



Revenue Information Bulletin No. 12-018

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Severance Tax

Severance Tax Remittances on Horizontal and Deep Wells

Louisiana Revised Statutes 47:633(7)(c)(iii) and (9)(d)(v) allow for the suspension of severance tax on horizontal or deep wells for two years or until payout, whichever occurs first. In order to reflect oil and gas severance tax collections more accurately, the Louisiana Department of Revenue will no longer require severance tax payments on production from horizontal or deep wells for which final approval is pending from the Office of Conservation on the Application for Well Status Determination beginning with the June production month, due August 25.

The operator is required to file the corresponding G-5 or O-5 forms along with the detail G-1D or O-1D for these wells during the suspended period. When filing the G-1D and O-1D reports, the operator should insert the well serial code in place of the lease code. Operators are responsible for calculating their payout. Operators must begin paying severance tax on horizontal or deep wells two years after production begins, or after the well reaches payout, whichever occurs first. Operators are responsible for any severance tax, interest, and penalty due from exceeding the suspended tax period for the well.

If you have questions or need assistance please contact the Louisiana Department of Revenue Special Programs Division at 225-219-7656, option 3, or by email at severance.inquiries@la.gov.

Cynthia Bridges
Secretary

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