

Regular Session, 2013

HOUSE BILL NO. 166

BY REPRESENTATIVE ANDERS

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

TAX/SEVERANCE TAX: Provides relative to determining the market value of trees, timber, and pulpwood for purposes of levying the severance taxes

1 AN ACT

2 To amend and reenact R.S. 47:633(1), (2), and (3), relative to the severance tax; to provide  
3 relative to the severance tax on trees, timber, and pulpwood; to provide relative to  
4 the valuation of such natural resources; to authorize the Louisiana Tax Commission  
5 to assist in valuation of such natural resources; to provide for certain definitions; and  
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:633(1), (2), and (3) are hereby amended and reenacted to read as  
9 follows:

10 §633. Rates of tax

11 The taxes on natural resources severed from the soil or water levied by R.S.  
12 47:631 shall be predicated on the quantity or value of the products or resources  
13 severed and shall be paid at the following rates:

14 (1) On trees and timber, except pulpwood, two and one-quarter percent of  
15 the then current average stumpage market value of such timber, to be determined  
16 annually ~~on the second Monday of~~ in December by the Louisiana Forestry  
17 Commission ~~and the Louisiana Tax Commission~~, such value to be effective on the  
18 first day of January in the following year and continuing until the next succeeding  
19 January. The Louisiana Tax Commission may assist in determining the value.



timber as reported to the Dept. of Revenue and as published in the "Quarterly Report of Forest Products" by the La. Dept. of Agriculture and Forestry.

Proposed law changes present law by deleting the reference to the La. Tax Commission since the La. Tax Commission's participation in determining the market value of trees, timber, and pulpwood is permissive rather than mandatory. Proposed law further changes the requirement that the determination of market value of trees, timber, and pulpwood be based exclusively on timber sales to a determination that considers timber sales.

(Amends R.S. 47:633(1), (2), and (3))

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Adds a definition for "time and place of severance" or "time of severance" for purposes of payment of the severance tax.
2. Adds provision that for purposes of payment of severance taxes only, oil or condensate shall be considered severed when the product is transferred from the producer to the first purchaser at the point of disposition in an arm's-length transaction.

#### House Floor Amendments to the engrossed bill.

1. Deleted the definition for "time and place of severance" or "time of severance" for purposes of payment of the severance tax.
2. Deleted the provision that provided that for purposes of payment of severance taxes only, oil or condensate shall be considered severed when the product is transferred from the producer to the first purchaser at the point of disposition in an arm's-length transaction.