



**Revenue Information Bulletin No. 08-004
December 17, 2007
Sales Tax**

2008 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. Since December 1, 2007 fell on a Saturday, the posted price used in the computation was the average of the posted prices for West Texas Intermediate Crude Oil as reported by the Wall Street Journal for November 30, 2007, and December 3, 2007. This average was \$89.32. The taxable value for refinery gas for 2007 was computed as follows:

$$\$0.52 \times \left(\frac{\$89.32}{\$29} \right) = \$1.601 \text{ per MCF}$$

Accordingly, the taxable value for refinery gas for sales and use tax purposes for calendar year 2008 has been set at \$1.601 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:

2007.....	\$1.137
2006.....	\$1.048
2005.....	\$.837
2004.....	\$.505
2003.....	\$.441
2002.....	\$.304

Prior to July 11, 2005, 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

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