

2019 Regular Session

HOUSE BILL NO. 256

BY REPRESENTATIVES JIM MORRIS AND ABRAMSON

TAX/SEVERANCE TAX: Provides with respect to the rate and exemption for the severance tax on oil produced from incapable wells

1 AN ACT

2 To amend and reenact R.S. 47:633(7)(b), relative to severance tax; to provide with respect
3 to the severance tax on oil produced from an incapable well; to provide certain tax
4 rates; to exclude oil produced from an incapable well from severance tax under
5 certain conditions; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:633(7)(b) is hereby amended and reenacted to read as follows:

8 §633. Rates of tax

9 The taxes on natural resources severed from the soil or water levied by R.S.
10 47:631 shall be predicated on the quantity or value of the products or resources
11 severed and shall be paid at the following rates:

12 * * *

13 (7)

14 * * *

15 (b)(i) On oil produced from a well classified by the commissioner of
16 conservation as an oil well, and determined by the collector of revenue that such well
17 is incapable of producing an average of more than twenty-five barrels of oil per
18 producing day during the entire taxable month, and which also produces at least fifty
19 percent salt water per day, the tax rate applicable to the oil severed from such well
20 shall be one-half of the rate set forth in Subparagraph (a) of this Paragraph and such

Proposed law retains present law. However, beginning July 1, 2019-June 30, 2029, proposed law provides an exemption from severance taxes on oil produced from incapable wells when the average value of oil is less than \$75 per barrel.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:633(7)(b))