
DIGEST

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Gallot

HB No. 714

Abstract: Increases the maximum amount of the severance tax allocation for natural resources other than sulphur, lignite, and timber from \$750,000 to \$2 million to the parish in which natural resources are severed. Allows the maximum to be adjusted for inflation every five years beginning July 1, 2012.

Present constitution provides for the distribution of severance taxes levied and imposed by the state to each parish in which severance or production occurs as follows:

- (1) 1/3 of sulphur severance tax, not to exceed \$100,000.
- (2) 1/3 of lignite severance tax, not to exceed \$100,000.
- (3) 3/4 of the timber severance tax.
- (4) 1/5 of the severance tax on all natural resources, other than sulphur, lignite, or timber, not to exceed \$750,000.

Proposed constitutional amendment retains present constitution severance allocations for sulphur, lignite, and timber. Increases the maximum allocation per parish for natural resources other than sulphur, lignite, or timber from \$750,000 to \$2 million effective July 1, 2007. Further provides for an increase in the maximum allocation per parish every five years to be determined by the Revenue Estimating Conference based on the increase in the Consumer Price Index.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 7, 2006.

(Amends Const. Art. VII, §4(D))