

Regular Session, 2013

HOUSE BILL NO. 520

BY REPRESENTATIVE ROBIDEAUX

TAX/SEVERANCE TAX: (Constitutional Amendment) Excludes the first one thousand dollars of certain natural resource's value from the levy of ad valorem severance tax

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 4(B) of the Constitution of Louisiana, to provide with respect to the ad valorem taxation of natural resources severed from the soil or water; to exclude a certain amount of a product's value from ad valorem taxation; to provide for submission of the proposed amendment to the electors to provide for an effective date; and to provide for related matters.

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

§4. Income Tax; Severance Tax; Political Subdivisions

* * *

Section 4.

* * *

(B) Severance Tax. Taxes may be levied on natural resources severed from the soil or water, to be paid proportionately by the owners thereof at the time of severance. Natural resources may be classified for the purpose of taxation. Such taxes may be predicated upon either the quantity or value of the products at the time and place of severance; however, the first one thousand dollars of the value of the natural resources severed from the soil or water shall be excluded from valuation for

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

1 purposes of ad valorem severance tax. No further or additional tax or license shall
 2 be levied or imposed upon oil, gas, or sulphur leases or rights. No additional value
 3 shall be added to the assessment of land by reason of the presence of oil, gas, or
 4 sulphur therein or their production therefrom. However, sulphur in place shall be
 5 assessed for ad valorem taxation to the person, firm, or corporation having the right
 6 to mine or produce the same in the parish where located, at no more than twice the
 7 total assessed value of the physical property subject to taxation, excluding the
 8 assessed value of sulphur above ground, as is used in sulphur operations in such
 9 parish. Likewise, the severance tax shall be the only tax on timber; however,
 10 standing timber shall be liable equally with the land on which it stands for ad
 11 valorem taxes levied on the land.

12 * * *

13 Section 2. Be it further resolved that the provisions of the amendment contained in
 14 this Joint Resolution shall become effective on January 1, 2015.

15 Section 3. Be it further resolved that this proposed amendment shall be submitted
 16 to the electors of the state of Louisiana at the statewide election to be held on November 4,
 17 2014.

18 Section 4. Be it further resolved that on the official ballot to be used at the election,
 19 there shall be printed a proposition, upon which the electors of the state shall be permitted
 20 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
 21 follows:

22 Do you support an amendment to exclude the first one thousand dollars of
 23 the value of a natural resource severed from the soil or water from the levy
 24 of ad valorem severance tax? (January 1, 2015) (Amends Article VII, Section
 25 4(B))

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)]

Robideaux

HB No. 520

Abstract: Excludes the first \$1,000 of a natural resource severed from soil or water's value from the imposition of an ad valorem severance tax imposed on a natural resources severed from the soil or water.

Present constitution authorizes the imposition of taxes on the natural resources severed from the soil or water, to be paid proportionately by the owners thereof at the time of severance. Natural resources may be classified for the purpose of taxation. Such taxes may be predicated upon either the quantity or value of the products at the time and place of severance.

Proposed constitutional amendment retains present constitution and adds an exclusion for the first \$1,000 of a natural resource severed from the soil or water's value from ad valorem severance tax.

Effective Jan. 1, 2015.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014.

(Amends Const. Art. VII, Section 4(B))