

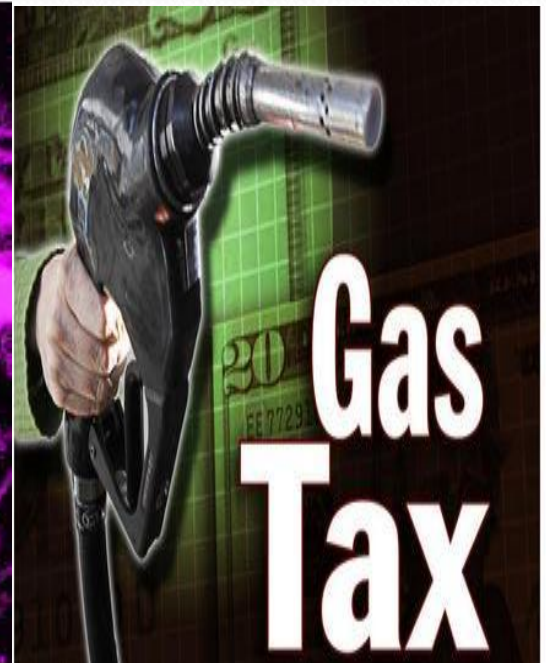
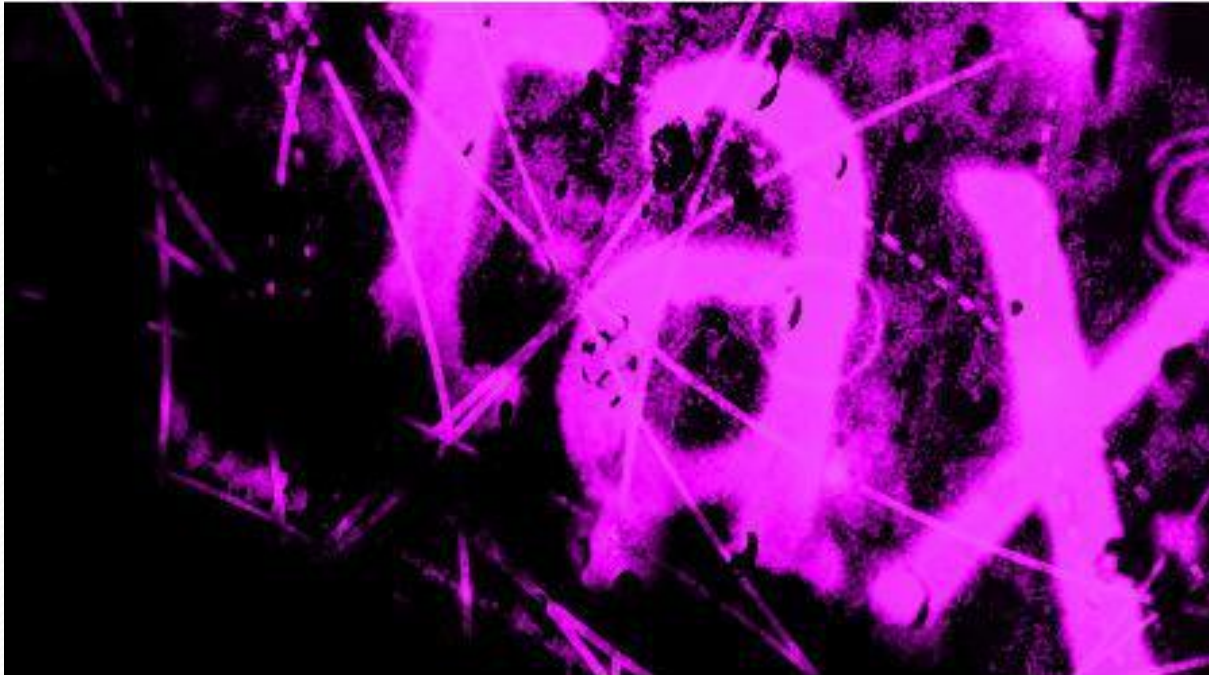
House Democrats` bill to repeal oil,gas tax incentive



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About article

- This article about repealing a pair of oil and gas tax incentives and about putting pressure on holders of Gulf of Mexico.



- Deepwater leases issued in 1998 and 1999 without price thresholds, so that the US House Democrats introduces legislation on Jan.12 to repeal a pair of oil and gas.
- The legislation would end oil and gas companies' qualification for a manufacturers' tax credit, which was enacted in 2004, according to cosponsors *Charles B. Rangel* (chairman of the Ways and Means Committee) and *Nick J. Rahall* (chairman of the Natural Resources Committee)



- *Charles B. Rangel and Nick J. Rahall* said that it would be slightly reduce tax benefits enacted as part of 2005 Energy Policy Act (EPACT) for geological and geophysical costs for large integrated oil companies.



**ENERGY POLICY
ACT OF 2005**

The money would be reinvested in renewable energy, Rangel and Rahall said.



- The bill would change the geological and geophysical cost amortization period back to 7 years from 5 years.
- Within the Energy Policy Act (EPACT), it would repeal:
- Section 344- relating to incentives for gas from deep wells in the shallow Gulf of Mexico;
- Section 345- relating to royalty relief from deepwater production in the gulf;
- Section 365- relating to the application cost-recovery fees.

- US House Democrats said that tax breaks came at a time of record profit for a big oil corporations and were so large that even the Bush Administration called them excessive.
- “In order to reduce our dependency on foreign oil, we need to stop lining the pockets of oil corporations and rewarding our enemies in the Middle East”, Rangel said.
- The bill is also contains language aimed at pressuring holders of deepwater Gulf of Mexico leases issued in 1998-1999 without price thresholds. It would be barred to bid for future federal offshore leases and they will pay “a conservation of resources fee’.

- Thank you for attention!!!!

