
HOUSE COMMITTEE AMENDMENTS

2024 Third Extraordinary Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 25 by Representative Riser

1 AMENDMENT NO. 1**2** On page 5, delete lines 20 through 28 in their entirety and on page 6, delete lines 1 through
3 3 in their entirety and insert the following:**4** "(3)(a) Oil sold from a well completed before July 1, 2025, shall be taxed at
5 the rate of twelve and one-half percent of the oil value determined in accordance
6 with Subsection B of this Section.**7** (b) Oil sold from a well completed on or after July 1, 2025, shall be taxed
8 at the rate of six percent of the oil value determined in accordance with Subsection
9 B of this Section.**10** (c) Any oil sold on or after July 1, 2035, shall be taxed at the rate of six
11 percent of the oil value determined in accordance with Subsection B of this Section
12 regardless of well completion date."**13** AMENDMENT NO. 2**14** On page 6, at the beginning of line 4, change "(e)" to "(d)(i)"**15** AMENDMENT NO. 3**16** On page 6, at the beginning of line 9, change "price" to "value"**17** AMENDMENT NO. 4**18** On page 6, between lines 16 and 17, insert the following:**19** "(ii) Crude oil produced from certified stripper wells shall be exempt from
20 severance tax in any month in which the average value of oil determined in
21 accordance with Subsection B of this Section is less than twenty dollars per barrel."**22** AMENDMENT NO. 5**23** On page 6, delete lines 25 through 29 in their entirety and on page 7, delete lines 1 through
24 16 in their entirety and insert the following:**25** "(5)(a) Natural gas produced from a well completed before July 1, 2025,
26 shall be taxed at the rate of four percent of the natural gas market value determined
27 in accordance with Subsection B of this Section.**28** (b) Natural gas produced from a well completed on or after July 1, 2025,
29 shall be taxed at the rate of four percent of the natural gas market value determined
30 in accordance with Subsection B of this Section, provided the well is drilled and
31 completed in at least one defined regulatory unit which was established before July
32 1, 2025.**33** (c) Natural gas produced from a well completed on or after July 1, 2025,
34 which is not in a defined regulatory unit established before July 1, 2025, shall be
35 taxed at the rate of six percent of the natural gas market value determined in
36 accordance with Subsection B of this Section.**37** (d) Any natural gas produced on or after July 1, 2035, shall be taxed at the
38 rate of six percent of the natural gas market value determined in accordance with
39 Subsection B of this Section."

1 AMENDMENT NO. 6

2 On page 8, line 2, after "gas" and before "determined" delete "price" and insert "market
3 value"

4 AMENDMENT NO. 7

5 On page 8, line 5, after "gas" and before "determined" delete "price" and insert "market
6 value"

7 AMENDMENT NO. 8

8 On page 8, line 22, after "gas" and before "determined" delete "price" and insert "market
9 value"

10 AMENDMENT NO. 9

11 On page 8, line 25, after "gas" and before "determined" delete "price" and insert "market
12 value"

13 AMENDMENT NO. 10

14 On page 9, line 16, after "sold." delete the remainder of the line and delete lines 17 through
15 21 in their entirety

16 AMENDMENT NO. 11

17 On page 10, between lines 4 and 5, insert the following:

18 "(vi) When produced from gas wells and vented or flared directly into the
19 atmosphere, and is not otherwise sold."

20 AMENDMENT NO. 12

21 On page 21, delete line 28 in its entirety and insert the following:

22 "B. The secretary of the"

23 AMENDMENT NO. 13

24 On page 21, line 29, after "determine the" and before "upon which" delete "prices" and insert
25 "values"

26 AMENDMENT NO. 14

27 On page 22, line 2, after "determine these" delete the remainder of the line and insert "values
28 and taxes shall be calculated in accordance with the following provisions:"

29 AMENDMENT NO. 15

30 On page 22, delete lines 3 through 29 in their entirety and insert the following:

31 "(1) Oil shall be taxed at a percentage of its value at the time and place of
32 severance. The value of oil shall be the gross receipts received from the first
33 purchaser, less charges for trucking, barging, and pipeline fees. In the absence of an
34 arms-length transaction, the value shall be the severer's gross income from the
35 property as determined by R.S. 47:158(C).

1 (2)(a) The market value of natural gas is its value at the mouth of the well
 2 from which it is produced. The value of gas at the mouth of the well shall be
 3 determined by ascertaining the producer's actual marketing costs and subtracting
 4 those costs from the producer's gross receipts from the sale of the gas.

5 (b)(i) For purposes of this Paragraph, marketing costs are the costs incurred
 6 by the producer to convey the gas from the mouth of the well to the market, and shall
 7 include all of the following:

8 (aa) Costs for compressing the gas sold.

9 (bb) Costs for dehydrating the gas sold.

10 (cc) Costs for sweetening the gas sold.

11 (dd) Costs for delivering the gas to the purchaser.

12 (ii) Marketing costs shall not include any of the following:

13 (aa) Costs incurred in producing the gas.

14 (bb) Costs incurred in normal lease separation of the oil or condensate.

15 (cc) Insurance premiums on the marketing facility.

16 (c)(i) Marketing costs shall be determined by adding all of the following:

17 (aa) A reasonable charge for depreciation of the marketing facility being
 18 used; or, if the facility is rented, the actual rental fee.

19 (bb) A return on the producer-owned investment equal to six percent per
 20 year on the average depreciable balance.

21 (cc) Costs of direct or allocated labor associated with the marketing facility.

22 (dd) Costs of materials, supplies, maintenance, repairs, and fuel associated
 23 with the marketing facility.

24 (ee) Ad valorem taxes paid on the marketing facility.

25 (ii) If the facility is used for a purpose other than marketing the gas being
 26 sold, the cost shall be allocated accordingly.

27 (iii) If the facility handles gas for outside parties, the average cost for
 28 handling all of the gas shall be applied against the facility owner's gas.

29 (d) The actual cost charged to a producer by an outside party for marketing
 30 functions may be used for tax purposes if no other benefit or value accrues to the
 31 producer.

32 (e) A producer receiving a cost reimbursement from the gas purchaser shall
 33 include the reimbursement in the gross cash receipts and shall be entitled to deduct
 34 the actual marketing costs incurred."

35 AMENDMENT NO. 16

36 On page 24, line 21, after "first." delete the remainder of the line and delete lines 22 through
 37 27 in their entirety

38 AMENDMENT NO. 17

39 On page 25, between lines 20 and 21, insert the following:

40 "C.(1) Production from an oil well that is undergoing or has undergone well
 41 enhancements that required a Department of Energy and Natural Resources permit,
 42 including but not limited to deepening, extension, recompletion, rework, or sidetrack,
 43 shall be taxed at the rate of six percent of the oil value determined in accordance with
 44 Subsection B of this Section.

45 (2) For purposes of this Subsection, the terms "deepening", "extension",
 46 "recompletion", "rework", and "sidetrack" shall have the meanings ascribed to them
 47 in R.S. 30:10 unless the context indicates otherwise."

48 AMENDMENT NO. 18

49 On page 25, between lines 23 and 24, insert the following:

50 "(1) "Defined regulatory unit" shall mean a unit created by the commissioner
 51 of conservation after notice and a hearing for the production of hydrocarbons."

1 AMENDMENT NO. 19

2 On page 25, at the beginning of line 24, change "(1)" to "(2)"

3 AMENDMENT NO. 20

4 On page 25, at the beginning of line 27, change "(2)" to "(3)"

5 AMENDMENT NO. 21

6 On page 26, at the beginning of line 1, change "(3)" to "(4)"

7 AMENDMENT NO. 22

8 On page 26, delete lines 8 through 10 and insert the following:

9 "(ii) It has a well completion date of July 1, 2025, or later and was drilled
10 and completed in a defined regulatory unit which was established prior to July 1,
11 2025."

12 AMENDMENT NO. 23

13 On page 26, line 14, after "months" and before "or until" insert "from the date commercial
14 production begins"