

Revenue Information Bulletin No. 05-010
July 25, 2005
Severance Tax

Oil and Gas Severance Tax Due Dates Extended

Act 446 of the 2005 Regular Legislative Session amended R.S. 47:635 and 640 to extend the oil and gas severance tax report and payment due dates until the 25th day of the second month following the month of production effective with the October 2005 production month, which will be due December 25, 2005. This will eliminate the different natural gas severance tax filing requirements based on average payment amounts.

Because the extension will delay the October oil and gas severance tax payments until December 25, 2005, the Act requires taxpayers that were registered before January 1, 2005, to make a one-time payment of oil and gas severance taxes on or before November 25, 2005. In accordance with R.S. 47:635(A)(3), the one-time payment shall be borne by the parties responsible for remitting the severance taxes and not by the responsible parties' royalty and overriding royalty owners. Natural gas severance tax filers whose monthly payments averaged less than \$100,000 and who were previously required to file their statements by the 15th day of the second month following the month to which the tax was applicable are not required to make this one-time payment.

Taxpayers will be notified of the one-time payment amount, which will be determined based upon the lesser of the average monthly payment for the period July 1, 2004, through June 30, 2005, or January 31, 2005, through June 30, 2005. If a taxpayer believes that the one-time payment amount is not reflective of their current production, the taxpayer may apply to the Secretary for a reduction.

Notices of the one-time payment amounts will be issued by September 9, 2005. Requests for payment reductions must be filed by October 1, 2005.

The one-time payments will be locked and will not be used to offset any other liability of the taxpayer. When the taxpayer ceases operations in the state, the one-time payment can be used as a credit against the amount due on the taxpayer's final return. Any remaining balance after the final return has been filed will be refunded to the taxpayer.

This Act also enacted R.S. 47:1520(A)(3) to authorize the Secretary to require persons severing oil or gas that are required to file reports under R.S. 47:635(A)(2) or 640(A)(2) to file returns electronically. Electronic filing requirements will be adopted by administrative rule and affected taxpayers will be notified of the requirements and procedures at that time.

Questions concerning the one-time payment requirement or any other provision of the act should be directed to the Taxpayer Services Division at 225•219•7656, Option 1.

Cynthia Bridges
Secretary