TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 45. GROSS PRODUCTION

RULEMAKING ACTION:
Notice of proposed **PERMANENT** rulemaking.
PROPOSED RULES:
Chapter 45. Gross Production [AMENDED]
SUMMARY:
As part of the Tax Commission's ongoing review of its rules, many proposed amendments to the existing rules have been made to implement recent legislation. All legislative references are to the Second Regular Session of the 58th Legislature (2022) unless otherwise indicated.

The proposed changes amend the rules to reflect the updated reporting methods and procedures due to the migration to Onelink from OkTap. The proposed changes amend Part 17. Economically At-Risk Leases in Subchapter 9. Exemptions and Exclusions and promulgate new Part 23. Secondary and Tertiary Recovery Projects and new Part 25. Production Completed with the Use of Recycled Water, to implement the provisions of HB 3568, providing definitions, qualification and refund procedures. [68:1001,1001.3a]

Other sections may be amended to clarify policy, improve readability, correct scrivener's errors, remove obsolete language, update or correct citations, update contact information, and ensure accurate internal cross-references, which do not change the interpretation or intent of the rules.
AUTHORITY:
68 O.S. §§ 203, 1001 and 1001.3a; Oklahoma Tax Commission
COMMENT PERIOD:
Persons wishing to present their views in writing may do so by 4:30 p.m., February 7, 2023, at the following address: Oklahoma Tax Commission, Tax Policy and Research Division, Oklahoma City, Oklahoma 73194, Attention: Lisa Haws, or by email to lhaws@tax.ok.gov.
PUBLIC HEARING:
A public hearing is scheduled for 1:30 p.m., on Wednesday, February 8, 2023, at the Oklahoma Tax Commission, 123 Robert S. Kerr Ave, Oklahoma City, Oklahoma. Those wishing to make oral comments at the public hearing should request placement on the docket well in advance of the hearing date by calling Lakesha Mackie at (405) 521-3133. Time limitations may be imposed on oral presentations to ensure that all persons who have filed written requests for placement on the docket will have an opportunity to speak.

In order to facilitate entry into the building, those wishing to appear should contact Lakesha Mackie at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. In order to gain access to the hearing, attendees must register at the information desk in the lobby by presenting a driver license or other photo identification.
REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:
Although nothing in this rulemaking action has been determined to adversely

impact small business, the Oklahoma Tax Commission (OTC) requests that, pursuant to 75 O.S. § 303(B)(6), business entities affected by these rules provide the OTC, within the comment period, in dollar amounts, if possible, information on any increase in direct costs, such as fees, and indirect costs, such as those associated with reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed Rules.

COPIES OF PROPOSED RULES:

Copies of the proposed rules may be obtained from the below listed contact person. The proposed rules may also be viewed on the agency's website at http://www.tax.ok.gov.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S. § 303(D), a Rule Impact Statement will be prepared and available from the below listed contact person. The Rule Impact Statement may also be viewed on the agency's website at http://www.tax.ok.gov.

CONTACT PERSON:

Lisa R. Haws, Agency Liaison, Tax Policy Division, Oklahoma Tax Commission, Oklahoma City, Oklahoma 73194. Telephone number: 405-521-3133; Email: lhaws@tax.ok.gov

TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 45. GROSS PRODUCTION
SUBCHAPTER 5. REQUIRED RETURNS AND REPORTS

710:45-5-1. Monthly production reports

(a) **Minimum requirements of monthly production report**. All producers or purchasers of asphalt or ores bearing lead, zinc, jack, or copper or petroleum oil, mineral oil, other crude oil, condensate, reclaimed oil, gas, natural gas, casinghead gas, or liquid hydrocarbons from oil or gas produced in this state shall report volume and value of such production monthly on OTC Form 3~~00~~ 341 or any other form as may be prescribed and required by the Oklahoma Tax Commission. Each monthly report shall include the following information:

(1) Commission assigned purchaser reporting number;
(2) Commission assigned producer reporting number;
(3) Commission assigned production unit number, subnumber, and merge number for each lease from which production is reported;
(4) Assigned product code number for the product reported;
(5) Gross volume ~~amount~~ of the product reported from each lease from which production is reported;
(6) Total value of the product reported from each lease from which production is reported; and, the gross production tax, ~~and~~ the petroleum excise tax, Oklahoma energy resource board fee, and sustaining energy resources fee ~~for said lease~~;
(7) Taxpayer identification number, social security number (SSN), or, if applicable, the federal employer identification number (FEI);
(8) The month and year the product reported was sold;
(9) The Tax Commission assigned tax remitter reporting number.

(b) **Reports must be filed electronically.** OTC Forms ~~300 and 300C~~ 341 and 323-A must be filed electronically in the format prescribed by the Oklahoma Tax Commission.

SUBCHAPTER 9. EXEMPTIONS AND EXCLUSIONS
PART 17. ECONOMICALLY AT-RISK LEASES

710:45-9-80. Scope of Part 17

Exemption from the levy of ~~Gross Production Tax~~ gross production tax on economically ~~at risk~~ at-risk leases set out in 68 O.S. Supp. 2022, Section 1001.3a shall be determined according to the provisions of this Part. [**See:** 68 O.S. Supp. 2022, Section 1001.3a]

710:45-9-81. Definitions

The following words and terms, when used in this Chapter, shall have the following meaning, unless the context clearly indicates otherwise:

"**Active production days**" mean any day in which oil or natural gas was produced by the lease as reflected in the daily production logs.

"**Economically ~~at risk~~ at-risk oil or gas lease**" means ~~prior to calendar year 2015, any lease operated at a net loss or a net profit which is less than the total gross production tax remitted for such lease during the previous tax reporting year. Beginning~~ beginning with calendar year ~~2015~~ 2022, and each year thereafter~~,~~:

(1) Any Oklahoma Tax Commission assigned production unit number classified as an ~~economically at-risk lease means any~~ oil ~~or gas~~ lease that operated at a net profit which is less than the total gross production tax remitted for such lease during the tax reporting year ~~with one or more producing wells~~ with an average production volume per well of ten (10) barrels of oil ~~or sixty (60) MCF of natural gas per day or less.~~ and the monthly average price of oil for the year was less than Fifty Dollars ($50.00) per barrel; and

(2) Any Oklahoma Tax Commission assigned production unit number classified as a gas lease that operated at a net loss or a net profit which is less than the total gross production tax remitted for such lease during the tax reporting year with an average production volume per lease of (60) Mcf of natural gas per day and the "monthly average price of gas" for the year was less than Three Dollars and Fifty Cents ($3.50) per MMBtu.

~~The "average production volume" shall be determined based upon the Oklahoma Corporation Commission well classification, wherein only the primary product shall be used to determine the "average production volume." For example, only production from wells classified as oil wells shall be considered to determine average daily production of oil and no production of natural gas from these oil wells shall be used to determine if the lease meets the definition. The lease in its entirety must be operated at a net loss or at a net profit which is less than the total gross production tax remitted for all products for such lease during the qualifying calendar year.~~

"**Gas Lease**" means any Oklahoma Tax Commission assigned production unit number with a gas to oil production ratio of Fifteen Thousand (15,000) cubic feet of natural gas or more to one (1) barrel of oil. ~~a spaced unit, a separately metered formation within the spaced unit, or each tract within a Corporation Commission approved unitization, or a lease which, for tax reporting purposes, has been assigned a production unit number. A lease may contain one or more wells which have identical interest and payout.~~

"**Oil Lease**" means any Oklahoma Tax Commission assigned production unit number with a gas to oil production ratio of less than Fifteen Thousand (15,000) cubic feet of natural gas to one (1) barrel of oil.

710:45-9-81.1. Determination of average production volume and monthly average price of oil and gas

(a) Average production volume shall be determined based upon the lease classification, wherein only the primary product shall be used to determine the average production volume. For example, an oil lease that produced 2,789 barrels over 342 active production days during the calendar year would have an

average volume of 8.16 barrels per day.
(b) Monthly average price of oil shall be determined by taking the gross value of oil produced during the calendar year divided by the gross volume of oil produced from the lease, based on a per-barrel measurement of forty-two (42) U.S. gallons of two hundred thirty-one (231) cubic inches per gallon, computed at a temperature of sixty (60) degrees Fahrenheit.
(c) Monthly average price of gas shall be determined by taking the gross value of natural gas produced during the calendar year divided by the gross volume of natural gas produced based on a measurement of one million (1,000,000) British thermal units (MMBtu).

710:45-9-82. Exemption period

~~The exemption for economically at risk oil and gas leases is limited to calendar years 2005 through 2016, with each year being claimed separately. No claims for rebates regarding the economically at risk leases shall be permitted after December 31, 2015 for production periods occurring between calendar years 2005 through 2013. No claims for rebates regarding the economically at risk leases for production periods occurring between calendar years 2014 through 2015 shall be claimed or paid more than eighteen (18) months after the date that the refund is first available. Claims for rebates regarding economically at risk leases for production periods ending on or before December 31, 2015 shall not be claimed until after July 1 of the year following the year of production. Claims for rebates regarding economically at risk leases for production occurring in calendar year 2016 shall be claimed prior to July 1, 2017. Any claims for refunds received on or after July 1, 2017 will not be accepted by the Tax Commission.~~
(a) **Exemption period**. The exemption for economically at-risk oil and gas leases is limited to calendar year 2022 and subsequent tax years, with each year being claimed separately.
(b) **Filing period**. A refund of gross production taxes must be filed within eighteen (18) months after the close of the calendar year for which an exemption is claimed. Refund claims submitted after eighteen (18) months shall not be accepted by the Oklahoma Tax Commission. For example, economically at-risk refund claims for calendar year 2022 shall be filed beginning January 1, 2023 until June 30, 2024.

710:45-9-83. Certification

(a) **General provisions.** This Section establishes criteria for determining whether an operator of an economically ~~at risk~~ at-risk oil lease has met the required conditions to apply for an exemption from gross production tax levied on such and establishes a procedure for the issuance of the refund.
(b) **Application to Oklahoma Tax Commission; determination; approval**. Any operator who desires to make application to have a lease certified as being economically ~~at risk~~ at-risk shall submit electronically through the Oklahoma Taxpayer Access Point (OKTAP) the following information: ~~complete the appropriate OTC Form in its entirety and file it with the Commission. The~~

~~application must be properly signed by the operator.~~

(1) Properly completed Form 329;

(2) Division Order(s) supporting the applicable royalty interest payments made during the claim period;

(3) An itemization of all expenses claimed as lease operating expenses;

(4) For leases governed by a Joint Operating Agreement (JOA) a copy of the JOA, including the accounting procedures attached to the JOA showing the base rate used to escalate per the Council of Petroleum Accounts Societies (COPAS) for the overhead expense; and

(5) Copies of the daily production reports for the calendar year applied.

(c) ~~**Formula used to determine if lease is economically at risk.** The application sets out the formula used to determine if a lease is economically at risk. This entails subtracting~~ **Net profit/loss calculation.** For each calendar year, subtract from the gross revenue of the ~~from each~~ lease ~~for the previous calendar year,~~ any severance taxes, royalty payments, and lease operating expenses, including expendable workover and recompletion costs for the applicable ~~previous~~ calendar year, and overhead escalation costs up to the maximum overhead percentage allowed by the Council of Petroleum Accountants Societies (COPAS). For purposes of this calculation, depreciation, depletion, and intangible drilling costs shall **not** be included ~~in lease operating expenses~~.

(d) **Commission may require additional information.** For audit purposes, the Commission may require additional information, such as copies of the operator's ~~Federal Income Tax Return~~ federal income tax return, joint interest billings, or other documentation regarding lease production or expenses.

710:45-9-84. Refund procedure

(a) **Issuance of refund.** Upon certification by the Commission, a refund of the gross production taxes paid in the previous calendar year for the lease shall be issued to the well operator or a designee after the eighteen (18) month refund claim period has concluded ~~July 1 of the subsequent year, to the well operator or a designee~~.

(b) **Limitation of refund.** Beginning with calendar year 2022, and each subsequent year thereafter, the Oklahoma Tax Commission is authorized to issue up to Ten Million Dollars ($10,000,000) in economically at-risk refunds for each eligible calendar year. If the total number of claims for an eligible calendar year exceed the refund cap, all approved refunds will be issued at the refund payout rate. ~~For oil and natural gas produced from qualifying economically at risk leases in calendar years 2015 through 2016, the total amount of refunds to be paid, as provided for in 68 O.S. § 1001.3a, shall not exceed Twelve Million Five Hundred Thousand Dollars ($12,500,000.00) for all products combined. If the amount of claims exceeds Twelve Million Five Hundred Thousand Dollars ($12,500,000.00), the Tax Commission shall determine the percentage of the refund which establishes the proportionate share of the refund that may be claimed by any taxpayer of a qualifying lease, so that the maximum amount authorized is not exceeded.~~

(c) **Refund payout rate.** The formula to be used for the percentage adjustment shall be Ten Million Dollars ($10,000,000) divided by the amount of approved refund claims. For example, if the total amount of refund claims for calendar year 2022 was Twenty Million Dollars ($20,000,000), the amount of each refund would be reduced by 50%.

(d) **Assignment of a designee.** If the refund is to be issued to a party other than the recognized operator, a notarized affidavit, signed by the operator must be submitted to the Commission authorizing the designee to receive the refund.

PART 23. SECONDARY AND TERTIARY RECOVERY PROJECTS

710:45-9-110. Scope of Part 23

Exemption from the levy of gross production tax on secondary and tertiary recovery projects set out in 68 O.S. Supp. 2022, § 1001(D) shall be determined according to the provisions of this Part.

710:45-9-111. Definitions

The following words and terms, when used in this Part, shall have the following meaning, unless the context clearly indicates otherwise:

"Secondary and tertiary recovery projects" means secondary and tertiary recovery projects approved or having an initial project beginning date on or after July 1, 2022.

"Project start date" means the date on which the injection of liquids, gases, or other matter begins on a secondary and tertiary recovery projects.

710:45-9-112. Exemption

(a) All production which results from secondary and tertiary recovery projects shall be exempt from gross production tax for a period not to exceed five (5) years from the initial project start date or for a period ending upon the termination of the secondary and tertiary recovery process, whichever occurs first.

(b) A refund for secondary and tertiary recovery projects shall not be claimed until after the end of the fiscal year. A fiscal year shall be deemed to begin on July 1 of one calendar year and shall end on June 30 of the subsequent calendar year.

(c) Unless otherwise specified, no claim for refund shall be filed more than eighteen (18) months after the first day of the fiscal year in which the refund is first available. For example, secondary and tertiary recovery projects refund claims for fiscal year 2022 can be filed beginning July 1, 2023 until December 31, 2024.

710:45-9-113. Qualification procedures

(a) **Administrative approval and determination.** An operator seeking an exemption for secondary and tertiary recovery projects from the gross production tax shall first make application to the Oklahoma Corporation

Commission for a determination that such project qualifies and request a determination of the start date.

(b) **Application to Oklahoma Tax Commission.** Upon approval from the Oklahoma Corporation Commission, the operator shall electronically submit an application for exemption to the Tax Commission through OKTAP. The application shall include a copy of the approval by the Corporation Commission; such approval shall include a determination of the project start date.

(c) **Tax Commission may require additional information.** For audit purposes, the Commission may require additional information, such as copies of the operator's federal income tax return, joint interest billings, or other documentation regarding lease production or expenses.

710:45-9-114. Refund procedure

(a) **Issuance of refund.** Upon certification by the Tax Commission, a refund of the gross production taxes paid in the previous fiscal year for the secondary and tertiary recovery projects shall be issued to the well operator or a designee after the eighteen (18) month refund claim period has concluded.

(b) **Limitation of refund.** Beginning with fiscal year 2023, and each subsequent year thereafter, the Tax Commission is authorized to issue up to Fifteen Million Dollars ($15,000,000) in secondary and tertiary recovery project refunds combined for each eligible fiscal year. No entity, including subsidiaries of the entity, shall be authorized to receive refunds claimed pursuant to this exemption that exceed twenty percent (20%) of the cap. If the total number of claims for an eligible fiscal year exceed the refund cap then all approved refunds will be issued at the refund payout rate.

(b) **Refund payout rate.** The formula to be used for the percentage adjustment shall be Fifteen Million Dollars ($15,000,000) divided by the amount of approved refund claims. For example, if the total amount of refund claims for calendar year 2022 was Thirty Million Dollars ($30,000,000), the amount of each refund would be reduced by 50%.

(c) **Assignment of a designee.** If the refund is to be issued to a party other than the recognized operator, a notarized affidavit signed by the operator must be submitted to the Tax Commission authorizing the designee to receive the refund.

PART 25. PRODUCTION COMPLETED WITH THE USE OF RECYCLED WATER

710:45-9-120. Scope of Part 25

Exemption from the levy of gross production tax on production completed with the use of recycled water set out in 68 O.S. Supp. 2022 Section 1001(E) shall be determined according to the provisions of this Part.

710:45-9-121. Definitions

The following words and terms, when used in this Part, shall have the following meaning, unless the context clearly indicates otherwise:

"Recycled water" *means oil and gas produced water and waste that has been reconditioned or treated by mechanical or chemical processes into a reusable form.*

"Production completed with the use of recycled water" means the production of oil, gas, or oil and gas from wells drilled but not completed as of July 1, 2021, which are completed with the use of recycled water on or after July 1, 2022.

710:45-9-122. Exemption and qualification

(a) **Exemption**. Production completed with the use of recycled water shall qualify for an exemption from the gross production tax from the date of first sales for a period of twenty four (24) months. The exemption provided shall be proportional to the percentage of the total amount of water used to complete the well that is recycled water.

(b) **Administrative approval and determination; order.** An operator seeking the exemption from gross production tax shall make application to the Oklahoma Corporation Commission for a determination that such project qualifies for the exemption.

(c) **Application to Oklahoma Tax Commission.** Upon approval from the Oklahoma Corporation Commission, the operator shall electronically submit an application for exemption to the Tax Commission through OKTAP. The application shall include a copy of the Corporation Commission Form 1002A, approved by the Corporation Commission, identifying the volume and percentage of recycled water used in completion.

(d) **Tax Commission may require additional information.** For audit purposes, the Tax Commission may require additional information, such as copies of the operator's federal income tax return, joint interest billings, or other documentation regarding lease production or expenses.

710:45-9-123. Refund procedure

(a) **Issuance of refund.** Upon certification by the Tax Commission, a refund of the gross production taxes paid in the previous fiscal year for production completed using recycled water shall be issued to the well operator or a designee after the eighteen (18) month refund claim period has concluded.

(b) **Limitation of refund.** Beginning with fiscal year 2023, and each subsequent year, the Tax Commission is authorized to issue up to Ten Million Dollars ($10,000,000) in refunds for each eligible fiscal year. If the total number of claims for any fiscal year exceed the refund cap, all approved refunds will be issued at the refund payout rate.

(c) **Refund payout rate.** The formula to be used for the percentage adjustment shall be Ten Million Dollars ($10,000,000) divided by the amount of approved refund claims. For example, if the total amount of refund claims for calendar year 2022 was Twenty Million Dollars ($20,000,000), the amount of each refund would be reduced by 50%.

(d) **Assignment of a designee.** If the refund is to be issued to a party other than the recognized operator, a notarized affidavit signed by the operator must be submitted to the Commission authorizing the designee to receive the refund.

SUBCHAPTER 13. REFINERS AND PROCESSORS

710:45-13-1. Refiner or processor license

(a) The Director of the Audit Services Division of the Oklahoma Tax Commission, or a designee, is authorized to issue non-transferrable licenses, upon the license form approved by the Commission, to refiners, or other processors of any product subject to the Oklahoma gross production tax, upon receipt of the following:

(1) Completed and duly executed Request for Assignment of Production Unit Number, OTC Form ~~320-~~A 340 , from the applicant; and,

(2) Completed and duly executed Application for Refiner's License to Process Petroleum Oil or Casinghead Gas, OTC Form 309-C~~, in triplicate,~~ from the applicant; and,

(3) Completed and duly executed gross production tax bond from the applicant, which has been approved by the Commission.

(b) Any refiner-applicant, who has established that it has tangible assets in this state of sufficient value to protect the state against loss of gross production, petroleum excise or conservation excise taxes, may obtain a refiner's license without bond. [**See:** 68 O.S. §1015]

SUBCHAPTER 15. RECLAIMERS AND RECLAIMING OPERATIONS

710:45-15-1. Additional definitions

In addition to terms defined in 710:45-1-2 and 710:45-11-1, the following words and terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Load ticket" means a document or bill of lading describing the source, contents and destination of any load of petroleum, tank bottoms, BS&W or other liquid hydrocarbons or salt water or any combination of these products. A load ticket shall not be considered valid unless it contains every item required by the definition set out in 710:45-11-1.

"Petroleum transporter" means any person or firm owning, leasing or otherwise controlling the operation of any vehicle or conveyance, other than railroad cars or pipelines, used in the transportation of measurable amounts (1% or more by volume) of any product subject to the ~~Gross Production Tax~~ gross production tax.

"Reclaimed oil" means any petroleum, crude oil, mineral oil or other liquid hydrocarbons recovered from tank bottoms, pits, salt water or other source where such oil is not reported to the Tax Commission by either its producer or purchaser of record, as shown by an Oklahoma Tax Commission Form ~~320A or 320C~~ 340 on file with the Tax Commission, as part of the production of the lease from whence it was produced. Oil or other liquid hydrocarbons blended with reclaimed oil before, during or after the reclaiming process shall be considered reclaimed oil.

"Reclaimer" means any person or firm who buys, salvages, reclaims or processes oil from the waste products associated with the production of oil or gas, including but not limited to salt water and the residue from oil storage tanks; any person operating a reclaiming plant, pit or disposal facility where oil or other liquid hydrocarbons are salvaged or recovered.

"Reclaiming Plant" means any facility used for the recovery or salvage of oil or other liquid hydrocarbons from oilfield wastes or contaminated stocks by heating, flotation, chemical treatment, or mechanical or other means except lease operations. It shall include any pit or water disposal system where oil is recovered except where such oil is reported to the Tax Commission, and Gross Production Taxes paid thereon, as production from the lease or leases from whence it was actually produced. No pit or disposal well open to the public shall be exempt from the licensing requirements contained herein.

"Tank bottoms" means the mixture of oil and BS&W (basic sediment and water) that collects or settles in the bottom portion of lease and other oil storage tanks. Tank bottoms may be called BS&W. Salt Water from salt water storage tanks shall not be shown on load tickets as tank bottoms or BS&W unless it contains one percent (1%) or more oil content by volume.

710:45-15-6. Reports and payment; due dates for reclaimers

The operators of reclaiming plants, including disposal facilities, shall be required to remit the ~~Gross Production and Petroleum Excise Taxes~~ gross production and petroleum excise taxes on all oil coming into their possession except where such taxes have previously been paid or when it can be shown that such oil was not subject to tax for reason of being exempt by law or having been produced in another state. Taxes shall be due on oil purchased by a reclaimer on the first day of the month following the month of purchase. Taxes shall be due on oil recovered from water at a disposal facility the first day of the month following the month it was sold by the reclaimer who recovered it. The tax shall become delinquent if not received by the Tax Commission on or before the twenty-fifth (25th) day of the second month in which it became due. Reclaimer's Monthly Gross Production Tax Report (OTC Form 341) and Reclaimer's and Transporters Monthly Tax Report of Oil Transported, Stored and Sold (OTC Form 323-A) ~~is~~ are due on the same date as the tax and shall be delinquent if not received by the twenty-fifth (25th) day of the second month following the month in which it becomes due. ~~The report shall be made on OTC Form 323.~~

TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 45. GROSS PRODUCTION

RULE IMPACT STATEMENT

Pursuant to 75 O.S. §303(D), the Oklahoma Tax Commission provides the following rule impact statement with regard to proposed rule changes to Chapter 45 of Title 710 of the Oklahoma Administrative Code.

DESCRIPTION: The proposed changes amend the rules to reflect the updated reporting methods and procedures due to the migration to Onelink from OkTap. The proposed changes amend Part 17. Economically At-Risk Leases in Subchapter 9. Exemptions and Exclusions and promulgate new Part 23. Secondary and Tertiary Recovery Projects and new Part 25. Production Completed with the Use of Recycled Water, to implement the provisions of HB 3568, providing definitions, qualification and refund procedures. [68:1001, 1001.3a]

CLASSES AFFECTED: Operators, producers and purchasers may be affected by this rulemaking action.

PERSONS BENEFITED: All taxpayers affected by this rulemaking action may benefit; it updates the Tax Commission's rules consistent with recent legislation.

PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULE UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS: There are no anticipated increase to costs associated with the proposed rule change.

LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE: The rulemaking action does not levy, implement, or increase an existing fee.

PROBABLE COSTS TO THE AGENCY: Costs to promulgate and enforce the proposed rule will be funded through normal agency budget. No measurable impact on State revenues is anticipated.

ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS: The agency does not anticipate any economic impact on any political subdivision to implement the proposed rule change at this time.

SMALL BUSINESS IMPACT: After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rule will have no adverse impact upon Small Business.

ALTERNATIVE METHODS AND COSTS OF COMPLIANCE: There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of this proposed rule. No formalized compliance cost minimization measures have been pursued.

DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT: The agency does not anticipate any impact on public health, safety, or environment as a result of implementation of the proposed rule at this time.

DETERMINATION OF THE DETRIMENTAL EFFECT WILL THERE BE ON THE PUBLIC HEALTH, SAFETY, AND ENVIRONMENT IF THE RULE CHANGE IS NOT IMPLEMENTED: The agency does not anticipate any detrimental effect on public health, safety, or environment as a result of failure to implement the proposed rule at this time.

DATE PREPARED: December 13, 2022