OKLAHOMA
Tax Commission

REVENUE IMPACT STATEMENT
2025 REGULAR SESSION
60TH LEGISLATURE, 1ST SESSION

BILL/VERSION:	**HB 1370** / ENGROSSED	**ANALYST**: EC	
AUTHORS:	Rep. Boles / Sen. Green	**DATE**: 3/12/2025	
TAX(ES):	Petroleum Excise Tax		
SUBJECT(S):	Apportionment		
EFFECTIVE DATE:	July 1, 2025	**Emergency** ☒	

ESTIMATED REVENUE IMPACT:

FY26: None.
FY27: None.

Impact on Apportionment: See table below.

ANALYSIS: The proposal amends 17 O.S. § 180.10 by extending the Corporation Commission Plugging Fund's sunset from 2026 to 2031. Section 2 amends 68 O.S. § 1103 apportionment rates and termination dates for oil and gas excise tax.

OIL APPORTIONMENT

Fund Name	FY25	FY26			FY27		
		Current	Proposed	Fund Change	Current	Proposed	Fund Change
*Corp. Comm. Oil and Gas Division Revolving Fund**	$1,350,000	$1,350,000	*$1,350,000*	$0	$1,350,000	*$1,350,000*	$0
General Revenue Fund	$6,740,397	$6,139,207	*$0*	-$6,139,207	$5,379,604	*$0*	-$5,379,604
*Corp. Comm. Well Plugging Fund***	$1,030,563	$953,983	*$7,019,778*	$6,065,796	$0	*$5,379,604*	$5,379,604
The Interstate Oil Compact Fund of Oklahoma	$669,680	$619,916	*$693,328*	$73,411	$557,460	*$557,460*	$0
PE Total	$ 9,790,639	$9,063,106	$9,063,106		$7,287,064	$7,287,064	

** Current and Proposed language states the first $1,350,000 of the GRF revenues shall be apportioned to the Oil and Gas Division Revolving Fund of the OK Corporation Commission*
*** Proposed language states up to $10,000,000 of the GRF revenues shall be apportioned to the OK Corporation Commission Well Plugging Fund.*

NATURAL GAS APPORTIONMENT

Fund Name	FY25	FY26			FY27		
		Current	Proposed	Fund Change	Current	Proposed	Fund Change
*Corp. Comm. Oil and Gas Division Revolving Fund**	$1,350,000	$1,350,000	*$1,350,000*	$0	$1,350,000	*$1,350,000*	$0
General Revenue Fund	$3,597,176	$5,371,357	*$0*	-$5,371,357	$6,942,378	*$0*	-$6,942,378
*Corp. Comm. Well Plugging Fund***	$632,168	$858,879	*$6,164,328*	$5,305,449	$0	*$6,942,378*	$6,942,378
The Interstate Oil Compact Fund of Oklahoma	$409,647	$556,557	*$622,465*	$65,908	$686,916	*$686,916*	$0
PE Total	$ 4,638,991	$8,136,793	$8,136,793		$8,979,294	$8,979,294	

** Current and Proposed language states the first $1,350,000 of the GRF revenues shall be apportioned to the Oil and Gas Division Revolving Fund of the OK Corporation Commission*
*** Proposed language states up to $10,000,000 of the GRF revenues shall be apportioned to the OK Corporation Commission Well Plugging Fund.*

3/13/25
DATE

Huan Gong
DR. HUAN GONG, CHIEF TAX ECONOMIST

3/14/25
DATE

MARIE SCHUBLE, DIVISION DIRECTOR

3/14/25
DATE

Joseph P. Gappa
JOSEPH P. GAPPA, FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ADDITIONAL INFORMATION: The proposal amends 17 O.S. § 180.10 to extend the Corporation Commission Plugging Fund's sunset by an additional five years, from 2026 to 2031. Section 2 of the proposal amends 68 O.S. § 1103 to modify apportionment rates and termination dates for oil and gas excise tax distributions. Additionally, Section 2 requires that up to $10 million shall be allocated annually from the General Revenue Fund to the Corporation Commission Plugging Fund. However, the exact amount to be apportioned each year is not specified in the proposal—only the maximum cap of $10 million is defined.

Apportionment percentages under current, proposed law				
	FY26		FY27	
OIL	**Current**	***Proposed***	**Current**	***Proposed***
OCC Oil & Gas Division Rev Fund	$1,350,000	*$1,350,000*	$1,350,000	*$1,350,000*
GRF	82.634%	*92.35%*	92.35%	*92.35%*
OCC Well Plugging Fund	10.526%	*up to $10 million*	0%	*up to $10 million*
Int Oil Compact Fund of OK	6.84%	*7.65%*	7.65%	*7.65%*
NATURAL GAS	**Current**	***Proposed***	**Current**	***Proposed***
OCC Oil & Gas Division Rev Fund	$1,350,000	*$1,350,000*	$1,350,000	*$1,350,000*
GRF	82.6045%	*92.35%*	92.35%	*92.35%*
OCC Well Plugging Fund	10.5555%	*up to $10 million*	0%	*up to $10 million*
Int Oil Compact Fund of OK	6.84%	*7.65%*	7.65%	*7.65%*

For FY26, the proposed apportionment changes are estimated to eliminate $11.5 million in oil and natural gas excise tax revenues apportioned to the General Revenue Fund, as total apportioned revenue is projected to be fully absorbed by off-the-top allocations. The Corporation Commission Oil and Gas Division Revolving Fund would remain unchanged. Meanwhile, the Corporation Commission's Well Plugging Fund would see an estimated increase of about $6.1 million from oil excise tax revenue, and about $5.3 million from natural gas excise tax revenue. Additionally, the Interstate Oil Compact Fund of Oklahoma would receive an additional $139,319 increase in revenue from both oil and gas excise tax apportionments.

For FY27, the proposed apportionment changes are estimated to eliminate $12.3 million in oil and natural gas excise tax revenues apportioned to the General Revenue Fund, as no revenue is expected beyond the off-the-top allocation. The Corporation Commission Oil and Gas Division Revolving Fund would remain unchanged. Additionally, the Corporation Commission Plugging Fund would receive an estimated $5.4 million from oil excise tax revenue and $6.9 million from natural gas excise tax revenue. Based on FY27 forecasted revenues, no increase in revenue is expected for The Interstate Oil Compact Fund of Oklahoma.