SENATE BILL NO. 342

INTRODUCED BY GAGE, TVEIT, ROUSH

IN THE SENATE

February 3, 1983	Introduced and referred to Committee on Taxation.
February 16, 1983	Committee recommend bill do pass as amended. Report adopted.
February 17, 1983	Bill printed and placed on members' desks.
February 18, 1983	Second reading, do pass.
February 19, 1983	Correctly engrossed.
February 21, 1983	Third reading, passed. Ayes, 50; Noes, 0. Transmitted to House.
IN THE H	OUSE
March 1, 1983	Introduced and referred to Committee on Taxation.
March 22, 1983	Committee recommend bill be concurred in. Report adopted.
March 23, 1983	Second reading, concurred in.
March 25, 1983	Third reading, concurred in.
IN THE S	ENATE
March 26, 1983	Returned to Senate. Sent to enrolling.

Reported correctly enrolled.

SENATE BILL NO. 342

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INTRODUCED BY GAGE, TVEIT, ROUSH

IN THE SENATE

Pebruary 3, 1983	Introduced and referred to Committee on Taxation.
February 16, 1983	Committee recommend bill do pass as amended. Report adopted.
February 17, 1983	Bill printed and placed on members' desks.
February 18, 1983	Second reading, do pass.
Pebruary 19, 1983	Correctly engrossed.
February 21, 1983	Third reading, passed. Ayes, 50; Noes, O. Transmitted to House.
IN THE	HOUSE
March 1, 1983	Introduced and referred to Committee on Taxation.
March 22, 1983	Committee recommend bill be concurred in. Report adopted.
March 23, 1983	Second reading, concurred in.
March 25, 1983	Third reading, concurred in.
IN THE	SENATE
March 26, 1983	Returned to Senate. Sent to enrolling.
March 29, 1983	Correctly enrolled.
	Signed by President.

March	31, 1983		Signed by Speaker.		
			Delivered to Governor.		
April	5, 1983		Returned from Governor with recommended amendments.		
April '	7, 1983		Second reading, Governor's amendments concurred in.		
April	8, 1983		Third reading, Governor's amendments concurred in. Ayes, 48; Noes, 0.		
		IN THE H	OUSE		
April	9, 1983		Governor's amendments transmitted to House.		
April	13, 1983		Second reading, Governor's amendments concurred in.		
April 1	14, 1983		Third reading, Governor's amendments concurred in.		
		IN THE S	enate		
April	15, 1983		Returned to Senate. Sent to enrolling.		
			Reported correctly enrolled.		

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LC 1260/01

INTRODUCED BY JAN Tweet Rouse 1 2 3

A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE DATE FOR
FILING A REPORT FOR GAS DR DIL PIPELINES AND GAS OR DIL NET
PROCEEDS FOR TAX PURPOSES FROM MARCH 31 TO APRIL 30;
AMENDING SECTIONS 15-23-103, 15-23-104, AND 15-23-602; AND
PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY
DATE."

10

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Section 15-23-103, MCA, is amended to read: "15-23-103. Due date of reports and returns -extensions. Each <u>(1)_Except_as provided in_subsection_(2)</u>. <u>each</u> report or return described in 15-23-301, 15-23-402, 15-23-502, 15-23-602, or 15-23-701 shall be delivered to the department on or before March 31 each year, and each.

21 <u>(3) Each</u> report described in 15-23-201 shall be
22 delivered to the department before April 15 each year.
23 <u>(4)</u> The department may for good cause extend the time
24 for filing a return or report for not more than 30 days.*

25 Section 2. Section 15-23-104. MCA, is amended to read:

"15-23-104. Failure to file -- estimate by department 1 2 -- penalty. If any person fails to file a report or return 3 under within the time established in 15-23-103 by--March--31 or by such later date as the department may approve, the 4 department shall estimate the value of the property to have 5 been reported on the basis of the best available 6 7 information. In estimating the value of the net proceeds of 8 mines, the department shall proceed under 15-23-506, and in 9 estimating the value of the gross proceeds of coal mines, 10 the department shall proceed under 15-35-107. In estimating 11 value under this section, the department may subpoend a person or his agent as specified in 15-1-302. An assessment 12 13 based on estimated value is subject to review under 14 15-8-601. Each month or part of a month a report is 15 delinquent, the department shall impose and collect a \$25 16 penalty, the total not to exceed \$200, and shall deposit 17 such penalty to the credit of the general fund. The department will also inform its agents in the counties of 18 17 the delinquency, and the agents shall assess a penalty of 1% 20 of the tax due for each month or part of a month the report 21 is delinguent."

Section 3. Section 15-23-602, MCA, is amended to read:
"15-23-602. Statement of sales proceeds. Each operator
or producer of natural gas, petroleum, or other crude or
minaral cil must on or before March-34 April 30 in each year
INTRODUCED BILL

LC 1260/01

make out and deliver to the department of revenue a 1 2 statement of the gross sales proceeds of such natural gas, 3 petroleum, or other crude or mineral oil from each well 4 owned or worked by such person during the next preceding 5 calendar year. The gross sales proceeds shall be determined by multiplying the units of production sold from the wall 6 7 times the royalty unit value of that production at the well. Such statement shall be in the form prescribed by the 8 department and must be verified by the oath of the operator 9 10 or producer or the manager, superintendent, agent, 11 president, or vice-president of such corporation, 12 association, or partnership. Such statement shall show the 13 following:

(1) the name and address of the operator, together with a list in duplicate of the names and addresses of any and all persons owning or claiming any royalty interest in the production from the well or the proceeds derived from the sale thereof, and the amount or amounts paid or yielded as royalty to each of such persons during the period covered by the statement;

21 (2) the description and location of the well;

(3) the number of cubic feet of natural gas, barrels
of petroleum or other crude or mineral oil sold from the
well during the period covered by the statement;

25 (4) the gross sales proceeds in dollars and cents or,

in the case of sales between parties not acting at arm's
 length, the greater of the gross sales proceeds from or the
 fair market value of the products sold;

4 (5) actual cost of extracting product from well;

5 (6) cost of construction, repairs, and betterments;

6 (7) actual cost of fire insurance and workers*
 7 compensation insurance;

(8) the amount paid or withheld in satisfaction of
liability for excise taxes imposed by the U.S. government on
the production, sale, or removal of the natural gas,
petroleum, or other crude or mineral oil reported pursuant
to subsection (3), including a separate statement of the
amount of such taxes paid or withheld from each royalty
owner."

NEW SECTION. Section 4. Effective date -applicability date. This act is effective on passage and
approval and is applicable to taxable years beginning ofter
December 31, 1982.

-End-

LC 1260/01

SB 0342/02 Approved by committee On Taxation

1	SENATE BILL NO. 342
2	INTRODUCED BY GAGE, TVEIT, ROUSH
3	
4	A BILL FOR AN ACT ENTITLED: MAN ACT TO CHANGE THE DATE FOR
5	FILING A REPORT FOR GAS OR OIL PIPELINES AND GAS OR DIL NET
6	PROCEEDS FOR TAX PURPOSES FROM MARCH 31 TO APRIL 30 12;
7	AMENDING SECTIONS 15-23-103, 15-23-104, AND 15-23-602; AND
8	PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY
9	DATE."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HONTANA:
12	Section 1. Section 15-23-103. MCA, is amended to read:
13	"15-23-103. Due date of reports and returns
14	extensions. Each (1)_Except_as_provided_in_subsection_(2).
15	each report or return described in 15-23-301, 15-23-402,
16	15-23-502, 15-23-602, or 15-23-701 shall be delivered to the
17	department on or before Narch 31 each year y-and-each_
18	<u> 121_Each_report_or_return_for_a_natural_gas_or_oil</u>
19	pipelingdescribed_in15=23=301must_be_delivered_to_the
zn	department_on_or_before_April 30 15 each_year.
21	<u>{31_Each</u> report described in 15-23-201 shall be
22	delivered to the department before April 15 each year.
23	[4] The department may for good cause extend the time
24	for filing a return or report for not more than 30 days."
25 -	Section 2. Section 15-23-104, MCA, is amended to read:

1 #15-23-104. Failure to file -- estimate by department 2 -- penalty. If any person fails to file a report or return 3 under within the time established in 15-23-103 by--March--31 or by such later date as the department may approve, the 4 department shall estimate the value of the property to have 5 6 been reported on the basis of the best available 7 information. In estimating the value of the net proceeds of 8 mines, the department shall proceed under 15-23-506, and in 9 estimating the value of the gross proceeds of coal mines, 10 the department shall proceed under 15-35-107. In estimating value under this section, the department may subpoend a 11 12 person or his agent as specified in 15-1-302. An assessment 13 based on estimated value is subject to review under 14 15-8-601. Each month or part of a month a report is 15 delinguent, the department shall impose and collect a \$25 16 penalty, the total not to exceed \$200, and shall deposit 17 such penalty to the credit of the general fund. The 18 department will also inform its agents in the counties of 19 the delinguency, and the agents shall assess a penalty of 1% 20 of the tax due for each month or part of a month the report 21 is delinguent."

Section 3. Section 15-23-602, MCA, is amended to read:
"15-23-602. Statement of sales proceeds. Each operator
or producer of natural gas, petroleum, or other crude or
mineral oil must on or before Maren-31 April 38 15 in each

-2-

SECOND READING

1 year make out and deliver to the department of revenue a 2 statement of the gross sales proceeds of such natural gas. 3 petroleum, or other crude or mineral oil from each well 4 owned or worked by such person during the next preceding 5 calendar year. The gross sales proceeds shall be determined 6 by multiplying the units of production sold from the well 7 times the royalty unit value of that production at the well. 8 Such statement shall be in the form prescribed by the 9 department and must be verified by the oath of the operator 10 or producer or the manager, superintendent, agent, 11 president, or vice-president of such corporation, 12 association, or partnership. Such statement shall show the 13 following:

(1) the name and address of the operator, together with a list in duplicate of the names and addresses of any and all persons owning or claiming any royalty interest in the production from the well or the proceeds derived from the sale thereof, and the amount or amounts paid or yielded as royalty to each of such persons during the period covered by the statement;

21 (2) the description and location of the well;

(3) the number of cubic feet of natural gas, barrels
of petroleum or other crude or mineral oil sold from the
well during the period covered by the statement;

25 (4) the gross sales proceeds in dollars and cents or,

-3-

in the case of sales between parties not acting at arm's 1 length, the greater of the gross sales proceeds from or the 2 fair market value of the products sold; 3 (5) actual cost of extracting product from well; 4 5 (6) cost of construction, repairs, and betterments; (7) actual cost of fire insurance and workers* 6 7 compensation insurance; (8) the amount paid or withheld in satisfaction of 8 liability for excise taxes imposed by the U.S. government on 9 the production. sale. or removal of the natural gas. 10 11 petroleum, or other crude or mineral oil reported pursuant 12 to subsection (3), including a separate statement of the 13

13 amount of such taxes paid or withheld from each royalty 14 owner."

NEW_SECIIONA Section 4. Effective date -applicability date. This act is effective on passage and
approval and is applicable to taxable years beginning after
December 31, 1982.

-End-

-4-

2/11 SB 0342/02

SENAI		STEE NU	Je 342	
INTRODUCED	BY	GAGE,	TVEIT.	ROUSH

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE DATE FOR 5 FILING A REPORT FOR GAS OR OIL PIPELINES AND GAS OR OIL NET 6 PROCEEDS FOR TAX PURPOSES FROM MARCH 31 TO APRIL 30 15; 7 AMENDING SECTIONS 15-23-103, 15-23-104, AND 15-23-602; AND 8 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY 9 DATE."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HONTANA: Section 1. Section 15-23-103, MCA, is amended to read: "15-23-103. Due date of reports and returns -extensions. Fach (11_Except_as_provided_in_subsection_(2)) Each report or return described in 15-23-301, 15-23-402. 15-23-502, 15-23-602, or 15-23-701 shall be delivered to the department on or before March 31 each yeary-and-each.

18 (2)__Eacb_report_or_return_for_a_natural_gas_or_oil 19 pipeline_described_in__15=23=301_must_be_delivered_to_tbe 20 department_on_or_before_April 39 15 eacb_years

21 <u>(1)_Each</u> report described in 15-23-201 shall be 22 delivered to the department before April 15 each year.

23 <u>(£1)</u> The department may for good cause extend the time
24 for filing a return or report for not more than 30 days."
25 Section 2. Section 15-23-104, MCA, is amended to read:

1 *15-23-104. Failure to file -- estimate by department -- penalty. If any person fails to file a report or return 2 3 under within the time established in 15-23-103 by--Merch--3t 4 or by such later date as the department may approve, the 5 department shall estimate the value of the property to have 6 been reported on the basis of the best available information. In estimating the value of the net proceeds of 7 mines, the department shall proceed under 15-23-506, and in 9 estimating the value of the gross proceeds of coal mines, 10 the department shall proceed under 15-35-107. In estimating 11 value under this section, the department may subpoena a 12 person or his agent as specified in 15+1+302. An assessment 13 based on estimated value is subject to review under 14 15-8-601. Each month or part of a month a report is 15 delinguent, the department shall impose and collect a \$25 16 penalty, the total not to exceed \$200, and shall deposit 17 such penalty to the credit of the general fund. The 18 department will also inform its agents in the countles of the delinquency, and the agents shall assess a penalty of 1% 19 20 of the tax due for each month or part of a month the report 21 is delinguent."

Section 3. Section 15-23-602, MCA, is amended to read:
"15-23-602. Statement of sales proceeds. Each operator
or producer of natural gas, petroleum, or other crude or
mineral oil must on or before March-31 April 38 15 in each

-2-

SB 342

1 year make out and deliver to the department of revenue a 2 statement of the gross sales proceeds of such natural gas, 3 petroleum, or other crude or mineral oil from each well 4 owned or worked by such person during the next preceding calendar year. The gross sales proceeds shall be determined 5 6 by multiplying the units of production sold from the well 7 times the royalty unit value of that production at the well. 8 Such statement shall be in the form prescribed by the 9 department and must be verified by the oath of the operator 10 or producer or the manager, superintendent, agent, 11 or vice-president of such corporation, president, 12 association, or partnership. Such statement shall show the 13 following:

14 (1) the name and address of the operator, together 15 with a list in duplicate of the names and addresses of any 16 and all persons owning or claiming any royalty interest in 17 the production from the well or the proceeds derived from 18 the sale thereof, and the amount or amounts paid or yielded 19 as royalty to each of such persons during the period covered 20 by the statement;

(2) the description and location of the well;
(3) the number of cubic feet of natural gas, barrels

23 of petroleum or other crude or mineral oil sold from the 24 well during the period covered by the statement;

25 (4) the gross sales proceeds in dollars and cents or,

-3-

in the case of sales between parties not acting at arm's
 length, the greater of the gross sales proceeds from or the
 fair market value of the products sold;

4 (5) actual cost of extracting product from well;

5 (6) cost of construction, repairs, and betterments;

6 (7) actual cost of fire insurance and workers
7 compensation insurance;

8 (8) the amount paid or withheld in satisfaction of
9 liability for excise taxes imposed by the U+S+ government on
10 the production, sale, or removal of the natural gas+
11 petroleum, or other crude or mineral oil reported pursuant
12 to subsection (3), including a separate statement of the
13 amount of such taxes paid or withheld from each royalty
14 owner+"

15 NEW_SECTION. Section 4. Effective date -applicability date. This act is effective on passage and approval and is applicable to taxable years beginning after B December 31, 1982.

-End-

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GOVENOR'S PROPOSED AMENDMENTS TO SENATE BILL 342 (REFERENCE COPY)

- 1. Page 1, line 14. Following: "(2)" Insert: "and 15-23-602"
- 2. Page 1, line 16. Following: "15-23-502," Strike: "15-23-602,"
- 3. Page 4, line 17 Following: "to" Strike: "taxable years beginning" Insert: "reports or returns filed"

1 SENATE BILL NO. 342 2 INTRODUCED BY GAGE, TVEIT, ROUSH 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE DATE FOR FILING A REPORT FOR GAS OR OIL PIPELINES AND GAS OR DIL NET 5 6 PROCEEDS FOR TAX PURPOSES FROM MARCH 31 TO APRIL 30 15: 7 AMENDING SECTIONS 15-23-103, 15-23-104, AND 15-23-602; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY 8 9 DATE 10 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MUNTANA: 12 Section 1. Section 15-23-103, MCA, is amended to read: 13 "15-23-103. Due date of reports and returns --14 extensions. Each (1) Except as provided in _subsection _1214 15 gach report or return described in 15-23-301, 15-23-402, 15 15-23-502, 15-23-602, or 15-23-701 shall be delivered to the 17 department on or before March 31 each yeary-and-each. 18 [2]__Each_report_or_return_for_a__natural_gas_or_oil 19 pipeline__described__in__15-23-301__must_be_delivered_to_the 20 department on or before April 30 15 each year. 21 131_Each report described in 15-23-201 shall be 22 delivered to the department before April 15 each year. 23 [4] The department may for good cause extend the time 24 for filing a return or report for not more than 30 days." 25 Section 2. Section 15-23-104, MCA, is amended to read:

1 *15-23-104. Failure to file -- estimate by department z -- penalty. If any person fails to file a report or return 3 under within the time established in 15-23-103 by--Moreh--3t 4 or by such later date as the department may approve, the department shall estimate the value of the property to have 5 been reported on the basis of the best available 6 information. In estimating the value of the net proceeds of 7 8 mines+ the department shall proceed under 15-23-506, and in estimating the value of the gross proceeds of coal mines, 9 the department shall proceed under 15-35-107. In estimating 10 value under this section, the department may subpoena a 11 12 person or his agent as specified in 15-1-302. An assessment 13 based on estimated value is subject to review under 14 15-8-601. Each month or part of a month a report is 15 delinguent, the department shall impose and collect a \$25 16 penalty, the total not to exceed \$200, and shall deposit 17 such penalty to the credit of the general fund. The department will also inform its agents in the counties of 18 the delinquency, and the agents shall assess a penalty of 1% 19 of the tax due for each month or part of a month the report 20 21 is delinguent."

22 Section 3. Section 15-23-602, MCA, is amended to read: 23 #15-23-602. Statement of sales proceeds. Each operator 24 or producer of natural gas, petroleum, or other crude or 25 mineral oil must on or before March-31 April 38 15 in each

-2-

Ł year make out and deliver to the department of revenue a 2 statement of the gross sales proceeds of such natural gas+ petroleum, or other crude or mineral oil from each well 3 owned or worked by such person during the next preceding 4 calendar year. The gross sales proceeds shall be determined 5 by multiplying the units of production sold from the well 6 7 times the royalty unit value of that production at the well. 8 Such statement shall be in the form prescribed by the 9 department and must be verified by the oath of the operator 10 or producer or the manager, superintendent: agent: 11 president. or vice-president of such corporation, 12 association, or partnership. Such statement shall show the following: 13

14 (1) the name and address of the operator, together 15 with a list in duplicate of the names and addresses of any 16 and all persons owning or claiming any royalty interest in 17 the production from the well or the proceeds derived from 18 the sale thereof, and the amount or amounts paid or yielded 19 as royalty to each of such persons during the period covered 20 by the statement;

(2) the description and location of the well;
(3) the number of cubic feet of natural gas, barrels
of petroleum or other crude or mineral oil sold from the
well during the period covered by the statement;

25 . (4) the gross sales proceeds in dollars and cents or.

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In the case of sales between parties not acting at arm's
 length, the greater of the gross sales proceeds from or the
 fair market value of the products sold;

4 (5) actual cost of extracting product from well;

5 (6) cost of construction, repairs, and betterments;

6 (7) actual cost of fire insurance and workers*
 7 compensation insurance;

8 (8) the amount paid or withheld in satisfaction of 9 liability for exclse taxes imposed by the U+S+ government on 10 the production, sale, or removal of the natural gas, 11 petroleum, or other crude or mineral oil reported pursuant 12 to subsection (3), including a separate statement of the 13 amount of such taxes paid or withheld from each royalty 14 owner.^m

NEW_SECTIONA Section 4. Effective date -applicability date. This act is effective on passage and
approval and is applicable to taxable years beginning after
December 31, 1982.

-End-

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2 INTRODUCED BY GAGE, TVEIT, ROUGH 3 4 A BIL. FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE DATE FOR 5 FILING A REPORT FOR GAS OR DIL PIPELINES AND GAS OR DIL NET PROCEEDS FOR TAX PURPOSES FROM MARCH 31 TO APRIL 30 15: 6 7 AMENDING SECTIONS 15-23-103, 15-23-104, AND 15-23-602; AND 8 PPOVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY 9 DATE." 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 12 Section 1. Section 15-23-103, MCA, is amended to read: 13 "15-23-103. Due date of reports and returns --extensions. Each (1) Except as provided in subsection [2] 14 AND 15-23-602, each report or return described in 15-23-301, 15 15-23-402, 15-23-502, 15-23-602, or 15-23-701 shall be 16 delivered to the department on or before March 31 each yeary 17 18 and-eachs. 19 121 Each report or return for a natural gas or oil 23 pipeline_descriped_in_15=23=301_must_be_delivered_to_the 21 department_on_or_before_April 20 15 each_years (3)__Each report described in 15-23-201 shall be 22 23 delivered to the department before April 15 each year. 24 (4) The department may for good cause extend the time for filing a return or report for not more than 30 days." 25

SENATE BILL NO. 342

1 Section 2. Section 15-23-104, MCA, is amended to read: 2 #15-23-104. Failure to file -- estimate by department -- panalty. If any person fails to file a report or return 3 under within the time established in 15-23-103 by--March--31 4 5 or by such later date as the department may approve, the 6 department shall estimate the value of the property to have 7 been reported on the basis of the best available information. In estimating the value of the net proceeds of 8 0 mines, the department shall proceed under 15-23-506, and in estimating the value of the gross proceeds of coal mines. 10 11 the department shall proceed under 15-35-107. In estimating 12 value under this section, the department may subpoend a person or his agent as specified in 15-1-302. An assessment 13 based on estimated value is subject to review under 14 15-8-601. Each month or part of a month a report is 15 16 delinguent, the department shall impose and collect a \$25 penalty, the total not to exceed \$200, and shall deposit 17 18 such penalty to the credit of the general fund. The department will also inform its agents in the counties of 19 20 the delinquency, and the agents shall assess a penalty of 1% of the tax due for each month or part of a month the report 21 22 is delinquent." Section 3. Section 15-23-602, MCA, is amended to read: 23

24 "15-23-602. Statement of sales proceeds. Each operator

25 or unaducer of natural gas, petroleum, or other crude or

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58 342

mineral oil must on or before March-3t April 30 15 in each L 2 year make out and deliver to the department of revenue a 3 statement of the gross sales proceeds of such natural gas, 4 petroleum, or other crude or mineral oil from each well 5 owned ar worked by such person during the next preceding calendar year. The gross sales proceeds shall be determined 6 7 by multiplying the units of production sold from the well 8 times the royalty unit value of that production at the well. 9 Such statement shall be in the form prescribed by the 10 department and must be verified by the oath of the operator 11 or producer or the manager, superintendent, agent, 12 president. or vice-president of such corporation, 13 association, or partnership. Such statement shall show the following: 14

15 (1) the name and address of the operator, together 16 with a list in duplicate of the names and addresses of any 17 and all persons owning or claiming any royalty interest in 18 the production from the well or the proceeds derived from 19 the sale thereof, and the amount or amounts paid or yielded 20 as royalty to each of such persons during the period covered 21 by the statement;

22 (2) the description and location of the well;

(3) the number of cubic feet of natural gas, barrels
of petroleum or other crude or mineral oil sold from the
well during the period covered by the statement;

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1 (4) the gross sales proceeds in dollars and cents or, 2 in the case of sales between parties not acting at arm's 3 length, the greater of the gross sales proceeds from or the 4 fair market value of the products sold;

5 (5) actual cost of extracting product from well;

6

(5) cost of construction, repairs, and betterments;

7 (?) actual cost of fire insurance and workers*
8 compensation insurance;

9 (8) the amount paid or withheld in satisfaction of 10 liability for excise taxes imposed by the U.S. government on 11 the production, sale, or removal of the natural gas, 12 petroleum, or other crude or mineral oil reported pursuant 13 to subsection (3), including a separate statement of the 14 amount of such taxes paid or withheld from each royalty 15 owner."

 16
 NEW_SECTION: Section 4. Effective
 date
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 17
 applicability date. This act is effective on passage and

 18
 approval and is applicable to taxable--years-beginning

 19
 REPORTS_OR_RETURNS_FILED after December 31, 1982.

-End-

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