2020 Regular Session

HOUSE BILL NO. 489

BY REPRESENTATIVE BAGLEY

## TAX/SEVERANCE TAX: To provide for the disposition of severance tax collections

| 1  | AN ACT                                                                                    |
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| 2  | To amend and reenact R.S. 47:645(B), relative to the disposition of certain severance tax |
| 3  | collections; to provide for the amount of certain severance tax collections to be         |
| 4  | remitted and allocated to parish governing authorities; to provide for effectiveness;     |
| 5  | and to provide for related matters.                                                       |
| 6  | Be it enacted by the Legislature of Louisiana:                                            |
| 7  | Section 1. R.S. 47:645(B) is hereby amended and reenacted to read as follows:             |
| 8  | §645. Disposition of collections                                                          |
| 9  | * * *                                                                                     |
| 10 | B. One-third of the sulphur severance tax but not to exceed one hundred                   |
| 11 | thousand dollars, one-fifth of the severance tax on all natural resources other than      |
| 12 | sulphur or timber but not to exceed five hundred thousand dollars, and three-fourths      |
| 13 | of the timber severance tax shall be allocated to the governing authority of the parish   |
| 14 | within which severance or production occurs and shall be credited to such parish by       |
| 15 | the treasurer for allocation to the governing authority of the parish in which            |
| 16 | severance or production occurs as provided in Article VII, Section 4 of the               |
| 17 | Constitution of 1974. The severance tax for sulphur, lignite, timber, and natural         |
| 18 | resources other than sulphur, lignite, or timber shall be remitted and allocated to the   |
| 19 | governing authority of the parish within which severance or production of the natural     |
| 20 | resource occurs by the treasurer in accordance with Article VII, Section 4 of the         |

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

| 1 | Constitution of Louisiana. When these limits the limits provided in Article VII,          |
|---|-------------------------------------------------------------------------------------------|
| 2 | Section 4 of the Constitution of Louisiana have been reached, there shall be no           |
| 3 | further allocation, and all additional collections for the year shall be credited in full |
| 4 | to the state treasury except as provided in R.S. 30:88.1.                                 |
|   |                                                                                           |

5 \* \* \*

## 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)]

| HB 489 Original | 2020 Regular Session | Bagley |
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Abstract: Provides that severance taxes are remitted and allocated to parish governing authorities in accordance with the constitution.

<u>Present law</u> provides that 1/3 of the severance tax not to exceed \$100,000 on sulphur, 1/5 of the severance tax not to exceed \$500,000 on all natural resources other than sulphur or timber, and 3/4 of the severance tax on timber collected are allocated to the parish governing authority in which the production or severance of the natural resource occurs. <u>Proposed law</u> repeals <u>present law</u>.

<u>Present law</u> authorizes the treasurer to remit and allocate severance taxes to parish governing authorities. <u>Proposed law</u> retains <u>present law</u>.

<u>Present law</u> provides that when the amount of severance tax to be remitted to the parish governing authority has reached the maximum amount authorized in the constitution, there shall be no further allocation. <u>Proposed law</u> retains <u>present law</u>.

<u>Present law</u> provides that all additional collections that surpass the limit provided for in the constitution shall be credited to the state treasury except for the statutory exceptions related to oilfield site trust accounts for orphaned wells. <u>Proposed law</u> retains <u>present law</u>.

<u>Present law</u> provides that the disposition of severance tax collections be remitted and allocated in accordance with Art. VII, §4 of the Constitution of La. <u>Proposed law</u> retains present law.

(Amends R.S. 47:645(B))