

TITLE 3: TAXATION
CHAPTER 18: OIL AND GAS TAXES (SEVERANCE TAX)
PART 3: IMPOSITION OF TAX--RATES

3.18.3.1 ISSUING AGENCY: Taxation and Revenue Department, Joseph M. Montoya Building, 1100 South St. Francis Drive, P.O. Box 630, Santa Fe NM 87504-0630
[3.18.3.1 NMAC - N, 12/29/00]

3.18.3.2 SCOPE: This part applies to all persons severing or engaging in the business of severing oil, natural gas, liquid hydrocarbons other than oil and carbon dioxide, to all persons having an interest in the products severed, to all persons operating oil, natural gas or carbon dioxide leases and to all persons affiliated with such persons.
[3.18.3.2 NMAC - N, 12/29/00]

3.18.3.3 STATUTORY AUTHORITY: Section 9-11-6.2 NMSA 1978.
[3.18.3.3 NMAC - N, 12/29/00]

3.18.3.4 DURATION: Permanent.
[3.18.3.4 NMAC - N, 12/29/00]

3.18.3.5 EFFECTIVE DATE: 12/29/00, unless a later date is cited at the end of a section, in which case the later date is the effective date.
[3.18.3.5 NMAC - N, 12/29/00]

3.18.3.6 OBJECTIVE: The objective of this part is to interpret, exemplify, implement and enforce the provisions of Articles 29 through 32 of Chapter 7 NMSA 1978.
[3.18.3.6 NMAC - N, 12/29/00]

3.18.3.7 DEFINITIONS: [Reserved.]
[3.18.3.7 NMAC - N, 12/29/00]

3.18.3.8 PRODUCTION RESTORATION TAX INCENTIVE EXEMPTION REQUIREMENTS: To qualify a well for the production restoration incentive tax exemption, the oil conservation division of the energy, minerals and natural resources department must certify both the process used to restore the well to production and that the well produced for thirty or fewer days within a 24-month period beginning on or after January 1, 1993. To obtain the exemption, the person responsible for paying the oil and gas severance tax must apply on form RPD 41170, completed in accordance with instructions of the department. Application for the exemption must be made within 6 months after the date the oil conservation division certifies that production has been restored.
[3.18.3.8 NMAC - N, 12/29/00]

3.18.3.9 WELL WORKOVER INCENTIVE TAX RATE REQUIREMENTS:

A. Laws 1999, Chapter 256 amended the provisions of Sections 7-29B-2 and 7-29B-3 NMSA 1978, effective June 18, 1999. The first returns due after that date are the returns for May 1999. Consequently the changes made by Laws 1999, Chapter 256 apply only to the May 1999 and subsequent production months.

B. Any application, or an amendment to any application, for the well workover incentive tax rate for any production period prior to May 1999 must be filed in accordance with the provisions of the Oil and Gas Severance Tax Act and the Natural Gas and Crude Oil Production Incentive Act in effect on June 17, 1999. The information required by Paragraph 7-29B-3B(3) NMSA 1978, as that section was in effect on June 17, 1999, must accompany the application.

C. To obtain the well workover incentive tax rate, the person responsible for paying the oil and gas severance tax must apply for it on form RPD 41171, completed in accordance with instructions of the department. Application must be made within 6 months after the date the oil conservation division certifies that the project has been completed.

[3.18.3.9 NMAC - N, 12/29/00]

HISTORY OF 3.18.3 NMAC: [RESERVED]