

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Evers offered the following:

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3 **Amendment (with title amendment)**

4 Remove everything after the enacting clause and insert:

5 Section 1. Section 211.02, Florida Statutes, is amended to
6 read:

7 211.02 Oil production tax; basis and rate of tax; tertiary
8 oil.--An excise tax is hereby levied upon every person who
9 severs oil in the state for sale, transport, storage, profit, or
10 commercial use. Except as otherwise provided in this part, the
11 tax is levied on the basis of the entire production of oil in
12 this state, including any royalty interest. Such tax shall
13 accrue at the time the oil is severed and shall be a lien on
14 production regardless of the place of sale, to whom sold, or by
15 whom used, and regardless of the fact that delivery of the oil
16 may be made outside the state.

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

20 (a) Small well oil ~~and tertiary oil~~, 5 percent of gross
21 value.†

22 (b) Tertiary oil:

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

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

27 3. Nine percent of the gross value of oil on the value of
28 oil \$80 and above.

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

30 (2) (a) For the purposes of this section, "value" means the
31 sale price or market price of a barrel of oil at the mouth of
32 the well in its natural, unrefined condition. If the oil is
33 exchanged for something other than cash, if there is no sale at
34 the mouth of the well, or if the sale price is not indicative of
35 the true value or market price of the oil produced, value shall
36 be determined by the sale price of oil of like kind and quality,
37 considering any differences in the place of production or sale.

38 (b) Any charges prepaid by the producer or included in the
39 invoice price for delivery of the oil shall be deducted from the
40 gross proceeds of the sale which are used to determine the value
41 of oil produced, provided the oil was sold at a delivered price.

42 (c) The value of oil produced shall not include any
43 wellhead or other production taxes imposed by the United States
44 on the producer, to the extent that such taxes do not provide a
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45 credit or deduction for the tax imposed under this part.

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

57 (b) The department may establish the method to be used by
58 producers to determine the taxable production of tertiary oil
59 and may require a producer or operator to furnish any
60 information the department deems necessary for this purpose.

61 (4) Oil production shall be measured or gauged. Mechanical
62 metering systems using meters of a type generally approved for
63 use in the industry may be used to measure oil production. If
64 tank tables are used to determine oil production, tables
65 compiled to show 100 percent of the full capacity of tanks,
66 without deduction for overage or losses in handling, shall be
67 used; or the oil production shall be adjusted to a basis of 100
68 percent of the full capacity of tanks if oil production is
69 determined using tank tables compiled to show less than 100
70 percent of the full capacity of tanks. Oil production shall be
71 expressed in barrels.

72 (5) The tax imposed under this section shall be

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73 administered, collected, and enforced by the department.

74 Section 2. This act shall take effect July 1, 2009.

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T I T L E A M E N D M E N T

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Remove the entire title and insert:

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A bill to be entitled

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An act relating to oil and gas production taxes; amending

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s. 211.02, F.S.; providing a tiered tax rate structure for

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the oil production tax on tertiary oil; revising

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definitions; providing an effective date.