

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 13-0455.01 Ed DeCecco x4216

HOUSE BILL 13-1122

HOUSE SPONSORSHIP

Scott, Coram, Sonnenberg, Priola, Holbert, Wright, Stephens, Buck, Conti, Court, Gerou, Joshi, Lawrence, McNulty, Waller

SENATE SPONSORSHIP

(None),

House Committees

State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING SEVERANCE TAX ON OIL AND GAS PRODUCED FROM AN**
102 **INCENTIVE WELL, AND, IN CONNECTION THEREWITH, ENACTING**
103 **"THE ENERGY, JOBS, AND HIGHER EDUCATION ACT".**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

For 2 years beginning on July 1, 2013, the bill exempts oil and gas from a well that begins production during the 2-year exemption period (incentive well) from the severance tax. At the end of the exemption period, the oil and gas produced from an incentive well is subject to the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

severance tax, but the tax associated with the incentive well is not distributed in the same manner as the revenue from other wells. Instead, this revenue is deposited in the college opportunity fund.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Short title.** This act shall be known and may be
3 cited as "The Energy, Jobs, and Higher Education Act".

4 **SECTION 2.** In Colorado Revised Statutes, 39-29-102, **add** (4.3)
5 as follows:

6 **39-29-102. Definitions.** As used in this article, unless the context
7 otherwise requires:

8 (4.3) "INCENTIVE WELL" MEANS A WELL THAT BEGINS PRODUCING
9 OIL OR GAS ON OR AFTER JULY 1, 2013, BUT PRIOR TO JULY 1, 2015.

10 **SECTION 3.** In Colorado Revised Statutes, 39-29-105, **add** (1)
11 (c) as follows:

12 **39-29-105. Tax on severance of oil and gas.**

13 (1) (c) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
14 CONTRARY, ON AND AFTER JULY 1, 2013, BUT PRIOR TO JULY 1, 2015, ALL
15 OIL AND GAS PRODUCED FROM AN INCENTIVE WELL IS EXEMPT FROM THE
16 TAX SET FORTH IN THIS SECTION.

17 **SECTION 4.** In Colorado Revised Statutes, 39-29-108, **amend**
18 (2) as follows:

19 **39-29-108. Allocation of severance tax revenues - definitions.**

20 (2) Of the total gross receipts realized from the severance taxes imposed
21 on minerals and mineral fuels under the provisions of this article after
22 June 30, 1981, fifty percent shall be credited to the state severance tax
23 trust fund created by section 39-29-109, and fifty percent shall be credited
24 to the local government severance tax fund created by section 39-29-110;

1 EXCEPT THAT BEGINNING JULY 1, 2014, GROSS RECEIPTS REALIZED FROM
2 THE SEVERANCE TAX IMPOSED ON OIL AND GAS PRODUCED FROM AN
3 INCENTIVE WELL IS CREDITED TO THE COLLEGE OPPORTUNITY FUND
4 CREATED IN SECTION 23-18-202, C.R.S.

5 **SECTION 5. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.