

ACT No. 295

2025 Regular Session

HOUSE BILL NO. 600

BY REPRESENTATIVE GEYMANN

1 AN ACT

2 To amend and reenact R.S. 47:633(7)(a), (b), and (c)(i)(aa), (ii)(aa), and (iv)(aa) and (bb),
3 relative to severance tax; to provide for rates of the severance tax on oil; to provide
4 for severance tax on oil produced from certain types of wells; to provide for
5 applicability; to provide for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:633(7)(a), (b), and (c)(i)(aa), (ii)(aa), and (iv)(aa) and (bb) are
8 hereby amended and reenacted to read as follows:

9 §633. Rates of tax

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

13 * * *

14 (7)(a) On oil produced from a well completed before July 1, 2025, the rate
15 of tax shall be twelve and one-half ~~percentum~~ percent of its value at the time and
16 place of severance. On oil produced from a well completed on or after July 1, 2025,
17 the rate of tax shall be six and one-half percent of its value at the time and place of
18 severance. ~~Such~~ For purposes of this Paragraph, the value of oil shall be the higher
19 of (1) the gross receipts received from the first purchaser, less charges for trucking,
20 barging and pipeline fees, or (2) the posted field price. In the absence of an arms
21 length transaction or a posted field price, the value shall be the severer's gross
22 income from the property as determined by R.S. 47:158(C).

1 (ii)(aa) On oil produced from a well in a stripper field classified by the
 2 commissioner of conservation as a mining and horizontal drilling project which
 3 utilizes gravity drainage to a collection point in a downhole operations room, the ~~tax~~
 4 ~~rate applicable to the oil severed from such well shall be one-quarter of the rate set~~
 5 ~~forth in Subparagraph (a) of this Paragraph (7)~~ rate of tax shall be three and one
 6 hundred twenty-five thousandths percent of its value at the time and place of
 7 severance; provided that ~~such~~ the well has been classified by the commissioner as
 8 a mining and horizontal drilling project before the lower rate is claimed on a tax
 9 return.

10 * * *

11 (iv)(aa) Production from an oil or gas well subsequent to the well's having
 12 been inactive for two or more years or having thirty days or less of production during
 13 the past two years shall, in the case of oil, be subject to a severance tax rate ~~equal to~~
 14 ~~twenty-five percent of the rate imposed under this Paragraph or~~ of three and one
 15 hundred twenty-five thousandths percent of its value at the time and place of
 16 severance and, in the case of gas, be subject to a severance tax rate equal to
 17 twenty-five percent of the rate imposed by Paragraph (9) of this Section for a period
 18 of ten years if the production commences before October 1, 2028. Production from
 19 an oil or gas well subsequent to the well's having been designated as an orphan well
 20 for longer than sixty months shall, in the case of oil, be subject to a severance tax
 21 rate ~~equal to twelve and one half percent of the rate imposed under this Paragraph~~
 22 ~~or~~ of one and five hundred sixty-five thousandths percent of its value at the time and
 23 place of severance and, in the case of gas, be subject to a severance tax rate equal to
 24 twelve and one half percent of the rate imposed by Paragraph (9) of this Section for
 25 a period of ten years if the production commences before October 1, 2028.

26 (bb) Production from an oil or gas well subsequent to the well's having been
 27 inactive for two or more years or having thirty days or less of production during the
 28 past two years shall, in the case of oil, be subject to a severance tax rate ~~equal to fifty~~
 29 ~~percent of the rate imposed under this Paragraph or~~ of six and one-fourth percent of
 30 its value at the time and place of severance and, in the case of gas, be subject to a

