

# TEXAS SEVERANCE TAX



[www.danmartinez.com](http://www.danmartinez.com)



[sales@danmartinez.com](mailto:sales@danmartinez.com)



(281) 494-7394

## SEVERANCE TAX CONSULTING SERVICES

Texas Severance tax regulations can be complex and require significant expertise in this specialty tax area. Severance Tax reduced liabilities and exemptions for oil and gas producers (E&P companies) can be provided on both a retroactive and prospective basis, maximizing return on investment (ROI).

Realized benefits include:

- Improved monthly cash flow as a result of prospective savings
- Increased sales value for properties due to lower Severance Tax burden
- Retroactive and prospective refunds
- Training and education of personnel involved in Severance Tax reporting

Well Incentives provide operators with an excellent opportunity to reduce their overall Severance Tax liability. However, the processes and laws/regulations by which these incentives are applied for, certified, and claimed on the respective Severance Tax reports are often complex and time-consuming. Types of wells that often receive incentives include:

- High cost gas wells (TX, AR)
- Horizontal wells (OK, LA, TX)
- Deep wells (TX, OK, LA)
- Previously inactive wells (TX, OK)
- Marginal wells or wells on gas lift (LA)
- Secondary/Tertiary Recovery (TX, OK, LA)

However, most incentives have limited durations, and some even require certification prior to commencement of the project (Texas Enhanced Oil Recovery, for example). Timing is critical in maximizing the value of these incentives.

"M&A State Tax Specialist, LLC strives to consistently provide the highest level of services and representation to its clients through the effective use of technology, communication, and experience. Quality, integrity, detail, and perseverance are why we succeed."

*Dan Martinez*

