

**HOUSE SUMMARY OF SENATE AMENDMENTS**

**HB 518**

**2025 Regular Session**

**Geymann**

TAX/SEVERANCE TAX: Provides relative to rates, computation, and administration of severance tax on oil, gas, and other natural resources

**Synopsis of Senate Amendments**

1. Revises the definition of "well cost statement" and "qualified accountant" in present law relative to the horizontal well exemption.
2. Makes corrections in references to statutory law and present constitution relative to disposition of severance tax collections.

**Digest of Bill as Finally Passed by Senate**

Present law provides for the levy of a tax, known as severance tax, on natural resources severed from the soil or water. Provides that the rate of the severance tax is predicated on the quantity or value of the products or resources severed. Proposed law retains and makes technical corrections in present law.

Present law establishes rates of severance tax that apply to the various natural resources that are subject to the tax. Proposed law retains and makes technical corrections in present law.

Present law authorizes special severance tax rates and exemptions from severance tax for oil and gas. Provides for conditions and requirements relative to these special rates and exemptions. Proposed law retains and makes technical corrections in present law.

Present law establishes a severance tax exemption for production of oil and gas from any horizontally drilled well or horizontally drilled recompletion well, known commonly as the horizontal well exemption. Provides that production from a horizontal well shall be exempt from severance tax for 24 months or until payout of the well cost is achieved, whichever comes first. Provides for definitions and requirements applicable to the horizontal well exemption.

Proposed law retains present law with respect to the exemption but revises the definition of "well cost statement" and "qualified accountant".

Present law provides relative to severance tax administration. Proposed law retains and makes technical corrections in present law.

(Amends R.S. 47:633 and 645(A) and (B))