

ACT No. 431

2023 Regular Session

HOUSE BILL NO. 634

BY REPRESENTATIVES MCFARLAND, BAGLEY, FIRMENT, HORTON, CHARLES OWEN, SCHAMERHORN, AND THOMPSON

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AN ACT

To amend and reenact R.S. 47:633(9)(d)(v), relative to severance tax; to provide with respect to a severance tax exemption for production of oil and gas from wells drilled to a certain depth; to provide for eligibility for the exemption; to provide with respect to certain applications for well status determination filed with the Department of Natural Resources; to provide for the application of certain laws; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:633(9)(d)(v) is hereby amended and reenacted to read as follows:

§633. Rates of tax

The taxes on natural resources severed from the soil or water levied by R.S. 47:631 shall be predicated on the quantity or value of the products or resources severed and shall be paid at the following rates:

* * *

(9)

* * *

(d)

* * *

(v) Production of natural gas, gas condensate, and oil from any well drilled to a true vertical depth of more than fifteen thousand feet, where production commences after July 31, 1994, shall be exempt from severance tax, from the date commercial production begins, for twenty-four months or until payout of the well cost, whichever comes first. For the purpose of this exemption, the date commercial

1 production begins shall be the first day the well produces into the permanent
2 production equipment and the facilities have been constructed to process and deliver
3 natural gas, gas condensate, or oil to a sales point. The date of a drill-stem test,
4 production test, or any other related production shall not be considered, construed,
5 or deemed the date commercial production begins regardless of whether such
6 activities are classified as active production by the office of conservation of the
7 Department of Natural Resources. The date commercial production begins may be
8 a date subsequent to the well completion date.

9 * * *

10 Section 2. The provisions of this Act shall apply to each Application for Well Status
11 Determination (Deep Well) filed with the office of conservation of the Department of
12 Natural Resources on or after January 1, 2023. Each applicant who filed such an application
13 on or after January 1, 2023, and prior to the effective date of this Act shall be permitted to
14 amend its application to conform with the provisions of this Act.

15 Section 3. The provisions of this Act are procedural and interpretive.

16 Section 4. This Act shall become effective upon signature by the governor or, if not
17 signed by the governor, upon expiration of the time for bills to become law without signature
18 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
19 vetoed by the governor and subsequently approved by the legislature, this Act shall become
20 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

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