

TITLE 3: TAXATION
CHAPTER 18: OIL AND GAS TAXES (SEVERANCE TAX)
PART 7: PRICE INCREASE SUBJECT TO APPROVAL OF AGENCY OF UNITED STATES, STATE OF NEW MEXICO OR COURT - REFUND

3.18.7.1 ISSUING AGENCY: Taxation and Revenue Department, Joseph M. Montoya Building, 1100 South St. Francis Drive, P.O. Box 630, Santa Fe NM 87504-0630
[11/15/96; 3.18.7.1 NMAC - Rn, 3 NMAC 18.7.1, 12/29/00]

3.18.7.2 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.
[11/15/96; 3.18.7.2 NMAC - Rn, 3 NMAC 18.7.2, 12/29/00]

3.18.7.3 STATUTORY AUTHORITY: Section 9-11-6.2 NMSA 1978.
[11/15/96; 3.18.7.3 NMAC - Rn, 3 NMAC 18.7.3, 12/29/00]

3.18.7.4 DURATION: Permanent.
[11/15/96; 3.18.7.4 NMAC - Rn, 3 NMAC 18.7.4, 12/29/00]

3.18.7.5 EFFECTIVE DATE: 11/15/96, unless a later date is cited at the end of a section, in which case the later date is the effective date.
[11/15/96; 3.18.7.5 NMAC - Rn & A, 3 NMAC 18.7.5, 12/29/00]

3.18.7.6 OBJECTIVE: The objective of this part is to interpret, exemplify, implement and enforce the provisions of the Oil and Gas Severance Tax Act, the Oil and Gas Conservation Tax Act, the Oil and Gas Emergency School Tax Act and the Oil and Gas Ad Valorem Production Tax Act.
[11/15/96; 3.18.7.6 NMAC - Rn, 3 NMAC 18.7.6, 12/29/00]

3.18.7.7 DEFINITIONS: [Reserved]
[11/15/96; 3.18.7.7 NMAC - Rn, 3 NMAC 18.7.7, 12/29/00]

3.18.7.8 SETTLEMENTS - WHEN TAX ON ADDITIONAL VALUE IS DUE:

A. When any agency of the United States of America or the state of New Mexico or any court issues an order and the effect of the order is to increase the taxable value of products previously reported, the increase in taxable value shall be reported no later than the twenty-fifth day of the second month following the month in which payment or credit for the increase is received by the taxpayer. The tax due on the increase in taxable value shall be computed by applying to the increase the appropriate rates of the oil and gas severance, the oil and gas emergency school, the oil and gas conservation and the oil and gas ad valorem production taxes in effect for the month in which the product was severed. The tax due shall accompany or precede the return.

B. In the event the increase in taxable value is not readily attributable to the months in which the products were severed, tax due may be determined based on an allocation of the increase if the method of allocation is approved by the department.

C. Section 3.18.7.8 NMAC is retroactively applicable to orders issued on or after September 1, 1991.
[3/31/94, 11/15/96; 3.18.7.8 NMAC - Rn & A, 3 NMAC 18.7.8, 12/29/00]

HISTORY OF 3.18.7 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center: TRD Rule OG-91, Regulations Pertaining to the Oil and Gas Tax Acts, filed 5/24/91.

History of Repealed Material: [RESERVED]

NMAC History:

3 NMAC 18.7, Oil and Gas Taxes (Severance Tax) - Price Increase Subject to Approval of Agency of United States, State of New Mexico or Court - Refund, filed 11/4/96.

3.18.7 NMAC, Oil and Gas Taxes (Severance Tax) - Price Increase Subject to Approval of Agency of United States, State of New Mexico or Court - Refund, filed 12/13/00.