

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; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

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

9 §633. Rates of tax

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

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

19 (2) On pulpwood, five percent of the then current average stumpage market
20 value of such pulpwood, to be determined annually ~~on the second Monday of~~ in

1 December by the Louisiana Forestry Commission ~~and the Louisiana Tax~~
 2 ~~Commission~~, such value to be effective on the first day of January in the following
 3 year and continuing until the next succeeding January. The Louisiana Tax
 4 Commission may assist in determining the value.

5 (3) The Louisiana Forestry Commission ~~and the Louisiana Tax Commission~~
 6 shall base their determination of the market value of trees, timber, and pulpwood as
 7 provided in Paragraphs (1) and (2) of this Section ~~exclusively on~~ with consideration
 8 of sales of timber as reported to the Louisiana Department of Revenue and as
 9 published in the "Quarterly Report of Forest Products" by the Louisiana Department
 10 of Agriculture and Forestry.

11 * * *

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)]

Anders

HB No. 166

Abstract: Authorizes, rather than requires, the La. Tax Commission to assist the La. Forestry Commission in determining the annual value of trees, timber, and pulpwood for purposes of levying severance taxes.

Present law requires the state tax levied on natural resources severed from the soil or water to be predicated on the quantity or value of the products or resources severed.

Present law provides that the rate of the tax levied on trees and timber is 2.25% of the current average stumpage market value of timber and the rate of the tax levied on pulpwood is 5% of the current average stumpage market value of pulpwood. Stumpage value is determined annually on the second Monday of Dec. by the La. Forestry Commission and the La. Tax Commission and is effective on the first day of Jan. in the following year, continuing until the next succeeding Jan.

Proposed law retains present law as to the rate of these taxes but changes the present law from a requirement that the La. Tax Commission determine the annual stumpage value to an authorization that the La. Tax Commission assist the La. Forestry Commission in determining same. Proposed law further changes the time of determining the annual stumpage value from the second Monday in Dec. to Dec.

Present law requires the La. Forestry Commission and the La. Tax Commission to base the determination of the market value of trees, timber, and pulpwood exclusively on sales of 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))