



**FOR IMMEDIATE RELEASE**

**OKOGA STATEMENT ON GROSS PRODUCTION TAX INITIATIVE, STATE BOARD OF EQUALIZATION**

**OKLAHOMA CITY** (Dec. 20, 2017) – The Oklahoma Oil and Gas Association (OKOGA) released the following statement after a group filed an initiative petition to raise the state gross production tax (GPT) and the State Board of Equalization announced state revenues are expected to increase by more than \$425 million:

“These positive revenue numbers are primarily a sign of continuing growth in oil and gas production,” said OKOGA President Chad Warmington. “However, our industry’s recovery is fragile. **Increasing the state GPT by 250 percent would threaten to halt the growth that created 5,000 jobs in Oklahoma** from January to June this year. **Collections of gross production taxes (GPT) are currently 54.8 percent higher than last year;** the energy industry is already making massive contributions to the state.”

“Furthermore, we believe **it is terrible public policy and a slap in the face to educators to tie their pay to volatile industry,**” he said. “Our member companies accept the business cycle, but dedicated teachers and principals should not face the same uncertainty. Proposing a massive tax hike while the industry is still recovering is reckless and irresponsible.”

“If the tax environment remains stable, we believe when the Board of Equalization meets again in 2018 it will find even more improvement in the revenue picture,” Warmington said. “State law requires the board to look at past activity. But our member companies are planning for the future, **and they fully expect to increase exploration and production activities in 2018.**”

“Our members are excited to bring more prosperity to Oklahoma. But they have been harmed by legislative changes this year which added \$200 million to their tax burden and raised the effective GPT rate to 5.3 percent. **Energy companies cannot continue to grow and hire more people when they are continually asked to give more and more.** It is critical the state maintain a tax structure that encourages growth for the industry and for all Oklahomans.”

**Background**

*The Oklahoma Oil & Gas Association (OKOGA), 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.*

Media Contact: Adam Brooks  
[adam@candorpr.com](mailto:adam@candorpr.com) | (c) 405.615.2659