

2008-5 Reporting Requirements of First Purchasers of Natural Gas

Emergency Severance Tax Rule 2008-5

Pursuant to the authority vested in the Director of the Arkansas Department of Finance and Administration and the Arkansas Commissioner of Revenue pursuant to the provisions of Ark. Code Ann. §§ 26-18-301 and 26-58-129, the Director of the Department of Finance and Administration and the Arkansas Commissioner of Revenue hereby promulgates the following emergency rule for the administration of the Arkansas severance tax on natural gas production:

1. This rule shall be effective on and after January 1, 2009.
2. The purpose of this rule is for the Director to relieve in advance, as provided in Ark. Code Ann. § 26-58-116(a), certain reporting requirements of first purchasers of natural gas. A first purchaser has met his or her reporting obligations pursuant to Ark. Code Ann. § 26-58-116(a) with regards to purchases of natural gas in a respective month provided the purchaser's verified monthly report, due on before the twentieth (20th) after the month in which natural gas was purchased, contains the following:
 - a. The first purchaser provides to the Director the severance tax permit number of the producer(s) from whom natural gas is purchased; and
 - b. The first purchaser states the names and addresses of the producer(s) from whom natural gas was purchased and the total quantity of natural gas purchased in the respective month from each producer.
3. A first purchaser of natural gas who satisfies the requirements of paragraph two (2) of this rule shall be deemed to have ascertained in advance that severance tax has been paid on natural gas purchases, as required by Ark. Code Ann. § 26-58-116(b)(1), prior to processing or transportation of the natural gas.
4. Should a first purchaser be unable to file his or her verified monthly report pursuant to Section 2 of this Rule, a first purchaser shall file his monthly report pursuant to NG-11. Provided, however, the first purchaser's monthly report shall be filed with the Director on or before the twentieth (20th) day of the second month following the month in which natural gas was purchased.

Issue Date: _____

Richard A. Weiss,
Director, Arkansas Department of
Finance and Administration

Tim Leathers,
Commissioner of Revenue,
Arkansas Department of Finance
and Administration