

BILL ANALYSIS

Senate Research Center
76R468 SMH-D

S.B. 792
By: Nixon
Natural Resources
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As Filed

DIGEST

Currently, in Texas there is some question as to whether companies that pay the proceeds from the sale of gas are required to provide certain information that would be useful to the payee for payment of federal taxes. Many companies already provide this information, but placing this requirement clearly in state law will assure all such payees have access to this information. S.B. 792 would require certain payors of proceeds from the sale of gas to provide certain information to the payee.

PURPOSE

As proposed, S.B. 792 requires a payor of the proceeds from the sale of gas produced from certain gas wells to furnish certain information to the payee.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 91J, Natural Resources Code, by adding Section 91.408, as follows:

Sec. 91.408. INFORMATION FOR PAYEES OF PROCEEDS OF PRODUCTION FROM CERTAIN GAS WELLS. Requires a payor of the proceeds from the sale of gas produced from a tight formation as defined by Section 29(c)(2)(B), Internal Revenue Code of 1986, annually to furnish the payee a statement providing the information necessary to compute the federal income tax credit provided by that section for the gas for which payment was made in the preceding year, including certain items.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.