

News Release

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Proposed Tax Increase Harmful to Consumers, National Security

Passage of H.R. 6 would decrease domestic production, increase consumer prices

(DENVER) – The Independent Petroleum Association of Mountain States (IPAMS) today urged Congress to reject H.R. 6, which would increase taxes on energy producers, thereby decreasing domestic production of natural gas and causing an increase in home heating and energy bills for American families.

The proposed tax increase, which some see as a way to punish “Big Oil,” will end up punishing American families who will be forced to pay higher energy bills.

“To reduce our dependence on unfriendly foreign energy sources and maintain affordable energy prices, we need to strengthen America’s small, independent petroleum producers who drill 90% of U.S. wells and provide over 80% of the natural gas that American’s use everyday to heat their homes, light their offices, and cook their food,” said Marc Smith, IPAMS Executive Director.

“Independent producers must have capital to invest in order to continue

developing natural resources for the benefit of the consumer and our national security. In fact, most independents reinvest more than 90% of their profits back into development of energy resources, which of course keeps supplies high and prices affordable. Passage of H.R. 6 would discourage investment, and that's bad news for our economy and for the American consumer.

"If energy companies are forced to spend even more money on taxes and other regulatory burdens, the ultimate result will be fewer jobs, fewer dollars for state and local coffers, higher energy bills for consumers, and increased dependence on unfriendly foreign sources of energy. HR 6 would be a giant step backward for U.S. energy security," concluded Smith.

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IPAMS, founded in 1974, is a non-profit trade association representing more than 400 independent oil and gas producers, service and supply companies, banking and financial institutions and industry consultants in the Intermountain West. More information on IPAMS and its members is available at www.ipams.org.