

State Oil and Gas Board



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State Oil & Gas Supervisor

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Board Attorneys

Dear Sir:

Following is information regarding the Legislature Bill which effects Maintenance Tax. Please note, The Maintenance Tax will now be calculated on oil and gas **sold** and no longer on oil and gas produced. The tax rate used will **not** change.

This new legislation begins with your July 2007 production numbers, **and should not be confused** with outstanding Maintenance Taxes for production prior to July 2007. Please check our website (<http://www.ogb.state.ms.us/forms.php>) for information regarding the adjusted 9-15-Z form.

The Legislature of the State of Mississippi approved Bill 2887 which amended Section 53-1-73, Mississippi Code of 1972 to revise the TAX imposed for administrative expenses. Effective July 1, 2007 Section 53-1-73 is amended as follows:

SECTION 3. Section 53-1-73, Mississippi Code of 1972

53-1-73. For the purposes of paying the costs and expenses incurred in connection with the administration and enforcement of the oil and gas conservation laws of the State of Mississippi and of the rules, regulations and orders of the State Oil and Gas Board, there is hereby levied and assessed against each barrel of **oil produced and sold** in the State of Mississippi a charge not to exceed sixty (60) mills on each barrel of such oil, and against each one thousand (1,000) cubic feet of **gas produced **** and sold** a charge not to exceed six (6) mills on each one thousand (1,000) cubic feet of gas. The State Oil and Gas Board shall fix the amount of such charge in the first instances, and may, from time to time, change, reduce or increase the amount thereof, as in its judgment the charges against the fund may require, but the amounts fixed by said board shall not exceed the limits hereinabove prescribed; and it shall be the duty of the board to make collection of such assessments. All monies collected shall be used exclusively to pay the expenses and other costs in connection with the functioning of the State Oil and Gas Board and the administration of the oil and gas conservation laws of the State of Mississippi now in force or hereafter enacted and the rules, regulations and orders of said board.

So we may properly process your payment **please include a copy of your invoice with every payment.**

Should you have any question regarding this new legislation, please feel free to contact Lisa Ivshin –Executive Director Mississippi Oil & Gas Board or Michael Kinkead Director Finance & Personnel during our normal business hours.

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