
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

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 \$850,000 to the parish in which natural resources are severed. Allows the maximum to be adjusted for inflation every July 1, beginning in 2008.

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 \$850,000 effective July 1, 2007. Further provides the maximum allocation shall be increased each July 1, beginning in 2008, by an amount equal to the average annual increase in the CPI for all urban consumers, as published by the U.S. Dept. of Labor, for the previous calendar year, as calculated and adopted by the Revenue Estimating Conference.

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))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Increases maximum allocation for natural resources from \$750,000 to \$850,000.
2. Provides that increased maximum shall be adjusted each July 1, beginning in 2008, according to the annual increase in CPI as adopted by the Revenue

Estimating Conference.