
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)]

Abramson

HB No. 192

Abstract: Reduces the severance tax levied after payout on oil production within a carbon dioxide (CO²) tertiary recovery program which is permitted on or after July 1, 2009.

Present law establishes an incentive program to promote investment in crude oil tertiary recovery projects. Oil production from a qualified tertiary recovery project shall only become taxable after the project reservoir has reached "payout". Payout status is determined at a public hearing held before the assistant secretary of the office of conservation of the Dept. of Natural Resources.

Proposed law retains present law and adds special provisions for carbon dioxide (CO²) tertiary recovery projects permitted on or after July 1, 2009. The severance tax on oil production within such a CO² tertiary recovery program shall be reduced by 50% of the tax that otherwise would be due.

Effective for all taxable periods beginning on and after July 1, 2009.

(Amends R.S. 47:633.4(B)(2))