

**Revenue Information Bulletin No. 06-007
December 23, 2005
Sales Tax**

2006 Taxable Value for Refinery Gas

Revised Statute 47:301(3)(f) and (13)(d) provide that the taxable value for refinery gas will be computed annually by multiplying 52 cents per thousand cubic feet by a fraction of which the numerator is the posted price for a barrel of West Texas Intermediate Crude Oil on December first of the preceding calendar year and the denominator is \$29.

The posted price for a barrel of West Texas Intermediate Crude Oil on December 1, 2005, was \$58.48 and the taxable value for refinery gas for 2006 was computed as follows:

$$\$0.52 \times \left(\frac{\$58.48}{\$29} \right) = \$1.048 \text{ per MCF}$$

Accordingly, the taxable value for refinery gas for sales and use tax purposes for calendar year 2006 has been set at \$1.048 per thousand cubic feet (MCF). This price is the maximum value that can be set for refinery gas by state and local authorities.

Refinery gas valuations for previous years are as follows:

2005.....	\$.837
2004.....	\$.505
2003.....	\$.441
2002.....	\$.304
2001.....	\$.58

Previously, refinery gas that was sold, exchanged, or bartered, rather than used by the producer, was subject to sales tax at a different value. However, Acts 2005, No. 458 amended R.S. 47:301(13)(d) to change the definition of “sales price” for refinery gas to be the same as the “cost price” for use tax purposes.

For questions concerning the cost price for refinery gas for state purposes, call the Taxpayer Services Division at (225) 219-7318. Questions about the valuation adopted by local authorities should be directed to the appropriate local authority.

Cynthia Bridges
Secretary