

RÉSUMÉ DIGEST

ACT 18 (HB 25)

2024 Third Extraordinary Session

Riser

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

Existing 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.

New law adds to existing law definitions and requirements applicable to the horizontal well exemption. Defines "payout of well cost", "qualified accountant", and "well cost statement" for purposes of existing law and new law.

Effective upon signature of governor (December 4, 2024).

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