

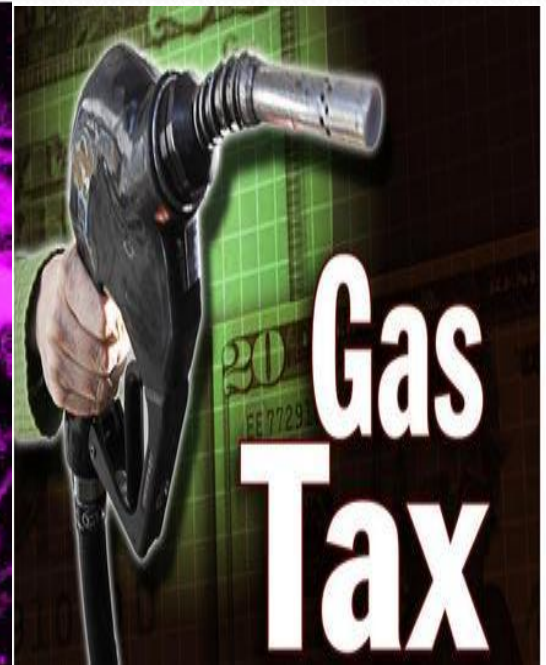
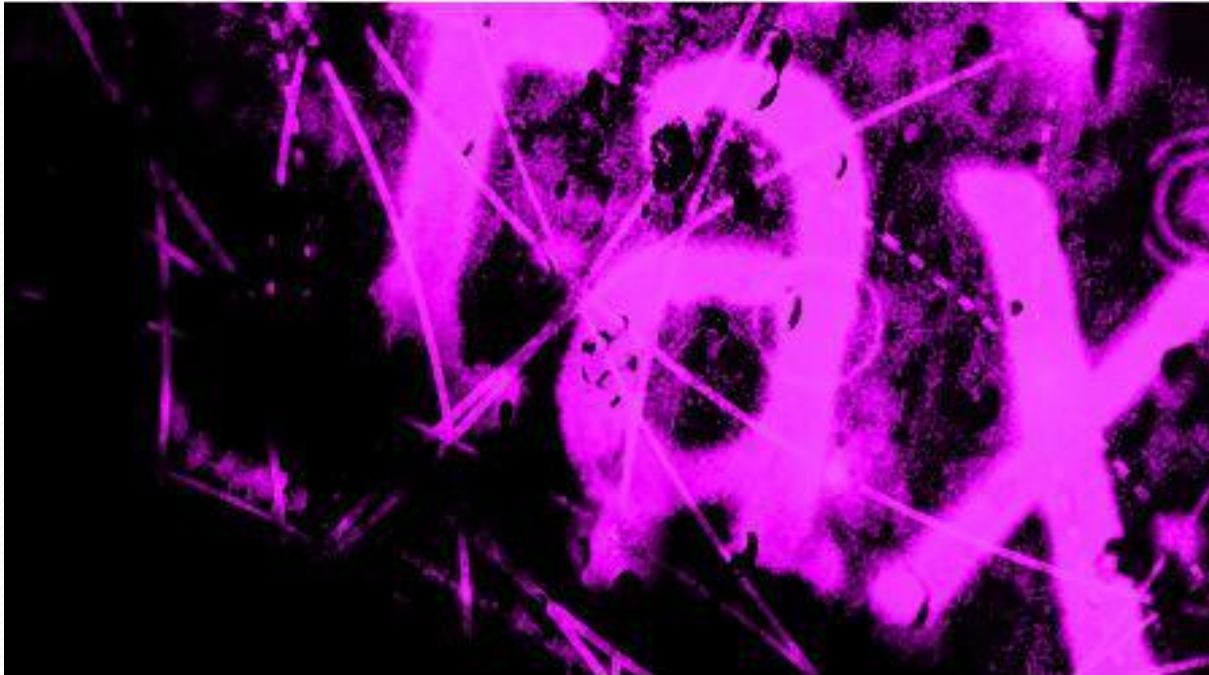
House Democrats` bill to repeal oil,gas tax incentive



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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!!!!

