

Natural Gas Severance Tax Computation

As specified in R.S. 47:633(9)(d)(i)

BASE YEAR

Base year price for use in denominator is \$1.7446 \$/MMBTU as specified by Act 387 of 1990 and Act 1 of 2003, Regular Sessions of the Legislature.

PRESENT YEAR

Present year price for use in numerator is 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 starting April 1 of the previous year and ending March 31 of the present year.

YEAR	MONTH	SETTLE
2017	April	\$3.175 \$/MMBTU
2017	May	\$3.142 \$/MMBTU
2017	June	\$3.236 \$/MMBTU
2017	July	\$3.067 \$/MMBTU
2017	August	\$2.969 \$/MMBTU
2017	September	\$2.961 \$/MMBTU
2017	October	\$2.974 \$/MMBTU
2017	November	\$2.752 \$/MMBTU
2017	December	\$3.074 \$/MMBTU
2018	January	\$2.738 \$/MMBTU
2018	February	\$3.631 \$/MMBTU
2018	March	\$2.639 \$/MMBTU
2017/18 Year		\$3.030 \$/MMBTU

Present Year (PY) Price - Year 2017/18	\$3.0298 \$/MMBTU
Base Year (BY) Price	\$1.7446 \$/MMBTU
Base natural gas severance tax rate (BST)	\$0.07 per MCF

FISCAL YEAR 2018/19

NATURAL GAS BASE RATE ADJUSTMENT (GBRA)

$$\text{GBRA} = \text{PY} \div \text{BY} = 2.4411 / 1.7446 = \mathbf{1.7367}$$

NEW ANNUAL GAS TAX RATE (AGTR)

$$\text{AGTR} = \text{BST} \times \text{GBRA} = 1.3992 * \$0.07 = \quad \mathbf{\$0.1216}$$

Fiscal Year 2018/19 ANNUAL GAS TAX RATE = \$0.122 per MCF
