



**Revenue Information Bulletin
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Sales Tax**

2010 Taxable Value for Refinery Gas

Louisiana Revised Statutes 47:301(3)(f) and 47:301(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 1 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, 2009, was \$78.37, so the taxable value for refinery gas for 2010 is computed as follows:

$$\$0.52 \times \left(\frac{\$78.37}{\$29} \right) = \$1.405 \text{ per MCF}$$

Accordingly, the taxable value for refinery gas for sales and use tax purposes for calendar year 2010 has been set at \$1.405 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:

2009.....	\$.884
2008.....	\$1.601
2007.....	\$1.137
2006.....	\$1.048
2005.....	\$.837
2004.....	\$.505

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, Act 458 of the 2005 Regular Session of the Louisiana Legislature amended La. 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.

Questions concerning the cost price of refinery gas for state purposes should be directed to the Louisiana Department of Revenue’s Special Programs Division at 225-219-7356, or by email to sales.inquiries@la.gov. Questions about the valuation adopted by local authorities should be directed to the appropriate local authority.

Cynthia Bridges
Secretary

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