

2025 Regular Session

HOUSE BILL NO. 552

BY REPRESENTATIVE SCHAMERHORN

TAX/EXCISE: Levies a tax on the operation of carbon capture and storage pipelines

1 AN ACT

2 To enact Chapter 12 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 47:1071 through 1076, relative to excise taxes; to establish an
4 excise tax on operations of carbon capture and storage pipelines; to provide for
5 administration of the tax; to provide for disposition of collections from the tax; to
6 require the state treasurer to remit to parish governing authorities certain amounts of
7 revenues; to provide for a formula for allocating revenues to be remitted to parishes;
8 to require parishes to utilize remitted revenues for certain purposes; to authorize
9 promulgation of rules; to provide for definitions; to provide for an effective date; and
10 to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. Chapter 12 of Subtitle II of Title 47 of the Louisiana Revised Statutes of
13 1950, comprised of R.S. 47:1071 through 1076, is hereby enacted to read as follows:

14 CHAPTER 12. CARBON CAPTURE AND STORAGE PIPELINE TAX

15 §1071. Definitions

16 As used in this Chapter, the following terms shall have the meanings ascribed
17 to them in this Section:

- 18 (1) "Carbon capture and storage pipeline" and "CCS pipeline" mean any
19 pipeline designed, constructed, or operated for the transportation of carbon dioxide
20 or related substances for the purpose of carbon capture and storage.

1 (2) "Department" means the department of Revenue.

2 (3) "Mile" means a linear statute mile, equivalent to five thousand two
3 hundred eighty feet.

4 (4) "Ton" means a short ton, equivalent to two thousand pounds of carbon
5 dioxide or related substances transported through a CCS pipeline.

6 §1072. Carbon capture and storage pipeline tax; administration; reporting
7 requirements

8 A. There is hereby levied an excise tax upon CCS pipelines located within
9 this state. The excise tax shall be at the rate of five cents per mile, per ton of carbon
10 dioxide or related substances transported through a CCS pipeline. This tax shall be
11 levied in addition to all other state or local taxes applicable to the CCS pipeline, and
12 shall be reported quarterly by the operator of the pipeline on forms prescribed by the
13 secretary of the department and paid by the operator on or before the twentieth day
14 of the month following the end of the calendar year quarter to which the tax is
15 applicable.

16 B. Each CCS pipeline operator shall submit with each quarterly tax payment
17 a report to the department and the state treasurer detailing all of the following:

18 (1) The total mileage of all CCS pipelines within each parish in which it
19 operates.

20 (2) The total tonnage of carbon dioxide or related substances transported
21 through the pipeline within the parish during the quarter.

22 §1073. Disposition of collections

23 A. After satisfaction of the requirements of the Bond Security and
24 Redemption Fund as required by Article VII, Section 9(B) of the Constitution of
25 Louisiana, the state treasurer shall remit the revenues collected pursuant to this
26 Chapter to the respective governing authorities of the parishes in which CCS
27 pipelines are located. The treasurer shall remit these revenues in accordance with
28 the requirements of Subsection B of this Section.

1 B. The state treasurer shall establish a formula for allocating the revenues
2 collected pursuant to this Chapter to parish governing authorities in direct proportion
3 to the percentage of overall taxable activity pursuant to this Chapter that occurs in
4 each parish in a taxable quarter. The state treasurer shall promulgate rules in
5 accordance with the Administrative Procedure Act to provide for the formula
6 required by this Subsection.

7 C. The state treasurer shall distribute revenues collected pursuant to this
8 Chapter to parishes on a quarterly basis according to the formula provided for in
9 Subsection B of this Section.

10 §1074. Parish governing authorities; excise tax remittances; required uses

11 Each parish governing authority that receives remittances of excise tax
12 revenues pursuant to R.S. 47:1073 shall expend these monies exclusively on projects
13 and services located within three miles of a CCS pipeline. A parish governing
14 authority may utilize these monies to fund infrastructure improvements,
15 environmental mitigation or restoration projects related to pipeline impacts, public
16 safety or emergency response enhancements, or other public purposes or services
17 within the geographic area provided for in this Section.

18 §1075. Enforcement

19 The secretary of the department shall collect, supervise, and enforce the
20 collection of all taxes, penalties, interest, and other charges that may be due in
21 accordance with the provisions of this Chapter in the same manner provided for by
22 law pursuant to the provisions of this Subtitle.

23 §1076. Rules and regulations

24 The department may promulgate rules and regulations in accordance with the
25 Administrative Procedure Act as are necessary to implement the provisions of this
26 Chapter.

27 Section 2. The provisions of this Act shall apply to taxable periods beginning on or
28 after July 1, 2025.

1 Section 3. This Act shall become effective on July 1, 2025; if vetoed by the governor
2 and subsequently approved by the legislature, this Act shall become effective on July 1,
3 2025, or on the day following such approval by the legislature, whichever is later.

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)]

HB 552 Original

2025 Regular Session

Schamerhorn

Abstract: Establishes an excise tax on the operation of carbon capture and storage pipelines in the amount of five cents per mile, per ton of carbon dioxide or related substances transported through those pipelines.

Proposed law defines "carbon capture and storage pipeline" and "CCS pipeline" as any pipeline designed, constructed, or operated for the transportation of carbon dioxide or related substances for the purpose of carbon capture and storage.

Proposed law levies an excise tax upon CCS pipelines located within this state. Provides that the tax shall be at the rate of five cents per mile, per ton of carbon dioxide or related substances transported through a CCS pipeline, and shall be paid quarterly by the CCS pipeline operator.

Proposed law requires the state treasurer to remit the revenues collected pursuant to proposed law to the respective governing authorities of the parishes in which CCS pipelines are located. Requires the treasurer to establish a formula for allocating those revenues to parish governing authorities in direct proportion to the percentage of overall taxable activity pursuant to proposed law that occurs in each parish in a taxable quarter. Requires further that the treasurer distribute revenues collected pursuant to proposed law to parishes on a quarterly basis.

Proposed law requires each parish governing authority that receives remittances of excise tax revenues pursuant to proposed law to expend these monies exclusively on projects and services located within three miles of a CCS pipeline. Authorizes parish governing authorities to utilize these monies to fund infrastructure improvements, environmental mitigation or restoration projects related to pipeline impacts, public safety or emergency response enhancements, or other public purposes or services within the geographic area provided for in proposed law.

Proposed law applies to taxable periods beginning on or after July 1, 2025.

Effective July 1, 2025.

(Adds R.S. 47:1071-1076)