
HOUSE COMMITTEE AMENDMENTS

2020 Regular Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 506 by Representative DeVillier

AMENDMENT NO. 1

On page 1, line 2, after "(c)(i)(aa)" and before the comma "," insert "and (9)(a)(ii) and (d)(i)"

AMENDMENT NO. 2

On page 1, line 4, after "wells;" and before "to" insert the following:

"to reduce the severance tax rate on natural gas under certain circumstances; to provide for certain limitations;"

AMENDMENT NO. 3

On page 1, line 7, after "(c)(i)(aa)" and before "are" insert "and (9)(a)(ii) and (d)(i)"

AMENDMENT NO. 4

On page 1, at the beginning of line 16, after "(aa)" and before "twelve" delete "Beginning January 1, 2020, through June 30, 2021," and insert "For taxable periods beginning on or after January 1, 2020, and before July 1, 2021,"

AMENDMENT NO. 5

On page 1, at the end of line 17, insert the following:

"However, if the price of oil falls below thirty dollars per barrel at any time during the period of July 1, 2020, through June 30, 2021, the rate of the tax from the time the price falls below thirty dollars per barrel until the price per barrel equals or exceeds thirty dollars per barrel shall be two percent of its value at the time and place of severance. This two percent rate shall be applicable only when the price of oil falls below thirty dollars per barrel."

AMENDMENT NO. 6

On page 1, at the beginning of line 18, after "(bb)" and before "twelve" delete "Beginning July 1, 2021, through June 30, 2022," and insert "For taxable periods beginning on or after July 1, 2021, and before July 1, 2022,"

AMENDMENT NO. 7

On page 2, at the beginning of line 1, after "(cc)" and before "eleven" delete "Beginning July 1, 2022, through June 30, 2023," and insert "For taxable periods beginning on or after July 1, 2022, and before July 1, 2023,"

AMENDMENT NO. 8

On page 2, at the beginning of line 3, after "(dd)" and before "eleven" delete "Beginning July 1, 2023, through June 30, 2024," and insert "For taxable periods beginning on or after July 1, 2023, and before July 1, 2024,"

1 AMENDMENT NO. 9

2 On page 2, at the beginning of line 5, after "(ee)" and before "ten" delete "Beginning July
3 1, 2024, through June 30, 2025," and insert "For taxable periods beginning on or after July
4 1, 2024, and before July 1, 2025,"

5 AMENDMENT NO. 10

6 On page 2, at the beginning of line 7, after "(ff)" and before "ten" delete "Beginning July 1,
7 2025, through June 30, 2026," and insert "For taxable periods beginning on or after July 1,
8 2025, and before July 1, 2026,"

9 AMENDMENT NO. 11

10 On page 2, at the beginning of line 9, after "(gg)" and before "nine" delete "Beginning July
11 1, 2026, through June 30, 2027," and insert "For taxable periods beginning on or after July
12 1, 2026, and before July 1, 2027,"

13 AMENDMENT NO. 12

14 On page 2, at the beginning of line 11, after "(hh)" and before "nine" delete "Beginning July
15 1, 2027, through June 30, 2028," and insert "For taxable periods beginning on or after July
16 1, 2027, and before July 1, 2028,"

17 AMENDMENT NO. 13

18 On page 2, at the beginning of line 13, after "(ii)" and before "July" delete "Beginning" and
19 insert "For taxable periods beginning on or after"
20

21 AMENDMENT NO. 14

22 On page 3, between lines 18 and 19, insert the following:

23 "(9)(a) * * *
24

25 (ii) The rate as set forth in Item (i) of this Subparagraph shall be in effect
26 until June 30, 1992. Effective July 1, 1992 the rate shall be seven cents per thousand
27 cubic feet, and this rate shall also be subject to the annual rate adjustment as
28 provided in Item (d)(i) of this Paragraph. However, if the price of natural gas falls
29 below one dollar and ninety cents per thousand cubic feet at any time during the
30 period of July 1, 2020, through June 30, 2021, the rate of the tax for natural gas shall
31 be reduced by eighty percent from the time the price falls below one dollar and
32 ninety cents per thousand cubic feet until the price equals or exceeds one dollar and
33 ninety cents per thousand cubic feet. This reduced rate shall be applicable only when
34 the price of natural gas falls below one dollar and ninety cents per thousand cubic
35 feet."

36 * * *
37

38 (d)(i) ~~The~~ Except as provided for in Item (a)(ii) of this Paragraph, the gas tax
39 rate provided in Subparagraph (a) of this Paragraph shall be adjusted annually on
40 July first for the ensuing twelve calendar months as hereinafter set forth but shall
41 never be less than seven cents per thousand cubic feet. On or before April 30, 1991,
42 and annually thereafter, the secretary shall determine, using the "gas base rate
43 adjustment" as hereinafter provided, the new gas tax rate for the twelve calendar
44 months beginning July 1, 1991, and respectively for each twelve-month period
45 beginning annually thereafter. The new gas tax rate shall be the rate provided in
46 Subparagraph (a) of this Paragraph multiplied by the gas base rate adjustment. The

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 "gas base rate adjustment" shall be determined by the secretary of the Department
2 of Natural Resources. The "gas base rate adjustment" for the applicable
3 twelve-month period is a fraction, the numerator of which shall be the average of the
4 New York Mercantile Exchange (NYMEX) Henry Hub settled price on the last
5 trading day for the month, as reported in the Wall Street Journal for the previous
6 twelve-month period ending on March thirty-first, and the denominator of which
7 shall be the average of the monthly average spot market prices of gas fuels delivered
8 into the pipelines in Louisiana as reported by the Natural Gas Clearing House for the
9 twelve-month period ending March 31, 1990 (1.7446 \$/MMBTU). For the twelve-
10 month period ending March 31, 2003, the monthly average gas prices used in making
11 the numerator of the "gas base rate adjustment", the average gas prices for the
12 months April, 2002 through September, 2002 shall be the monthly average spot
13 market price of gas fuels delivered into the pipelines into Louisiana as reported in
14 the Natural Gas Clearing House, and the average gas prices for the months October,
15 2002 through March, 2003 shall be the New York Mercantile Exchange (NYMEX)
16 Henry Hub settled price on the last trading day for the month, as reported in the Wall
17 Street Journal. The secretary of the Department of Revenue shall publish the "gas
18 base rate adjustment" and the "gas tax rate", as determined under this Subparagraph
19 in the official journal of the state of Louisiana by May first of each year and shall
20 provide the "gas base rate adjustment" and the "gas tax rate" to affected producers
21 by written notice mailed sixty days prior to the effective date thereof, but failure to
22 make such publication or to give such notice shall not be a condition for the new gas
23 tax rate which shall nevertheless be effective.

24 * * *

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