

1                   A bill to be entitled  
 2           An act relating to the tax on severance and production  
 3           of oil and gas; amending s. 211.027, F.S.; providing  
 4           exemptions from the tax on severance and production to  
 5           certain wells that produce oil or gas on or after a  
 6           specified date; limiting the duration of such  
 7           exemptions from the tax on severance and production;  
 8           providing for future repeal of such exemptions;  
 9           providing an effective date.

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 11 Be It Enacted by the Legislature of the State of Florida:

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 13           Section 1. Section 211.027, Florida Statutes, is amended  
 14           to read:

15           211.027 Exemptions.—The following on-shore production is  
 16           not subject to any tax imposed under this part:

17           (1) Oil or gas production used for lease operations on the  
 18           lease or unit where produced.

19           (2) Gas returned to a horizon or horizons in the field  
 20           where produced, either through wells on the lease from which  
 21           produced or wells on other leases.

22           (3) Gas vented or flared directly into the atmosphere,  
 23           provided such gas is not otherwise sold.

24           (4) Oil and gas produced from a new field well completed  
 25           on or after July 1, 2012, for a period of 60 months after the  
 26           completion date.

27           (5) Oil and gas produced from a new producing well  
 28           completed on or after July 1, 2012, in a field that was

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29 established by the Department of Environmental Protection before  
30 July 1, 2012, for a period of 48 months after the completion  
31 date.

32 (6) Oil and gas produced on or after July 1, 2012, from a  
33 shut-in well that has been out of service for at least 24 months  
34 prior to July 1, 2012, and through workover and mechanical  
35 repair is returned to commercial production, for a period of 48  
36 months after the completion date.

37 (7) Oil and gas produced on or after July 1, 2012, from a  
38 temporarily abandoned well or wellbore that has been out of  
39 service for at least 24 months prior to July 1, 2012, and that  
40 is brought into commercial production by redrilling and  
41 recompletion, for a period of 48 months after the completion  
42 date.

43 (8) Oil and gas produced on or after July 1, 2012, from  
44 any new horizontal well or any new well having a total measured  
45 depth in excess of 15,000 feet for a period of 60 months after  
46 the completion date.

47 (9) New exemptions under subsections (4), (5), (6), (7),  
48 and (8) may not be granted after June 30, 2021.

49 (10) Subsections (4), (5), (6), (7), and (8) are repealed  
50 effective June 30, 2021.

51 Section 2. This act shall take effect July 1, 2012.