

**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 479** HLS 24RS 517  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 15, 2024 4:47 PM	<b>Author:</b> MYERS
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Tax Withholding: Mineral Royalties, Bonuses, Leases	

REVENUE DEPARTMENT OR SEE FISC NOTE GF RV Page 1 of 1  
 Requires certain royalty, bonus, or lease payments to be subject to income tax withholding requirements

Current law authorizes the Department of Revenue (LDR) to require any person having control over salaries, wages or other forms of compensation paid or payable to deduct and withhold as income tax an amount determined by the secretary, to be remitted to LDR. Current law additionally requires withholding and remittance of severance taxes by purchasers or severers of natural resources, where payments are made to the owners of royalty interests or other working interests.

Proposed law requires every person making mineral royalty, bonus, or lease payments from properties in the state that are considered Louisiana taxable income to any resident or nonresident to deduct and withhold the appropriate amount as tax, and remit to LDR. Proposed law requires the LDR secretary to determine the amount to be withheld.

Effective upon governor's signature, and applicable to taxable years beginning January 1, 2025.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	<b>SEE BELOW</b>					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

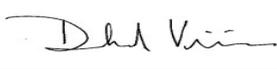
**REVENUE EXPLANATION**

Proposed law would require withholding and remittance of income tax on Louisiana taxable income from earnings from any mineral royalty, bonus, or lease payments, at a rate determined by LDR. Any person making the payments that are considered taxable income would be required to perform the withholding and remittance. Existing law already provides that such persons are typically required to withhold applicable severance taxes on natural resources.

LDR reports no known or suspected material failure to report or remit taxes on the taxable earnings that would be withheld by proposed law, thus no material revenue increase due to enhanced compliance or reporting is anticipated due to proposed law. LFO notes that for persons or entities that were previously remitting taxes on such earnings via tax returns, withholding and remitting under proposed law could cause taxes to be paid to LDR earlier than they would have been otherwise.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


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