ENROLLED

2025 Regular Session

ACT No. 373

HOUSE BILL NO. 518

BY REPRESENTATIVE GEYMANN

AN ACT

To amend and reenact R.S. 47:633 and 645(A) and (B), relative to severance tax; to provide with respect to severance tax rates; to provide for computation of amounts of severance tax imposed on particular natural resources; to provide relative to severance tax exemptions for oil and gas; to provide relative to severance tax administration; to provide for the dedication of severance taxes; to provide for definitions; to make technical changes and corrections; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:633 and 645(A) and (B) are hereby amended and reenacted to read as follows:

§633. ~~Rates of tax~~ <u>Severance tax; rates; administration</u>

<u>A.</u> The taxes on natural resources severed from the soil or water levied by R.S. 47:631 shall be predicated on the quantity or value of the products or resources severed<u>,</u> ~~and~~ shall be <u>computed in accordance with the provisions of this Section, and</u> paid at the following rates:

(1) On trees and timber, except pulpwood, two and one-quarter percent of the then-current average stumpage market value of such timber, to be determined annually in December by the Louisiana Forestry Commission, such value to be effective on the first day of January in the following year and continuing until the next succeeding January. The Louisiana Tax Commission may assist in determining the value. The average stumpage market value shall be applied to the weight or scale of trees and timber as determined pursuant to the provisions of R.S. 3:4641 and 4642 at the first time the trees and timber are scaled prior to undergoing the first processing after severance.

CODING: Words in ~~struck through~~ type are deletions from existing law; words <u>underscored</u> are additions.

(2) On pulpwood, five percent of the then-current average stumpage market value of such pulpwood, to be determined annually in December by the Louisiana Forestry Commission, such value to be effective on the first day of January in the following year and continuing until the next succeeding January. The Louisiana Tax Commission may assist in determining the value. The average stumpage market value shall be applied to the weight or scale of pulpwood as determined pursuant to the provisions of R.S. 3:4641 and 4642 at the first time the pulpwood is scaled prior to undergoing the first processing after severance.

~~(3) The Louisiana Forestry Commission may base its determination of the market value of trees, timber, and pulpwood as provided in Paragraphs (1) and (2) of this Section with consideration of sales of timber as reported to the Department of Revenue and as published in the "Quarterly Report of Forest Products" by the Department of Agriculture and Forestry, as well as other information considered by the Louisiana Forestry Commission.~~

~~(7)(a)~~ <u>(3)(a)</u> On oil<u>,</u> twelve and one-half ~~percentum~~ <u>percent</u> of its value at the time and place of severance. ~~Such~~ <u>The</u> value shall be the higher of ~~(1)~~ the gross receipts received from the first purchaser~~,~~ less charges for trucking, barging<u>,</u> and pipeline fees~~,~~<u>;</u> or ~~(2)~~ the posted field price. In the absence of an arms length transaction or a posted field price, the value shall be the severer's gross income from the property as determined by R.S. 47:158(C).

(b) On oil produced from a well classified by the commissioner of conservation as an oil well, and determined by the collector of revenue ~~that such well is~~ <u>to be</u> incapable of producing an average of more than twenty-five barrels of oil per producing day during the entire taxable month, and which also produces at least fifty percent salt water per day, the tax rate applicable to the oil severed from ~~such~~ <u>the</u> well shall be one-half of the rate set forth in Subparagraph (a) of this Paragraph and ~~such~~ <u>the</u> well shall be defined, for severance tax purposes, as an incapable well, provided that ~~such~~ <u>the</u> well has been certified by the Department of Revenue as incapable of such production on or before the twenty-fifth day of the second month following the month of production. Oil severed from a ~~multiple well~~ <u>multiple-well</u>

lease or property is not subject to the reduced rate of tax provided for ~~herein,~~ in this Subparagraph unless all ~~such~~ wells on the lease or property are certified as incapable.

(c)(i)(aa) On oil produced from a well classified by the commissioner of conservation as an oil well, and certified by the Department of Revenue ~~that such well is~~ as incapable of producing an average of more than ten barrels of oil per producing day during the entire taxable month, the tax rate applicable to the oil severed from ~~such~~ the well shall be one-quarter of the rate set forth in Subparagraph (a) of this Paragraph and ~~such~~ the well shall be defined, for severance tax purposes, as a stripper well, provided that ~~such~~ the well has been certified by the Department of Revenue as a stripper well on or before the twenty-fifth day of the second month following the month of production. Once a well has been certified and determined to be incapable of producing an average of more than ten barrels of oil per producing day during an entire month, ~~such stripper~~ that well shall remain certified as a stripper well until ~~the well~~ it produces an average of more than ten barrels of oil per day during an entire calendar month.

(bb) Crude oil produced from certified stripper wells shall be exempt from severance tax in any month in which the average value set forth in Subparagraph (a) of this Paragraph is less than twenty dollars per barrel.

(ii)(aa) On oil produced from a well in a stripper field classified by the commissioner of conservation as a mining and horizontal drilling project which utilizes gravity drainage to a collection point in a downhole operations room, the tax rate applicable to the oil severed from ~~such~~ the well shall be one-quarter of the rate set forth in Subparagraph (a) of this Paragraph ~~(7)~~; provided that ~~such~~ the well has been classified by the commissioner as a mining and horizontal drilling project before the lower rate is claimed on a tax return.

(bb) For purposes of this Paragraph, a "stripper field" means those geological formations as designated by rules and regulations of the secretary which have been historically recognized as being "stripper fields" and as utilizing stripper wells for oil production.

(cc) The tax rate provided in ~~Paragraph (ii)(aa)~~ Subitem (aa) of this Item shall ~~be applicable~~ apply only to the working interest and ~~shall~~ only ~~apply~~ until the cumulative value of hydrocarbon production from the mining and horizontal drilling project is equal to two and one-third times the total private investment, invested by the working interest owners, in the project.

(dd) For purposes of this ~~Section~~ Item, "private investment" shall mean those costs associated with project design, fabrication, installation of equipment, drilling and completion cost of wells, and any other costs directly associated with ~~said~~ the project. A "working interest owner" shall mean the owner of a mineral right who is under an obligation to share in the costs of drilling and completing a mining and horizontal drilling project. A person who does not invest and take a financial or economic risk in the drilling for and actual production of oil shall not be a working interest owner ~~under~~ pursuant to the provisions of this ~~Section~~ Item.

~~(iii) All severance tax shall be suspended, for a period of twenty-four months or until payout of the well cost is achieved, whichever comes first, on any horizontally drilled well, or, on any horizontally drilled recompletion well, from which production commences after July 31, 1994, and on or before June 30, 2015. Beginning July 1, 2015, and thereafter, the amount of the exemption for any well that commences production on or after July 1, 2015, shall be the amount set forth in Subparagraph (d) of this Paragraph.~~

~~(aa) For the purposes of this Section "horizontal drilling" shall mean high angle directional drilling of bore holes with fifty to three thousand plus feet of lateral penetration through productive reservoirs and "horizontal recompletion" shall mean horizontal drilling in an existing well bore.~~

~~(bb) Payout of well cost shall be the cost of completing the well to the commencement of production as determined by the Department of Energy and Natural Resources.~~

~~(iv)(aa)~~ (iii)(aa) Production from an oil or gas well subsequent to the ~~well's~~ well having been inactive for two or more years or having thirty days or less of production during the past two years shall be subject to a severance tax rate equal to twenty-five percent of the rate imposed ~~under~~ by Subparagraph (a) of this Paragraph or ~~Paragraph (9)~~ by Paragraph (5) of this ~~Section~~ Subsection for a period of ten years if the production commences before October 1, 2028. Production from an oil or gas well subsequent to the ~~well's~~ well having been designated as an orphan well for longer than sixty months shall be subject to a severance tax rate equal to twelve and one half percent of the rate imposed ~~under~~ by Subparagraph (a) of this Paragraph or ~~Paragraph (9)~~ by Paragraph (5) of this ~~Section~~ Subsection for a period of ten years if the production commences before October 1, 2028.

(bb) Production from an oil or gas well subsequent to the ~~well's~~ well having been inactive for two or more years or having thirty days or less of production during the past two years shall be subject to a severance tax rate equal to fifty percent of the rate imposed ~~under~~ by Subparagraph (a) of this Paragraph or ~~Paragraph (9)~~ by Paragraph (5) of this ~~Section~~ Subsection for a period of ten years if the production commences on or after October 1, 2028. Production from an oil or gas well subsequent to the ~~well's~~ well having been designated as an orphan well for longer than sixty months shall be subject to a severance tax rate equal to twenty-five percent of the rate imposed ~~under~~ by Subparagraph (a) of this Paragraph or ~~Paragraph (9)~~ by Paragraph (5) of this ~~Section~~ Subsection for a period of ten years if the production commences on or after October 1, 2028.

(cc) To qualify for a reduced inactive or orphan well severance tax rate on oil or gas provided for in Subitem (aa) or (bb) of this Item, the oil or gas ~~production~~ must be produced from the same perforated producing interval or from one hundred feet above and one hundred feet below the perforated producing interval for lease wells, and within the correlative defined interval for unitized reservoirs, that the formerly inactive or orphaned well produced from before being inactive or designated as an orphan well. The exemption shall be extended by the length of any inactivity of a well that has commenced production when such inactivity is caused by a force majeure.

(dd) To qualify for inactive or orphan well status for purposes of the special rates provided for in this Item, an application for inactive or orphan well certification shall be made to the Department of Energy and Natural Resources during the period beginning July 1, 2018, and ending June 30, 2028. Upon certification that a well is inactive or orphan, production shall be subject to the special rate as provided in this Item from the date that production begins or ninety days from the date that of the application, whichever occurs first. If, in any one fiscal year, the secretary of the Department of Revenue estimates that the severance tax to be paid ~~under~~ pursuant to the provisions of this Item will be in excess of fifteen million dollars, the secretary shall notify the commissioner of conservation who shall not certify inactive or orphan well status for any other wells for the remainder of that fiscal year. ~~Such certifications~~ Certification of wells as inactive or orphan wells may begin again ~~after the beginning of~~ in the next fiscal year.

(ee) If the severance tax on oil or gas is paid at the full rate provided by this Section before the Department of Energy and Natural Resources approves an application for inactive or orphan well status, the operator ~~is~~ shall be entitled to a credit against taxes imposed by this Section in an amount equal to the tax paid. To receive a credit, the operator must apply to the secretary of the Department of Revenue for the credit not later than the first anniversary after the date that the Department of Energy and Natural Resources certifies that the well is an inactive or orphan well.

(ff) Notwithstanding any provision of law to the contrary, oil production from any orphan well as defined by R.S. 30:88.2(A) that is undergoing or has undergone well enhancements that required a Department of Energy and Natural Resources permit, including but not limited to re-entries, workovers, or plugbacks, from which production commences on or after October 1, 2021, and before June 30, 2031, shall be exempt from ~~the~~ severance tax. To qualify for the exemption, an application for certification shall be made to the Department of Energy and Natural Resources. Upon certification that a well qualifies for the exemption, the operator shall retain an amount equal to the severance tax otherwise due for the initial three months of the exemption. Beginning in the fourth month following certification, the operator shall report, on forms prescribed by the secretary, and remit to the

Department of Revenue an amount equal to the severance tax applicable to the well pursuant to this Paragraph, which shall be credited to the associated site-specific trust account provided for in R.S. 30:88.2 and shall be subject to all due date, interest, and penalty provisions applicable to the oil severance tax.

(d)(i) ~~There~~ Subject to the requirements and limitations of this Subparagraph, 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 occurs on or after July 1, 2015. The exemption shall last for a period of twenty-four months or until payout of the well cost is achieved, whichever comes first. For ~~the~~ purposes of this ~~Section~~ Paragraph, "horizontal drilling" shall mean high angle directional drilling of bore holes with fifty to three thousand plus feet of lateral penetration through productive reservoirs, and "horizontal recompletion" shall mean horizontal drilling in an existing well bore. Payout of well cost shall be the cost of completing the well to the commencement of production as determined by the Department of Energy and Natural Resources.

~~(i)~~ (ii) The secretary shall determine the oil price upon which the exemption for a horizontal well that produces oil shall be based on July ~~First~~ first of each year for the ensuing twelve months based upon the average New York Mercantile Exchange Price per barrel of crude oil per month ~~on~~ at the close of business on June ~~Thirtieth~~ thirtieth for the prior twelve months. The amount of the exemption for a horizontal well that produces oil shall be as follows:

(aa) The exemption shall be one hundred percent if the price of oil is at or below seventy dollars per barrel.

(bb) The exemption shall be eighty percent if the price of oil is above seventy dollars and at or below eighty dollars per barrel.

(cc) The exemption shall be sixty percent if the price of oil is above eighty dollars and at or below ninety dollars per barrel.

(dd) The exemption shall be forty percent if the price of oil is above ninety dollars and at or below one hundred dollars per barrel.

(ee) The exemption shall be twenty percent if the price of oil is above one hundred dollars and at or below one hundred ten dollars per barrel.

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

~~(ii)~~ (iii) The secretary shall determine the natural gas price upon which the exemption for a horizontal well that produces natural gas shall be based on July ~~First~~ first of each year for the ensuing twelve months based upon the average New York Mercantile Exchange Price per million BTU per month ~~on~~ at the close of business on June ~~Thirtieth~~ thirtieth for the prior twelve months. The amount of the exemption for a horizontal well that produces natural gas shall be as follows:

(aa) The exemption shall be one hundred percent if the price of natural gas is at or below four dollars and fifty cents per million BTU.

(bb) The exemption shall be ~~by~~ eighty percent if the price of natural gas is above four dollars and fifty cents per million BTU and at or below five dollars and fifty cents per million BTU.

(cc) The exemption shall be sixty percent if the price of natural gas is above five dollars and fifty cents per million BTU and at or below six dollars per million BTU.

(dd) The exemption shall be forty percent if the price of natural gas is above six dollars per million BTU and at or below six dollars and fifty cents per million BTU.

(ee) The exemption shall be twenty percent if the price of natural gas is above six dollars and fifty cents per million BTU and at or below seven dollars per million BTU.

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

(e) For purposes of this Paragraph, the following terms shall have the ~~following definitions~~ meaning ascribed in this Subparagraph:

(i) "Payout of well cost" shall be the cost of completing the well to the commencement of production as reflected in the well cost statement submitted to the Department of Energy and Natural Resources.

(ii) "Qualified accountant" means a certified public accountant ~~("CPA")~~ who ~~meets all of the following qualifications:~~

~~(aa) Maintains~~ maintains an active ~~unrestricted original~~ certified public accountant license in good standing.

~~(bb) Maintains a current Louisiana certified public accountant firm permit.~~

~~(cc) Actively participates in a Peer Review Program approved by the State Board of Certified Public Accountants of Louisiana.~~

(iii) "Well cost statement" means a ~~statement~~ report issued by a qualified accountant who is ~~unrelated to the operator and that is a report of the qualified accountant's verification of the costs of completing the well to the commencement of production. The well cost statement shall contain an opinion from the qualified accountant that the well cost statement presents fairly, in all material aspects, the costs expended to complete the well. The well cost statement shall~~ independent from the operator and the report shall meet all of the following conditions:

(aa) Be performed in accordance with the ~~accounting~~ attestation standards ~~generally accepted in the United States~~ established by the American Institute of Certified Public Accountants.

(bb) ~~Be addressed to the party which has engaged the qualified accountant, with a copy addressed to the operator.~~

~~(cc)~~ Contain the qualified accountant's name, address, and telephone number.

~~(dd)~~ (cc) Contain a ~~certification~~ statement of acknowledgment that the qualified accountant is ~~unrelated to the~~ independent from the operator.

~~(ee)~~ (dd) Be dated as of the date of completion of the qualified accountant's field work.

~~(ff)~~ (ee) Contain a statement of acknowledgment by the qualified accountant that the state is relying on the well cost statement in the allowance of an exemption under the provisions of this Section.

~~(8)~~ (4) On distillate, condensate, or similar natural resources severed from the soil or water either with oil or gas, twelve and one-half ~~percentum~~ percent of gross value at the time and place of severance. For the levy of this tax, gross value shall be ~~as defined by R.S. 47:633(7)(a)~~ determined in accordance with the provisions of Subparagraph (3)(a) of this Subsection. However, natural gasoline, casinghead gasoline and other natural gas liquids, including but not limited to ethane, methane, butane, or propane, all of which occur naturally or which are recovered through processing gas after separation of oil, distillate, condensate, or similar natural resources shall not be subject to the levy provided for in this Paragraph, but rather shall be subject to the levy provided for in ~~R.S. 47:633(9)~~ Paragraph (5) of this Subsection.

~~(9)(a)(i)~~ (5)(a)(i) Subject to adjustment as provided in Subparagraph (d) ~~below~~ of this Paragraph, on natural gas and, based on equivalent gas volumes, natural gasoline, casinghead gasoline, and other natural gas liquids, including but not limited to ethane, methane, butane, or propane, ten cents per thousand cubic feet measured at a base pressure of 15.025 pounds per square inch absolute and at the temperature base of sixty degrees Fahrenheit; provided that whenever the conditions of pressure and temperature differ from the ~~above~~ foregoing bases, conversion of the volume from these conditions to the ~~above~~ foregoing bases shall be made in accordance with the Ideal Gas Laws with correction for deviation from Boyle's Law, which correction must be made unless the pressure at the point of measurement is two hundred pounds per square inch gauge, or less, all in accordance with methods and tables generally recognized by and commonly used in the natural gas industry. For all purposes of computing standard cubic feet of gas ~~under this Section~~ pursuant to this Paragraph, the barometric pressure shall be assumed to be 14.7 pounds per square inch absolute at the place of measurement.

(ii) The rate as set forth in Item (i) of this Subparagraph shall be in effect until June 30, 1992. Effective July 1, 1992 the rate shall be seven cents per thousand cubic feet, and this rate shall also be subject to the annual rate adjustment as provided in Item (d)(i) of this Paragraph.

(b) In the case of gas produced from ~~an oil~~ a well designated as ~~such~~ an oil well by the office of conservation, which has been determined by the secretary to have a wellhead pressure of fifty pounds per square inch gauge or less under operating conditions, or, in the case of gas rising in a vaporous state through the annular space between the casing and tubing of ~~such~~ the oil well and released through lines connected with the casinghead gas which has been determined by the secretary to have a casinghead pressure of fifty pounds per square inch gauge or less under operating conditions, the rate shall be three cents per thousand cubic feet. For purposes of applying this reduced rate, an oil well being produced by the method commonly known as gas lift shall be presumed, in the absence of a determination to the contrary by the secretary, to have a wellhead pressure of fifty pounds per square inch or less under operating conditions. To qualify for the reduced rate, an oil well must have a casinghead pressure of fifty pounds or less per square inch for the entire taxable month.

(c) In the case of gas produced from a ~~gas~~ well designated as ~~such~~ a gas well by the office of conservation~~, which has been~~ and determined by the secretary to be incapable of producing an average of 250,000 cubic feet of gas per day, the tax rate applicable to the gas severed from ~~such~~ the well shall be one and three-tenths cents per thousand cubic feet. To qualify for the reduced rate, a gas well must be incapable of producing 250,000 cubic feet of gas per day during the entire taxable month.

(d)(i) The gas tax rate provided in Subparagraph (a) of this Paragraph shall be adjusted annually on July first for the ensuing twelve calendar months as ~~hereinafter~~ set forth hereafter in this Subparagraph but shall never be less than seven cents per thousand cubic feet. On or before April 30, 1991, and annually thereafter, the secretary shall determine, using the "gas base rate adjustment" ~~as hereinafter~~ provided for in this Subparagraph, the new gas tax rate for the twelve calendar months beginning July 1, 1991, and respectively for each twelve-month period beginning annually thereafter. The new gas tax rate shall be the rate provided in Subparagraph (a) of this Paragraph multiplied by the gas base rate adjustment. The "gas base rate adjustment" shall be determined by the secretary of the Department of Energy and Natural Resources. The "gas base rate adjustment" for the applicable twelve-month period is a fraction, the numerator of which shall be the average of the New York Mercantile Exchange (NYMEX) Henry Hub settled price on the last trading day for the month, as reported in the Wall Street Journal for the previous twelve-month period ending on March thirty-first, and the denominator of which shall be the average of the monthly average spot market prices of gas fuels delivered into the pipelines in Louisiana as reported by the Natural Gas Clearing House for the twelve-month period ending March 31, 1990 (1.7446 $/MMBTU). For the twelve-month period ending March 31, 2003, the monthly average gas prices used in making the numerator of the "gas base rate adjustment", the average gas prices for the months April, 2002 through September, 2002 shall be the monthly average spot market price of gas fuels delivered into the pipelines into Louisiana as reported in the Natural Gas Clearing House, and the average gas prices for the months October, 2002 through March, 2003 shall be the New York Mercantile Exchange (NYMEX) Henry Hub settled price on the last trading day for the month, as reported in the Wall Street Journal. The secretary of the Department of Revenue shall publish the "gas base rate adjustment" and the "gas tax rate", as determined ~~under~~ in accordance with this Subparagraph, in the official journal of the state of Louisiana by May first of each year and shall provide the "gas base rate adjustment" and the "gas tax rate" to affected producers by written notice mailed sixty days prior to the effective date thereof~~, but~~; however, failure to ~~make such publication~~ publish the information or ~~to~~ give ~~such~~ notice thereof as required by this Item shall not be a condition for the new gas tax rate which shall nevertheless be effective.

(ii) If publication of the NYMEX Henry Hub average monthly gas price data is discontinued, the "gas tax rate" shall remain ~~that~~ the last rate established ~~under~~ pursuant to this Subparagraph until a comparable method for determining the "gas tax rate" is adopted by the legislature.

(iii) If the base data of the NYMEX Henry Hub average monthly gas price is substantially revised, the secretary of the Department of Energy and Natural

Resources shall make appropriate adjustment to ensure that the "gas base rate adjustment" is reasonably consistent with the result which would have been attained had ~~such substantial~~ that revision not been made. If the secretary is unable to make reasonable changes sufficient to ensure a consistent result, the "gas tax rate" shall remain ~~that~~ the last rate established ~~under~~ pursuant to this Subparagraph until a comparable method for determining the "gas tax rate" is adopted by the legislature.

(iv) The provisions of this Subparagraph ~~(d)~~ shall affect only the determination of the rate of the tax on the severance of a quantity of natural gas. They are not intended, nor shall they be construed, to affect any other determination whatsoever including but not limited to the determination of any royalty due under mineral leases.

(v) Production of natural gas, gas condensate, and oil from any well drilled to a true vertical depth of more than fifteen thousand feet, where production commences after July 31, 1994, shall, from the date commercial production begins, be exempt from severance tax~~, from the date commercial production begins,~~ for twenty-four months or until payout of the well cost, whichever comes first. For the purpose of this exemption, the date commercial production begins shall be the first day the well produces into the permanent production equipment and the facilities have been constructed to process and deliver natural gas, gas condensate, or oil to a sales point. The date of a drill-stem test, production test, or any other related production shall not be considered, construed, or deemed the date commercial production begins regardless of whether such activities are classified as active production by the office of conservation ~~of the Department of Energy and Natural Resources~~. The date commercial production begins may be a date subsequent to the well completion date.

(e)(i) The gas severance tax shall not accrue on ~~the severance of gas~~ any of the following:

~~(i) Which~~ (aa) Gas which is subsequently injected into a formation in the state of Louisiana for the purpose of storing by the producer. Gas injected into a formation in the state of Louisiana for the purpose of recycling, repressuring, or pressure maintenance, or for any other purpose which increases the ultimate recovery of oil or other hydrocarbons, shall be taxable at the time of initial severance, but the taxpayer injecting ~~such~~ the gas, regardless of whether he ~~be~~ is the initial severer ~~or not~~, shall be allowed a credit against any tax otherwise currently due at the current tax rate for the volume ~~so~~ of gas injected. If gas ~~on~~ for which an exemption or credit as provided ~~for~~ in this ~~Item (i)~~ Subitem has been allowed is subsequently severed from the earth, the tax ~~herein provided~~ imposed by this Paragraph shall ~~thereupon~~ accrue on that gas unless otherwise excluded.

~~(ii) Originally~~ (bb) Gas originally produced without the state of Louisiana which has been injected into the earth within the state of Louisiana for the purpose set forth in Item (i) ~~above~~ of this Subparagraph.

~~(iii) When~~ (cc) Gas produced from oil wells and vented or flared directly into the atmosphere~~, provided such~~ if that gas is not otherwise sold.

~~(iv) Used~~ (dd) Gas used for drilling fuel in the field where produced, whether used as drilling fuel by the producer of the gas, ~~by~~ the operator of a lease, or ~~by~~ another person, and gas used by the operator as described in R.S. 47:640 on leases operated by ~~such~~ the operator for fuel in connection with the operation and development for or production of oil and gas in the field where produced. Gas used for fuel by an operator shall include gas used for heating, separating, producing, dehydrating, compressing, and pumping of oil and gas in the field where the gas is produced ~~provided such~~ if that gas is not otherwise sold. Gas used for drilling fuel in the field where the gas is produced shall include gas used by the operator or by any other person engaged in drilling in the field where the gas is produced.

~~(v) Consumed~~ (ee) Gas consumed in the production of natural resources in the state of Louisiana.

~~(vi) When~~ (ff) Gas produced from gas wells and vented or flared directly into the atmosphere~~, provided such~~ if that gas is not otherwise sold.

~~(vii) Used~~ (gg) Gas used in the manufacture of carbon black.

(ii) ~~Provided that gas~~ Gas injected into an oil well to be used in lifting oil by the method commonly known as gas lift shall not be deemed to be produced from the gas lift well, but ~~such~~ the gas shall not be taxable unless it is subsequently used for purposes not exempt ~~under~~ by any provisions of this ~~Section~~ Subsection.

~~(10)~~ (6) On sulphur, one dollar and three cents per long ton of two thousand, two hundred forty pounds.

~~(11)~~ (7) On salt, six cents per ton of two thousand pounds.

~~(12)~~ (8) On coal, ten cents per ton of two thousand pounds.

~~(13)~~ (9) On lignite, twelve cents per ton of two thousand pounds.

~~(14)~~ (10) On ores, ten cents per ton of two thousand pounds.

~~(15)~~ (11) On marble, twenty cents per ton of two thousand pounds.

~~(16)~~ (12) On stone, three cents per ton of two thousand pounds.

~~(18)~~ (13) On sand, six cents per ton of two thousand pounds.

~~(19)~~ (14) On shells, six cents per ton of two thousand pounds.

~~(20)~~ (15) On salt content in brine extracted or produced in solution from the soil or water, when ~~the same is~~ used in the manufacture of other products and ~~is~~ not marketed as salt, one-half cent per ton of two thousand pounds.

B. The Louisiana Forestry Commission may base its determination of the market value of trees, timber, and pulpwood as provided in Paragraphs (A)(1) and (2) of this Section with consideration of sales of timber as reported to the Department of Revenue and in the "Quarterly Report of Forest Products" published by the Department of Agriculture and Forestry, and with consideration of any other information as the commission deems appropriate.

* * *

§645. Disposition of collections

A. All taxes levied in this Part shall be collected monthly by the secretary and~~, except as otherwise provided herein and in R.S. 30:301 et seq. and in R.S. 49:213.7,~~ shall be paid by him into the state treasury immediately upon receipt. When so paid, all of the severance taxes collected on natural resources, severed from soil or water, including salt content in brine, not otherwise allocated by the Constitution of Louisiana, shall be credited to the state treasury.

B. (1)Severance taxes shall be credited by the treasurer for allocation to the governing authority of the parish within which severance or production occurs as provided in Article VII, Section 4 of the Constitution of Louisiana as follows:

(a) One-third of the sulphur severance tax. ~~but not to exceed one hundred thousand dollars, one-fifth~~

(b) One-third of the lignite severance tax.

(c) One-fifth of the severance tax on all natural resources other than sulphur, lignite, or timber. ~~but not to exceed five hundred thousand dollars, and three-fourths~~

(d) Three-fourths of the timber severance tax. ~~shall be allocated to the governing authority of the parish within which severance or production occurs and shall be credited to such parish by the treasurer for allocation to the governing authority of the parish in which severance or production occurs as provided in Article VII, Section 4 of the Constitution of 1974.~~

(2) The allocated amounts shall not exceed the limits set forth in Article VII, Section 4 of the Constitution of Louisiana. When these limits have been reached, there shall be no further allocation, and all additional collections for the year shall be credited in full to the state treasury except as provided in R.S. 30:88.1.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________________