

2025 Regular Session

HOUSE BILL NO. 294

BY REPRESENTATIVES BAGLEY AND BAMBURG

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/SEVERANCE TAX: (Constitutional Amendment) Provides relative to severance tax revenues remitted to parishes in which the associated severance occurs

## A JOINT RESOLUTION

Proposing to amend Article VII, Section 4(D)(3) of the Constitution of Louisiana and to repeal Article VII, Section 4(D)(4) of the Constitution of Louisiana, relative to state severance tax revenues; to repeal limits on amounts of severance tax revenues remitted to parishes; to repeal requirements associated with certain severance tax revenue amounts remitted to parishes; to provide for submission of the proposed amendment to the electors; to provide an effective date; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 4(D)(3) of the Constitution of Louisiana, to read as follows:

#### §4. Income Tax; Severance Tax; Political Subdivisions

## Section 4.

\* \* \*

## D.

\* \* \*

(3) Effective July 1, ~~2007~~ 2027, one-fifth of the severance tax on all natural resources other than sulphur, lignite, or timber shall be remitted to the governing authority of the parish in which severance or production occurs. ~~The initial~~



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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 294 Engrossed

2025 Regular Session

Bagley

**Abstract:** Repeals a limit on the dollar amount of state severance tax revenues to be remitted to parishes where severance of the resources subject to tax occurs.

Present constitution requires that 20% of the state severance tax on natural resources other than sulphur, lignite, or timber be remitted to the governing authority of the parish in which severance or production occurs. Provides that, effective July 1, 2007, the maximum annual amount of severance tax revenue to be remitted to any parish was \$850,000; and requires that the \$850,000 limit be adjusted for inflation each July first, beginning in 2008, by an amount equal to the average annual increase in the Consumer Price Index.

Proposed constitutional amendment amends present constitution to repeal the dollar-amount limit on severance tax revenues to be remitted to parishes. Proposed constitutional amendment thereby requires that 20% of all severance tax revenues on the natural resources specified in present constitution, regardless of the dollar amount, be remitted to the governing authority of the parish in which severance or production occurs.

Proposed constitutional amendment repeals provisions of present constitution rendered without effect by the repeal of the dollar-amount limit on severance tax revenues to be remitted to parishes.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 3, 2026.

Effective July 1, 2027.

(Amends Const. Art. VII, §4(D)(3); Repeals Const. Art. VII, §4(D)(4))