

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SCR 96** SLS 18RS 3173

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 9, 2018	7:54 PM	<b>Author:</b> ALLAIN
<b>Dept./Agy.:</b>		<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Analysis of Mineral Revenues, Taxes, and Exemptions		

TAX/ENERGY EG NO IMPACT GF EX See Note Page 1 of 1

Requests the LSU Center for Energy Studies, LSU Public Administration Institute, and the Louisiana Tax Institute to analyze Louisiana mineral revenues, taxes, and exemptions, and to submit a written report of its findings to the legislature.

Proposed resolution requests the LSU Center for Energy Studies, the LSU Public Administration Institute, and the Louisiana Tax Institute to conduct an analysis of Louisiana mineral revenues, taxes, and exemptions, and submit reports making recommendations to the legislature.

Proposed resolution requires that the analysis consider the following goals and constraints: preserving or improving competitiveness of the state's extraction sector, reducing or removing the difference in tax rates for oil and gas, creating a equitable system of severance tax exemptions for all well types, and holding constant or increasing state mineral revenues.

Proposed resolution requires a preliminary report status to be submitted no later than February 1, 2019, and a final report containing specific recommendations no later than February 1, 2020.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The proposed resolution requests an analysis and report from particular entities investigating potential reforms to the mineral revenue tax structure. The resolution also contemplates assistance from the researchers in drafting legislation in accordance with the recommendations. This subject matter is an area of ongoing research by the LSU Center for Energy Studies, and these researchers have indicated that they will not incur additional costs or require payment for providing the analysis necessary to develop recommendations to the legislature.

Expenditures and/or revenues associated with any potential future bill proposed upon recommendation of this report would be the direct result of the potential legislation itself. The potential impact to state revenues and expenditures of such a proposed law would be reflected in the fiscal analysis accompanying that proposed legislation.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Gregory V. Albrecht*  
**Gregory V. Albrecht**  
**Chief Economist**