

LOUISIANA SEVERANCE TAX

(The following is the Technology Assessment Division summary of the law.
For legal definition look them up in the LSA at the indicated statutory citation.)

Severance tax is levied on production of natural resources taken from land or water bottoms within the territorial boundaries of the state. The state collects no severance from production in federal waters in the Gulf which start three miles from the Louisiana coast line. Natural resources are all forms of timber, including pulp woods, and turpentine and other forest products; minerals such as oil, gas, natural gasoline, distillate, condensate, casinghead gasoline, sulphur, salt, coal, lignite, and ores; also marble, stone, gravel, sand, shells, and other natural deposits; and the salt content in brine. Oil and gas collections account for almost 92 percent of all severance tax collections. Because of the significant revenues generated, the focus will be centered on the oil and gas Severance tax is paid by the owners of the natural resources at the time of severance.

Tax Rates

The capable tax rate for oil and condensate is 12.5 percent of value and accounts for over 85 percent of the oil and condensate tax collections. There is also an incapable rate and a stripper rate for low-producing oil wells. The current oil severance tax rates are listed the Oil Severance Tax Rates page. Historical oil rates are listed in the Historical Oil Severance Tax Rates page. The capable rate for gas, for fiscal year 2008-2009 is 28.8¢ per MCF, is responsible for over 91 percent of total gas tax collections. There are also reduced tax rates for low-pressure oil-well gas and incapable gas-well gas. The current severance tax rates are listed in the Gas Tax Rates page. Historical gas rates are listed in the Historical Gas Severance Tax Rates page.

Types of Severance Tax Exemptions

Severance tax exemptions for oil, gas, and minerals are in the form of exclusions, exemptions, deductions, and suspensions. Exclusions are by statute and refer to specific categories of natural gas upon which the tax shall not accrue. Exemptions and suspensions are also statutorily mandated and exempt or suspend the tax on oil or gas severed from wells that meet certain criteria. Deductions are defined as a credit against or a reduction to the taxable base.

OIL SEVERANCE TAX RATES

(The following is the Technology Assessment Division summary of the law.
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- 1. Oil Full Rate** STATUTORY CITATION: R.S. 47:633(7)(a)
12-1/2 % of its value at the time and place of severance.
It has not changed since 1974. For previous tax rate see Historical Oil Severance Tax Rates page.
- 2. Incapable Oil Rate** STATUTORY CITATION: R.S. 47:633(7)(b)
6-1/4 % of its value. Oil produced from a well that is incapable of producing an average of more than twenty-five barrels of oil per day during the entire taxable month, and which also produces at least fifty percent salt water per day. On multiple well leases all wells must meet the criteria to be able to qualify for the exemption.
- 3. Stripper Oil Rate** STATUTORY CITATION: R.S. 47:633(7)(c)
3-1/8 % of its value. Oil produced from a well that is incapable of producing an average of more than ten barrels of oil per day during the entire taxable month.
- 4. Reclaimed Oil Rate** STATUTORY CITATION: R.S. 47:648.21
3-1/8 % of its value. Reclaimed oil which has been reclaimed by class one salvage crude reclamation facilities which are permitted by the Office of Conservation - 3-1/8% of value received for the first purchase. Any person or affiliate of a person engaged in severing oil, gas or other natural resources, or operating oil or gas property, or other property from which natural resources are severed, shall not be eligible for the reduced tax rate.
- 5. Condensate Rate** STATUTORY CITATION: R.S. 47:633(8)
12-1/2 % of its value at the time and place of severance.

HISTORICAL OIL SEVERANCE TAX RATES

The first tax, based on the severance of oil was imposed in 1910. This tax was levied as an occupational license tax at a rate of 2/5¢ per barrel of oil. There have been many changes in the tax rates since 1910, including fluctuations from a volumetric to a percentage-of-value based tax. The changes are listed below in chronological order

- 1910 Oil and condensate 2/5¢ per barrel
- 1912 Oil and condensate 0.5% of gross value less royalty interest
- 1920 Oil and condensate 2% of gross value
- 1922 Oil and condensate 3% of gross market value
- 1928 Oil and condensate 4 -11¢ per barrel depending on gravity
- 1940 Oil 6-11¢ per barrel depending on gravity; condensate 11¢ per barrel
- 1948 Oil 18-26¢ per barrel depending on gravity; condensate 20¢ per barrel
- 1974 Oil and condensate 12.5% of value

GAS SEVERANCE TAX RATES

(The following is the Technology Assessment Division summary of the law.
For legal definition look them up in the LSA at the indicated statutory citation .)

1. Gas Full Rate

STATUTORY CITATION: R.S. 47:633(9)(a)

The adjusted severance gas full rate is:

from July 1, 2016, through June 30, 2017, is **9.8 cents** per MCF,

from July 1, 2017, through June 30, 2018, is **11.1 cents** per MCF.

Previous year tax rate see Historical Severance Gas Tax Rates page.

2. Incapable Oil Well Gas

STATUTORY CITATION: R.S. 47:633(9)(b)

3 cents per MCF for gas produced from an oil well, which has a wellhead pressure of fifty pounds per square inch gauge 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.

3. Incapable Gas Well Gas

STATUTORY CITATION: R.S. 47:633(9)(c)

1-3/10 cents per MCF for gas produced from a gas well, which is incapable of producing an average of 250,000 cubic feet of gas per day. 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.

4. Contract Rate

STATUTORY CITATION: R.S. 47:633.1(C)

Gas sold under a written agreement requiring seller to pay tax without any reimbursement or with less than fifty percent reimbursement:

{ 3 cents per MCF for gas sold under a contract, in existence prior to May 1, 1972, at a price less than the Federal Power Commission (FPC) authorized area rate, which requires the seller to pay and bear all of the severance tax without reimbursement of any portion of it.

{ 4 cents per MCF for gas sold at a rate less than that authorized as the area ceiling ordered by the FPC in opinion nos. 598 and 607, under contracts in existence prior to November 25, 1973, which require the seller to pay and bear more than fifty percent of any increase in severance tax.

{ Not to exceed 7 cents per MCF for gas sold at a rate less than fifty-two cents per MCF under contract prior to July 1, 1970. This rate is effective for the duration of the contract, whether or not such contract has been amended or supplemented subsequent to July 1, 1970, provided that the gas is sold for less than the prices previously specified.

HISTORICAL GAS SEVERANCE TAX RATES

The first tax, based on the severance of gas was imposed in 1910, The gas tax rate was 1/5 cents per 10,000 cubic feet or 10 MCF for gas. Act 140 of 1922 carried into effect a 1921 constitutional authority for a severance tax. There have been many changes in the tax rates since 1910. Act 387 of 1990 amended the gas severance from a base tax rate to one that will be adjusted annually thereafter by an index (gas base rate adjustment). This indexed rate became effective on July 1, 1990. The changes are listed below in chronological order.

1910	1/5¢	per 10 MCF
1912	0.5%	of gross value less royalty interest
1920	2.0%	of gross value
1922	3.0%	of gross market value
1928	1/5¢	per MCF
1936	3/10¢	per MCF
1958	2.3¢	per MCF
1972	3.3¢	per MCF
1974	7.0¢	per MCF
July 1990	10.0¢	per MCF, indexed annually
July 1991	9.0¢	per MCF, indexed annually
July 1992	7.0¢	per MCF, indexed annually
July 1993	7.5¢	per MCF, indexed annually
July 1994	8.7¢	per MCF, indexed annually
July 1995	7.0¢	per MCF, indexed annually
July 1996	7.7¢	per MCF, indexed annually
July 1997	10.1¢	per MCF, indexed annually
July 1998	9.3¢	per MCF, indexed annually
July 1999	7.8¢	per MCF, indexed annually
July 2000	9.7¢	per MCF, indexed annually
July 2001	19.9¢	per MCF, indexed annually
July 2002	12.2¢	per MCF, indexed annually
July 2003	17.1¢	per MCF, indexed annually
July 2004	20.8¢	per MCF, indexed annually
July 2005	25.2¢	per MCF, indexed annually
July 2006	37.3¢	per MCF, indexed annually
July 2007	26.9¢	per MCF, indexed annually
July 2008	28.8¢	per MCF, indexed annually
July 2009	33.1¢	per MCF, indexed annually

July 2010	16.4¢	per MCF, indexed annually
July 2011	16.4¢	per MCF, indexed annually
July 2012	14.8¢	per MCF, indexed annually
July 2013	11.8¢	per MCF, indexed annually
July 2014	16.3¢	per MCF, indexed annually
July 2015	15.8¢	per MCF, indexed annually
July 2016	9.8¢	per MCF, indexed annually
July 2017	11.1¢	per MCF, indexed annually

GAS SEVERANCE TAX BASE RATE ADJUSTMENT

Natural gas severance tax rate has changed numerous times since it was first instituted. The historical gas severance full rate is listed in the Historical Gas Severance Tax Rates page. In 1989, the legislative Act 387 amended R.S. 47:633 to change the base severance tax on natural gas to \$0.10 per MCF effective July 1, 1990, and to be adjusted annually thereafter by a *gas base rate adjustment*. Act 387 further stipulated that the base rate of \$0.10 per MCF would be in effect until June 30, 1992. Effective July 1, 1992 the base rate decreased to \$0.07 per MCF, subject to the annual rate adjustment. The Act also provides that the tax rate shall never be less than \$0.07 per MCF. The Act also directs the secretary of the Department of Natural Resources (R.S. 47:633(9)(d)(i)) to determine the *gas base rate adjustment* for the 12-month period beginning July 1 of each year. In September 2002, Natural Gas Clearing House stopped the publication of spot market prices used in the calculation of the *gas base rate adjustment*. To change the source of price data used to annually adjust natural gas severance tax House Bill 1010 was introduced. House Bill 1010 became Act 1 of the 2003 Regular Session.

The *gas base rate adjustment* is as follows:

Starting in Fiscal Year 2004/2005, 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 31, 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 transitional year, Fiscal Year 2003/2004, the *gas base rate adjustment* for the twelve month period ending March 31, 2003, the monthly average gas prices used in making the numerator for 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 by Dynegy, Inc. (formerly Natural Gas Clearinghouse in Houston), 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.

Prior to these changes, the *gas base rate adjustment* for the applicable 12-month period was a fraction, the numerator of which was the average of the monthly spot market price of gas fuels delivered into the pipelines in Louisiana as reported by the Dynegy Inc. (formerly Natural Gas Clearinghouse) for the previous 12-month period ending on March 31, and the denominator of which was the average of the monthly spot market price of gas fuels delivered into the pipelines in Louisiana as reported by the Natural Gas Clearinghouse for the 12-month period ending March 31, 1990 (1.7446 \$/MMBTU).

This *gas base rate adjustment* is then to be used by the secretary of the Department of Revenue and Taxation to adjust the annual gas tax rate for the next fiscal year beginning on July 1 by multiplying the base tax rate by the *gas base rate adjustment*.

The following is a list of severance full tax rates, base rates, and tax rate adjustment indexes.

YEAR	TAX RATE (cents/MCF)	BASE RATE (cents/MCF)	RATE ADJUSTMENT
FY2000/01	9.7	7.0	1.3855
FY2001/02	19.9	7.0	2.8403
FY2002/03	12.2	7.0	1.7390
FY2003/04	17.1	7.0	2.4383
FY2004/05	20.8	7.0	2.9644
FY2005/06	25.2	7.0	3.6058
FY2006/07	37.3	7.0	5.3272
FY2007/08	26.9	7.0	3.8378
FY2008/09	28.8	7.0	4.1136
FY2009/10	33.1	7.0	4.7282
FY2010/11	16.4	7.0	2.3439
FY2011/12	16.4	7.0	2.3468
FY2012/13	14.8	7.0	2.1200
FY2013/14	11.8	7.0	1.6848
FY2014/15	16.3	7.0	2.3234
FY2015/16	15.8	7.0	2.2501
FY2016/17	9.8	7.0	1.3992
FY2017/18	11.1	7.0	1.5858

OTHER SEVERANCE TAX RATES

(The following is the Technology Assessment Division summary of the law.
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- 1. Brine** STATUTORY CITATION: R.S. 47:633(20)
One-half cents per ton (two thousand pounds).
- 2. Coal** STATUTORY CITATION: R.S. 47:633(12)
Ten cents per ton (two thousand pounds).
- 3. Gravel** STATUTORY CITATION: R.S. 47:633(17)
Six cents per ton (two thousand pounds).
- 4. Lignite** STATUTORY CITATION: R.S. 47:633(13)
Twelve cents per ton (two thousand pounds).
- 5. Marble** STATUTORY CITATION: R.S. 47:633(15)
Twenty cents per ton (two thousand pounds).
- 6. Ores** STATUTORY CITATION: R.S. 47:633(14)
Ten cents per ton (two thousand pounds).
- 7. Pulpwood** STATUTORY CITATION: R.S. 47:633(2)
Five percent current stumpage as determined by the Louisiana Forestry Commission and the Louisiana Tax Commission.
- 8. Salt** STATUTORY CITATION: R.S. 47:633(11)
Six cents per ton (two thousand pounds).
- 9. Sand** STATUTORY CITATION: R.S. 47:633(18)
Six cents per ton (two thousand pounds).
- 10. Shell** STATUTORY CITATION: R.S. 47:633(19)
Six cents per ton (two thousand pounds).
- 11. Stone** STATUTORY CITATION: R.S. 47:633(16)
Three cents per ton (two thousand pounds).
- 12. Sulphur** STATUTORY CITATION: R.S. 47:633(10)
One dollar and three cents per long ton, (two thousand two hundred forty pounds).
- 13. Timber** STATUTORY CITATION: R.S. 47:633(1)
Two and one-quarter percent of the current stumpage value by the Louisiana Forestry Commission and the Louisiana Tax Commission.

LOUISIANA GAS SEVERANCE TAX EXEMPTIONS

(The following is the Technology Assessment Division summary of the law.
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NATURAL GAS TAX EXCLUSIONS

1. Injection

STATUTORY CITATION: R.S. 47:633(9)(e)(i)

An exclusion for gas injected into producing reservoirs. The injected gas maintains reservoir pressure and enhances the recovery of hydrocarbons. This gas can be reproduced and sold at later time, and at that time the tax will be paid. This is really more of a deferred payment than an exclusion. The purpose of this exclusion is to promote secondary recovery and repressurization programs. Origin: Acts 1940, No.145

2. Produced outside the state of Louisiana

STATUTORY CITATION: R.S. 47:633(9)(e)(ii)

An exclusion is allowed for gas produced outside the state and brought into Louisiana to be injected into producing reservoirs. The purpose of this exclusion is to clarify that natural gas severed outside the state is not taxable. Origin: Acts 1960, No.2

3. Flared or vented

STATUTORY CITATIONS: R S 47 633(9)(e)(iii)

STATUTORY CITATIONS: R S 47.633(9)(e)(vi)

An exclusion is allowed for gas, which is normally vented or flared when testing, waiting on sales line, or when produced in noncommercial quantities. The purpose of this exclusion is to provide financial relief to producers of natural gas and casinghead gas. Origin: Acts 1935, No.24

4. Consumed in field operations

STATUTORY CITATIONS: R.S.47:633(9)(e)(iv)

An exclusion is allowed for gas used or consumed for fuel in maintaining the operation of a field. This includes gas used for heating, separating, producing, dehydrating, compressing, and pumping of oil and gas in the field where produced provided that such gas is not otherwise sold. The purpose of this exclusion is to provide financial assistance to qualifying producers Origin: Acts 1958, No.2

5. Consumed in the production of natural resources

in the state of Louisiana

STATUTORY CITATION: R.S.47:633(9)(e)(v)

An exclusion is allowed for gas consumed in the production of natural resources, other than oil and gas, in the state of Louisiana. The purpose of this exclusion is to provide financial assistance to qualifying producers. Origin: Acts 1974, No.5

6. Used in the manufacture of

carbon black

STATUTORY CITATION: R.S.47:633(9)(e)(vii)

An exclusion is allowed for gas consumed in the manufacture of carbon black in plants. The producer and seller of the gas are allowed an exclusion from the severance tax that in turn lowers the sales price. The purpose of this exclusion is to provide financial assistance to carbon-black manufacturers. Origin: Acts 1958, Ex. Sess.,

**[MORE EXEMPTIONS ARE LISTED IN THE LOUISIANA
OTHER SEVERANCE TAX EXEMPTIONS PAGE](#)**

LOUISIANA OIL SEVERANCE TAX EXEMPTIONS

(The following is the Technology Assessment Division summary of the law.
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OIL TAX DEDUCTION

1. Trucking, barging, and pipeline fees STATUTORY CITATION: R.S. 47:633(7)(a)

The Department of Revenue and Taxation's regulation, LAC 61:1.2903, allows producers to deduct a 25¢ per barrel for transporting oil or condensate from producing fields to processing facilities or the actual amount charged by transporters. The purpose of the regulation is to allow a standard 25¢ per barrel deduction for all producers.

SEVERANCE TAX SUSPENSIONS

1. Tertiary recovery STATUTORY CITATION: R.S.47:633.4

This suspension allows crude oil production, from a qualified tertiary (large scale carbon dioxide injection projects) project approved by the Department of Natural Resources, not to pay severance tax until such project has reached pay-out. Origin: Acts 1983, Ex. Sess.,No. 643

2. Horizontal mining and drilling projects STATUTORY CITATION: R.S. 47:633(7)(c)(ii)(aa)

The working-interest owners of horizontal mining and drilling projects approved by the Office of Conservation are taxed at the special reduced rate of 3.125 percent of value until the cumulative value of hydrocarbon production from the project equals 2.33 times the private investment invested by the working interest owners. Origin: Acts 1990, No.551

**[MORE EXEMPTIONS ARE LISTED IN THE LOUISIANA
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LOUISIANA OTHER SEVERANCE TAX EXEMPTIONS

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SEVERANCE TAX SUSPENSIONS - Act 2 of the 1994 Regular Session

Act 2 was enacted in the summer of 1994 to give the oil and gas industry some relief by providing economic incentives to drill new wells and to continue production from marginal wells. Provisions 3 and 5 below that would have expired in 1996 were extended for two years in 1996 and again in 1998 by the legislature. Provisions 3 and 5 expired in 2000. Provision 3 was renewed in a modified form by Act 74 of 2002 and by Act 492 of 2005. The current provisions of this legislation are summarized below:

1) Stripper oil-value less than \$20 per barrel

STATUTORY CITATION: R.S. 47.633(c)(i)(bb)

Any oil well certified as a stripper well (0 - 10 barrels per day) shall be exempt from severance tax in any month in which the average posted price for a 30-day period is less than \$20.00 per barrel.

2) Horizontal wells

STATUTORY CITATION: R.S. 47:633(7)(c)(iii)

On any horizontally drilled well or any horizontal recompletion from which production commences after July 31, 1994, all severance tax shall be suspended for a period of 24 months or until payout of well cost is achieved, whichever comes first. Payout of well cost shall be the cost of completing the well to commencement of production.

3) Inactive wells *EXPIRED*

STATUTORY CITATION: R.S. 47:633(7)(c)(iv)

To qualify for this exemption oil and gas wells must be inactive for 2 or more years or have 30 days or less of production during the past 2 years and an application for the exemption must be made to the Department of Natural Resources before commencement of production.

- a) For wells certified between July 31, 1994 and June 30, 2000, and between July 1, 2002 and December 31, 2004 production shall be exempt from severance tax for a period of 2 years.
- b) For wells certified between January 1, 2005 and June 30, 2010 production shall be exempt from severance tax for a period of 5 years, and 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.

4) Deep wells

STATUTORY CITATION: R.S. 47:633(9)(d)(v)

Wells drilled to a true vertical depth of 15,000 feet or more, where production commences after July 31, 1994 shall be exempt from severance tax for 24 months from the date production begins, or until payout of well cost, whichever comes first.

5) New discovery wells *EXPIRED*

STATUTORY CITATION: R.S. 47:648.1 et seq.

All severance tax on production from certified new oil and natural gas discovery wells is suspended for a period of 24 months from the date of completion or until recovery of payout of well cost, whichever comes first. The well must be completed between September 30, 1994 and September 30, 2000.

These drilling and production incentives in Louisiana and similar ones in Texas and surrounding states are difficult to accurately determine their impact due to the simultaneous development of other concurrent changes, most notably the almost explosive application of 3-D seismic exploration technology during the same period. The exception is the reentry incentive which seems to have had a significant impact on reactivating inactive wells and for using old well bores as a point of entry to lateral off into new producing zones identified by new 3-D seismic data. The actual effects of the remainder of the incentives are not nearly so clear to decipher.

TAX INCENTIVE

Produced water injection incentive

STATUTORY CITATION: R.S. 47:633.5(C)

To help accomplish the objective of reducing the discharge of produced water, and to help ease the tremendous financial burden placed upon the oil and gas industry. An economic incentive to producers of oil and gas by allowing them to realize a severance tax savings if they inject produced water into an oil and gas reservoir, from the same reservoir and field, for the purpose of increasing the recovery of hydrocarbons therefrom.

The severance tax otherwise due on oil and gas shall be reduced as follows:

- (1) On the recovery of oil, the severance tax on one barrel of oil incrementally produced therefrom shall be reduced by twenty percent of the tax that otherwise would be due.

- (2) On the recovery of gas, the severance tax on one thousand cubic feet of gas incrementally produced therefrom shall be reduced by twenty percent of the tax that otherwise would be due.

The assistant secretary of the office of conservation and the secretary of the Department of Revenue shall jointly adopt rules, regulations, and orders for the proper administration of this incentive. And this severance tax reduction shall not apply to or reduce that portion of severance taxes dedicated to the parishes.

Acts 1991, No. 625, eff. July 17, 1991; Acts 1998, No. 67

MINERAL EXEMPTION

**Owned and severed by
political subdivisions**

STATUTORY CITATION: R.S.47:632(B)

This exemption, enacted in 1988, applies to any political subdivision of the state that owns and severs minerals for its own use. Origin: Acts 1988, No. 594

LOUISIANA ROYALTY INCENTIVES

(The following is the Technology Assessment Division summary of the law.
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DRY HOLE CREDIT WELL PROGRAM *EXPIRED*

The program is considered an incentive to oil and gas producers. According to provisions of the Dry Hole Credit Well program, any new well drilled for purposes of developing and producing oil and gas resources which is spudded after July 1, 2005 and completed before June 30, 2009 can qualify as a royalty relief receiving well, provided the well is drilled after certification of a dry hole credit well and drilled on a state lease within the coastal zone. The regulation also requires the well to be drilled at a depth below 19,999 feet. The amount of the credit will be fifty percent of the cost of the dry hole.

SEVERANCE TAX EXEMPTIONS & INCENTIVE SUMMARY LIST

Natural Gas Tax Exemptions

Severance tax suspensions

- Deep wells (Act 2, 1994)
- Horizontal wells (Act 2, 1994)
- Inactive wells (Act 2, 1994) Expired in June 2010
- New discovery wells (Act 2, 1994) Expired in Sept. 2000
- Produced water injection incentive

Severance tax exclusions

- Injection
- Produced outside the state of Louisiana
- Flared or vented
- Consumed in field operations
- Consumed in the production of natural resources
- Used in the manufacture of carbon black

Oil Tax Exemptions

Severance tax deduction

- Trucking, barging, and pipeline fees

Severance tax suspensions

- Deep wells (Act 2, 1994)
- Horizontal mining and drilling projects
- Horizontal wells (Act 2, 1994)
- Inactive wells (Act 2, 1994) Expired in June 2010
- New discovery wells (Act 2, 1994) Expired in Sept. 2000
- Produced water injection incentive
- Stripper oil-value less than \$20 per barrel (Act 2, 1994)
- Tertiary recovery

TAX INCENTIVE

- Produced water injection incentive

Mineral Tax Exemptions

Severance tax exemptions

- Owned and severed by political subdivisions

Royalty Incentive

- Dry hole credit well program** Expired in June 2009

[FOR DESCRIPTION OF THE ABOVE EXEMPTIONS SEE
THE SEVERANCE TAX EXEMPTIONS PAGES](#)