

**(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)**

**TAX/SEVERANCE TAX. Prohibits the state from paying interest on refunds for the overpayment of certain severance taxes.**

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DIGEST

Proposed law requires the Dept. of Revenue (DOR) to pay interest on refunds for overpayments of severance taxes to operators whose wells qualify for the severance tax suspension on new horizontal wells or deep wells at the following rates:

1. If the refund is paid within 180 days of the filing of a claim for refund or an amended return with all supporting documentation, interest on the refund must be paid at the rate set by DOR, which must be the U.S. Treasury Yield Curve Constant Maturity 6-Month Treasury rate on the first business day of October of the preceding year.
2. If the refund is paid after 180 days from such filing, interest is paid at the U.S. Treasury-based rate above set by DOR for the first 180 days, and the judicial rate of interest for any period of time after that in accordance with the provisions of R.S. 47:1624.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:1624.1)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Changed the reference in proposed law from a severance tax exemption to a severance tax suspension.
2. Added requirement that no interest shall be paid if the refund is processed and paid by DOR no later than the 180th day following the day a properly filed claim for refund or amended return is submitted to DOR.

House Floor Amendments to the engrossed bill.

1. Deletes the provision that no interest shall be paid on the refunds.
2. Adds a requirement that DOR pay interest on the overpayment of severance taxes at the U.S. Treasury Yield Curve Constant Maturity 6-Month Treasury Bill rate if the refund is processed and paid by DOR after the 180th day following the day a properly filed claim for refund or amended return is submitted to DOR.
3. Changes the effective date from one conditioned upon passage of House Bill No. 713 of this 2014 R.S. to upon signature of the governor or lapse of time for gubernatorial action.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs  
to the reengrossed bill

1. Completely revises the bill to provide for different interest rates on payments made within 180 days of filing for claims, and after such period as set forth in the digest above.