



BILL/VERSION: SB 897 / COMMITTEE SUB

ANALYST: EC

AUTHORS: Sen. Bergstrom

DATE: 2/12/2025

TAX(ES): Petroleum Excise Tax

SUBJECT(S): Plugging Fund

EFFECTIVE DATE: November 1, 2025

Emergency

ESTIMATED REVENUE IMPACT:

FY-26: None.

FY-27: None.

ANALYSIS: SB 897 amends 17 O.S. § 180.10, specifically extending the termination date for provisions related to the Corporation Commission (OCC) Plugging Fund from July 1, 2026, to July 1, 2031¹. It also extends the requirement that the fund be maintained at \$5 million, and if it falls below this threshold, the Oklahoma Tax Commission must reinstate an excise tax on oil and gas until the fund is replenished. These provisions, originally set to expire in 2026, will now remain in effect until 2031.

For FY24, OTC apportioned \$1.9 million to the Corporation Commission Plugging Fund. The Fund, and respectively, the current balance, is maintained by OCC.

¹The previously introduced version of SB 897 proposed extending the termination date of the Corporation Commission Plugging Fund from July 1, 2026, to July 1, 2036.

2/12/25
DATE

Huan Gong
DR. HUAN GONG, CHIEF TAX ECONOMIST

2/12/25
DATE

Marie Schuble
MARIE SCHUBLE, DIVISION DIRECTOR

2/13/25
DATE

Joseph P. Gappa
JOSEPH P. GAPPA, FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.