

Regular Session, 2014

HOUSE BILL NO. 712

BY REPRESENTATIVE GREENE

TAX/SEVERANCE TAX: Prohibits the state from paying interest on refunds for the overpayment of certain severance taxes

1 AN ACT

2 To enact R.S. 47:1624.1, relative to refunds; to provide with respect to the refund of  
3 overpayment of severance taxes; to prohibit certain taxpayers from earning interest  
4 on refunds; to provide for certain limitations; to provide for effectiveness; and to  
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1624.1 is hereby enacted to read as follows:

8 §1624.1. Interest on refunds; severance tax

9 Notwithstanding any other provision of law to the contrary, an operator,  
10 whose well qualifies for the severance tax suspension pursuant to the provisions of  
11 R.S. 47:633(7)(c)(iii) or (9)(d)(v) for new horizontal or deep wells, shall be paid  
12 interest on refunds at the U.S. Treasury Yield Curve Constant Maturity 6-Month  
13 Treasury Bill rate for the overpayment of severance taxes when such refunds have  
14 been processed and paid by the Department of Revenue after the one hundred  
15 eightieth day following the day a properly filed claim for refund or amended return  
16 with supporting documentation for the new horizontal or deep well has been  
17 submitted to the department.

18 Section 2. This Act shall become effective upon signature by the governor or, if not  
19 signed by the governor, upon expiration of the time for bills to become law without signature  
20 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
2 effective on the day following such approval.

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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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Greene

HB No. 712

**Abstract:** Requires the Dept. Revenue to pay interest on refunds for overpayment of severance tax on certain horizontal or deep wells if the refund is paid after the 180th day following the day a properly filed refund is submitted to the Dept. of Revenue.

Proposed law requires the Dept. or Revenue (DOR) to pay interest on refunds for overpayment of severance taxes to an operator whose well qualifies for a severance tax suspension on new horizontal wells or deep wells if the refund is processed and paid by the DOR after the 180th day following the day a properly filed claim for refund or amended return with supporting documentation for the new horizontal well or deep well has been submitted to DOR. Interest on refunds shall be paid at the U.S. Treasury Yield Curve Constant Maturity 6-Month Treasury Bill rate.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:1624.1)

Summary of Amendments Adopted by House

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

1. Changed the reference in proposed law from a severance tax exemption to a severance tax suspension.
2. Added requirement that no interest shall be paid if the refund is processed and paid by DOR no later than the 180th day following the day a properly filed claim for refund or amended return is submitted to DOR.

House Floor Amendments to the engrossed bill.

1. Deletes the provision that no interest shall be paid on the refunds.
2. Adds a requirement that DOR pay interest on the overpayment of severance taxes at the U.S. Treasury Yield Curve Constant Maturity 6-Month Treasury Bill rate if the refund is processed and paid by DOR after the 180th day following the day a properly filed claim for refund or amended return is submitted to DOR.
3. Changes the effective date from one conditioned upon passage of House Bill No. 713 of this 2014 R.S. to upon signature of the governor or lapse of time for gubernatorial action.