

By Senator Altman

24-00399D-12

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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; providing an effective date.

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

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10 Section 1. Paragraph (b) of subsection (1) of section
11 211.02, Florida Statutes, is amended, present subsections (4)
12 and (5) of that section are renumbered as subsections (5) and
13 (6), respectively, and a new subsection (4) is added to that
14 section, to read:

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

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

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

29 1. One percent of the gross value of oil on the value of

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30 oil \$60 dollars and below;

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

33 3. Nine percent of the gross value of oil on the value of
34 oil \$80 and above.

35 (4) As used in this section, the term "mature field
36 recovery oil" means the barrels of oil recovered from wells that
37 begin production on or after July 1, 2012, in fields that were
38 discovered before 1981.

39 Section 2. This act shall take effect July 1, 2011.