

UTILITIES CODE

TITLE 3. GAS REGULATION

SUBTITLE B. REGULATION OF TRANSPORTATION AND USE

CHAPTER 122. GAS UTILITY PIPELINE TAX

SUBCHAPTER A. DEFINITIONS

Sec. 122.001. DEFINITIONS. In this chapter:

(1) "Gas utility" has the meaning assigned by Section 121.001(a)(2) and includes a person without regard to whether the person acquired a part of the right-of-way for the pipeline by eminent domain.

(2) "Gross income" includes all gross receipts the gas utility received from activities described by Section 121.001(a)(2) that are performed in this state, other than an activity excluded by Chapter 121 from the activities that make a person a gas utility for purposes of that chapter, and excludes the amount of the deduction allowed by Section 122.052.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

SUBCHAPTER B. TAX IMPOSED

Sec. 122.051. TAX IMPOSED; RATE. (a) A tax is imposed on each gas utility.

(b) The gas utility tax is imposed at the rate of one-half of one percent of the gross income of the gas utility.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

Sec. 122.052. DEDUCTION OF CERTAIN COSTS. A gas utility is entitled to deduct from the utility's gross receipts the amount of the cost paid to another person by the utility for purchasing, treating, or storing natural gas or for gathering or transporting natural gas to the utility's facilities.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

SUBCHAPTER C. PAYMENTS, REPORTS, AND RECORDS

Sec. 122.101. TAX PAYMENT. (a) A gas utility on whom a tax is imposed by this chapter during a calendar quarter shall pay the tax to the railroad commission.

(b) A gas utility shall make the tax payment payable to the comptroller.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

Sec. 122.102. REPORT. (a) A gas utility on whom a tax is imposed by this chapter during a calendar quarter shall include with the tax payment a report to the railroad commission that includes a statement of:

(1) all activity subject to the tax during the period covered by the report; and

(2) the gross income from that activity.

(b) The president, secretary, or general manager of a gas utility that is a corporation or an owner of a gas utility that is not a corporation must verify the truth and accuracy of the report.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

Sec. 122.103. PAYMENT AND REPORT DEADLINE. A tax payment and report under this chapter for a calendar quarter are due on or before the 20th day of the second month of the succeeding quarter.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

Sec. 122.104. RECORDS. A person on whom a tax is imposed by this chapter shall maintain until the fourth anniversary of the date the tax report and payment for a calendar quarter are due records sufficient to:

(1) document the person's tax report; and

(2) establish the amount of the tax imposed.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

#### SUBCHAPTER D. ADMINISTRATION

Sec. 122.151. ADMINISTRATION BY RAILROAD COMMISSION. The railroad commission:

(1) shall administer and collect the taxes imposed by

this chapter; and

(2) may adopt rules necessary to administer this chapter and to collect and enforce the taxes.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

Sec. 122.152. EXAMINATION OF RECORDS AND PERSON DOING BUSINESS IN THIS STATE. To enforce this chapter, the railroad commission may examine:

(1) a book, record, or paper of a person permitted to do business in this state, including an agent of the person, at an office of the person or agent in the United States; and

(2) an officer or employee of a person described by Subdivision (1) under oath.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

#### SUBCHAPTER E. PENALTIES AND INTEREST

Sec. 122.201. PENALTY FOR FAILURE TO REPORT TAX. A person who is required to report a tax imposed by this chapter and fails to report as required by Sections [122.102](#) and [122.103](#) shall pay:

(1) a penalty of five percent of the amount of the tax due with the report; and

(2) if the report is not made before the 31st day after the date the report is initially required to be made, an additional penalty of five percent of the amount of the tax due with the report.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

Sec. 122.202. PENALTY FOR FAILURE TO PAY TAX. A person who is required to pay a tax imposed by this chapter and fails to pay the tax as required by Sections [122.101](#) and [122.103](#) shall pay:

(1) a penalty of five percent of the amount of the tax due and unpaid; and

(2) if the tax is not paid before the 31st day after the date the tax payment is initially required to be made, an additional penalty of five percent of the amount of the tax due and unpaid.

Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

Sec. 122.203. PENALTY FOR FAILURE TO REPORT AND PAY TAX. If a person fails to make the report and to pay the tax for a reporting period, only the penalty and additional penalty under Section [122.201](#), as applicable, for failure to make the report is imposed. Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

Sec. 122.204. MINIMUM PENALTY. If the amount of a penalty or additional penalty computed as provided by this subchapter is less than \$5, the amount of the penalty or additional penalty is \$5. Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.

Sec. 122.205. INTEREST. A tax imposed by this chapter that becomes delinquent draws interest at the rate of 12 percent a year beginning on the 60th day after the date the tax becomes delinquent and continues to draw interest until the date the tax is paid. Acts 1997, 75th Leg., ch. 166, Sec. 1, eff. Sept. 1, 1997.