

## **BILL ANALYSIS**

Senate Research Center

S.B. 757  
By: Perry; Creighton  
Finance  
6/9/2015  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The comptroller of public accounts of the State of Texas has recently identified a number of taxes collected by the state that impose an administrative burden on state resources to the point that the taxes are no longer worth collecting. The production tax on sulphur is an example of such a tax. This tax is considered an occupation tax that is paid by only 24 producers. Currently, 25 percent of the revenue collected by the tax is directed to the Foundation School fund with the remainder of the revenue deposited to the General Revenue fund. S.B. 757 repeals the production tax on sulphur.

S.B. 757 amends current law relating to the repeal of the production taxes on crude petroleum and sulphur.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Repealers: Sections 81.111 (Tax Levy), 81.112 (Disposition of Tax Proceeds), 81.113 (Use of Tax Proceeds), and 81.114 (Production Reports), Natural Resources Code;

Repealer: Chapter 203 (Sulphur Production Tax), Tax Code.

SECTION 2. Amends Section 355.102(f), Estates Code, to indicate the repeal of Section 81.111, Natural Resources Code.

SECTION 3. Amends Section 81.018(a), Natural Resources Code, to require that salaries and other expenses necessary in the administration and enforcement of the oil and gas laws be paid by warrants drawn by the comptroller on the State Treasury from general revenue, rather than from funds provided under Section 81.112 of this code.

SECTION 4. Amends the heading to Subchapter E, Chapter 81, Natural Resources Code, to read as follows:

#### **SUBCHAPTER E. FEES**

SECTION 5. Amends Section 81.116(b), Natural Resources Code, as follows:

(b) Provides that the fee is in addition to, and independent of any liability for, the tax imposed under Chapter 202 (Oil Production Tax), Tax Code, rather than taxes imposed under Section 81.111 of this code and Chapter 202, Tax Code.

SECTION 6. Amends Section 112.155(a), Tax Code, to require that the amount of a judgment for the plaintiff be credited against any tax, penalty, or interest imposed by this title (State Taxation), rather than this title or by Section 81.111, Natural Resources Code, and due from the plaintiff.

SECTION 7. Amends Section 151.308, Tax Code, as follows:

Sec. 151.308. ITEMS TAXED BY OTHER LAW (a) Provides that sulphur as taxed by Chapter 203 is removed from the list of exemptions from taxes imposed by this chapter. Makes nonsubstantive changes.

(b) Provides that natural gas is exempted under Subsection (a)(2) (exempting motor fuels and special fuels) only to the extent that the gas is taxed as a motor fuel under Chapter 162 (Motor Fuel Taxes). Makes a nonsubstantive change.

SECTION 8. Amends Subchapter H, Chapter 151, Tax Code, by adding Section 151.3171, as follows:

Sec. 151.3171. SULPHUR. Provides that sulphur is exempted from the taxes imposed by this chapter.

SECTION 9. Makes application of this Act prospective.

SECTION 10. Effective date: September 1, 2015.