

House Committee on Ways and Means

Minutes of Meeting
2024 Third Extraordinary Session
November 13, 2024

I. CALL TO ORDER

Representative Julie Emerson, chair of the House Committee on Ways and Means, called the meeting to order at 9:34 a.m. in Room 6, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Julie Emerson, chair
Representative Kendricks "Ken" Brass, vice chair
Representative Dennis Bamburg, Jr.
Representative Michael Robert "Mike" Bayham, Jr.
Representative Beth Anne Billings
Representative Marcus Anthony Bryant
Representative Michael Charles Echols
Representative Les Farnum
Representative Jack "Jay" William Gallé, Jr.
Representative Chance Keith Henry
Representative Jeremy S. LaCombe
Representative Mandie Landry
Representative Wayne McMahan
Representative Brach Jerad Myers
Representative Joseph A. Orgeron
Representative Larry Selders
Representative Roger William Wilder, III
Representative Matthew Willard
Representative Rashid Armand Young
Representative Michael T. Johnson, ex officio

MEMBERS ABSENT:

Myrtis Jarrell, sergeant at arms
Rebecca Marshall, sergeant at arms

STAFF MEMBERS PRESENT:

Jacob Wilkinson, committee administrative assistant
Alison Pryor, senior attorney
Drew Murray, legislative analyst

ADDITIONAL ATTENDEES PRESENT:

Angela McKnight, sergeant at arms
Rebecca Marshall, sergeant at arms

III. INSTRUMENTS TO BE HEARD

House Bill No. 22 by Representative Wilder

Representative Wilder presented House Bill No. 22, which provides for taxation of sports wagering.

Ms. Kathleen Benfield, Louisiana Family Forum, 644 St. Ferdinand, Baton Rouge, LA 70802, spoke in support of House Bill No. 22.

Mr. Peter Robins-Brown, Louisiana Progress, 650 N. 6th. St., Baton Rouge, LA 70802, spoke in support of House Bill No. 22.

Mr. Wade Duty, Louisiana Casino Association, P.O. Box 3801, Baton Rouge, LA 70802, spoke in opposition to House Bill No. 22.

Mr. Samir Mowad, Caesars Entertainment, 8 Canal St., New Orleans, LA 70130, spoke in opposition to House Bill No. 22.

Representative Wilder offered a motion to voluntarily defer action on House Bill No. 22. Without objection, action on House Bill No. 22 was voluntarily deferred by a vote of 11 yeas and 0 nays. Representatives Emerson, Bamburg, Billings, Echols, Farnum, Gallé, Henry, McMahan, Orgeron, Wilder, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in support. Witness cards are included in the committee records.

House Bill No. 25 by Representative Riser

Representative Riser presented House Bill No. 25, which provides relative to severance tax on oil and gas and for dedication of certain severance tax revenues.

Mr. Greg Upton, Louisiana State University (LSU) Center for Energy Studies, Energy Coast & Environment Bldg., Baton Rouge, LA 70808, spoke for information only on House Bill No. 25.

Mr. Mike Mancla, Louisiana Oil and Gas Association (LOGA), 1331 Lakeridge Dr., Baton Rouge, LA 70802, spoke in support of House Bill No. 25.

Mr. Tommy Fauchaux, Mid-Continent Oil & Gas Association (LMOGA), 730 N. Blvd., Baton Rouge, LA 70802, spoke in support of House Bill No. 25.

Representative Orgeron offered amendments which: (1) delete proposed law providing that the computation of severance tax on oil shall be based on the oil price and provide instead that the computation of severance tax on oil shall be based on the oil value; (2) provide that the value of oil shall be the gross receipts received from the first purchaser, less charges for trucking, barging, and pipeline fees; and that in the absence of an arms-length transaction, the value shall be the severer's gross income from the property determined by present law; (3) exempt from severance tax crude oil produced from certified stripper wells in any month in which the average value of oil determined in accordance with proposed law is less than \$20 per barrel; (4) delete proposed law providing that the computation of severance tax on natural gas shall be based on the natural gas price; provide instead that the computation of severance tax on natural gas shall be based on the natural gas market value; (5) establish the methodology by which the natural gas market value shall be determined for purposes of proposed law; (6) delete proposed law providing that gas vented or flared directly into the atmosphere more than 90 days after a well's completion date shall be exempt from severance tax only during short-duration events such as facility upsets, venting to unload wells, workover operations, or other day-to-day operations; otherwise retain present law providing a severance tax exemption for gas vented or flared directly into the atmosphere; (7) provide that production from an oil well that is undergoing or has undergone well enhancements that required a Dept. of Energy and Natural Resources permit, including but not limited to deepening, extension, recompletion, rework, or sidetrack, all as defined in present law, shall be taxed at the rate of 6% of the oil value determined in accordance with proposed law; (8) provide a definition of "defined regulatory unit" for purposes of proposed law; and (9) for purposes of the severance tax exemption for production from horizontal wells completed on or after July 1, 2025, provided for in present law and proposed law, remove the requirement that the well be drilled and completed in a defined regulatory unit that had a qualifying horizontal well completed between July 1, 2010, and June 30, 2025.

Representative Orgeron offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 13 yeas and 0 nays. Representatives Emerson, Bamburg, Billings, Echols, Farnum, Gallé, Henry, Mandie Landry, McMahan, Myers, Orgeron, Wilder, and Willard voted yea.

Mr. Arthur Price, Badger Energy, 3861 Ambassador Caffery Pkwy., Ste. 400, Lafayette, LA 70503, spoke in support of House Bill No. 25.

Mr. Guy Cormier, Police Jury Association of Louisiana, 707 N. 7th St., Baton Rouge LA 70802, spoke in support of House Bill No. 25.

Representative Orgeron offered a motion to report House Bill No. 25 with amendments. Without objection, House Bill No. 25 was reported with amendments by a vote of 17 yeas and 0 nays. Representatives Emerson, Brass, Bamburg, Billings, Bryant, Echols, Farnum, Gallé, Henry, LaCombe, McMahan, Myers, Orgeron, Selders, Wilder, Willard, and Young voted yea.

House Bill No. 9 by Representative Riser

Representative Riser presented House Bill No. 9, which provides for sales and use tax on certain services.

Representative Emerson offered amendments which: (1) revise the definition of "accommodations intermediary" provided in proposed law to exclude hotel owners from that definition Expand part of the definition of "capital improvement" referring to remodeling, as provided in proposed law, to refer to both residential and commercial remodeling and industrial facility remodeling; (2) define "industrial facility remodeling" for purposes of proposed law; (3) stipulate that for purposes of proposed law, residential remodeling and commercial remodeling shall not include industrial facility remodeling; (4) revise the definition of "furnishing" provided in proposed law; (5) modify the description of delivery, shipping, freight, and transportation services that would become taxable pursuant to proposed law; (6) include services to replace, alter, modify, or upgrade an existing industrial facility, where there is no increased capacity as defined in proposed law, within the set of immovable property repair, maintenance, and installation services that would become taxable pursuant to proposed law; (7) revise the exclusions from immovable property repair, maintenance, and installation services to provide that, for purposes of proposed law, such services shall not include any of the following: (a) any service used to fulfill an immovable property contract as defined in proposed law; (b) any installation defined in proposed law as a capital improvement; (c) maintenance services provided as part of a scheduled, periodic shutdown of all or a part of industrial facility operations in order to perform work necessary to sustain or support safe, efficient, continuous operations, or to prevent the decline, failure, lapse, or deterioration of equipment in the facility if the charge for labor is separately stated to the purchaser; (d) the labor to repair immovable property within a state-declared or federally declared disaster area if the property is damaged by the condition or occurrence that caused the disaster declaration and the charge for the labor is separately stated to the customer; (8) authorize a tax credit for providers of cable television services and direct-to-home satellite services for the local franchise tax on gross receipts from cable service and video service; provide that the credit shall be equal to the amount of local franchise tax payable to a political subdivision pursuant to an ordinance adopted in accordance with present law and passed through to subscribers; and (9) require the secretary of the Dept. of Revenue to waive penalties assessed against certain person pursuant to present law due to failure to properly collect or report sales and use tax imposed on a service which was not taxable prior to Feb. 1, 2025.

Secretary Richard Nelson, Louisiana Department of Revenue (LDR), 617 N. Third St., Baton Rouge, LA 70802, spoke for information only on House Bill No. 9.

Mr. Luke Morris, LDR, 617 N. Third St., Baton Rouge, LA 70802, spoke for information only on House Bill No. 9.

Ms. Brandea Averett, LDR, 617 N. Third St., Baton Rouge, LA 70802, spoke for information only on House Bill No. 9.

Representative Emerson offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 13 yeas and 0 nays. Representatives Emerson, Brass, Bamburg, Billings, Echols, Gallé, Henry, Mandie Landry, McMahan, Selders, Wilder, Willard, and Young voted yea.

Mr. Kevin Cunningham, American Property Casualty Insurance Association (APICIA), 543 Spanish Town Rd., Baton Rouge, LA 70802, spoke for information only on House Bill No. 9.

Mr. Rodney C. Braxton, Insurance Council of Louisiana, 543 Spanish Town Rd., Baton Rouge, LA 70802, spoke for information only on House Bill No. 9.

Ms. Leah Long, National Federation of Independent Business Louisiana (NFIB), 301 N. Main St., Baton Rouge, LA 70802, spoke for information only on House Bill No. 9.

Ms. Romy Samuel, New Orleans Department of Finance, 1300 Perdido St., New Orleans, LA 70112, spoke for information only on House Bill No. 9.

Ms. Lynette Doyle, City of New Orleans, 1300 Perdido St., New Orleans, LA 70112, spoke for information only on House Bill No. 9.

Mr. Matthew Cooper, City of New Orleans, 1300 Perdido St., New Orleans, LA 70112, spoke for information only on House Bill No. 9.

Ms. Renee Amar, Louisiana Motor Transportation Association, 325 Florida St., Baton Rouge, LA 70801, spoke in opposition to House Bill No. 9.

Mr. Jan Moller, Invest in Louisiana, 619 Jefferson Hwy., Suite 1-D, Baton Rouge, LA 70806, spoke in opposition to House Bill No. 9.

Representative Emerson offered a motion to report House Bill No. 9 with amendments, to which Representative Willard objected. The administrative assistant called the roll, and House Bill No. 9 was reported with amendments by a vote of 16 yeas and 2 nays. Representatives Emerson, Brass, Bamburg, Bayham, Billings, Bryant, Echols, Farnum, Gallé, Henry, McMahan, Myers, Orgeron, Selders, Wilder, and Young voted yea. Representatives Mandie Landry and Willard voted nay.

Witness cards submitted by individuals who did not speak are as follows: 1 in support, 3 in opposition, 2 for information only, and 1 designee of elected official. Witness cards are included in the committee records.

House Bill No. 10 by Representative Wright

Representative Wright presented House Bill No. 10, which provides for the rate of the state sales and use tax and provides for the exemptions, exclusions, credits, and rebates claimed against sales and use taxes.

Secretary Richard Nelson, LDR, 617 N. Third St., Baton Rouge, LA 70802, spoke for information only on House Bill No. 10.

Mr. Luke Morris, LDR, 617 N. Third St., Baton Rouge, LA 70802, spoke for information only on House Bill No. 10.

Ms. Brandea Averett, LDR, 617 N. Third St., Baton Rouge, LA 70802, spoke for information only on House Bill No. 10.

Representative Emerson offered amendments which: (1) reduce the amount of the sales tax levied in R.S. 47:321.1 from .45% to .40%; (2) change the effectiveness of the mandatory local sales and use tax exemption for prescription drugs from Jan. 1, 2025, to July 1, 2025; (3) retain purchases by a regionally accredited independent educational institution as an exemption rather than an exclusion (R.S. 47:301(8)(b)); (4) retain the exemption for credit unions (R.S. 6:662); (5) retain the exemption for sales or purchases by a council on aging. (R.S. 47:305.66); and (6) retain the exemption for sales of butane, propane, or other liquified petroleum gases for private, residential consumption and make the exemption applicable to the R.S. 47:321.1 sales tax levy (R.S. 47:305.39).

Representative Emerson offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 13 yeas and 0 nays. Representatives Emerson, Brass, Bamberg, Billings, Bryant, Farnum, Henry, McMahan, Myers, Orgeron, Wilder, Willard, and Young voted yea.

Mr. David L. Lewis, Council on Aging, 3712 Main St., Belle Chasse, LA 70037, submitted a card in opposition to House Bill No. 10, but withdrew his opposition.

Ms. Lacey Gero, National Diaper Bank Network, 215 34th St., New Orleans, LA 70124, spoke in opposition to House Bill No. 10.

Mr. Matt Brady, Enterprise Mobility, 3850 N. Causeway Blvd., Suite 1800, Metairie, LA 70002, spoke in opposition to House Bill No. 10.

Representative Emerson offered a motion to report House Bill No. 10 with amendments, to which Representative Willard objected. The administrative assistant called the roll, and House Bill No. 10 was reported with amendments by a vote of 16 yeas and 2 nays. Representatives Emerson, Brass, Bamburg, Bayham, Billings, Bryant, Echols, Farnum, Gallé, Henry, McMahan, Myers, Orgeron, Selders, Wilder, and Young voted yea. Representatives Mandie Landry and Willard voted nay.

Witness cards submitted by individuals who did not speak are as follows: 1 in support, 2 in opposition, 1 for information only, and 1 blue card. Witness cards are included in the committee records.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Gallé offered a motion to adjourn. Without objection, the motion passed by a vote of 18 yeas and 0 nays. Representatives Emerson, Brass, Bamburg, Bayham, Billings, Bryant, Echols, Farnum, Gallé, Henry, Mandie Landry, McMahan, Myers, Orgeron, Selders, Wilder, Willard, and Young voted yea.

The meeting was adjourned at 2:42 p.m.

Respectfully submitted,

Chair Julie Emerson
House Committee on Ways and Means