

1 and place of severance. No further or additional tax or license shall be levied or
 2 imposed upon oil, gas, or sulphur leases or rights except for a tax on the use of
 3 hydrocarbon processing facilities provided for in Paragraph (F) of this Section. No
 4 additional value shall be added to the assessment of land by reason of the presence
 5 of oil, gas, or sulphur therein or their production therefrom. However, sulphur in
 6 place shall be assessed for ad valorem taxation to the person, firm, or corporation
 7 having the right to mine or produce the same in the parish where located, at no more
 8 than twice the total assessed value of the physical property subject to taxation,
 9 excluding the assessed value of sulphur above ground, as is used in sulphur
 10 operations in such parish. Likewise, the severance tax shall be the only tax on timber;
 11 however, standing timber shall be liable equally with the land on which it stands for
 12 ad valorem taxes levied on the land.

13 (C) Political Subdivisions; Prohibitions. A political subdivision of the state
 14 shall not levy a severance tax, a tax on the use of hydrocarbon processing facilities,
 15 income tax, inheritance tax, or tax on motor fuel.

16 * * *

17 (F) Hydrocarbon Processing Facilities Use Tax. Taxes may be levied upon
 18 the use of hydrocarbon processing facilities in Louisiana at a rate not to exceed three
 19 percent of the value of the hydrocarbon as provided by law; however, in the event
 20 such tax is levied and collected on hydrocarbons and the tax is determined to be valid
 21 by a final, non-appealable judgment or as otherwise provided by law, no severance
 22 tax provided for in Subsection B shall be levied on oil and gas.

23 Section 2. Be it further resolved that this proposed amendment shall be submitted
 24 to the electors of the state at the statewide election to be held on November 8, 2016.

25 Section 3. Be it further resolved that on the official ballot to be used at the election
 26 there shall be printed a proposition, upon which the electors of the state shall be permitted
 27 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
 28 follows:

1 Do you support an amendment to authorize the levy of a tax on the use of
 2 hydrocarbon processing facilities in Louisiana and to prohibit the levy of a
 3 severance tax if such tax is levied and collected? (Effective January 1, 2017)
 4 (Amends Article VII, Section 4(B) and (C); Adds Article VII, Section 4(F);
 5 Repeals Article IX, Section 9)

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 68 Original

2016 First Extraordinary Session

Robby Carter

Abstract: Authorizes the levy of a tax on the use of hydrocarbon processing facilities.

Present constitution prohibits the levy of a tax other than severance tax on "oil, gas, or sulphur leases or rights".

Proposed constitutional amendment authorizes the levy of a tax on the use of hydrocarbon processing facilities at a rate not to exceed 3% of the value of the hydrocarbons (as provided by law) notwithstanding such prohibition.

Proposed constitutional amendment provides for a repeal of all severance taxes which are levied on oil and gas if such a tax is levied and the tax is determined to be valid by a final, non-appealable judgment or as otherwise provided by law.

Proposed constitutional amendment prohibits political subdivisions from levying a tax "on the use of hydrocarbon processing facilities".

Proposed constitutional amendment repeals the First Use Tax Trust Fund provisions.

Effective Jan. 1, 2017.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2016.

(Amends Const. Art. VII, Sec. 4(B) and (C); Adds Const. Art. VII, Sec. 4(F); Repeals Const. Art. IX, Sec. 9)