

2015 Regular Session

HOUSE BILL NO. 483

BY REPRESENTATIVE JAY MORRIS

TAX/SEVERANCE-EXEMPTION: Reduces the severance tax exemption for certain horizontally drilled wells

1 AN ACT

2 To amend and reenact R.S. 47:633(7)(c)(iii)(introductory paragraph), relative to severance  
3 tax; to provide with respect to the exemption for certain horizontally drilled wells;  
4 to provide for the period of exemption; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:633(7)(c)(iii)(introductory paragraph) is hereby amended and  
7 reenacted to read as follows:

8 §633. Rates of tax

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

12 \* \* \*

13 (7)

14 \* \* \*

15 (c)

16 \* \* \*

17 (iii) All severance tax shall be suspended, for a period of ~~twenty-four~~ twelve  
18 months or until payout of the well cost is achieved, whichever comes first, on any  
19 horizontally drilled well, or, on any horizontally drilled recompletion well, from  
20 which production commences after July 31, 1994.

21 \* \* \*

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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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HB 483 Original

2015 Regular Session

Jay Morris

**Abstract:** Limits the severance tax "exemption" for horizontal wells and horizontally drilled recompletion wells from 24 months to 12 months or until payout of the well cost is achieved, whichever occurs first.

Present law provides for a tax on natural resources severed from the soil or water based upon quantity or value of the products severed.

Present law suspends the levy of 100% of the severance tax on production from a horizontally drilled well or horizontally drilled recompletion well for a period of 24 months or until payout of the well cost is achieved, whichever occurs first.

Proposed law retains present law but reduces the time for suspension of severance taxes on production from these wells from 24 months to 12 months or until payout of the well cost is achieved, whichever occurs first.

(Amends R.S. 47:633(7)(c)(iii)(intro. para.))