

**TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 45. GROSS PRODUCTION**

RULEMAKING ACTION:

Notice of proposed **PERMANENT** rulemaking.

PROPOSED RULES:

Chapter 45. Gross Production [AMENDED]

SUMMARY:

As part of the Commission's ongoing review of its rules, proposed amendments to the existing Gross Production rules have been made.

Section 710:45-5-1 has been amended to outline the mandatory electronic filing requirement for all gross production tax remitters. [68:203 & 68:1010]. Proposed changes to this administrative rule provision have also been made to delete obsolete language.

In addition, other rule changes may be made to clarify policy, improve readability, correct scrivener's errors, remove obsolete language, update statutory citation, and ensure accurate internal cross-references.

AUTHORITY:

68 O.S. §§ 203 & 1013; Oklahoma Tax Commission

COMMENT PERIOD:

Persons wishing to make written submissions may do so by **4:30 p.m., March 2, 2016**, to the Oklahoma Tax Commission, Tax Policy and Research Division, 2501 North Lincoln Boulevard, Oklahoma City, Oklahoma 73194.

PUBLIC HEARING:

A public hearing will be held to provide an additional means by which suggestions may be offered on the content of the proposed rules. Time, date and place of the hearing are as follows: **March 4, 2016 at 11:00 a.m.** in the 4th floor hearing room at the Oklahoma Tax Commission, 2501 Lincoln Blvd., Oklahoma City, Oklahoma. Those wishing to make oral comments at the public hearing should request placement on the docket well in advance of the hearing date by calling Kali Walker at (405) 521-3133.

In order to facilitate entry into the building, those wishing to appear should contact Kali Walker at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. Entry to the M.C. Connors' building must be made through the doors located on the east side of the building. In order to gain access to the 4th floor hearing room, attendees must register at the information desk in the lobby by presenting a driver license or other photo identification. A name badge and floor access card will be issued once registration is completed.

Time limitations may be imposed on oral presentations to ensure that all persons who have filed written requests for placement on the docket will have an opportunity to speak.

REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:

Although nothing in this rulemaking action has been determined to adversely impact small business, the Oklahoma Tax Commission (OTC) requests that, pursuant to 75 O.S. § 303(B)(6), business entities affected by these rules provide the OTC, within the comment period, in dollar amounts, if possible, information on any increase in direct costs, such as fees, and indirect costs, such as those associated with reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed Rules.

COPIES OF PROPOSED RULES:

Interested persons may inspect proposed rules at the offices of the Oklahoma Tax Commission, Tax Policy Division, 5th floor, M. C. Connors Building, 2501 North Lincoln

Boulevard, Oklahoma City, Oklahoma. Copies of proposed rules may be viewed online at www.tax.ok.gov.

RULE IMPACT STATEMENT:

A Rule Impact Statement will be prepared and will be available for review from and after **February 1, 2016**, from the same source listed above for obtaining copies of proposed rules.

CONTACT PERSON:

Christy Caesar, Agency Liaison. Phone: 405-521-3133; FAX: 405-522-0063; Email: ccaesar@tax.ok.gov

CHAPTER 45. GROSS PRODUCTION

SUBCHAPTER 5. REQUIRED RETURNS AND REPORTS

710:45-5-1. Minimum requirements of monthly production report

(a) All producers or purchasers of asphalt or ores bearing lead, zinc, jack, or copper or petroleum oil, mineral oil, other crude oil, condensate, reclaimed oil, gas, natural gas, casinghead gas, or liquid hydrocarbons from oil or gas produced in this state shall report volume and value of such production monthly on OTC Form 300, or any other form as may be prescribed and required by the Oklahoma Tax Commission. ~~A separate monthly report shall be filed for each county wherein production is reported.~~ Each monthly report shall include the following information:

- (1) Commission assigned purchaser reporting number;
- (2) Commission assigned producer reporting number;
- (3) Commission assigned production unit number, subnumber, and merge number for each lease from which production is reported;
- (4) Assigned product code number for the product reported;
- (5) Gross amount of the product reported from each lease from which production is reported;
- (6) Total value of the product reported from each lease from which production is reported; and, the Gross Production Tax and the Petroleum Excise Tax for said lease;
- (7) Taxpayer identification number or, if applicable, the federal employer identification number (FEI).

(b) **Reports must be filed electronically.** OTC Forms 300 and 300C must be filed electronically in the format prescribed by the Compliance Division of the Oklahoma Tax Commission.

OKLAHOMA TAX COMMISSION
Rule Impact Statement
CHAPTER 45. Gross Production

RULE IMPACT STATEMENT: This statement is provided in conjunction with the following rulemaking action(s):

710:45-5-1 Minimum requirements of monthly production report

- (a.) **Purpose of the Proposed Rule:** The purpose of the rulemaking action is to require all gross production tax remitters to file using the new electronic gross production system, as well as deletes obsolete language.
- (b.) **Classes Affected:** Gross production tax remitters.
- (c.) **Persons Benefited:** Gross production tax remitters.
- (d.) **Probable Economic Impact:**
- 1. On Affected Classes:** No economic impact based on this rule change is anticipated
 - 2. On Political Subdivision:** The amendment is not expected to adversely impact other political subdivisions of the State.
 - 3. Fees:** The rulemaking action does not levy, implement, or increase an existing fee.
- (e.) **Probable Costs to the Agency:** Costs to promulgate and enforce the proposed rule will be funded through normal agency budget. No measurable impact on State revenues is anticipated.
- (f.) **Will the Rule Impact Political Subdivisions?** No economic impact on or need for cooperation from political subdivisions is anticipated.
- (g.) **Small Business Impact:** After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rule will have no adverse impact upon Small Business.
- (h.) **Alternative Methods and Costs of Compliance:** There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of this proposed rule. No formalized compliance cost minimization measures have been pursued.
- (i.) **Public Health/Safety/Environmental Concerns:** The proposed rules are not anticipated to have any effect on public health, safety, or the environment – either beneficial or otherwise.
- (j.) **Effect of Non-Implementation on Environment:** If the proposed rules are not promulgated, no effect on the public health, safety, or the environment will result.
- (k.) **Date:** December 16, 2015 **Date Modified:** N/A
- (l.) **Prepared By:** Morgan Lankford **Phone Number:** 522-3133