
DIGEST

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HB 558 Original

2015 Regular Session

James

Abstract: Reduces the severance tax "exemption" for horizontal wells and horizontally drilled recompletion wells from 100% to 50% of the severance tax and increases the time within which the "exemption" may be claimed from 24 months to 48 months or until payout of the well cost is achieved, whichever occurs first.

Present law provides for a tax on natural resources severed from the soil or water based upon quantity or value of the products severed.

Present law suspends the levy of 100% of the severance tax on production from a horizontally drilled well or horizontally drilled recompletion well for a period of 24 months or until payout of the well cost is achieved, whichever occurs first.

Proposed law retains present law but reduces the amount of the suspension from 100% to 50% of the severance taxes and increases the time for suspension of severance taxes on production from these wells from 24 months to 48 months or until payout of the well cost is achieved, whichever occurs first.

(Amends R.S. 47:633(7)(c)(iii)(intro. para.))