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## DIGEST

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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))