

2025 Regular Session

HOUSE BILL NO. 294

BY REPRESENTATIVE BAGLEY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/SEVERANCE TAX: (Constitutional Amendment) Provides relative to severance tax revenues remitted to parishes in which the associated severance occurs

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 4(D)(3) of the Constitution of Louisiana and to  
3 repeal Article VII, Section 4(D)(4) of the Constitution of Louisiana, relative to state  
4 severance tax revenues; to repeal limits on amounts of severance tax revenues  
5 remitted to parishes; to repeal requirements associated with certain severance tax  
6 revenue amounts remitted to parishes; to provide for submission of the proposed  
7 amendment to the electors; to provide an effective date; and to provide for related  
8 matters.

9 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members  
10 elected to each house concurring, that there shall be submitted to the electors of the state of  
11 Louisiana, for their approval or rejection in the manner provided by law, a proposal to  
12 amend Article VII, Section 4(D)(3) of the Constitution of Louisiana, to read as follows:

13 §4. Income Tax; Severance Tax; Political Subdivisions

14 Section 4.

15 \* \* \*

16 D.

17 \* \* \*

18 (3) Effective July 1, ~~2007~~ 2027, one-fifth of the severance tax on all natural  
19 resources other than sulphur, lignite, or timber shall be remitted to the governing  
20 authority of the parish in which severance or production occurs. ~~The initial~~

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

1 ~~maximum amount remitted to the parish in which severance or production occurs~~  
 2 ~~shall not exceed eight hundred fifty thousand dollars. The maximum amount remitted~~  
 3 ~~shall be increased each July first, beginning in 2008, by an amount equal to the~~  
 4 ~~average annual increase in the Consumer Price Index for all urban consumers, as~~  
 5 ~~published by the United States Department of Labor, for the previous calendar year,~~  
 6 ~~as calculated and adopted by the Revenue Estimating Conference.~~

7 \* \* \*

8 Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members  
 9 elected to each house concurring, that there shall be submitted to the electors of the state of  
 10 Louisiana, for their approval or rejection in the manner provided by law, a proposal to repeal  
 11 Article VII, Section 4(D)(4) of the Constitution of Louisiana.

12 Section 3. Be it further resolved that the provisions of the amendment contained in  
 13 this Joint Resolution shall become effective July 1, 2027.

14 Section 4. Be it further resolved that this proposed amendment shall be submitted  
 15 to the electors of the state of Louisiana at the statewide election to be held on November 3,  
 16 2026.

17 Section 5. Be it further resolved that on the official ballot to be used at the election,  
 18 there shall be printed a proposition, upon which the electors of the state shall be permitted  
 19 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
 20 follows:

21 Do you support an amendment to repeal limits on the dollar amount of state  
 22 severance tax revenues paid to the parishes where the severance or  
 23 production of natural resources occurs, thereby allowing parishes to keep a  
 24 percentage of those revenues regardless of the dollar amount? (Effective  
 25 July 1, 2027) (Amends Article VII, Section 4(D)(3); Repeals Article VII,  
 26 Section 4(D)(4))

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 294 Original

2025 Regular Session

Bagley

**Abstract:** Repeals a limit on the dollar amount of state severance tax revenues to be remitted to parishes where severance of the resources subject to tax occurs.

Present constitution requires that 20% of the state severance tax on natural resources other than sulphur, lignite, or timber be remitted to the governing authority of the parish in which severance or production occurs. Provides that, effective July 1, 2007, the maximum annual amount of severance tax revenue to be remitted to any parish was \$850,000; and requires that the \$850,000 limit be adjusted for inflation each July first, beginning in 2008, by an amount equal to the average annual increase in the Consumer Price Index.

Proposed constitutional amendment amends present constitution to repeal the dollar-amount limit on severance tax revenues to be remitted to parishes. Proposed constitutional amendment thereby requires that 20% of all severance tax revenues on the natural resources specified in present constitution, regardless of the dollar amount, be remitted to the governing authority of the parish in which severance or production occurs.

Proposed constitutional amendment repeals provisions of present constitution rendered without effect by the repeal of the dollar-amount limit on severance tax revenues to be remitted to parishes.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 3, 2026.

Effective July 1, 2027.

(Amends Const. Art. VII, §4(D)(3); Repeals Const. Art. VII, §4(D)(4))