

CS/CS/HB 87

2012

1 A bill to be entitled
2 An act relating to the tax on severance and production
3 of oil; amending s. 211.02, F.S.; defining the term
4 "mature field recovery oil" and applying to such oil
5 the tiered severance tax rates applicable to tertiary
6 oil; amending s. 211.06, F.S.; revising the
7 distribution of certain proceeds from the Oil and Gas
8 Tax Trust Fund; providing an effective date.

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

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12 Section 1. Paragraph (b) of subsection (1) of section
13 211.02, Florida Statutes, is amended, present subsections (4)
14 and (5) of that section are renumbered as subsections (5) and
15 (6), respectively, and a new subsection (4) is added to that
16 section, to read:

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

27 (1) The amount of tax shall be measured by the value of
28 the oil produced and saved or sold during a month. The value of

29 oil shall be taxed at the following rates:

30 (b) Tertiary oil and mature field recovery oil:

31 1. One percent of the gross value of oil on the value of
32 oil \$60 dollars and below;

33 2. Seven percent of the gross value of oil on the value of
34 oil above \$60 and below \$80; and

35 3. Nine percent of the gross value of oil on the value of
36 oil \$80 and above.

37 (4) As used in this section, the term "mature field
38 recovery oil" means the barrels of oil recovered from new wells
39 that begin production after July 1, 2012, in fields that were
40 discovered prior to 1981.

41 Section 2. Subsection (2) of section 211.06, Florida
42 Statutes, is amended to read:

43 211.06 Oil and Gas Tax Trust Fund; distribution of tax
44 proceeds.—All taxes, interest, and penalties imposed under this
45 part shall be collected by the department and placed in a
46 special fund designated the "Oil and Gas Tax Trust Fund."

47 (2) ~~Beginning July 1, 1995,~~ The remaining proceeds in the
48 Oil and Gas Tax Trust Fund shall be distributed monthly by the
49 department and shall be paid into the State Treasury as follows:

50 (a) To the credit of the General Revenue Fund of the
51 state:

52 1. Seventy-five percent of the proceeds from the oil
53 production tax imposed under s. 211.02(1)(c).

54 2. Sixty-three ~~Sixty-seven~~ and one-half percent of the
55 proceeds from the tax on small well oil, and tertiary oil, and
56 mature field recovery oil imposed under s. 211.02(1)(a) and (b).

57 3. Sixty-seven and one-half percent of the proceeds from
58 the tax on gas imposed under s. 211.025.

59 4. Sixty-seven and one-half percent of the proceeds of the
60 tax on sulfur imposed under s. 211.026.

61 (b) To the credit of the general revenue fund of the board
62 of county commissioners of the county where produced, subject to
63 the service charge imposed under chapter 215:

64 1. Twelve and one-half percent of the proceeds from the
65 tax on oil imposed under s. 211.02(1)(c).

66 2. Twenty percent of the proceeds from the tax on small
67 well oil, ~~and tertiary oil,~~ and mature field recovery oil
68 imposed under s. 211.02(1)(a) and (b).

69 3. Twenty percent of the proceeds from the tax on gas
70 imposed under s. 211.025.

71 4. Twenty percent of the proceeds from the tax on sulfur
72 imposed under s. 211.026.

73 (c) To the credit of the Minerals Trust Fund:

74 1. Twelve and one-half percent of the proceeds from the
75 tax on oil imposed under s. 211.02(1)(c).

76 2. Sixteen ~~Twelve~~ and one-half percent of the proceeds
77 from the tax on small well oil, ~~and tertiary oil,~~ and mature
78 field recovery oil imposed under s. 211.02(1)(a) and (b).

79 3. Twelve and one-half percent of the proceeds from the
80 tax on gas imposed under s. 211.025.

81 4. Twelve and one-half percent of the proceeds from the
82 tax on sulfur imposed under s. 211.026.

83 Section 3. This act shall take effect July 1, 2012.