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HOUSE FLOOR AMENDMENTS

Amendments proposed by Representative Stuart Bishop to Original House Bill No. 474 by Representative Stuart Bishop

1 AMENDMENT NO. 1

2 On page 1, line 2, delete "and (aa)" and insert in lieu thereof "and to repeal R.S.
3 47:633(9)(e)(vii)"

4 AMENDMENT NO. 2

5 On page 1, line 3, after "oil" insert "and gas"

6 AMENDMENT NO. 3

7 On page 1, line 4, after "inactive;" and before "and" insert "to provide for effectiveness;"

8 AMENDMENT NO. 4

9 On page 1, line 6, delete "and (aa)" and change "are" to "is"

10 AMENDMENT NO. 5

11 On page 1, line 19, after "shall be" delete the remainder of the line, delete line 20 in its
12 entirety, and on page 2, delete lines 1 through 13 in their entirety, and insert the following:

13 "exempt from severance tax ~~for a period of five years~~ as provided in this item.

14 (aa) The provisions of this Subitem apply to a well for which an application
15 was submitted before July 1, 2010, for the five year exemption period which ended
16 on June 30, 2010, hereinafter referred to in this Subitem as "initial exemption
17 period". Beginning July 1, 2013, and for the period of time remaining in the initial
18 exemption period, oil production shall be subject to a severance tax equal to three
19 and one eighth percent of its value and gas production shall be subject to a severance
20 tax equal to twenty-five percent of the rate established in Paragraph (9) of this
21 Section. Upon expiration of an initial exemption period, an additional five year
22 exemption period shall be allowed during which time oil production shall be subject
23 to a severance tax of six and one quarter percent of its value and gas production shall
24 be subject to a severance tax equal to fifty percent of the rate established in
25 Paragraph (9) of this Section. The exemption shall be extended by the length of any
26 inactivity of a well that has commenced production when such inactivity is caused
27 by a force majeure.

28 (bb) Beginning July 1, 2015, application may be made for certification of an
29 inactive well for a ten year period in which oil production shall be subject to a
30 severance tax of six and one quarter percent of its value and gas production shall be
31 subject to a severance tax equal to fifty percent of the rate established in Paragraph
32 (9) of this Section. ~~for a period of five years when returned to service after being~~
33 inactive for two or more years or having thirty days or less of production during the
34 past two years. The exemption shall be extended by the length of any inactivity of

1 a well that has commenced production when such inactivity is caused by a force
2 majeure.

3 ~~(aa)~~ (cc) To qualify for inactive well status for purposes of eligibility for a
4 reduced severance tax rate as provided for in this Item, an application for a ~~two-year~~
5 inactive well certification shall be made to the Department of Natural Resources,
6 before commencement of production, ~~during the period beginning July 31, 1994 and~~
7 ~~ending June 30, 2000, for the period beginning July 1, 2002 and ending June 30,~~
8 ~~2006, and for the period beginning July 1, 2006 and ending June 30, 2010.~~ Upon
9 certification that a well is inactive, all production is exempt from severance tax for
10 a period of five years from the date production begins or ninety days from the date
11 of the application, whichever occurs first.

12 ~~(bb)~~ (dd) If the severance tax is paid at the full rate provided by this Section
13 before the Department of Natural Resources approves an application for ~~two-year~~
14 inactive well status, the operator is entitled to a credit against taxes imposed by this
15 Section in an amount equal to the tax paid. To receive a credit, the operator must
16 apply to the secretary of the Department of Revenue for the credit not later than the
17 first anniversary after the date the Department of Natural Resources certifies that the
18 well is a ~~two-year~~ inactive well.

19 AMENDMENT NO. 6

20 On page 2, after line 14, insert the following:

21 "Section 2. R.S. 47:633(9)(e)(vii) is hereby repealed in its entirety.

22 Section 3. (A) This Act shall become effective on July 1, 2013; if vetoed by the
23 governor and subsequently approved by the legislature, this Act shall become effective on
24 July 1, 2013, or on the day following such approval by the legislature, whichever is later.

25 (B) This Act shall take effect and become operative only if the proposed
26 amendments of the Constitution of Louisiana contained in the Joint Resolutions which
27 originated as House Bill Nos. 434, 435, and 436 of this 2013 Regular Session of the
28 Legislature are concurred in by both houses of the legislature and House Bill Nos. 1, 437,
29 456, 474, 571, 620, and 696 of this 2013 Regular Session of the Legislature are enacted into
30 law."