

RÉSUMÉ DIGEST

ACT 373 (HB 518)

2025 Regular Session

Geymann

Existing law provides for the levy of a tax, known as severance tax, on natural resources severed from the soil or water. Provides that the rate of the severance tax is predicated on the quantity or value of the products or resources severed. Establishes rates of severance tax that apply to the various natural resources that are subject to the tax. Authorizes special severance tax rates and exemptions from severance tax for oil and gas if certain conditions are met.

New law makes technical corrections in provisions relative to severance tax rates, exemptions, and administration generally.

Existing law establishes a severance tax exemption for production of oil and gas from any horizontally drilled well or horizontally drilled recompletion well, known commonly as the horizontal well exemption. Provides that production from a horizontal well shall be exempt from severance tax for 24 months or until payout of the well cost is achieved, whichever comes first. Provides for definitions and requirements applicable to the horizontal well exemption.

New law revises the definition of "well cost statement" and "qualified accountant" for purposes of the horizontal well exemption.

Effective August 1, 2025.

(Amends R.S. 47:633 and 645(A) and (B))