
HOUSE COMMITTEE AMENDMENTS

2015 Regular Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 549 by Representative Thibaut

AMENDMENT NO. 1

On page 1, line 2, after "reenact" and before "relative to" delete "R.S. 47:633(7)(b) and (c)(i) and (iii), and (9)(b)," and insert "R.S. 47:633(7)(c)(iii)(introductory paragraph) and to enact R.S. 47:633(7)(d),"

AMENDMENT NO. 2

On page 1, at the end of line 3, delete the comma "," and insert "and"

AMENDMENT NO. 3

On page 1, line 4, after "gas" delete the comma "," and delete the remainder of the line and delete line 5 in its entirety and insert the following:

"to provide with respect to the tax on production from certain horizontally drilled wells; to provide for the amount and duration of the exemption for certain horizontally drilled wells; to provide with respect to the determination of the price of oil and natural gas for purposes of the exemption; to provide"

AMENDMENT NO. 4

On page 1, line 8, after "Section 1." delete the remainder of the line in its entirety and insert the following:

"R.S. 47:633(7)(c)(iii)(introductory paragraph) is hereby amended and reenacted and R.S. 47:633(7)(d) is hereby enacted to read"

AMENDMENT NO. 5

On page 1, delete lines 17 through 20 in their entirety and on page 2, delete lines 1 through 26 in their entirety and at the beginning of line 27, delete "percent" and insert the following:

"(c) * * *

(iii) All severance tax shall be suspended,"

AMENDMENT NO. 6

On page 3, at the end of line 2, after "1994" and before the period "." insert a comma "," and insert "and on or before December 31, 2015"

AMENDMENT NO. 7

On page 3, delete lines 3 through 26 in their entirety and insert the following:

"* * *

(d) There shall be an exemption from severance tax as provided in this Subparagraph for production from any horizontally drilled well, or, on any horizontally drilled recompletion well, from which production commences on or

1 after January 1, 2016. The exemption shall last for a period of twenty-four months
 2 or until payout of the well cost is achieved, whichever comes first. For the purposes
 3 of this Section "horizontal drilling" shall mean high angle directional drilling of bore
 4 holes with fifty to three thousand plus feet of lateral penetration through productive
 5 reservoirs and "horizontal recompletion" shall mean horizontal drilling in an existing
 6 well bore. Payout of well cost shall be the cost of completing the well to the
 7 commencement of production as determined by the Department of Natural
 8 Resources.

9 (i) The amount of the exemption for a well that produces oil shall be based
 10 upon the price of Crude Oil Spot Prices (nominal dollars and West Texas
 11 Intermediate Spot)) per barrel adopted by the Energy Information Administration
 12 which is published in the Annual Energy Outlook report. The price per barrel for
 13 any production that commences on or after July 1, 2015 through December 31, 2015,
 14 shall be based on the price per barrel published in the April 2015 edition of the
 15 Annual Energy Outlook report. The price per barrel for any production commencing
 16 on and after January 1, 2016, for the ensuing twelve calendar months, shall be based
 17 on the price per barrel published in the annual edition of the Annual Energy Outlook
 18 report. The amount of the exemption shall be as follows:

19 (aa) There shall be no tax if the price of oil is at or below seventy dollars per
 20 barrel.

21 (bb) The tax rate shall be reduced by eighty percent if the price of oil is
 22 above seventy dollars and at or below eighty dollars per barrel.

23 (cc) The tax rate shall be reduced by sixty percent if the price of oil is above
 24 eighty dollars and at or below ninety dollars per barrel.

25 (dd) The tax rate shall be reduced by forty percent if the price of oil is above
 26 ninety dollars and at or below one hundred dollars per barrel.

27 (ee) The tax rate shall be reduced by twenty percent if the price of oil is
 28 above one hundred dollars and at or below one hundred ten dollars per barrel.

29 (ff) There shall be no exemption in effect if the price of oil exceeds one
 30 hundred ten dollars per barrel.

31 (ii) The amount of the exemption for a well that produces natural gas shall
 32 be shall be based upon the Natural Gas Spot Price at Henry Hub (nominal dollars per
 33 million BTU) adopted by the Energy Information Administration which is published
 34 in the Annual Energy Outlook report. The price of natural gas for any production
 35 that commences on or after July 1, 2015 through December 31, 2015, shall be based
 36 on the price published in the April 2015 edition of the Annual Energy Outlook
 37 report. The price for natural gas for any production commencing on and after
 38 January 1, 2016, for the ensuing twelve calendar months, shall be based on the price
 39 published in the annual edition of the Annual Energy Outlook report. The amount
 40 of the exemption shall be as follows:

41 (aa) There shall be no tax if the price of natural gas is at or below four
 42 dollars and fifty cents per million BTU.

43 (bb) The tax rate shall be reduced by eighty percent if the price of natural gas
 44 is above four dollars and fifty cents per million BTU and at or below five dollars and
 45 fifty cents per million BTU.

46 (cc) The tax rate shall be reduced by sixty percent if the price of natural gas
 47 is above five dollars and fifty cents per million BTU and at or below six dollars per
 48 million BTU.

1 (dd) The tax rate shall be reduced by forty percent if the price of natural gas
2 is above six dollars per million BTU and at or below six dollars and fifty cents per
3 million BTU.

4 (ee) The tax rate shall be reduced by twenty percent if the price of natural
5 gas is above six dollars and fifty cents per million BTU and at or below seven dollars
6 per million BTU.

7 (ff) There shall be no exemption in effect if the price of natural gas exceeds
8 seven dollars per million BTU."

9 AMENDMENT NO. 8

10 On page 3, delete line 29 in its entirety