TAX/SEVERANCE TAX: Suspend the severance taxes levied on oil, natural gas, distillate, and condensate

A CONCURRENT RESOLUTION

To suspend through the final day of the last full month prior to sixty days after final adjournment of the 2021 Regular Session of the Legislature of Louisiana the severance taxes levied pursuant to R.S. 47:631 on oil, natural gas, distillate, and condensate at the rates set forth in the provisions of R.S. 47:633(7), (8), and (9).

WHEREAS, the oil and natural gas industries are important industries in Louisiana that employ over thirty thousand workers with wages that exceed three billion dollars annually which contributes to the state's overall economy; and

WHEREAS, Louisiana needs the oil and natural gas industries in this state to remain strong in order to help continue to drive the state's economy; and

WHEREAS, the oil and natural gas industries in Louisiana are facing imminent peril as the price of oil per barrel has dropped nearly sixty percent since January 1, 2020, and the price of natural gas has dropped nearly sixty percent since October 1, 2019; and

WHEREAS, contributing factors to the recent drop in the price of oil per barrel is the recent surge in the supply of oil in the market from Russia and OPEC as well as a drop in demand for oil as a result of the COVID-19 pandemic; and

WHEREAS, the oil and natural gas industries in Louisiana need immediate relief from severance taxes in order to make it financially feasible for oil and natural gas production to continue in this state which in turn will help boost the overall economic health of the state's budget.
THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby suspend the severance taxes levied pursuant to R.S. 47:631 on oil, natural gas, distillate, and condensate at the rates set forth in the provisions of R.S. 47:633(7), (8), and (9).

BE IT FURTHER RESOLVED that this suspension shall become effective on the first day of the month following adoption of this Resolution and shall extend through the final day of the last full month prior to the sixtieth day after final adjournment of the 2021 Regular Session of the Legislature of Louisiana.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HCR 65 Engrossed 2020 Regular Session Bishop

Suspends the severance taxes levied on oil, natural gas, distillate, and condensate.

(Suspends R.S. 47:631)