

2025 Regular Session

HOUSE BILL NO. 444

BY REPRESENTATIVE MACK

ENERGY: Creates an injection tax for carbon dioxide sequestration

1 AN ACT

2 To enact R.S. 30:1116, relative to a carbon dioxide sequestration injection tax; to establish
3 a tax on the injection of carbon dioxide for geologic sequestration; to provide for the
4 amount of the tax; to provide for reporting and payment of the tax; to provide for
5 deposit of the tax revenue; to provide for distribution of the tax revenue; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 30:1116 is hereby enacted to read as follows:

9 §1116. Injection tax

10 A. Upon commencement of injection operations by a Class VI well, each
11 storage operator shall be required to pay an injection tax. The amount of the tax
12 shall be equal to three dollars per metric ton of carbon dioxide injected.

13 B.(1) The injection tax shall be reported monthly by the storage operator on
14 a form or return prescribed by the secretary of the Department of Revenue and shall
15 be paid by electronic means to the Department of Revenue on or before the twentieth
16 day of the month following the month to which the tax is applicable. The form or
17 return shall be filed electronically with the Department of Revenue, with a copy
18 submitted simultaneously to the Department of Energy and Natural Resources, office
19 of conservation and shall include the total amount of carbon dioxide injected per well

1 during the month to which the tax is applicable and any other information required
2 by the secretary of the Department of Revenue.

3 (2) The Department of Energy and Natural Resources, office of conservation
4 shall certify the carbon dioxide injection volumes submitted by the operator and
5 provide a copy of the certification to the Department of Revenue.

6 (3) The Department of Revenue and the Department of Energy and Natural
7 Resources may promulgate rules in accordance with the Administrative Procedure
8 Act as are necessary to implement the provisions of this Section, including collection
9 of all taxes, interest, and penalties that may be due, enforcement of the assessment,
10 and the issuance of refunds for any reason to an operator.

11 C. All taxes levied by this Section shall be collected monthly by the
12 secretary of the Department of Revenue and shall be paid by him into the state
13 treasury immediately upon receipt. When so paid, all of the taxes collected on
14 carbon dioxide injection shall be credited to the state treasury. After compliance
15 with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana
16 relative to the Bond Security and Redemption Fund and after a sufficient amount is
17 allocated from that fund to pay all of the obligations secured by the full faith and
18 credit of the state, the treasurer shall allocate the injection tax to the parish or
19 parishes within which the carbon dioxide is stored, to be credited the governing
20 authority of the parish.

21 D. The parish in which carbon dioxide is stored shall be determined based
22 on the area of review on file with the Department of Energy and Natural Resources
23 for the storage facility. If the storage facility is located in more than one parish, all
24 parishes under which the storage facility is located shall be entitled to a proportionate
25 share of the revenue based on the relative proportion of surface area directly above
26 the area of review located in each parish.

27 E. Storage operators shall maintain and make available for inspection by the
28 department any data that is reasonably related to the calculation of payments due
29 under this Section. Upon request of a parish entitled to tax revenue pursuant to this

1 Section, the department is authorized to disclose to the parish any storage facility
2 data that is relevant to the calculation of payments due.

3 F. The revenue received by parishes pursuant to this Section may be used for
4 any lawful purpose.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 444 Original

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Abstract: Creates an injection tax for carbon dioxide sequestration and dedicates the tax revenue to parishes within the storage facility's area of review.

Proposed law requires that carbon dioxide storage operators pay an injection tax of \$3 per metric ton of carbon dioxide injected by a Class VI well.

Proposed law requires the operator to pay the tax electronically to the La. Dept. of Revenue (LDR) each month.

Proposed law also requires the operator to submit a report to both LDR and the Dept. of Energy and Natural Resources (DENR) each month that details to total amount of carbon dioxide injected per well and any other information required by LDR.

Proposed law requires DENR to certify for LDR the injection volumes reported by the operator.

Proposed law authorizes both LDR and DENR to promulgate rules to implement proposed law.

Proposed law requires LDR to pay the taxes paid directly into the state treasury and after being applied to Bond Security and Redemption Fund obligations, the treasurer is required to allocate the tax revenue to the parish or parishes under which carbon dioxide is being stored.

Proposed law provides that if the carbon dioxide is being stored under more than one parish, that the tax revenue will be divided between the parishes based on each parish's proportionate share of the surface area above the storage facility. These amounts are to be determined based on the area of review on file with DENR for each storage facility.

Proposed law requires that storage operators maintain any data used to calculate taxes due and to make such data available for inspection by DENR.

Proposed law further authorizes DENR to disclose this data to any parish entitled to receive tax revenue under proposed law, upon request of the parish.

Proposed law provides that the revenue received by parishes under proposed law may be used by the parish for any lawful purpose.

(Adds R.S. 30:1116)