

**Parish Severance Tax Maximum Allocations
Inflation Factors and Maximums
La. Const., Art. VII, §4(D)(3)**

REC Date	Applicable Fiscal Year	Inflation Factor	Parish Severance Tax Allocation Maximum
	07-08		\$850,000
5/7/08	08-09	2.86%	\$874,310
5/19/09	09-10	3.80%	\$907,534
4/4/10	10-11	-0.32%	\$907,534
5/18/11	11-12	1.65%	\$922,508
4/24/12	12-13	3.14%	\$951,475
5/15/13	13-14	2.08%	\$971,266
5/19/14	14-15	1.47%	\$985,543
5/14/15	15-16	1.61%	\$1,001,411
5/12/16	16-17	0.12%	\$1,002,612
5/15/17	17-18	1.28%	\$1,015,446
4/12/18	18-19	2.14%	\$1,037,177

Since 2007, the Revenue Estimating Conference (REC) has been adopting an inflation factor which annually increases the maximum allocation of State severance tax receipts back to the parish of production. The table above itemizes the annual inflation factors and the consequent maximum allocation each parish of production can receive back from the State in each fiscal year. These adoptions are typically done near the end of a fiscal year, for application in the ensuing fiscal year.

Prior to 2007, the dollar amount of maximum allocation was established in the State Constitution. Changes to that dollar amount required adoption of an amendment to the Constitution by statewide approval of the electorate. Since 2007, the maximum allocation automatically adjusts upward with inflation on an annual basis. Pursuant to the constitutional language, the inflation factor is the average annual increase in the Consumer Price Index for all urban consumers, as published by the United States Department of Labor, for the previous calendar year. In years when a negative inflation factor is adopted, the maximum allocation of the previous year is retained since the constitutional language only refers to increases in the price index.

These inflation factors and maximum allocations apply to the severance of natural resources other than sulphur, lignite, or timber (primarily oil and natural gas). The maximum allocations of sulphur, lignite, and timber are established in the Constitution at fixed dollar amounts (\$100,000 for sulphur and lignite) or shares (three-fourths for timber) of total severance tax receipts attributable to the parish of production.