

FREQUENTLY ASKED QUESTIONS

Question: What is the purpose of MT-180 Natural Gas Severance Tax – Operator/Producer Report?

Answer: To report to the Miscellaneous Tax Section the filing and payment of natural gas severance tax per AR Code Ann. §26-58-115.

Question: Who is required to file the MT-180 Natural Gas Severance Tax - Operator/Producer Report?

Answer: Every Operator/Producer or Non-Operator/Producer (company, organization, or individual) engaged in the severance of natural gas in the State of Arkansas shall file a MT-180 form with the Miscellaneous Tax Section.

LINE INSTRUCTIONS FOR PREPARING THE MT-180 FORM

Operator/Producer Production Reconciliation

- Line 1. Enter the total Mcf severed by the Operator/Producer per well category (Columns B through H), with Column I being the total of all columns. The total in Column I should match the total Mcf well production for all wells reported by the Operator/Producer to the AR Oil and Gas Commission.
- Line 2. Enter the total Mcf of other Non-Operator/Producers (entities taking their gas in kind and responsible for filing an MT-180), per well category (Columns B through H) with Column I being the total of all columns.
- Line 3. Subtract Line 2 from Line 1 by well category and enter the results on Line 3.
- Line 4. Enter the total Mcf of this Non-Operator/Producer (who took gas in kind and whose Mcf was not reported by another Operator/Producer), per well category (Columns B through H) with Column I being the total of all columns.
- Line 5. Add Line 3 and Line 4 by well category and enter the results on Line 5. Line 5 amount(s) should reflect the total Mcf sold by well category, by this Operator/Producer.

Natural Gas Severance Tax Calculation

- Line 6. Enter column totals as reflected on Line 5.
- Line 7. Enter exempt Mcf sold (i.e. Mcf related to sales where the royalty interest is the Federal Government, Etc....) by well category.
- Line 8. Subtract Line 7 from Line 6 for all columns and enter the results on Line 8.
- Line 9. Enter the total cash receipts for gas sold by well category.
- Line 10. Enter the exempt cash receipts of gas sold by well category.
- Line 11. Subtract Line 10 from Line 9 for all columns and enter the results on Line 11.
- Line 12. Enter the allowable marketing deductions by well category
- Line 13. Subtract Line 12 from Line 11 for all columns and enter the results on Line 13.
- Line 14. Natural gas severance tax rate by well category (NO ENTRY REQUIRED).
- Line 15. Multiply Line 14 by Line 13 and enter the results on Line 15.
- Line 16. Enter credit amount to be applied and attach documenting correspondence.
- Line 17. Subtract Line 16 from Line 15 and enter the results on Line 17.
- Line 18. Enter the taxpayer representative's signature, printed name, title, telephone number, and date.

Report Due date information

The MT-180 Natural Gas Severance Tax Report form and remittance are due by the 25th day of the second month following the production/report month. The form and remittance should be mailed to:

Miscellaneous Tax Section, PO Box 896, Room 2340, Little Rock, AR 72203