

Maryland), title "Allegheny County," to follow immediately after Section 572 thereof and to be under the new subtitle "Natural Gas," levying a distribution and production tax on the business or occupation of collecting, distributing and producing natural gas or other gases taken from the earth in Allegheny County, providing for an exemption from county taxation, and providing generally for the powers and duties of the county commissioners and of certain other persons with respect to the levying, administration and collection of this tax and relating generally to the collection, distribution and production of natural gas or other gases taken from the earth in Allegheny County and to the taxation and regulation thereof.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That new Sections 572-1 to 572-10, inclusive, be and are hereby added to the Code of Public Local Laws of Allegheny County (1963 Edition and 1967 Supplement, being Article 1 of the Code of Public Local Laws of Maryland), title "Allegheny County," to follow immediately after Section 572 thereof and to be under the new subtitle "Natural Gas," and to read as follows:

NATURAL GAS

572-1. *Distribution and production tax.*

(a) *There is hereby levied a distribution and production tax on the business or occupation of collecting, distributing and producing natural gas or other gases taken from the earth in Allegheny County computed as follows:*

A tax shall be paid on the gas produced and saved for commercial purposes within Allegheny County, accounting from January 1, 1969, equivalent to seven per cent (7%) of the wholesale market value thereof as and when produced; provided that the amount of such tax shall never be less than 11/150 of one per cent per one thousand (1,000) cubic feet.

In calculating the tax herein levied, there shall be excluded: (1) gas injected into a natural oil or gas bearing reservoir in Allegheny County, unless sold for such purpose; (2) gas produced from oil wells with oil and lawfully vented or flared; and (3) gas used for lifting oil, unless sold for such purpose.

(b) *The market value of gas produced in Allegheny County shall be the value thereof at the mouth of the well; however, in case gas is sold for cash only, the tax shall be computed on the producer's gross cash receipts. In all cases where the whole or a part of the consideration for the sale of gas is a portion of the products extracted from the producer's gas or a portion of the residue gas, or both, the tax shall be computed on the gross value of all things of value received by the producer, including any bonus or premium; provided that notwithstanding any other provision herein to the contrary, where gas is processed for the liquid hydro-carbon content and the residue gas is returned by cycling methods, as distinguished from re-pressuring or pressure maintenance methods, to some gas producing formation, the taxable value of such gas shall be three-fifths (3/5) of the gross value of all liquids extracted, separated and saved from such gas, such value to be determined upon separation and*