

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Representative Sheppard**

A Bill

ACT 356 OF 1995
HOUSE BILL 1295

For An Act To Be Entitled

8 "AN ACT TO AMEND ARK. CODE ANN. § 26-58-111(6) TO INCLUDE
9 WELLS UTILIZED FOR PRESSURE MAINTENANCE OR SECONDARY
10 RECOVERY PURPOSES IN THE CALCULATION OF SEVERANCE TAX ON
11 OIL BASED UPON THE QUANTITY SEVERED; AND FOR OTHER
12 PURPOSES."

Subtitle

15 "AN ACT TO INCLUDE WELLS UTILIZED FOR
16 PRESSURE MAINTENANCE OR SECONDARY
17 RECOVERY PURPOSES IN CALCULATING
18 SEVERANCE TAX ON OIL."

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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 SECTION 1. Ark. Code Ann. § 26-58-111(6) is amended to read as follows:

23 "(6) On oil, five percent (5%) of the market value at time and point of
24 severance. However, whenever the production of oil from a well which is
25 measured separately or from a group of wells which is measured separately,
26 including any well or wells that are utilized for the injection of saltwater
27 or other effluents for pressure maintenance or secondary recovery purposes,
28 averages ten (10) barrels or less per well per day during any calendar month,
29 the privilege or license tax on oil produced from that well or group of wells
30 during that month shall be computed at the rate of four percent (4%) of the
31 market value at time and point of severance. The director shall have the power
32 to promulgate such reasonable rules and regulations as shall be necessary to
33 effectively enforce the foregoing provisions;"

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35 SECTION 2. All provisions of this act of a general and permanent nature
36 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code

1 Revision Commission shall incorporate the same in the Code.

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3 SECTION 3. If any provision of this act or the application thereof to
4 any person or circumstance is held invalid, such invalidity shall not affect
5 other provisions or applications of the act which can be given effect without
6 the invalid provision or application, and to this end the provisions of this
7 act are declared to be severable.

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9 SECTION 4. All laws and parts of laws in conflict with this act are
10 hereby repealed.

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12 SECTION 5. EMERGENCY. (Failed to be adopted) It is hereby found and
13 determined by the General Assembly that wells used to inject saltwater or
14 other effluents for pressure maintenance or secondary recovery purposes are
15 not included under current law for purposes of calculating a rate of severance
16 tax which is based upon the quantity severed and that this act will include
17 these wells in the calculation for severance tax purposes. Therefore, an
18 emergency is hereby declared to exist, and this act being immediately
19 necessary for the preservation of the public peace, health, and safety shall
20 be in full force and effect from and after its passage and approval.

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23 APPROVED: 2-20-95

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