

# ACT No. 284

2025 Regular Session

HOUSE BILL NO. 495

BY REPRESENTATIVE GEYMANN

1 AN ACT

2 To amend and reenact R.S. 47:633(7)(d)(introductory paragraph), relative to severance tax;  
3 to provide relative to the severance tax exemption; to provide for an exemption for  
4 oil and gas produced from horizontally drilled wells; to limit the exemption period  
5 for gas produced from those wells; to provide for applicability; to provide for  
6 effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:633(7)(d)(introductory paragraph) is hereby amended and  
9 reenacted to read as follows:

10 §633. Rates of tax

11 The taxes on natural resources severed from the soil or water levied by R.S.  
12 47:631 shall be predicated on the quantity or value of the products or resources  
13 severed and shall be paid at the following rates:

14 \* \* \*

15 (7)

16 \* \* \*

17 (d) There shall be an exemption from severance tax as provided in this  
18 Subparagraph for production from any horizontally drilled well, or, on any  
19 horizontally drilled recompletion well, from which production occurs on or after July  
20 1, 2015. The exemption for oil shall ~~last~~ extend for a period of twenty-four months  
21 or until payout of the well cost is achieved, whichever comes first. The exemption  
22 for gas produced from a well completed before July 1, 2025, shall extend for a period

1           of twenty-four months or until payout of the well cost is achieved, whichever comes  
2           first. The exemption for gas produced from a well completed on or after July 1,  
3           2025, shall extend for a period of eighteen months or until payout of the well cost is  
4           achieved, whichever comes first. For the purposes of this Section, "horizontal  
5           drilling" shall mean high angle directional drilling of bore holes with fifty to three  
6           thousand plus feet of lateral penetration through productive reservoirs, and  
7           "horizontal recompletion" shall mean horizontal drilling in an existing well bore.  
8           Payout of well cost shall be the cost of completing the well to the commencement  
9           of production as determined by the Department of Energy and Natural Resources.

\* \* \*

11           Section 2. The provisions of this Act shall apply to taxable periods beginning on or  
12 after July 1, 2025.

13           Section 3. This Act shall become effective on July 1, 2025; if vetoed by the governor  
14 and subsequently approved by the legislature, this Act shall become effective on July 1,  
15 2025, or on the day following such approval by the legislature, whichever is later.

16           Section 4. This Act shall not take effect and become operative if House Bill No. 600  
17 of this 2025 Regular Session of the Legislature is not enacted and does not become effective.

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_