



County Technical Assistance Service

Published on e-Li (<https://eli.ctas.tennessee.edu>)

October 15, 2019

Oil and Gas Severance Tax

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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Oil and Gas Severance Tax

Reference Number: CTAS-1613

Authority. T.C.A. §§ 60-1-301 through 60-1-302.

Description. The state levies a tax of 3 percent of the sales price of all gas and oil removed from the ground in Tennessee. T.C.A. § 60-1-301.

Distribution. The Tennessee Department of Revenue collects the tax and distribution is made as follows:

1. One third (1/3) to the county where the wellhead is located.
 2. Two thirds (2/3) to the state general fund. T.C.A. § 60-1-301.
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