

# **Bond Case Briefs**

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## **TAX - LOUISIANA**

### **Avanti Exploration, LLC v. Robinson**

**Court of Appeal of Louisiana, Third Circuit - April 17, 2019 - So.3d - 2019 WL 1649464 - 2018-750 (La.App. 3 Cir. 4/17/19)**

Energy company filed petition for redetermination of severance tax assessment imposed by the Louisiana Department of Revenue.

The 3rd Board of Tax Appeal granted summary judgment in favor of company. Department appealed.

The Court of Appeal held that evidence was sufficient to establish that company paid severance tax on the full amount of its gross receipts.

Evidence was sufficient to establish that energy company paid severance tax on the full amount of its gross receipts in sales to purchasers, rather than after subtraction of transportation costs, supporting tax board's grant of summary judgment in favor of company on its petition for redetermination of tax assessment; evidence showed that there was no posted field price and, although energy company's arms-length contracts with purchasers deducted a per-barrel "transportation differential" from payment, this served to compensate purchasers for their own expenses in transporting purchased oil and actually caused company to suffer a price reduction, such that the deduction did not affect value of the oil when first severed from the ground.