

**HOUSE SUMMARY OF SENATE AMENDMENTS****HB 25****2024 Third Extraordinary Session****Riser**

TAX/SEVERANCE TAX: Provides relative to the horizontal well exemption (Item #9)

**Synopsis of Senate Amendments**

1. Deletes all provisions of the Reengrossed bill.
2. Establishes definitions and requirements applicable to the horizontal well exemption provided for in proposed law.
3. Provides that proposed law shall become effective upon signature of the governor or lapse of time for gubernatorial action.

**Digest of Bill as Finally Passed by Senate**

Present law provides for the levy of a tax, known as severance tax, on natural resources severed from the soil or water.

Present law establishes various severance tax exemptions, including one for production of oil and gas from any horizontally drilled well or horizontally drilled recompletion well, known commonly as the horizontal well exemption. Provides that production from a horizontal well shall be exempt from severance tax for 24 months or until payout of the well cost is achieved, whichever comes first.

Proposed law retains present law and adds thereto definitions and requirements applicable to the horizontal well exemption. Defines "payout of well cost", "qualified accountant", and "well cost statement" for purposes of present law and proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:633(7)(e))