

Royalty Tax Payer – Suspension of RTP100 Errors

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
SK	March 20, 2017		Initial Release

Audience: All Saskatchewan Users

Purpose: To inform Industry that the Ministry of Economy (ECON) will once again be suspending the issuance of penalties relating to RTP100 errors until further notice and to ensure that Industry understands the consequence of not submitting required RTP records.

Background: The RTP100 error is generated when there is a requirement for a Royalty Tax Payer (RTP) record in Petrinex and the RTP record does not exist. The requirement for an RTP record is created at the time that a Royalty Tax Attributes (RTA) record for either oil or gas from a well or unit is uploaded to Petrinex by ECON. An RTP record for each reported product (oil or gas) from a well must be submitted to avoid the RTP100 error.

Recently, ECON has been putting emphasis on proper reporting of gas produced from oil wells. As a result, many BAs have been submitting prior period amendments which involve the reporting of gas production volumes for wells for which no gas volume had previously been submitted and for which no RTP record had been created. The submission of those gas volumes triggers the requirement for an RTP record and this seems to have taken many BAs by surprise and has resulted in a spike of new RTP errors and penalties.

The RTP100 error penalties were previously suspended in March 2015 as a result of system cleanup and enhancements that were being done

prior to IRIS go-live. The penalty related to the RTP100 errors was later reinstated at the end of September 2016.

Key Messages:

Until further notice, the issuance of penalties related to RTP100 errors will be suspended indefinitely commencing with the April 2017 billing cycle.

RTP100 errors will continue to be generated in Petrinex based on the current requirements, but they will be considered no charge errors.

Industry needs to be aware of the consequences of not submitting RTP records. There will not be a financial penalty per se, but if oil or gas production is reported for a well in Petrinex and no RTP record exists for either of those products, ECON's billing system will:

- invoice the licensee of the well for 100% of any amount of royalty/tax owing for the well based on 100% Crown mineral ownership; and
- provide Saskatchewan Ministry of Finance with an estimate of the amount of Resource Surcharge owing for the well based on the assignment of 100% of the revenues to the licensee.

ECON will be issuing Ministry Initiated Waivers for all RTP100 errors that were invoiced during the March 2017 billing cycle. All other outstanding penalty invoices remain payable.

ECON expects that BAs will continue to review their RTP100 errors and make the appropriate corrections.

More information:

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