
DIGEST

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HB 169 Original

2017 Regular Session

Robby Carter

Abstract: Extends the natural gas franchise tax to oil franchises and increases the rate of the tax.

Present law levies a 1% tax on the gross receipts of every domestic and foreign corporation engaged in the business of transporting natural gas by pipeline in La.

Proposed law increases the tax on the gross receipts from 1% to 2% and extends the tax to businesses transporting oil within the state.

Present law defines "cost of gas purchased for resale" as the actual purchase price paid for the gas being resold, including third-party transportation charges.

Present law defines "gross receipts" as the total amount of billings for services rendered, including all receipts from business beginning and ending within the state and a proportion of that business passing through, into, or out of the state. Further authorizes a deduction in an amount equal to the cost of gas purchased for resale and excludes nonoperating revenues from the definition of "gross receipts", including all of the following:

- (1) Dividend and interest income.
- (2) Tax refunds.
- (3) Merchandising.
- (4) Rentals from land, buildings, and other nonutility property and storage revenues.

Present law provides the method by which the average gross receipts per intrastate mile of transportation shall be determined.

Present law provides for quarterly reporting periods for taxpayers to show the amount of gross receipts during the quarter from the operation of its business in the state and provides for payment of the tax.

Proposed law retains present law and extends its application to businesses engaged in transporting oil within the state.

Present law requires the monies collected to be used for the state hospital board and for payment of

old age assistance and other social security benefits, to be apportioned by the governor.

Proposed law changes present law and requires the monies collected to be deposited into the state general fund, after having first been credited to the Bond Security and Redemption Fund.

Effective July 1, 2017.

(Amends R.S. 47:1031, 1032(1) and (2), 1033(B), 1034, 1036, and 1040)