

RÉSUMÉ DIGEST

ACT 284 (HB 495)

2025 Regular Session

Geymann

Existing law provides for the levy of a severance tax on natural resources severed from the soil or water. Provides that the rate of severance tax is predicated on the quantity or value of the products or resources severed. Establishes severance tax rates on resources subject to the tax.

Existing law establishes an exemption, known commonly as the "horizontal well exemption", for oil and gas produced from horizontally drilled wells or horizontally drilled recompletion wells as defined in existing law.

Existing law provides that the horizontal well exemption for oil shall last for a period of 24 months or until payout of the well cost is achieved, whichever comes first.

Prior law established a horizontal well exemption for gas produced from wells completed before July 1, 2025, that lasted for a period of 24 months or until payout of the well cost was achieved, whichever came first.

New law establishes that the horizontal well exemption for gas produced from wells completed on or after July 1, 2025, shall last for a period of 18 months or until payout of the well cost is achieved, whichever comes first.

New law applies to taxable periods beginning on or after July 1, 2025.

Effective July 1, 2025.

(Amends R.S. 47:633(7)(d)(intro. para.))