

Oil & Natural Gas Tax Reference

Alabama

Tax	Rate	Citation/Link
Ad Valorem	All oil & gas produced, all leases in production, including mineral rights and all oil and gas under the ground shall be exempt from ad valorem taxes.	Code of Ala. §40-20-12
Mineral Documentary Tax (in lieu of ad valorem)	<p>Levied upon the filing and recording of every lease and other writing</p> <ul style="list-style-type: none"> ▪ Each instrument in which the primary term shall expire 10 years or less from the date of execution, the tax shall be \$0.05 per mineral/royalty acre conveyed, leased, assigned, excepted, reserved or transferred therein. ▪ If the primary term shall expire more than 10 years and not exceeding 20 years from the date of execution the tax shall be \$0.10 per acre. ▪ When the primary term exceeds 20 years the tax shall be \$0.15 per acre. 	Code of Ala. §40-20-32
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: 6.5% ▪ Franchise: \$10 per \$1000 of capital stock, not less than \$50. 	Code of Ala. §40-14-40
Sales	The Alabama sales tax rate is 4%, and the maximum AL sales tax after local surtaxes is 10%.	Code of Ala. §40-23
Oil and Gas Privilege Tax on Production	<ul style="list-style-type: none"> ▪ 8 % of gross value at point of production. ▪ 4 % of gross value at point of incremental production for enhanced recovery projects. ▪ 4 % if oil wells produce 25 barrels or less per day or if gas wells produce 200,000 cubic feet or less gas per day. ▪ 6 % of gross value at point of production for certain on-shore and off-shore wells. ▪ 50 % rate reduction for wells permitted by the oil and gas board on or after July 1, 1996 and before July 1, 2002 for 5 years from initial production, except for replacement 	Code of Ala. §40-20-21

Alaska

Tax	Rate	Citation
Oil & Gas Exploration, Production, & Pipeline Transportation Property Tax	20 mills (2%) each tax year on the value of property taxable.	AS 43.56.010 15 AAC 56
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: rates are graduated from 1% to 9.4% in increments of \$10,000 of taxable income. The 9.4% maximum rate applies to taxable income of \$90,000 and over. ▪ Biennial corporation tax as follows: domestic corporation, \$ 100; foreign corporation, \$ 200. 	AS 43.20.012(a)(3) AS 10.06.845
Sales	No state sales tax, local only.	
Oil & Gas Production Tax (ACES)	<ul style="list-style-type: none"> ▪ The tax, 25%, is based on the net value of oil and gas, which is the value at the point of production, less all qualified lease expenditures. Qualified lease expenditures include certain qualified capital and operating expenditures. <p><u>Credits</u></p> <ul style="list-style-type: none"> ▪ Oil or gas producer education credit ▪ Qualified capital expenditure credit ▪ Carried-forward annual loss credit ▪ Well Lease Expenditures credit ▪ Transferable tax credit certificate ▪ Transitional investment expenditure credit ▪ New area development credit ▪ Small producer credit ▪ Alternative credit for Oil and Gas Exploration ▪ Cook Inlet jack-up rig credit ▪ Cash purchases of tax credit certificates 	AS 43.55.011 AS 43.55.019 AS 43.55.023(a) AS 43.55.023(b) AS 43.55.023(l) AS 43.55.023(d) AS 43.55.023(i) AS 43.55.024(a) AS 43.55.024(c) AS 43.55.025 AS 43.55.025(l) AS 43.55.028
Conservation Surcharges	<ul style="list-style-type: none"> ▪ 1 cent per barrel conservation surcharge on taxable oil produced if there is less than \$50 	AS 43.55.201

	<p>million in the Hazardous Release Fund.</p> <ul style="list-style-type: none"> ▪ Additional 4 cents per barrel conservation surcharge. 	AS 43.55.300
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Arizona

Tax	Rate	Citation
Ad Valorem	<p><u>Exemptions</u> for class 1 property including:</p> <ul style="list-style-type: none"> ▪ Real and personal property of gas distribution companies, electric transmission companies, electric distribution companies, combination gas and electric transmission and distribution companies, companies engaged in the generation of electricity and electric cooperatives that are valued at full cash value pursuant to section 42-14151. ▪ Real and personal property of airport fuel delivery companies that are valued pursuant to section 42-14503. ▪ Real and personal property that is used by producing oil, gas and geothermal resource interests that are valued at full cash value pursuant to section 42-14102. ▪ Real and personal property of water, sewer and wastewater utility companies that are valued at full cash value pursuant to section 42-14151. ▪ Real and personal property of pipeline companies that are valued at full cash value pursuant to section 42-14201. 	<p>A.R.S. § 42-11127 Citing A.R.S. § 42-12001</p> <p>For valuation information, see, A.R.S. §§ 42-13002 through 42-16258</p> <p>A.A.C. §§ R15-4-103 through R15-4-118</p>
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: 6.968% ▪ Franchise Tax: <ul style="list-style-type: none"> • Beginning through Dec 31, 2013, 6.968 % of taxable income or \$50, whichever is greater. • Beginning Dec 31, 2013 - Dec 31, 2014, 6.5% of taxable income or \$50, whichever is greater. • Beginning Dec 31, 2014 - Dec 31, 2015, 6.0% of taxable income or \$50, 	A.R.S. § 43-1111

	<p>whichever is greater.</p> <ul style="list-style-type: none"> • Beginning Dec 31, 2015 - Dec 31, 2016, 5.5% of taxable income or \$50, whichever is greater. • Beginning from and after Dec 31, 2016, 4.9 % of taxable income or \$50, whichever is greater. 	
Excise	3.125% for the business of every person engaging or continuing in this state in the mining classification.	A.R.S. § 42-5010
Sales	The Arizona sales tax rate is 6.6%, and the maximum AZ sales tax after local surtaxes is 10.6%.	
Severance	2.5 % of the net severance base.	A.R.S. §42.5202

Arkansas

Tax	Rate	Citation
Ad Valorem	<p>Variable, by county.</p> <ul style="list-style-type: none"> ▪ Nonproducing mineral interest has zero value for property tax purposes. ▪ Mineral interest is taxed when it begins producing. 	<p>Ark. Code Ann. §§26-24-101-123 and §§26-26-1601 through §§26-26-1803.</p> <p>Ark. Code Ann §26-26-110</p>
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: Based on Net Taxable Income <ul style="list-style-type: none"> • First \$3,000 of NTI 1.0% • Next \$3,000 of NTI 2.0% • Next \$5,000 of NTI 3.0% • Next \$14,000 of NTI 5.0% • Next \$75,000 of NTI 6.0% • Over \$100,000 of NTI 6.5% ▪ Franchise: 0.3% value of real/personal property (not less than \$150). 	Ark. Code Ann. §26-54-104
Sales	The Arkansas sales tax rate is 6%, and the maximum AR sales tax after local surtaxes is 9.25%.	
Oil and Gas Conservation Tax	<ul style="list-style-type: none"> ▪ Oil: 5% of market value at time and point of severance; reduced to 4% when production falls below an average of 10 barrels/day. 	Ark. Code Ann. §26-58-111

	<ul style="list-style-type: none"> ▪ Natural Gas: 1.5% of market value on new discovery gas for 24 months after first production; 1.5% of market value on high-cost gas for 36 months after first production; 1.25% of market value on marginal gas, and; 5% of market value for all other natural. <p><u>Exemptions</u></p> <ul style="list-style-type: none"> ▪ Individuals severing oil and gas for personal use and not for commercial sale are exempt from tax. <p><u>Credits</u></p> <ul style="list-style-type: none"> ▪ Oil and natural gas producers who dispose of salt water produced by oil wells through an approved underground saltwater disposal system are eligible for severance tax credit; the credit is based on the cost of maintaining the disposal system and cannot exceed \$370,000 annually. 	<p>Ark. Code Ann. § 26-58-108</p> <p>Ark. Code Ann. §§ 26-58-204, 205</p> <p>Ark. Code Ann. § 26-58-208</p>
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California

Tax	Rate	Citation
Ad Valorem	\$4 per \$100 assessed value.	§93
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: 8.84% ▪ Franchise: 1st taxable year on or after January 1, 2000 sum of: <ul style="list-style-type: none"> • Net Income 1st taxable year beginning on or after January 1, 2000 at 8.84% plus • Net Income taxable years beginning on or after January 1, 2000 at 8.84%. • Minimum Tax \$800 	<p>Cal Rev & Tax Code §23151</p> <p>Cal Rev & Tax Code §23153</p>
Sales	The California sales tax rate is 7.25%, and the maximum CA sales tax after local surtaxes is 9.75%.	§6051.1
Use	5% of sales price.	§6201.1
Severance Tax	<ul style="list-style-type: none"> ▪ No statewide severance tax on oil and gas production. 	Cal Pub Resources Code § 3403

	<ul style="list-style-type: none"> ▪ A small statewide assessment is levied by the Dept of Conservation based on the Oil, Gas, and Geothermal Resource Division's estimated budget and the total amount of assessable oil and gas produced in the preceding year. 	
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Colorado

Tax	Rate	Citation
Ad Valorem	Variable, by county.	C.R.S. 39-5-101
Corporate/Franchise	Corporate Income: On or after Jan. 1, 2000 the rate is 4.63%.	C.R.S. 39-22-301
Sales	The Colorado sales tax rate is 2.9%, and the maximum CO sales tax after local surtaxes is 8%.	
Severance	<ul style="list-style-type: none"> ▪ 2 to 5 % based on gross income for oil, gas, carbon dioxide and coalbed methane ▪ Under \$25,000 gross income tax is 2%. ▪ \$25,000 and under \$100,000 tax is 3%. ▪ \$100,000 and under \$300,000 tax is 4%. ▪ \$300,000+ tax is 5%. <p><u>Exemptions</u></p> <ul style="list-style-type: none"> ▪ Oil wells producing 10 barrels/day or less of crude oil for the average of all producing days during a taxable year are exempt from tax; ▪ Gas wells producing 90,000 cubic feet or less of gas per day for the average of all producing days during a taxable year are exempt from tax; ▪ A credit against the severance tax is allowed, equal to 87.5% of all ad valorem taxes assessed or paid during the tax year on leaseholds and leasehold interests and royalties and royalty interests for the state, county, municipal, school district, or special district purposes, excluding ad valorem taxes assessed or paid for equipment and 	C.R.S. 39-29-105

	organizations is available against the severance tax; however, the credit cannot exceed 50% of the taxpayer's liability.	Fla. Stat. § 211.0251
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Georgia

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Ad Valorem	Variable, by county.	O.C.G.A. §48-5																																								
Corporate/ Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: 6.0 % ▪ Franchise: 	O.C.G.A. §48-13-73																																								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Corporations with Net Worth Including Issued Capital Stock, Paid-in Surplus, and Earned Surplus</th> <th style="text-align: center;">Amount of Tax</th> </tr> </thead> <tbody> <tr> <td>Not exceeding \$10,000.00</td> <td style="text-align: right;">\$ 10.00</td> </tr> <tr> <td>Over \$10,000.00 and not exceeding \$25,000.00</td> <td style="text-align: right;">20.00</td> </tr> <tr> <td>Over \$25,000.00 and not exceeding \$40,000.00</td> <td style="text-align: right;">40.00</td> </tr> <tr> <td>Over \$40,000.00 and not exceeding \$60,000.00</td> <td style="text-align: right;">60.00</td> </tr> <tr> <td>Over \$60,000.00 and not exceeding \$80,000.00</td> <td style="text-align: right;">75.00</td> </tr> <tr> <td>Over \$80,000.00 and not exceeding \$100,000.00</td> <td style="text-align: right;">100.00</td> </tr> <tr> <td>Over \$100,000.00 and not exceeding \$150,000.00</td> <td style="text-align: right;">125.00</td> </tr> <tr> <td>Over \$150,000.00 and not exceeding \$200,000.00</td> <td style="text-align: right;">150.00</td> </tr> <tr> <td>Over \$200,000.00 and not exceeding \$300,000.00</td> <td style="text-align: right;">200.00</td> </tr> <tr> <td>Over \$300,000.00 and not exceeding \$500,000.00</td> <td style="text-align: right;">250.00</td> </tr> <tr> <td>Over \$500,000.00 and not exceeding \$750,000.00</td> <td style="text-align: right;">300.00</td> </tr> <tr> <td>Over \$750,000.00 and not exceeding \$1,000,000.00</td> <td style="text-align: right;">500.00</td> </tr> <tr> <td>Over \$1,000,000.00 and not exceeding \$2,000,000.00</td> <td style="text-align: right;">750.00</td> </tr> <tr> <td>Over \$2,000,000.00 and not exceeding \$4,000,000.00</td> <td style="text-align: right;">1,000.00</td> </tr> <tr> <td>Over \$4,000,000.00 and not exceeding \$6,000,000.00</td> <td style="text-align: right;">1,250.00</td> </tr> <tr> <td>Over \$6,000,000.00 and not exceeding \$8,000,000.00</td> <td style="text-align: right;">1,500.00</td> </tr> <tr> <td>Over \$8,000,000.00 and not exceeding \$10,000,000.00</td> <td style="text-align: right;">1,750.00</td> </tr> <tr> <td>Over \$10,000,000.00 and not exceeding \$12,000,000.00</td> <td style="text-align: right;">2,000.00</td> </tr> <tr> <td>Over \$12,000,000.00 and not exceeding \$14,000,000.00</td> <td style="text-align: right;">2,500.00</td> </tr> <tr> <td>Over \$14,000,000.00 and not exceeding \$16,000,000.00</td> <td style="text-align: right;">3,000.00</td> </tr> </tbody> </table>		Corporations with Net Worth Including Issued Capital Stock, Paid-in Surplus, and Earned Surplus	Amount of Tax	Not exceeding \$10,000.00	\$ 10.00	Over \$10,000.00 and not exceeding \$25,000.00	20.00	Over \$25,000.00 and not exceeding \$40,000.00	40.00	Over \$40,000.00 and not exceeding \$60,000.00	60.00	Over \$60,000.00 and not exceeding \$80,000.00	75.00	Over \$80,000.00 and not exceeding \$100,000.00	100.00	Over \$100,000.00 and not exceeding \$150,000.00	125.00	Over \$150,000.00 and not exceeding \$200,000.00	150.00	Over \$200,000.00 and not exceeding \$300,000.00	200.00	Over \$300,000.00 and not exceeding \$500,000.00	250.00	Over \$500,000.00 and not exceeding \$750,000.00	300.00	Over \$750,000.00 and not exceeding \$1,000,000.00	500.00	Over \$1,000,000.00 and not exceeding \$2,000,000.00	750.00	Over \$2,000,000.00 and not exceeding \$4,000,000.00	1,000.00	Over \$4,000,000.00 and not exceeding \$6,000,000.00	1,250.00	Over \$6,000,000.00 and not exceeding \$8,000,000.00	1,500.00	Over \$8,000,000.00 and not exceeding \$10,000,000.00	1,750.00	Over \$10,000,000.00 and not exceeding \$12,000,000.00	2,000.00	Over \$12,000,000.00 and not exceeding \$14,000,000.00	2,500.00
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	00.00 Over \$20,000,000.00 and not exceeding \$22,000,000.00	4,500.00		
	Over \$22,000,000.00	5,000.00		
Excise Tax on Sale or Use of Energy	<p>Phased in over 4 years beginning Jan. 1, 2013.</p> <ul style="list-style-type: none"> ▪ For the period commencing January 1, 2013, and concluding at the last moment of December 31, 2013, such excise tax shall be at a rate equivalent to 25 percent of the total amount of local sales and use tax in effect in such special district that would be collected on the sale, use, storage, or consumption of energy but for the exemption in Code Section 48-8-3.2; ▪ For the period commencing January 1, 2014, and concluding at the last moment of December 31, 2014, such excise tax shall be at a rate equivalent to 50 percent of the total amount of local sales and use tax in effect in such special district that would be collected on the sale, use, storage, or consumption of energy but for the exemption in Code Section 48-8-3.2; ▪ For the period commencing January 1, 2015, and concluding at the last moment of December 31, 2015, such excise tax shall be at a rate equivalent to 75 percent of the total amount of local sales and use tax in effect in such special district that would be collected on the sale, use, storage, or consumption of energy but for the exemption in Code Section 48-8-3.2; and ▪ On or after January 1, 2016, such excise tax shall be at a rate equivalent to 100 percent of the total amount of local sales and use tax in effect in such special district that would be collected on the sale, use, storage, or consumption of energy but for the exemption in Code Section 48-8-3.2. 		O.C.G.A. §48-13-112	
Sales	The Georgia sales tax rate is 4%, and the maximum GA sales tax after local surtaxes is 8%.			
Severance	None.			

Idaho

Tax	Rate	Citation
Ad Valorem	Variably, by county.	
Corporate/Franchise	<ul style="list-style-type: none"> ▪ The income tax rate is 7.4 percent on the Idaho taxable income of a corporation 	ID Code §63-3025 ID Code §63-3025A

	<p>transacting business or authorized to transact business in Idaho or with income attributable to Idaho.</p> <ul style="list-style-type: none"> ▪ If the tax is less than \$20, a minimum tax payment of \$20 is required. ▪ Nonproductive mining companies are not required to pay the minimum \$20 tax. 	ID Code §63-3025A
Sales	The Idaho sales tax rate is 6%, and the maximum ID sales tax after local surtaxes is 6%.	
Oil & Gas Production	<ul style="list-style-type: none"> ▪ Severance tax equal to 2.5% of market value at the site of production. ▪ The tax is inapplicable to: (1) the interest of the U.S. and the interest of ID in any oil or gas or in the proceeds thereof; (2) the interest of an Indian or Indian tribe in any oil or gas or the proceeds thereof, produced from lands subject to the supervision of the U.S.; and (3) oil and gas used in producing operations or for repressuring or recycling purposes. 	ID Code § 47-330

Illinois

Tax	Rate	Citation
Ad Valorem	Variable, by county.	35 ILCS 200
Corporate/Franchise	For tax years beginning on or after January 1, 2011, corporations pay 7.0 % income tax and 2.5% replacement tax.	35 ILCS 5/101 - 5/1701
Sales	The Illinois sales tax rate is 6.25%, and the maximum IL sales tax after local surtaxes is 11.5%.	
Oil & Gas Production	0.1 % of the gross revenues of oil and gas produced from each well in Illinois.	225 ILCS 728/30
Gas Revenue Tax	5 % of gross charges or \$0.024 per therm, whichever is less.	35 ILCS 615/1 to 615/15

Indiana

Tax	Rate	Citation
Ad Valorem	Variable, by county.	
Corporate/Franchise	Remainder of: apportioned income less deductible IN net operating losses less (net capital losses minus net capital gains) beginning December 31, 1989	Ind. Code Ann. § 6-5.5-2-1

	is taxed at 8.5%.	
Sales	The Indiana sales tax rate is 7%, and the maximum IN sales tax after local surtaxes is 9%.	
Petroleum Production Tax	<p>The petroleum severance tax is equal to the greater of (1) 1% of the value of the petroleum, or (2) \$0.03/mcf for natural gas and \$0.24/barrel for oil.</p> <p><u>Exemptions</u></p> <ul style="list-style-type: none"> ▪ Gas from any well that is used to pump or treat that well, or gas piped to a landowner's private buildings for the landowner's own use is exempt from the tax. 	Ind. Code Ann. § 6-8-1-8

Kansas

Tax	Rate	Citation
Ad Valorem	Variable, by county.	K.S.A. § 79-1401
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: Total taxable income taxed @ 4.00% plus 3.00% surtax on taxable income over \$50,000. ▪ Franchise: After TY11, no franchise tax. 	<p>K.S.A. §79-32,110</p> <p>K.S.A. § 79-5401</p>
Sales	The Kansas sales tax rate is 6.3%, and the maximum KS sales tax after local surtaxes is 8.65%.	
Severance	<p>8 % of gross value of oil and gas, less property tax credit of 3.67 %</p> <p><u>Exemptions</u></p> <ul style="list-style-type: none"> ▪ The following gas is exempt from tax: gas which is (1) injected for the purpose of lifting oil, recycling or repressuring; (2) used for fuel in connection with the operation of the well; (3) lawfully vented or flared; (4) severed from a well with an average daily production during a calendar month of not more than \$87/day; (4) inadvertently lost on the lease or production unit by reason of leaks, blowouts, or other accidental losses; (5) used or consumed for domestic or agricultural purposes on the lease or production unit; or (6) placed in underground 	K.S.A. § 79-4217

	<p>storage for recovery at a later date and which was originally severed outside the state of KS;</p> <ul style="list-style-type: none"> ▪ The following oil is exempt from tax: oil which is (1) severed from a well with an average daily production of 5 barrels or less; (2) severed from a well with a completion depth of 2,000' or more and has relatively low-volume production; (3) severed from a well whose production results from a tertiary recovery process; (4) produced from a well with a depth of less than 2,000' and whose average daily production is 6 barrels or less as the result of a water flood process; (5) produced from a well with a depth of 2,000' or more with low production as the result of a water flood process; (6) test, frac or swab oil which is sold or exchanged for value; or (7) inadvertently lost by reason of leaks of other accidental means; ▪ The severance and production of oil/gas from a 3-year inactive well is exempt for a period of 10 years after the date of certification; ▪ The incremental severance of oil/gas resulting from a production enhancement project is exempt for 7 years from the start date of the project. <p><u>Credit</u></p> <ul style="list-style-type: none"> ▪ A credit against the severance tax is available to taxpayers who are liable for ad valorem taxes on oil/gas property equal to 3.67% of the gross value of oil/gas produced. 	<p>K.S.A. § 79-4219</p>
<p>Oil & Gas Conservation</p>	<ul style="list-style-type: none"> ▪ 91 mills/bbl crude oil or petroleum marketed or used each month. ▪ 12.9 mills/1,000 cubic feet of gas sold or marketed each month. 	

Kentucky

Tax	Rate	Citation
Ad Valorem	Variable, by county.	
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: After Jan 1, 2007, the following rates shall apply: <ul style="list-style-type: none"> • 4% of the first \$50,000 of taxable income; • 5% of the next \$50,000 of taxable income; and • 6% of the taxable income over \$100,000. ▪ Franchise: <ul style="list-style-type: none"> • Net capital taxed at 1.1% • Minimum tax \$300. 	<p>KRS §141.040(1) See, KRS 141.010(24)(a) and KRS 141.010(28) regarding what is a “corporation”</p> <p>KRS §79-5401</p>
Sales	The Kentucky sales tax rate is 6%, and the maximum KY sales tax after local surtaxes is 6%.	
Natural Resource Severance Tax	<p>4.5 % of gross value, less transportation expenses.</p> <p><u>Credits</u></p> <ul style="list-style-type: none"> ▪ Taxpayers engaged in severing or procession natural gas are allowed a credit against the severance tax equal to 4.5% of the gross value of natural gas produced from a recovered inactive well (wells that have been inactive for 2 consecutive years or have been plugged and abandoned). 	<p>KRS §143.020</p> <p>KRS § 143A.033</p>

Louisiana

Tax	Rate	Citation
Ad Valorem	<ul style="list-style-type: none"> ▪ Louisiana Constitution exempts the oil and gas contained in the earth from ad valorem taxes. ▪ Upstream equipment, refineries, pipelines, drilling rigs, oilfield services equipment, and other oilfield related property are taxable. 	
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: <ul style="list-style-type: none"> • 4 % on the first \$25,000 of net income • 5 % on the next \$25,000 • 6 % on the next \$50,000 • 7 % on the next \$100,000 • 8 % on the excess over \$200,000 ▪ Franchise: <ul style="list-style-type: none"> • First \$300 of taxable capital taxed at \$1.50 per \$1000. 	<p>La. R.S. 47:601 La. R.S. 47:602 La. R.S. 47:1031</p>

	<ul style="list-style-type: none"> • Over \$300 taxed at \$3 per \$1000 • Taxable capital is the amount of the corporations issue/outstanding stock, surplus and undivided profits. • Any corporation engaged in the business of transporting natural gas by pipeline in the state shall pay an additional tax of 1% of gross receipts. 	
Excise	<p>Disposal tax is:</p> <ul style="list-style-type: none"> ▪ \$30 per dry-weight ton of hazardous waste both generated and disposed of at the same site in Louisiana. ▪ \$40 per dry-weight ton of hazardous waste disposed of in Louisiana at a site other than the site where generated. ▪ \$100 per dry-weight ton of extremely hazardous waste disposed of in Louisiana. 	
Sales	The Louisiana sales tax rate is 4%, and the maximum LA sales tax after local surtaxes is 10%.	
Severance Tax	<ul style="list-style-type: none"> ▪ Oil: 12.5% of value at the time and place of severance, with certain wells subject to a reduced rate based on low production. ▪ Natural Gas: Taxed at a base rate of \$0.07 per 1,000 cubic feet, subject to an annual rate adjustment by the state. <p><u>Exemptions</u></p> <ul style="list-style-type: none"> ▪ Exemptions include severance of gas: (1) which is subsequently injected into a formation for the purpose of storing by the producer; (2) originally produced outside the state which has been injected into the earth within the state for the purpose of storage; (3) vented or flared directly into the atmosphere; (4) used for drilling fuel in the field where produced; (5) consumed in the production of natural resources in the state; and (6) used in the manufacture of carbon black. ▪ Production from oil/gas wells is exempt from severance tax for 5 years when a well is returned to service after being inactive for 2 or more years or having 30 days or less of production during the past 2 years. ▪ Production of natural gas, gas condensate, and oil from any well drill to a true vertical depth of more than 15,000' is exempt from tax for 24 months or until payout of the well cost (whichever occurs 	La. R.S. 47:633

	<p>first).</p> <ul style="list-style-type: none"> ▪ Severance taxes are suspended for 24 months or until payout of the well cost is achieved on all horizontally drilled wells. ▪ When water is injected into an oil/gas reservoir for the purpose of increasing recovery, the severance tax on each barrel of oil (1,000 cubic feet of gas) is reduced by 20% of the tax otherwise due. ▪ Severance taxes on production from certified new discovery oil/gas wells is suspended from the date of completion for 24 months or until recovery of the well cost, whichever comes first. 	<p>La. R.S. 47:633</p> <p>La. R.S. 47:633.5</p> <p>La. R.S. 47:648.3</p>
Oil Field Restoration Fee	<ul style="list-style-type: none"> ▪ One and one-half cents (\$.015) for every barrel of oil and condensate produced, and ▪ Three-tenths of one cent (\$.003) for every thousand cubic feet of gas produced. 	<p>http://dnr.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&pid=155</p>

Maryland

Tax	Rate	Citation
Ad Valorem	Variable, by county.	
Corporate/Franchise	Corporate Income: 8.25% of taxable MD income Franchise: 2% of gross receipts.	Md. Tax-General Code Ann. §8-403
Sales	The Maryland sales tax rate is 6%, and the maximum MD sales tax after local surtaxes is 6%.	
Severance/Gross Production	None.	

Michigan

Tax	Rate	Citation
Ad Valorem	Variable, by county.	
Corporate/Franchise	6% on C corporations and taxpayers taxed federally as corporations. <u>Credit</u> Small Business alternative credit offers an alternative tax rate of 1.8% of the adjusted business income.	
Sales	The Michigan sales tax rate is 6%, and the maximum MI sales tax after local surtaxes is 6%.	
Severance/Gross Production	<ul style="list-style-type: none"> ▪ 5 % for gas ▪ 6.6 % for oil ▪ 4 % (oil from stripper wells and marginal properties) of gross cash market value of the total production. ▪ Maximum additional fee of 1 % gross cash market 	MCLS §205.303

	value on all oil and gas produced in state in previous year.	
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Mississippi

Tax	Rate		Citation	
Ad Valorem	Class		http://www.dor.ms.gov/taxareas/property/advalor.html	
	Tax Rate			
	Class I	Single-family owner-occupied, residential real property		10%
	Class II	All other real property, except real property in Class I or Class IV		15%
	Class III	Personal property, except motor vehicles and Class IV property		15%
	Class IV	Public service property assessed by the state or county except railroad and airline property		30%
Class V	Motor vehicles	30%		
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: <ul style="list-style-type: none"> • 3% on the first \$5,000 of taxable income, • 4% on the next \$5,000 of taxable income, and • 5% on taxable income in excess of \$10,000. ▪ Franchise: <ul style="list-style-type: none"> • Capital Stock is taxed at \$2.50 per \$1,000. • Minimum tax: \$25. 		Miss. Code Ann. §27-7-1 & §27-8-1 Miss. Code Ann. §27-13-1 & §27-13-5	
Sales	The Mississippi sales tax rate is 7%, and the maximum MS sales tax after local surtaxes is 9%.			
Severance/Gross Production	<ul style="list-style-type: none"> ▪ 6 % of the value at point of gas production. ▪ 3 % of gross value of occluded natural gas from coal seams at point of production for the well's first five years. ▪ Maximum 35 mills/bbl. oil or four mills/1,000 cubic feet of gas (Oil and Gas Board maintenance tax). ▪ 6 % of value at the point of oil production. ▪ 3 % of value at production when enhanced oil recovery is used. 		Miss. Code Ann. §27-25-503	

Missouri

Tax	Rate	Citation
Ad Valorem	Variable, by county.	
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: 6.25% ▪ Franchise: <ul style="list-style-type: none"> • 2012: 0.00027% • 2013: 0.0002% • 2014: 0.00013% • 2015: 6.67% • Threshold \$10 million 	<p>Mo. St. Ch 143</p> <p>Mo. St. §147.010</p>
Sales	The Missouri sales tax rate is 4.225%, and the maximum MO sales tax after local surtaxes is 9.241%.	
Gross Production	None.	Mo. St. §259.220

Montana

Tax	Rate	Citation
Ad Valorem	Variable, by county.	
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Net Corporate Income: 6.75% <ul style="list-style-type: none"> • Corporations making a “water’s edge” election: 7% • Corporations not renting/owning in state and only making sales whose gross volume doesn’t exceed \$100,000: 0.5% • Minimum Tax: \$50 	Mont. Code Ann. §15-31-121
Sales	None.	
Oil or Natural Gas Production Tax	<p>Production taxes on gross taxable value of production vary from 0.76% - 15.06% based on the type of well and the type of production for working interest and nonworking interest owners.</p> <p><u>Exemptions</u></p> <ul style="list-style-type: none"> ▪ Any interest in production owned by the state or a local government is exempt from tax. ▪ Royalties received by (1) an Indian tribe with respect to on-reservation oil/gas production, (2) the U.S. as trustee for individual Indians, and (3) the U.S., the state of MT, or a county or municipal government of MT are exempt from tax. 	<p>Mont. Admin. R. 42.25.1809</p> <p>Mont. Code Ann. § 15-36-304</p> <p>Mont. Code Ann. § 15-36-309</p>

Oil or Gas Conservation Tax	Maximum of 0.3 % on the market value of each barrel of crude petroleum oil or 10,000 cubic feet of natural gas produced, saved and marketed or stored within or exported from the state.	Mont. Admin. R. 36.22.1242 Mont. Code Ann. §82-11-131
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Nebraska

Tax	Rate	Citation																												
Ad Valorem	Variable, by county.																													
Corporate/Franchise	<p>▪ Corporate Income:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="4" style="text-align: center;">Nebraska Tax Rate Schedule for Fiduciary Income Tax</th> </tr> <tr> <th colspan="4" style="text-align: center;">If taxable income is:</th> </tr> <tr> <th style="text-align: center;">over</th> <th style="text-align: center;">but not over</th> <th colspan="2" style="text-align: center;">The Nebraska tax is:</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$500</td> <td></td> <td style="text-align: center;">2.56% of income</td> </tr> <tr> <td style="text-align: center;">500</td> <td style="text-align: center;">4,700</td> <td style="text-align: center;">\$12.80 +</td> <td style="text-align: center;">3.57% of the excess over \$500</td> </tr> <tr> <td style="text-align: center;">4,700</td> <td style="text-align: center;">15,150</td> <td style="text-align: center;">\$162.74 +</td> <td style="text-align: center;">5.12% of the excess over \$4,700</td> </tr> <tr> <td style="text-align: center;">15,150</td> <td style="text-align: center;">-----</td> <td style="text-align: center;">\$697.78 +</td> <td style="text-align: center;">6.84% of the excess over \$15,150</td> </tr> </tbody> </table> <p>▪ Franchise:</p> <ul style="list-style-type: none"> • <\$10k Paid-Up Capital: \$26 • \$10k - \$20k Paid-Up Capital: \$40 • \$20k - \$30k Paid-Up Capital: \$60 • \$30k - \$40k Paid-Up Capital: \$80 • \$40k - \$50k Paid-Up Capital: \$100 • Up to \$100m Paid-Up Capital: \$23,990 • Minimum B Fee \$26 • Paid-Up Capital Stock - at any time, sum of par value of all shares capital stock of corporation issued/outstanding. 	Nebraska Tax Rate Schedule for Fiduciary Income Tax				If taxable income is:				over	but not over	The Nebraska tax is:		\$0	\$500		2.56% of income	500	4,700	\$12.80 +	3.57% of the excess over \$500	4,700	15,150	\$162.74 +	5.12% of the excess over \$4,700	15,150	-----	\$697.78 +	6.84% of the excess over \$15,150	<p>http://www.revenue.ne.gov/question/businctax_faq.html#c12</p> <p>R.R.S. Neb. § 21-303</p>
Nebraska Tax Rate Schedule for Fiduciary Income Tax																														
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4,700	15,150	\$162.74 +	5.12% of the excess over \$4,700																											
15,150	-----	\$697.78 +	6.84% of the excess over \$15,150																											
Sales	The Nebraska sales tax rate is 5.5%, and the maximum NE sales tax after local surtaxes is 7%.																													

Severance Tax	<ul style="list-style-type: none"> ▪ 3 % of value of nonstripper oil and natural gas. ▪ 2 % of value of stripper oil. Maximum of 15 mills/\$1 of value at wellhead. 	R.R.S. Neb. §57-703
	<u>Exemptions</u> <ul style="list-style-type: none"> ▪ Gas used only in severing operations or for repressuring or recycling purposes is exempt from tax. 	R.R.S. Neb. § 57-702

Nevada

Tax	Rate	Citation
Ad Valorem	Variable, by county.	
Corporate/Franchise	None.	
Sales	The Nevada sales tax rate is 6.85%, and the maximum NV sales tax after local surtaxes is 8.1%.	
Oil and Gas Conservation Tax	<ul style="list-style-type: none"> ▪ \$50/mills/bbl of oil. ▪ 50 mills/50,000 cubic feet of gas. 	

New Mexico

Tax	Rate	Citation
Oil and Gas Production Equipment Ad Valorem Tax	See § 7-34-4 NMSA	
Oil and Gas Ad Valorem Production Tax	Based on property tax in the district of production.	Art. 32 NMSA
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: <ul style="list-style-type: none"> • Net income not over \$500,000 tax shall be 4.8% of net income. • Net income over \$500,000 but not over \$1,000,000 tax shall be \$24,000 plus 6.4% of excess over \$500,000. • Net income over \$1,000,000 tax shall be \$56,000 plus 7.6% of excess over \$1,000,000. ▪ Franchise: Flat tax of \$50/taxable year. 	§ 7-2A-5 NMSA §7-2A-5.1 NMSA
Resource Excise Tax	0.0075% (resources tax) 0.0075% (processors tax) Exemption at 25 NMSA 7-25-7.	§ 7-25-4 NMSA § 7-25-5 NMSA
Sales	The New Mexico sales tax rate is 5.125%, and the maximum NM sales tax after local surtaxes is	

	8.5625%.	
Severance	<ul style="list-style-type: none"> ▪ 3.75 % on natural gas severed and sold. ▪ 3.75% on oil and other liquid hydrocarbons removed from natural gas at/near the wellhead. ▪ 1.875% on oil and other liquid hydrocarbons removed from natural gas at/near the wellhead produced from a qualified enhanced recovery project. ▪ 2.45% on natural gas from a well workover project certified by the oil conservation division. ▪ 2.45% on the oil and on other liquid hydrocarbons removed from natural gas at/near the wellhead from a well workover project certified by the oil conservation division. ▪ 1.875% -2.8125% on natural gas and oil from a stripper well property. ▪ 3.75% on carbon dioxide, helium, and non-hydrocarbon gas. <p><u>Exemptions</u></p> <ul style="list-style-type: none"> ▪ Natural gas/oil severed and sold from a production restoration project is exempt from severance taxes during the first 10 years of production following the restoration of production, provided that the annual average price of intermediate crude oil is less than \$24/barrel. 	§ 7-29-4 NMSA
Oil and Gas Emergency School Tax	3.15 % of value of oil, other liquid hydrocarbons and carbon dioxide; 4 % of the value of natural gas.	7-31-4 NMSA
Natural Gas Processor's Tax	\$0.0220/mmBtu tax on the volume.	Art. 33 NMSA
Oil and Gas Conservation Tax	0.19 % of value.	7-30-4 NMSA

New York

Tax	Rate	Citation
Ad Valorem	Variable, by county.	http://www.tax.ny.gov/pit/property/default.htm
Corporate/Franchise	Annual tax is imposed upon every oil company equal to three-quarters of one per centum of its gross receipts	NY CLS Tax § 182-a

	from sales of petroleum.	
Excise	<p>Special assessment of hazardous waste fee schedule</p> <ul style="list-style-type: none"> ▪ \$27 per ton for hazardous waste disposed of in a landfill or designated for landfill disposal. ▪ \$16 per ton for hazardous waste treated or disposed of except by landfill or incineration or designated for such treatment or disposal. ▪ \$9 per ton for hazardous waste incinerated off-site or designated for incineration. ▪ \$2 per ton for hazardous waste incinerated on the site of generation. 	
Sales	The New York sales tax rate is 4%, and the maximum NY sales tax after local surtaxes is 13.075%.	
Gross Production	There is no state severance tax levied on oil and gas in New York. However, oil and gas properties are taxed at the local level and production is a factor in determining the assessed value of the property.	

North Carolina

Tax	Rate	Citation
Ad Valorem	Variable, by county.	
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: 6.9% ▪ Franchise: <ul style="list-style-type: none"> • Total Issued/Outstanding Capital Stock (domestic and foreign corporations): \$1.50 per \$1k • Total Issued/Outstanding Capital Stock (holding companies): \$1.50 per \$1k • Maximum Fee \$75k • Minimum Fee \$35 	<p>N.C. Gen. Stat. § 105-122 N.C. Gen. Stat. § 105-120.2</p>
Excise	<ul style="list-style-type: none"> ▪ An excise tax is imposed on piped natural gas received for consumption in this State. ▪ This tax is in lieu of the 3% sales tax and the 3.22% franchise gross receipts tax on piped natural gas. <p>The tax is computed on a monthly therm volume of piped natural gas received by the end-user with a declining block rate structure as follows:</p> <ul style="list-style-type: none"> ▪ First 200 therms \$0.047 	N.C. Gen. Stat. § 105-187.41

	<ul style="list-style-type: none"> ▪ 201 – 15,000 therms 0.035 ▪ 15,001 – 60,000 therms 0.024 ▪ 60,001 – 500,000 therms 0.015 ▪ Over 500,000 therms 0.003 	
Sales	The North Carolina sales tax rate is 4.75%, and the maximum NC sales tax after local surtaxes is 7.25%.	
Oil and Gas Conservation Tax	Maximum of 5 mills/barrel of oil and 0.5 mill/1,000 cubic feet of gas.	N.C. Gen. Stat. §113-387

North Dakota

Tax	Rate	Citation																				
Ad Valorem	Variable, by county.																					
Corporate/Franchise	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: left; padding: 5px;">If taxable income is:</th> </tr> <tr> <th style="text-align: center; padding: 5px;">Over</th> <th style="text-align: center; padding: 5px;">But not over</th> <th style="text-align: center; padding: 5px;">The tax is:</th> <th style="padding: 5px;"></th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 5px;">\$ 0</td> <td style="text-align: center; padding: 5px;">\$ 25,000</td> <td style="text-align: center; padding: 5px;">1.68%</td> <td style="padding: 5px;">of North Dakota Taxable Income</td> </tr> <tr> <td style="text-align: center; padding: 5px;">25,000</td> <td style="text-align: center; padding: 5px;">50,000</td> <td style="text-align: center; padding: 5px;">\$ 420.00</td> <td style="padding: 5px;">+ 4.23% of amount over \$25,000</td> </tr> <tr> <td style="text-align: center; padding: 5px;">50,000</td> <td></td> <td style="text-align: center; padding: 5px;">1,477.50</td> <td style="padding: 5px;">+ 5.15% of amount over \$50,000</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ▪ If a corporation elects to use the water's edge method to apportion its income, the corporation will be subject to an additional 3.5% surtax on its North Dakota taxable income. 	If taxable income is:				Over	But not over	The tax is:		\$ 0	\$ 25,000	1.68%	of North Dakota Taxable Income	25,000	50,000	\$ 420.00	+ 4.23% of amount over \$25,000	50,000		1,477.50	+ 5.15% of amount over \$50,000	http://www.nd.gov/tax/business/
If taxable income is:																						
Over	But not over	The tax is:																				
\$ 0	\$ 25,000	1.68%	of North Dakota Taxable Income																			
25,000	50,000	\$ 420.00	+ 4.23% of amount over \$25,000																			
50,000		1,477.50	+ 5.15% of amount over \$50,000																			
Sales	The North Dakota sales tax rate is 5%, and the maximum ND sales tax after local surtaxes is 7%.																					
Oil Gross Production Tax	5 % of gross value at the well.	N.D. Cent. Code §57-51-02																				
Gas Gross Production Tax	\$0.04 per 1,000 cubic feet of gas produced. The rate is subject to a gas rate adjustment each fiscal year.	N.D. Cent. Code §57-51-02.2																				

	<p><u>Exemptions</u></p> <ul style="list-style-type: none"> ▪ Shallow gas produced during the first 24 months of production after the well is completed in a shallow gas zone is exempt from tax. ▪ Gas burned at the well site to power an electrical generator that consumes at least 75% of the gas from the well is exempt from tax. ▪ Royalty interests owned by the federal government, the state, or an organized Indian tribe are exempt from gross production taxes. ▪ Gas taken directly from the wellhead or returned to the lease from a treating or processing plant and used in the production of oil or gas is exempt. 	<p>N.D. Cent. Code, § 57-51-02.4</p> <p>N.D. Cent. Code, § 57-51-02.5</p> <p>N.D. Admin. Code 81-09-02-15</p> <p>N.D. Admin. Code 81-09-02-16</p>
Oil Extraction Tax	<p>6.5% tax on the gross value of oil extracted; rate may be reduced to 4% for (1) oil produced from “new wells”, (2) certain oil produced from secondary or tertiary recovery projects, and (3) oil produced from well workover projects.</p> <p><u>Exemptions:</u> N.D. Cent. Code §57-51.1-03</p>	N.D. Cent. Code §57-51.1-02

Ohio

Tax	Rate	Citation
Ad Valorem	Variable, by county.	57 ORC §5713
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: None. ▪ Franchise: <ul style="list-style-type: none"> • 1st \$50k Issued and Outstanding Shares: 5.1% • Excess over \$50k : 8.5% or 4 mills times portion of value Issued and Outstanding Shares 	57 ORC §5733 57 ORC §5733.06
Use	5.5%	57 ORC §5741.02
Sales	The Ohio sales tax rate is 5.5%, and the maximum OH sales tax after local surtaxes is 7.75%.	57 ORC §5739
Severance	<ul style="list-style-type: none"> ▪ Oil: \$0.10 cents/bbl ▪ Natural Gas: \$0.025/1,000 cubic feet of natural gas <p><u>Exemptions</u> Tax does not apply to oil/gas extracted and used on the land from which it was taken as part of the improvement of or use in the severer’s homestead and which has a yearly cumulative market value not greater</p>	57 ORC §5749.02 57 ORC§5749.03

	than \$1,000.	
Commercial Activity Tax	<ul style="list-style-type: none"> ▪ For calendar years 2006 and thereafter, the first \$1 million in taxable gross receipts are taxed at \$150. Receipts above \$1 million are taxed at 0.26%. ▪ Some public utilities are excluded- including natural gas and pipe-line companies. 	57 ORC §5751

Oklahoma

Tax	Rate	Citation
Ad Valorem	<ul style="list-style-type: none"> ▪ Tangible personal property shall be assessed for taxation at not less than 10% nor more than 15% of its fair cash value. ▪ Real property shall be assessed for ad valorem taxation at a value not less than 11% nor greater than 13.5% of its fair cash value for the highest and best use. 	Okl. Const. Art. X §8
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: 6% ▪ Franchise: <ul style="list-style-type: none"> • 0.125% of the amount of capital used/invested/employed in the exercise of any power/privilege/right inuring to an organization within the state. • Maximum : \$20,000 	68 O.S. §1203
Excise	<p><u>Oil</u></p> <ul style="list-style-type: none"> ▪ 0.00095% of the gross value of each barrel produced in the state and subject to the gross production tax. ▪ Provision subject to terminate June 30, 2016 at which time the excise tax will be 0.00085%. <p><u>Gas</u></p> <ul style="list-style-type: none"> ▪ 0.00095% of the gross value of all natural gas & casinghead gas produced in the state and subject to the gross production tax. ▪ Provision subject to terminate June 30, 2016 at which time the excise tax will be 0.00085%. 	68 O.S. §1101 68 O.S. §1102
Sales- State	<ul style="list-style-type: none"> ▪ The Oklahoma sales tax rate is 4.5%, and the maximum OK sales tax after local surtaxes is 8.5%. 	68 O.S. 1354

	<ul style="list-style-type: none"> ▪ Subject to exceptions enumerated at 68 O.S. §1357 	
Gross Production- Oil	<ul style="list-style-type: none"> ▪ Price \geq \$17.00/bbl then 7%, ▪ Price between \$17.00/bbl and \$14.00/bbl then 4%, ▪ Price \leq \$14.00/bbl then 1% 	68 O.S. §1001
Gross Production- Gas	<ul style="list-style-type: none"> ▪ Price \geq \$2.10/mcf then 7%, ▪ Price between \$2.09/mcf and \$1.75/mcf then 4%, ▪ Price \leq \$1.75/mcf then 1% ▪ Effective July 1, 2013, excepted as otherwise exempted, gross production tax on gas shall be 7%. ▪ Exemptions enumerated at 68 O.S. §1001 (D)-(J) 	68 O.S. §1001

Oregon

Tax	Rate	Citation
Ad Valorem	Variable, by county.	ORS §308.005
Corporate/Franchise	On/after January 1, 2013 <ul style="list-style-type: none"> ▪ 1st \$10m Taxable Income: 6.6% ▪ Over \$10m Taxable Income: 7.6%; ▪ Minimum Tax: \$150 up to \$100k, based on sales property reported. ▪ S-Corporations minimum tax: \$150 	ORS § 317.090 ORS § 317.061
Excise	Companies that: <ul style="list-style-type: none"> ▪ Sell petroleum from bulk terminal facilities in Oregon; or ▪ Import petroleum products by cargo tank to storage tanks in Oregon not connected to bulk facilities ▪ Must pay a \$5 per load petroleum load fee. 	http://www.oregon.gov/dor/BUS/Pages/faq-petroleum.aspx
Sales	None.	
Oil and Gas Production Tax	6 % of gross value at well. <u>Exemptions</u> <ul style="list-style-type: none"> ▪ An exemption is granted on the first \$3,000 in gross sales value of the gross production each quarter from each well. ▪ Royalty interests in oil/gas owned by the state, counties, cities, towns, school districts or other municipal corporations or political subdivisions are exempt from tax; a credit is allowed for ad valorem property taxes imposed by the state and it's political 	ORS §324.070 ORS §325.080 ORS § 324.090

	<p>subdivisions.</p> <ul style="list-style-type: none"> ▪ Gas produced and used for fuel or otherwise used in the operation of any lease or premises in the drilling for or production of oil/gas, or for repressuring, is not considered gas actually produced and saved, and therefore is not subject to tax. 	ORS § 324.110
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Pennsylvania

Tax	Rate	Citation
Ad Valorem	Variable, by county.	72 P.S. § 5020-1 through 72 P.S. § 5502
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Net Income Tax: 9.99% ▪ Oil Co. Franchise Tax: <ul style="list-style-type: none"> • 153.5 mills for liquid fuels and • 208.5 mills for fuels. ▪ Franchise Tax <ul style="list-style-type: none"> • January 1, 2012 to December 31, 2012 : 1.89 mills • January 1, 2013 to December 31, 2013: 0.89 mills 	72 P.S. § 7602
Sales	The Pennsylvania sales tax rate is 6%, and the maximum PA sales tax after local surtaxes is 8%.	
Gross Production	None.	

South Carolina

Tax	Rate	Citation
Ad Valorem	Variable, by county.	http://www.sctax.org/Tax+Information/property/Prop+Tax+Calculated.htm
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income Tax: 5% ▪ Every Corporation shall pay an annual license fee of \$15 plus \$1 for each \$1000 of capital or paid-in stock. ▪ Minimum license fee of \$25 	
Sales	The South Carolina sales tax rate is 6%, and the maximum SC sales tax after local surtaxes is 9%.	
Oil and Gas Severance	None.	

South Dakota

Tax	Rate	Citation
Ad Valorem	Variable, by county.	
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: None. ▪ Franchise: <ul style="list-style-type: none"> • ≤\$400m Net Income : 6% • > \$400m to \$425m Net Income: 5% • > \$425m to \$450m Net Income: 4% • > \$450m to \$475m Net Income: 3% • > \$475m to \$500m Net Income: 2% • > \$500m to \$600m Net Income: 1% • >\$600 to \$1b Net Income: 0.5% • Minimum Tax: \$200k per location 	S.D. Codified Laws § 10-43-4
Sales	The South Dakota sales tax rate is 4%, and the maximum SD sales tax after local surtaxes is 6%.	
Energy Minerals Severance Tax	4.5 % of taxable value of all energy minerals.	S.D. Codified Laws §10-39A-1
Conservation Tax	2.4 mills of taxable value of all energy minerals severed and saved.	S.D. Codified Laws §10-39B-2

Tennessee

Tax	Rate	Citation
Ad Valorem	Variable, by county.	Tenn. Const. Art. 2 §§28-29
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: 6.5% ▪ Franchise: <ul style="list-style-type: none"> • Net Worth is taxed at \$0.25 per \$100. • Net Worth means assets less liabilities. • Minimum Tax: \$100 	<p>Tenn. Code Ann. § 67-4-2119</p> <p>Tenn. Code Ann. § 67-4-2106</p>
Excise	<ul style="list-style-type: none"> ▪ 6.5% of TN taxable income. ▪ Business privilege tax for businesses in 	

	the 1D classification provide retail sales of gasoline, diesel fuel and motor oil is 0.005%.	
Sales	The Tennessee sales tax rate is 7%, and the maximum TN sales tax after local surtaxes is 9.75%.	
Oil and Gas Severance	3 % of sales price. <u>Exemption</u> Free gas used by the property owner or tenant under the terms of the lease and gas injected into the ground for underground storage and thereafter withdrawn is exempt from severance taxes.	Tenn. Code Ann. §60-1-301

Texas

Tax	Rate	Citation
Ad Valorem	<ul style="list-style-type: none"> ▪ Unless exempt, all real property located in Texas is subject to ad valorem tax. ▪ Real property is defined to include a mineral in place. ▪ Texas' ad valorem personal property tax can be found in Tex. Tax Code Ann. §§ 11.01, 23.01. 	<p>Tex. Tax Code § 11.01.</p> <p>Tex. Tax Code § 1.04.</p>
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: None. ▪ Franchise: 0.5% - 1% 	
Sales	The Texas sales tax rate is 6.25%, and the maximum TX sales tax after local surtaxes is 8.25%.	
Gross Production	<u>Oil:</u> <ul style="list-style-type: none"> ▪ The oil production tax equals 4.6% of the market value of oil produced, or \$0.46/barrel produced, whichever is greater. ▪ Oil produced from enhanced recovery projects are taxed at 2.3% of market value. ▪ An additional oil-field cleanup fee is imposed equal to 5/8 of \$0.01 per barrel on crude oil. 	Tex. Tax Code § 202.052

	<p><u>Exemptions</u></p> <ul style="list-style-type: none"> ▪ Royalty interests owned by cities, towns, villages, counties, certain school districts, public colleges and universities, and political subdivisions of the federal government are exempt from tax <p><u>Credits</u></p> <ul style="list-style-type: none"> ▪ Tax credits are available to qualifying low-production wells; the credit is equal to 25-100% of the tax otherwise due, depending on the average taxable price of oil for the previous quarter. ▪ Hydrocarbons produced from a qualifying TERRA well are exempt from tax. ▪ A tax credit equal to 10% of the cost of enhanced efficiency equipment is available if purchased and installed no later than September 1, 2013; the credit cannot exceed 1,000/marginal well. <p><u>Gas:</u></p> <ul style="list-style-type: none"> ▪ The gas production tax equals 7.5% of the market value of gas produced. <p><u>Exemptions</u></p> <p>Gas production tax does not apply to gas</p> <ul style="list-style-type: none"> ▪ injected into the earth, unless sold for that purpose, ▪ produced from oil wells with oil and lawfully vented or flared, and ▪ used for lifting oil, unless sold for that purpose. <p><u>Credits</u></p> <ul style="list-style-type: none"> ▪ Tax credits are available to qualifying low-production wells; the credit is equal to 25-100% of the tax otherwise due depending on the average taxable price of 	<p>Tex. Nat. Res. Code § 81.116</p> <p>34 TAC § 3.34</p> <p>Tex. Tax Code § 202.058</p> <p>Tex. Tax Code § 202.059</p> <p>Tex. Tax Code § 202.061</p> <p>Tex. Tax Code § 201.052</p> <p>Tex. Tax Code § 201.053</p> <p>Tex. Tax Code § 201.059</p>
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	<p>each calendar year;</p> <ul style="list-style-type: none"> ▪ A 50% reduction in the tax rate is imposed on incremental production achieved from an enhanced recovery project. 	
Oil and Gas Conservation Fee	0.002 % of market value at the wellhead.	Utah Code Ann. § 40-6-14

Virginia

Tax	Rate	Citation
Ad Valorem	Variable, by county.	Va. Code Ann. § 58.1-3201
Corporate/Franchise	Corporate Income: 6%	
Sales	<ul style="list-style-type: none"> ▪ The Virginia sales tax rate is 5%, and the maximum VA sales tax after local surtaxes is 5%. ▪ Changes scheduled to go into effect July 1, 2013. The sales tax rate for most purchases will increase to 5.3% with a maximum sales tax of 7%. 	
Severance	<p>Oil: Local License Tax – Not to exceed 0.5% of the gross receipts from sales. Imposed by the Counties of Dickenson, Lee, Russell, Scott, and Wise.</p> <p>Gas:</p> <ul style="list-style-type: none"> ▪ License Tax – Not to exceed 1% of the gross receipts from sales. ▪ Additional License Tax – Not to exceed 1% of the gross receipts from sales. ▪ Road Improvement – Not to exceed 1% of the gross receipts from sales. ▪ The City of Norton and the Counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise impose both the license tax at a rate of 1% and the road improvement tax at a rate of 1% of the gross receipts. ▪ The Counties of Buchanan, Dickenson, Lee, Tazewell, and Wise impose the additional license tax at the rate of 1% of 	

	the gross receipts, for a total rate of 3% of the gross receipts from sales of severed gas.	
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Washington

Tax	Rate	Citation
Ad Valorem	Variable, by county.	Rev. Code Wash. § 84.52.010
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: None. ▪ Franchise: <ul style="list-style-type: none"> • Value of Products of Manufacturers: 0.0484 % • Gross Proceeds Sales of Retailers: 0.471% • Gross Proceeds of Wholesalers: 0.484% 	<p>Rev. Code Wash. § 82.04.240</p> <p>Rev. Code Wash. § 82.04.250</p> <p>Rev. Code Wash. § 82.04.270</p>
Excise	<p>Petroleum Products—Underground Storage Tank Program Funding</p> <ul style="list-style-type: none"> ▪ A tax is imposed on the privilege of possession of petroleum products in this state. The rate of the tax shall be thirty one-hundredths of one percent multiplied by the wholesale value of the petroleum product. ▪ Tax expires July 1, 2020. <p>Oil Spill Response Tax</p> <ul style="list-style-type: none"> ▪ An oil spill response tax, at the rate of 1 cent/bbl of crude oil or petroleum product received, is imposed on the privilege of receiving crude oil or petroleum products at a marine terminal within this state from a waterborne vessel or barge operating on the navigable waters of the state. <p>Credit</p> <ul style="list-style-type: none"> ▪ A credit shall be allowed against the taxes imposed under this chapter for any crude oil or petroleum products received at a 	<p>Rev. Code Wash. § 82.23A.020</p> <p>Rev. Code Wash. §82.23B.020</p> <p>Rev. Code Wash. §82.23B.040</p>

	<p>marine terminal and subsequently exported from or sold for export from the state.</p> <p>Oil Spill Administration Tax</p> <ul style="list-style-type: none"> ▪ An oil spill response tax, at the rate of 4 cents/bbl of crude oil or petroleum product received, is imposed on the privilege of receiving crude oil or petroleum products at a marine terminal within this state from a waterborne vessel or barge operating on the navigable waters of the state. <p>Credit</p> <ul style="list-style-type: none"> ▪ Same as available for Oil Spill Response Tax. 	<p>Rev. Code Wash. §82.23B.020</p>
Sales	The Washington sales tax rate is 6.5%, and the maximum WA sales tax after local surtaxes is 9.5%.	
Severance	None.	

West Virginia

Tax	Rate	Citation
Ad Valorem	Variable, by county.	W. Va. Code § 11-3-1
Corporate/Franchise	<ul style="list-style-type: none"> ▪ Corporate Income: 7.0 % ▪ Franchise: <ul style="list-style-type: none"> • On or after Jan. 2012: the greater of \$50 or 0.20% • On or after Jan. 2013: the greater of \$50 or 0.10% • On or after Jan. 2014: No tax. 	W. Va. Code §11-23-6
Sales	The West Virginia sales tax rate is 6%, and the maximum WV sales tax after local surtaxes is 6%.	
Natural Resource Severance Taxes	<ul style="list-style-type: none"> ▪ 5 % of gross value for natural gas; 10 % of net tax is distributed to local governments. ▪ 5 % of gross value for oil; 10 % of net tax 	W. Va. Code § 11-13A-3a

	<p>is distributed to local governments.</p> <ul style="list-style-type: none"> ▪ Additional tax for workers' compensation debt reduction rate of \$0.047/mcf of natural gas produced. <p>Exemptions</p> <ul style="list-style-type: none"> ▪ Free natural gas provided to any surface owner, ▪ Natural gas produced from any well which produced an average of less than 5,000 cubic feet of natural gas per day during the preceding year, ▪ Oil produced from any well which produced an average of less than 0.5 barrels of oil per day during the preceding year, and ▪ For a maximum period of 10 years, all natural gas or oil produced from a well which has not produced marketable quantities of natural gas or oil for 5 consecutive years immediately preceding the year in which a well is placed back into production and thereafter produces marketable quantities of natural gas or oil. <p><u>Credits</u></p> <ul style="list-style-type: none"> ▪ An annual credit against severance taxes is available at a rate of \$41.67/month for each month that a taxpayer is engaged in business during the taxable year and exercise a taxable privilege. 	<p>W. Va. Code § 11-13V-4</p> <p>W. Va. Code § 11-13A-3a</p> <p>W. Va. Code § 11-13A-10</p>
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Wyoming

Tax	Rate	Citation
Ad Valorem	Variable, see Wyo. Stat. §39-13-104.	Wyo. Stat. §§ 39-13-101 through 39-13-111
Corporate/Franchise	None.	
Sales	The Wyoming sales tax rate is 4%, and the maximum WY sales tax after local surtaxes is 7%.	

