
HOUSE COMMITTEE AMENDMENTS

2020 Second Extraordinary Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 29 by Representative DeVillier

1 AMENDMENT NO. 1

2 On page 1, line 3, after "from" and before "wells" delete "newly drilled" and insert "certain"

3 AMENDMENT NO. 24 On page 1, delete lines 16 through 20 in their entirety and on page 2 delete lines 1 through
5 5 in their entirety and insert the following:6 "B.(1) There shall be an exemption from the severance tax levied in this
7 Section at the rates provided for in R.S. 47:633 on oil production from any newly
8 drilled well or completed well that is undergoing or has undergone well
9 enhancements that required a Department of Natural Resources permit, including but
10 not limited to re-entries, workovers, or plugbacks, from which production
11 commences on or after October 1, 2020, and on or before December 31, 2025. The
12 exemption shall last for a period of twenty-four months or until payout of the well
13 cost is achieved, whichever occurs first.14 (2)(a) Payout of well cost occurs when gross revenue from the well, less
15 royalties and operating costs directly attributable to the well, equals the well cost.16 (b) For the purposes of this Section, well costs shall equal the cost of
17 completing the well to the commencement of production or the cost of well
18 enhancements, as determined by the Department of Natural Resources.19 (c) For the purposes of this Section, operating costs shall be limited to those
20 costs directly attributable to the operation of the exempt well, including but not
21 limited to direct materials, supplies, fuel, direct labor, contract labor or services,
22 repairs, maintenance, property taxes, insurance, depreciation, and any other costs that
23 can be directly attributed to the operation of the well. Where applicable, the
24 calculation of such costs shall begin from the date that the Department of Natural
25 Resources permitted operation or enhancement is complete and production is
26 established. Operating costs shall not include any costs that were included in the well
27 cost approved by the Office of Conservation.28 (3) Interest on a refund of severance tax to an operator whose well qualifies
29 for the exemption provided in this Subsection shall be paid in accordance with R.S.
30 47:1624(A)(2)."