

# ACT No. 18

2024 Third Extraordinary Session

HOUSE BILL NO. 25

BY REPRESENTATIVE RISER

1 AN ACT

2 To enact R.S. 47:633(7)(e), relative to severance tax; to provide for rates of severance tax  
3 on oil and gas; to provide for computation of severance tax amounts to be imposed  
4 on oil and gas; to provide for exemptions from severance tax; to provide for  
5 definitions; to provide for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:633(7)(e) is hereby enacted to read as follows:

8 §633. Rates of tax

9 \* \* \*

10 (7)

11 \* \* \*

12 (e) For purposes of this Paragraph, the following terms shall have the  
13 following definitions:

14 (i) "Payout of well cost" shall be the cost of completing the well to the  
15 commencement of production as reflected in the well cost statement submitted to the  
16 Department of Energy and Natural Resources.

17 (ii) "Qualified accountant" means a certified public accountant ("CPA") who  
18 meets all of the following qualifications:

19 (aa) Maintains an active unrestricted original certified public accountant  
20 license.

21 (bb) Maintains a current Louisiana certified public accountant firm permit.

22 (cc) Actively participates in a Peer Review Program approved by the State  
23 Board of Certified Public Accountants of Louisiana.

24 (iii) "Well cost statement" means a statement issued by a qualified accountant  
25 who is unrelated to the operator and that is a report of the qualified accountant's

1           verification of the costs of completing the well to the commencement of production.

2           The well cost statement shall contain an opinion from the qualified accountant that

3           the well cost statement presents fairly, in all material aspects, the costs expended to

4           complete the well. The well cost statement shall:

5                   (aa) Be performed in accordance with the accounting standards generally  
6                   accepted in the United States.

7                   (bb) Be addressed to the party which has engaged the qualified accountant,  
8                   with a copy addressed to the operator.

9                   (cc) Contain the qualified accountant's name, address, and telephone number.

10                   (dd) Contain a certification that the qualified accountant is unrelated to the  
11                   operator.

12                   (ee) Be dated as of the date of completion of the qualified accountant's field  
13                   work.

14                   (ff) Contain a statement of acknowledgment by the qualified accountant that  
15                   the state is relying on the well cost statement in the allowance of an exemption under  
16                   the provisions of this Section.

17   \*       \*       \*

18           Section 2. This Act shall become effective upon signature by the governor or, if not  
19           signed by the governor, upon expiration of the time for bills to become law without signature  
20           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
21           vetoed by the governor and subsequently approved by the legislature, this Act shall become  
22           effective on the day following such approval.

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_