

1 ENGROSSED HOUSE
2 CONCURRENT
3 RESOLUTION NO. 1036

By: Thompson, Martin (Steve),
Liebmann, McDaniel (Randy),
Tibbs and Dorman of the
House

4
5 and

Bingman of the Senate
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9 A Concurrent Resolution urging the United States
10 Congress to not reduce or repeal and to maintain
11 federal tax incentives for the exploration and
12 production of domestic oil and natural gas; and
13 directing distribution.

14 WHEREAS, Oklahoma is an energy state where more than seventy-six
15 thousand Oklahomans or three and three-tenths percent of the state's
16 workforce in 2007 were directly employed in the oil and natural gas
17 industry, and over one in seven jobs are directly or indirectly
18 supported by the oil and natural gas industry; and

19 WHEREAS, the total output by the oil and natural gas industry in
20 Oklahoma in 2007 surpassed forty billion dollars which means that
21 nearly one billion dollars in gross production taxes was paid by oil
22 and natural gas producers in 2007; and

23 WHEREAS, independent oil and natural gas producers are vastly
24 different from the major oil and natural gas producers in that the

1 majority of the budgets of the major oil and natural gas producers
2 are spent in production offshore and overseas; and

3 WHEREAS, independent oil and natural gas producers are known to
4 reinvest huge sums of their oil and natural gas cash flow back into
5 new and expanded domestic production; and

6 WHEREAS, the small and medium-sized independent producers
7 provide most of the domestic exploration, except in areas where they
8 cannot afford to explore; and

9 WHEREAS, domestic oil and natural gas provides sixty-five
10 percent of the energy needs of the United States which means more
11 independence and greater economic and national security for the
12 United States; and

13 WHEREAS, independent oil and natural gas producers develop
14 ninety percent of the domestic wells, produce eighty-two percent of
15 domestic natural gas, and produce sixty-eight percent of domestic
16 oil; and

17 WHEREAS, domestic natural gas is essential to meeting a clean
18 energy agenda associated with addressing adverse changes in our
19 global climate; and

20 WHEREAS, there currently exist certain federal tax incentives
21 for the production of domestic oil and natural gas including the
22 treatment of intangible drilling and development costs, the
23 percentage depletion income tax deduction, geological and
24 geophysical amortization, marginal well tax credit, enhanced oil

1 recovery tax credit, manufacturing tax deduction and passive loss
2 exception for working interest in oil and gas properties; and

3 WHEREAS, the current federal budget proposal includes the repeal
4 of several of the important federal tax incentives for domestic oil
5 and natural gas producers; and

6 WHEREAS, any changes to the current federal tax incentives for
7 the production of domestic oil and natural gas would strip over
8 thirty billion dollars from domestic oil and gas production
9 investment; and

10 WHEREAS, a reduction in federal tax incentives would in effect
11 reduce the amount of domestic natural gas produced and deprive the
12 American people of a clean energy source; and

13 WHEREAS, the proposed changes in the federal tax incentives
14 would interfere with the ability of America to reach certain energy
15 security objectives.

16 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES
17 OF THE 1ST SESSION OF THE 52ND OKLAHOMA LEGISLATURE, THE SENATE
18 CONCURRING THEREIN:

19 THAT the Oklahoma Legislature urges the United States Congress
20 to refrain from reducing or repealing federal tax incentives for the
21 exploration and production of domestic oil and natural gas and to
22 take such action as is necessary to maintain the current tax
23 incentives for the exploration and production of domestic oil and
24 natural gas.

