

ACT No. 864

HOUSE BILL NO. 714

BY REPRESENTATIVES GALLOT, FANNIN, BALDONE, CURTIS, HILL, KENNEY, MONTGOMERY, ODINET, JANE SMITH, ALARIO, ALEXANDER, ANSARDI, ARNOLD, BADON, BARROW, BAUDOIN, BAYLOR, BOWLER, BRUCE, BURRELL, R. CARTER, CAZAYOUX, CHANDLER, DAMICO, DARTEZ, DOERGE, DORSEY, DOVE, DOWNS, ERDEY, FARRAR, FAUCHEUX, GLOVER, GRAY, GREENE, M. GUILLORY, HARRIS, HEBERT, HONEY, HOPKINS, HUNTER, HUTTER, JACKSON, JEFFERSON, KATZ, LAFONTA, LANCASTER, MARCHAND, MCDONALD, MORRELL, MORRISH, PIERRE, PITRE, M. POWELL, T. POWELL, QUEZAIRE, RITCHIE, ROMERO, SALTER, SMILEY, GARY SMITH, JACK SMITH, ST. GERMAIN, STRAIN, THOMPSON, TOOMY, TOWNSEND, TRAHAN, TUCKER, WADDELL, WALSWORTH, WHITE, AND WOOTON AND SENATORS ADLEY, DUPLESSIS, DUPRE, N. GAUTREAU, KOSTELKA, MALONE, MICHOT, MOUNT, MURRAY, AND NEVERS

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 4(D) of the Constitution of Louisiana, to increase the maximum amount of the severance tax on certain natural resources which is remitted to parish governing authorities; to provide an effective date; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 4(D) of the Constitution of Louisiana, to read as follows:

§4. Income Tax; Severance Tax; Political Subdivisions

Section 4.

* * *

(D)(1) Severance Tax Allocation. One-third of the sulphur severance tax, but not to exceed one hundred thousand dollars; one-third of the lignite severance tax, but not to exceed one hundred thousand dollars; one-fifth of the severance tax on all natural resources, other than sulphur, lignite, or timber, but not to exceed five

1 hundred thousand dollars; and three-fourths of the timber severance tax shall be
2 remitted to the governing authority of the parish in which severance or production
3 occurs.

4 (2) Effective July 1, 1999, one-third of the sulphur severance tax, but not to
5 exceed one hundred thousand dollars; one-third of the lignite severance tax, but not
6 to exceed one hundred thousand dollars; one-fifth of the severance tax on all natural
7 resources, other than sulphur, lignite, or timber, but not to exceed seven hundred fifty
8 thousand dollars; and three-fourths of the timber severance tax shall be remitted to
9 the governing authority of the parish in which severance or production occurs.

10 (3) Effective July 1, 2007, one-fifth of the severance tax on all natural
11 resources other than sulphur, lignite, or timber shall be remitted to the governing
12 authority of the parish in which severance or production occurs. The initial
13 maximum amount remitted to the parish in which severance or production occurs
14 shall not exceed eight hundred fifty thousand dollars. The maximum amount
15 remitted shall be increased each July first, beginning in 2008, by an amount equal to
16 the average annual increase in the Consumer Price Index for all urban consumers, as
17 published by the United States Department of Labor, for the previous calendar year,
18 as calculated and adopted by the Revenue Estimating Conference.

19 * * *

20 Section 2. Be it further resolved that this proposed amendment shall be submitted
21 to the electors of the state of Louisiana at the statewide election to be held on November 7,
22 2006.

23 Section 3. Be it further resolved that on the official ballot to be used at said election
24 there shall be printed a proposition, upon which the electors of the state shall be permitted
25 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
26 read as follows:

27 To increase the maximum amount of the severance tax imposed and collected
28 by the state on natural resources, other than sulphur, lignite, and timber,
29 which is remitted to the parish governing authority where the severance
30 occurs from seven hundred fifty thousand dollars to eight hundred fifty

1 thousand dollars effective July 1, 2007, and provides that this maximum
2 amount be increased to reflect the increase in the Consumer Price Index
3 beginning July 1, 2008. (Amends Article VII, Section 4(D))

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE