

■ Oil and Gas Production Assessment

TO: All Producers and First Purchasers of Oil and Gas from Illinois Wells

Effective July 10, 1998, an assessment of 0.1 percent is levied on gross revenues of oil and gas produced from each well in Illinois. The Oil and Gas Production Assessment is imposed on Illinois oil or gas producers and is paid by the first purchaser of the oil or gas.

This assessment is administered and enforced by the Illinois Petroleum Resources Board, which has not yet been appointed.

How much is the assessment?

The Oil and Gas Production Assessment is levied in the amount of 0.1 percent of gross revenues of oil and gas produced from each well in Illinois.

On whom is the assessment imposed?

The Oil and Gas Production Assessment is imposed on the producer and is collected from the producer by the first purchaser. The first purchaser then pays the assessment to the Illinois Department of Revenue on Form IDR-283, Oil and Gas Production Assessment Return.

When is the return due?

Form IDR-283, Oil and Gas Production Assessment Return, is due on or before the 15th day of the month following the month for which the return is filed. For example, if a first purchaser is filing a return for July, it is due on or before August 15 of the same year.

How will the revenue generated by this assessment be used?

The Illinois Petroleum Resources Board will use this revenue to:

- demonstrate the importance of Illinois' oil exploration and production industry,
- encourage the wise and efficient use of energy,

- promote environmentally sound production methods and technologies,
- develop existing supplies of Illinois oil resources, and
- support research and educational activities concerning the oil exploration and production industry.

What if I have questions about the legislation that created this assessment?

If you would like more information about the legislation that created this assessment, you may call the Illinois Oil and Gas Association at 618 242-2857.

Questions?

If you need more information, please contact us. Our telephone numbers and Internet address are printed at the bottom of this bulletin.

For information or forms...

Call us at 1 800 732-8866 or 217 782-3336.

Call our TDD (telecommunications device for the deaf) at 1 800 544-5304.

Visit our Web site at www.revenue.state.il.us.

Call "Illinois Tax Fax," our fax-on-demand service, at 217 785-3400.

Call our 24-hour Forms Order Line at 1 800 356-6302.

