for  
 7           a certain period of time; providing for future repeal of  
 8           the exemptions; providing an effective date.

9  
 10   Be It Enacted by the Legislature of the State of Florida:

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 12           Section 1. Subsection (1) and paragraph (a) of subsection  
 13           (3) of section 211.02, Florida Statutes, are amended to read:

14           211.02 Oil production tax; basis and rate of tax; tertiary  
 15           oil.--An excise tax is hereby levied upon every person who  
 16           severs oil in the state for sale, transport, storage, profit, or  
 17           commercial use. Except as otherwise provided in this part, the  
 18           tax is levied on the basis of the entire production of oil in  
 19           this state, including any royalty interest. Such tax shall  
 20           accrue at the time the oil is severed and shall be a lien on  
 21           production regardless of the place of sale, to whom sold, or by  
 22           whom used and regardless of the fact that delivery of the oil  
 23           may be made outside the state.

24           (1) The amount of tax shall be measured by the value of  
 25           the oil produced and saved or sold during a month. The value of  
 26           oil shall be taxed at the following rates:

27           (a) Small well oil ~~and tertiary oil~~, 5 percent of gross  
 28           value. ~~;~~ and

29 (b) Tertiary oil, a percentage of gross value, adjusted  
 30 for the delivered price of the oil, as follows:

31 1. When the delivered price is equal to or greater than  
 32 \$100 per barrel, 5 percent of gross value.

33 2. When the delivered price is equal to or greater than  
 34 \$60 per barrel but less than \$100 per barrel, 3 percent of gross  
 35 value.

36 3. When the delivered price is less than \$60 per barrel, 1  
 37 percent of gross value.

38 (c)(b) All other oil, 8 percent of gross value.

39 (3) (a) The term "tertiary oil" means the excess barrels of  
 40 oil produced, or estimated to be produced, as a result of the  
 41 actual use of a tertiary recovery method ~~methods~~ in a qualified  
 42 enhanced oil tertiary recovery project, over the barrels of oil  
 43 which could have been produced by continued maximum feasible  
 44 production methods in use prior to the start of tertiary  
 45 recovery. A "qualified enhanced oil tertiary recovery project"  
 46 means a project for enhancing recovery of oil which meets the  
 47 requirements of 26 U.S.C. s. 43(c)(2) ~~s. 4993(c), Internal~~  
 48 ~~Revenue Code of 1954, as amended,~~ or substantially similar  
 49 requirements.

50 Section 2. Subsections (4), (5), and (6) are added to  
 51 section 211.027, Florida Statutes, to read:

52 211.027 Exemptions.--The following on-shore production is  
 53 not subject to any tax imposed under this part:

54 (4) Oil and gas produced from a new field well completed  
 55 after July 1, 2009, for a period of 60 months after the  
 56 completion date. This subsection is repealed June 30, 2019.

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57 (5) Oil and gas produced after July 1, 2009, for a period  
58 of 48 months after the completion date, from:

59 (a) A field that was established by the Department of  
60 Environmental Protection before July 1, 2009, from a new  
61 producing well.

62 (b) A shut-in well that has been out of service for a  
63 period of at least 24 months prior to July 1, 2009, and through  
64 workover and mechanical repair is returned to commercial  
65 production.

66 (c) A temporarily abandoned well or wellbore that has been  
67 out of service for a period of at least 24 months prior to July  
68 1, 2009, and that is brought into commercial production by  
69 redrilling and recompletion.

70  
71 This subsection is repealed June 30, 2019.

72 (6) Oil and gas produced after July 1, 2009, for a period  
73 of 60 months after the completion date, from any horizontal well  
74 or any well having a total measured depth in excess of 15,000  
75 feet. This subsection is repealed June 30, 2019.

76 Section 3. This act shall take effect July 1, 2009.