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**OKLAHOMA OIL & GAS SUPPORTERS VISIT STATE CAPITOL**

OKLAHOMA CITY (May 22, 2017) – Oklahomans visited the state capitol today to provide a face to the Oklahoma oil and gas industry that employs 1 in 6 Oklahomans, is the largest single source of capital investment in the state and is the largest single source of tax funding for public services. The event, organized by the Oklahoma Independent Petroleum Association (OIPA) and the Oklahoma Oil and Gas Association (OKOGA), took place from 1:30PM to 3:00PM today and was attended by roughly 70 private citizens who pay taxes in Oklahoma and who support the oil and gas industry.

**“Industry leaders have shown they are willing to find legislative compromise to raise revenue and move our state forward,”** OIPA Executive Vice President of Governmental Affairs Tim Wigley said. **“It’s unfortunate the leader of the House Democrats is more concerned about his political future than the welfare of Oklahoma citizens. I’m convinced Rep. Inman wants a special session for no other reason than to seek more media exposure for his gubernatorial campaign. That might be good for his ego, but it’s irresponsible for the citizens and taxpayers of Oklahoma.”**

**“This visit to the state capitol was about providing a face to the oil and natural gas industry that has offered a reasonable plan to increase our taxes for a third year in a row without severely impacting job creation and economic growth,”** said Chad Warmington, president of OKOGA. **“Oklahoma has struggled due to two years of a depressed energy market that led to a historic decline in drilling rig count and more than 20,000 Oklahomans being laid off. Companies are just now recovering and rehiring in Oklahoma, and this event was to help Legislators remember the faces of those who will be impacted by their decisions in these final days.”**

## FAST FACT ON TAXES:

- In 2017, the oil and natural gas industry offered on May 19 a compromise to increase industry taxes again by:
  - 50% increase on the gross production rate on new wells – vertical and horizontal (changing the 2% for 36 months, 7% thereafter to be 3% for 36 months, 7% thereafter).
  - Fully eliminating the five remaining gross production tax rebates on the books this year, providing the state recurring revenue of \$46 million as certified by the Oklahoma Tax Commission.
- In 2016, the state capped the economically at-risk well rebate, providing the state with \$120 million in recurring revenue.
- In 2015, the state implemented a **permanent** two-tiered gross production tax rate for ALL wells of 2% for 36 months and 7% thereafter. This action increased taxes on horizontal drillers by 100%.
- In 2015, the state also eliminated more than half of the gross production tax rebates (6 of 11 rebates), impacting all producers in Oklahoma.
- In 1994, then-Governor David Walters and a Democrat majority in the Legislature set the gross production tax on new horizontal wells to an effective rate of 1% for 48 months and then 7% thereafter for the life of the well.

## Background

**The Oklahoma Oil & Gas Association**, founded in 1919, is the oldest energy trade association in the United States. Nearly a century later, the association remains dedicated to the advancement and improvement of the oil and natural gas industry within the state of Oklahoma and throughout the nation. It is a non-profit association composed of oil and gas producers, operators, purchasers, pipelines, transporters, processors, refiners, marketers and service companies which represent a substantial sector of the oil and natural gas industry within Oklahoma. The activities of OKOGA include support for legislative and regulatory measures designed to promote both the well-being and best interests of the citizens of this state and a strong and vital petroleum industry within the State of Oklahoma and throughout the United States.

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