



## PRESS RELEASE

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### **OKLAHOMA'S TAX COLLECTIONS DOWN, BUT COULD HAVE BEEN WORSE**

Oklahoma City, OK – April 7, 2015 – Oklahoma's tax collections from oil and natural gas production dropped in March to their lowest level since 2002, but Oklahoma Oil & Gas Association President Chad Warmington said the state's take could have been worse if not for last year's deal to increase gross production taxes.

Warmington said the deal, which raised the tax rate on horizontal and vertical wells to 2 percent for the first two years of production, provided greater certainty for producers. It allowed them to keep some drilling rigs running that otherwise would have been idled by lower commodity prices.

"North Dakota and Texas have seen huge declines and we are fighting that trend by implementing smart tax policies that value the capital that companies are putting to work here in these very tough price environments," Warmington said.

Oklahoma's gross production tax on horizontal wells had been at 1 percent since 1994, when lawmakers created an incentive on those more expensive wells.

The tax rate would have reverted to 7 percent this year if the compromise deal had not been reached last May.

"We appreciate the lawmakers who understood that businesses thrive when there is certainty in their operating environment," Warmington said. "This tax is appropriate and fair for Oklahoma."

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