

Kansas Administrative Regulations

Kansas Corporation Commission

Article 3.—Production and Conservation of Oil and Gas

82-3-900. Enhanced recovery severance tax exemption, application, hearing, penalty.

(a) Any operator seeking exemption from the severance tax provisions pursuant to K.S.A. 79-4217, and amendments thereto, shall submit an application to the director of the conservation division. The commission staff shall assign a certifying number to each application upon receipt. The determination as to whether or not the production enhancement project qualifies for exemption shall be made and certified by the director of the conservation division or the director's designee. In the event of an adverse decision at the director's level, an appeal may be made by requesting a hearing before the full commission pursuant to the Kansas administrative procedures act.

(b) Upon the certification by the director of the conservation division or by the commission after hearing, the certification shall be forwarded by the conservation division to the operator for submission to the department of revenue.

(c) All records submitted in connection with an application for exemption from the severance tax under this provision shall be retained by the corporation commission. These records shall be subject to the confidentiality provision of K.A.R. 82-3-107(e). The records shall be retained for no fewer than four years and shall be open at all times to the department of revenue.

(d) Either the first purchaser and the operator or an operator who has duly elected to report the severance tax shall be notified by the department of revenue of its acceptance of the certification from the state corporation commission.

(e) The willful filing of false documents, fraudulent documents, or both, in order to obtain an exemption from the severance tax with the conservation division shall constitute a simultaneous false filing with the department of revenue under K.S.A. 79-4225, and amendments thereto, and its provisions shall apply with respect to civil penalties, criminal prosecution, or both.

(Authorized by and implementing K.S.A. 79-4217, as amended by L. 1998, ch. 130, sec. 28; effective March 19, 1999.)

***** Authenticated Kansas Administrative Regulation *****