
DIGEST

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Stuart Bishop

HB No. 474

Abstract: Provide for a severance tax rate of 6.25% for ten years on oil produced from a well classified as inactive.

Present law levies a severance tax of 12.5% on oil produced in the state. Provides for a 5-year exemption from such tax for oil produced from wells classified as inactive by the commissioner of conservation.

Proposed law provides for a reduced rate of 6.25% for ten years on oil produced from wells classified as inactive.

(Amends R.S. 47:633(7)(c)(iv) and (aa))