

Regular Session, 2008

HOUSE BILL NO. 420

BY REPRESENTATIVE GALLOT

TAX/SEVERANCE TAX: (Constitutional Amendment) Increases the general severance tax allocation to parishes

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 4(D)(3) 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 for 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)(3) of the Constitution of Louisiana, to read as follows:

§4. Income Tax; Severance Tax; Political Subdivisions

Section 4.

* * *

(D)

* * *

(3) Effective July 1, 2007, one-fifth of the severance tax on all natural resources other than sulphur, lignite, or timber shall be remitted to the governing authority of the parish in which severance or production occurs. The initial maximum amount remitted to the parish in which severance or production occurs shall not exceed eight hundred fifty thousand dollars. Effective July 1, 2009, the

1 maximum amount remitted to the parish in which severance or production occurs
2 shall not exceed two million eight hundred fifty thousand dollars.

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4 Section 2. Be it further resolved that this proposed amendment shall be submitted
5 to the electors of the state of Louisiana at the statewide election to be held on November 4,
6 2008.

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

11 To increase the maximum amount of the severance tax imposed and collected
12 by the state on natural resources, other than sulphur, lignite, and timber,
13 which is remitted to the parish governing authority where the severance
14 occurs from eight hundred fifty thousand dollars to two million eight hundred
15 fifty thousand dollars, effective July 1, 2009. (Amends Article VII, Section
16 4(D)(3))

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)]

Gallot HB No. 420

Abstract: Increases the maximum amount of the severance tax imposed and collected by the state on natural resources, other than sulphur, lignite, and timber, which is remitted to the parish governing authority where the severance occurs from \$850,000 to \$2,850,000, effective July 1, 2009.

Present constitution provides that 1/5 of the severance tax on all natural resources other than sulphur, lignite, or timber shall be remitted to the governing authority of the parish in which severance or production occurs. The initial maximum amount remitted to the parish in which severance or production occurs shall not exceed \$850,000.

Proposed constitutional amendment increases the maximum amount of the severance tax imposed and collected by the state on natural resources, other than sulphur, lignite, and timber, which is remitted to the parish governing authority where the severance occurs from \$850,000 to \$2,850,000, effective July 1, 2009.

Present constitution provides that the maximum amount remitted shall be increased each July 1, beginning in 2008, by an amount equal to the average annual increase in the

Consumer Price Index 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.

Proposed constitutional amendment retains the CPI increase provision.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2008.

(Amends Const. Art. VII, §4(D)(3))