OKLAHOMA
Tax Commission

REVENUE IMPACT STATEMENT
2025 REGULAR SESSION
60TH LEGISLATURE, 1ST SESSION

BILL/VERSION:	**HB 1372** / ENGROSSED	**ANALYST**: EC
AUTHORS:	Rep. Boles / Sen. Green	**DATE**: 4/10/2025
TAX(ES):	Gross Production Tax	
SUBJECT(S):	Discounted Tax Rate	
EFFECTIVE DATE:	July 1, 2025	**Emergency** ☒

ESTIMATED REVENUE IMPACT:
FY26: Minimal.
FY27: Minimal.

Impact on Apportionment: Minimal.

ANALYSIS: The proposal amends 68 O.S. § 1001 to establish a temporary reduced tax rate for certain oil and gas recovery projects. Specifically, production from wells listed on the Corporation Commission's orphaned well list will qualify for a 50% reduction in the gross production tax for 36 months from the project's start date. After this period, the rate will revert to the full amount.

The revenue and apportionment impacts are expected to be minimal. Some existing production may retroactively qualify as orphan wells currently producing within a recovery project, potentially benefiting from the reduced rate. Additionally, the 12,124 wells currently on the Corporation Commission's orphaned well list could be integrated into recovery projects and begin production after this proposal takes effect, potentially generating new tax revenue from wells that might not have otherwise produced.

ADMINISTRATIVE IMPACT: The July 1, 2025 effective date does not provide sufficient time for the OTC to implement this legislation, which requires system development, drafting rules, guidance to remitters, etc. The OTC estimates the development time will span 3-4 months at a **cost of approximately $124,000**.

4/11/25 Huan Gong
DATE DR. HUAN GONG, CHIEF TAX ECONOMIST

4/11/25 Marie Schuble
DATE MARIE SCHUBLE, DIVISION DIRECTOR

4/11/25 Joseph P. Gappa
DATE 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.