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## DIGEST

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HB 552 Original

2025 Regular Session

Schamerhorn

**Abstract:** Establishes an excise tax on the operation of carbon capture and storage pipelines in the amount of five cents per mile, per ton of carbon dioxide or related substances transported through those pipelines.

Proposed law defines "carbon capture and storage pipeline" and "CCS pipeline" as any pipeline designed, constructed, or operated for the transportation of carbon dioxide or related substances for the purpose of carbon capture and storage.

Proposed law levies an excise tax upon CCS pipelines located within this state. Provides that the tax shall be at the rate of five cents per mile, per ton of carbon dioxide or related substances transported through a CCS pipeline, and shall be paid quarterly by the CCS pipeline operator.

Proposed law requires the state treasurer to remit the revenues collected pursuant to proposed law to the respective governing authorities of the parishes in which CCS pipelines are located. Requires the treasurer to establish a formula for allocating those revenues to parish governing authorities in direct proportion to the percentage of overall taxable activity pursuant to proposed law that occurs in each parish in a taxable quarter. Requires further that the treasurer distribute revenues collected pursuant to proposed law to parishes on a quarterly basis.

Proposed law requires each parish governing authority that receives remittances of excise tax revenues pursuant to proposed law to expend these monies exclusively on projects and services located within three miles of a CCS pipeline. Authorizes parish governing authorities to utilize these monies to fund infrastructure improvements, environmental mitigation or restoration projects related to pipeline impacts, public safety or emergency response enhancements, or other public purposes or services within the geographic area provided for in proposed law.

Proposed law applies to taxable periods beginning on or after July 1, 2025.

Effective July 1, 2025.

(Adds R.S. 47:1071-1076)