
DIGEST

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HB 67 Original

2016 First Extraordinary Session

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Abstract: Levies a tax (50¢ per 1,000 cubic feet) upon the use of a transportation facility (pipeline) more than one mile in length for the transportation of natural gas through La.

Present law and present constitution prohibits taxes or license in addition to the severance tax on oil or gas leases or rights.

Proposed law changes present law by removing the prohibition of additional tax or license on gas and specifically authorizes the levy of a tax, fee, license, or permit on natural gas transported in this state.

Proposed law provides for the intent and policy of proposed law.

Proposed law levies a tax on the use of more than one mile of facilities (pipelines) for the transportation of natural gas through La. The tax shall be equal to 50¢ for each unit (1,000 cubic feet) of natural gas. Provides for the avails of the tax to be deposited into the Fair Share Fund established in the constitution.

Proposed law provides that once the tax provided for in proposed law has been levied, no further tax on the use of facilities for the transportation of a unit of natural gas through La. shall be levied or imposed by the state.

Proposed law requires every owner of natural gas using more than one mile of facilities for the transportation of a unit of natural gas through this state to be liable for the tax in proportion with each owner's percentage of ownership of the natural gas.

Proposed law defines "facilities" as natural gas pipelines used for the transportation of natural gas within the territorial boundaries of La. "Natural gas" is defined as a mixture of hydrocarbons that existed in natural underground reservoirs and which is gaseous at atmospheric pressure measured at a pressure base of 15.025 pounds per square inch absolute at a temperature base of 60 degrees Fahrenheit.

Proposed law defines "transportation" as the movement of a unit of natural gas through a facility within the state through the use of a pipeline. Further provides that a "unit of natural gas" means 1,000 cubic feet of natural gas.

Proposed law requires the tax levied by proposed law to be due and payable monthly. Every owner

of natural gas transported through a facility in La. shall, on or before the last day of each month following the month that the tax is applicable, submit to the Dept. of Revenue a statement, on forms approved by the department, of the business conducted by the owner of the natural gas during the preceding month. The monthly report shall include the gross quantity of natural gas transported through a facility in La., the names of the owner or owners at the time the natural gas is transported and the portion owned by each, and any other reasonable and necessary information that the secretary may require.

Proposed law authorizes the Dept. of Revenue to promulgate rules and regulations in accordance with the Administrative Procedure Act as are necessary to implement the provisions of proposed law.

Proposed law provides for penalties of delinquent tax.

Effective on Jan. 1, 2017, if and when the proposed amendment of Article VII, Section 4(B) of the Const. of La. contained in the Act which originated as House Bill No. ____ of this 2016 First Extraordinary Session is adopted at a statewide election and becomes effective.

(Amends R.S. 47:643; Adds R.S. 47:700-704)