COMPTROLLER OF PUBLIC ACCOUNTS

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November 21, 2013

Mr. Phil Wilson
Executive Director
Texas Department of Transportation
125 E. 11th Street, Second Floor
Austin, Texas 78701-2409

Dear Mr. Wilson:

SB 1747, 83rd Legislature, Regular Session, 2013, added new Transportation Code, Chapter 256, Subchapter C, §§256.101 – 256.106, directing the Texas Department of Transportation (TxDOT) to administer a newly-created grant program to provide funding to certain counties for transportation infrastructure projects.

Transportation Code, Section 256.103(b)(2) requires that 20 percent of the funds distributed under the grant program be distributed by TxDOT according to oil and natural gas production taxes, determined by the ratio of oil and gas production taxes collected by the comptroller in the preceding fiscal year for a county to the total amount of oil and gas production taxes collected in the state in that fiscal year, as determined by the Comptroller's Office. The Comptroller's Office, in consultation with TxDOT, is providing data (attached) from tax reports relating to fiscal 2013 collections of oil and natural gas production tax revenue, summarized by county.

Data from tax reports on the taxable value of production for each well or lease in Texas in fiscal 2013, after any allowances taken by taxpayers on their reports for trucking or marketing costs, or deductions for non-taxable production (e.g., production on government-owned land) was multiplied by the applicable tax rate. The resulting figures (attached), reflecting oil and natural gas taxes generated by county of production, do not reflect taxpayer credits or refunds, adjustments to tax collections which could have been claimed for business activity in one or more years prior to fiscal 2013.

Sincerely,

John Heleman
Chief Revenue Estimator
Texas Comptroller of Public Accounts