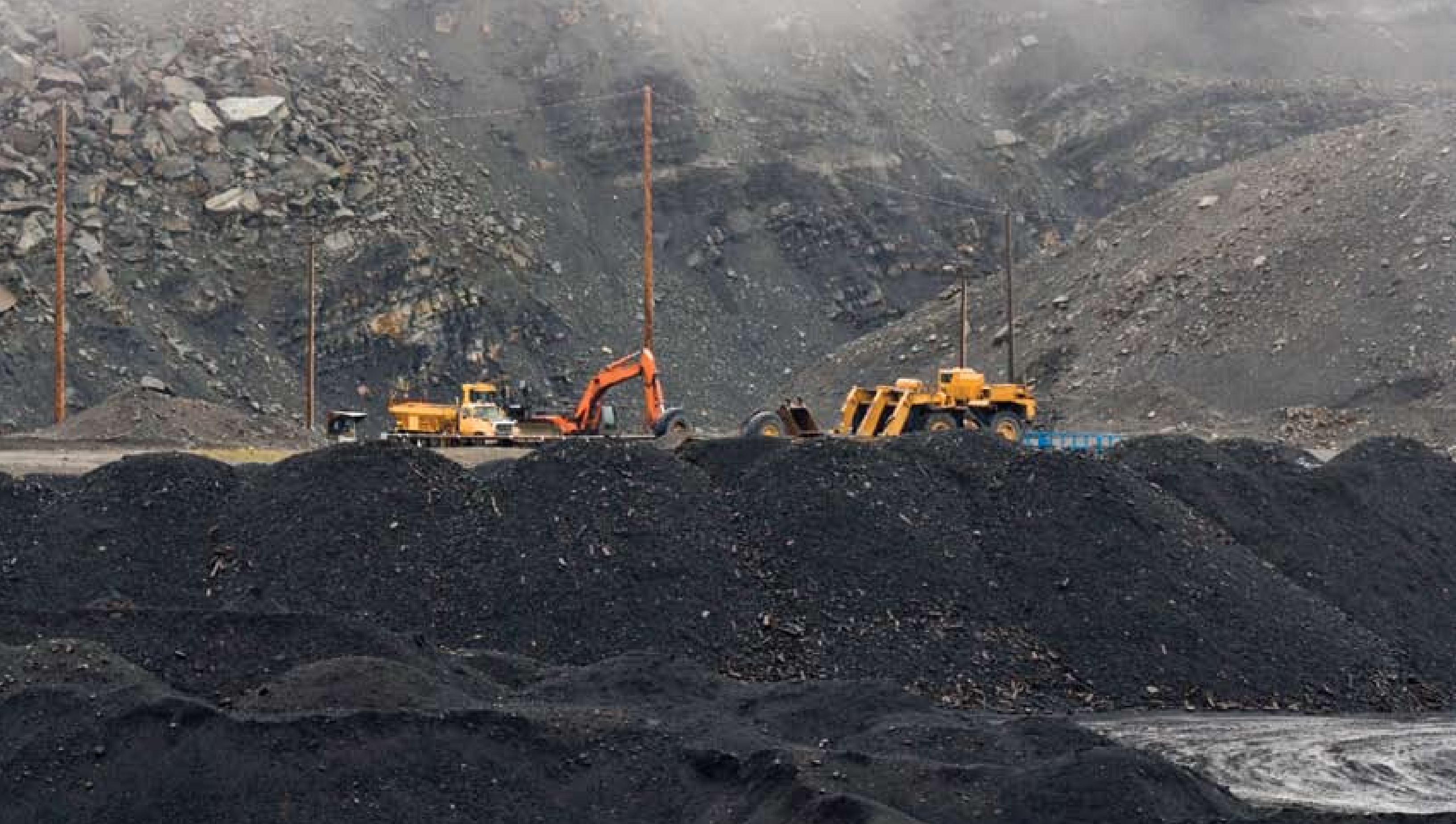

A Review of Fossil Fuel Subsidies in Colorado, Kentucky, Louisiana, Oklahoma, and Wyoming

Prepared by
Doug Koplow and Cynthia Lin

December 2012

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About the Authors

Doug Koplow is the founder of Earth Track in Cambridge, MA (www.earthtrack.net). His work on natural resource subsidies spans more than twenty years, most recently focusing on fossil fuels, nuclear power, and liquid biofuels. He has advised a variety of governmental agencies, environmental groups, foundations, and trade associations on resource subsidy measurement and reform. Mr. Koplow holds an MBA from the Harvard Business School and a BA in economics from Wesleyan University.

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Earth Track is dedicated to working across the political spectrum to make the scope and cost of environmentally harmful subsidies more visible, and to ensure that complex subsidy instruments are understandable to general audiences. Better information on subsidies informs key policy debates and greatly increases the chance of successful subsidy reform or removal -- a process that can bring tremendous fiscal benefits to countries around the world, as well as improving national competitiveness and environmental quality.

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Table of Contents

List of Tables

Acknowledgements

This review was prepared by Doug Koplow (Earth Track) and Cynthia Lin (Consultant to Earth Track) and is an outgrowth of work undertaken by Earth Track for the Organisation for Economic Development and Cooperation's (OECD's) multi-country inventory of estimated budgetary support and tax expenditures for fossil fuels.[1] Report layout and design was done by the Design Action Collective.

The authors are grateful to OECD for initial funding of the work, but take full responsibility for any errors or omissions. Neither OECD nor its member countries are responsible for its content.

1 OECD's initial inventory was published in July 2011 (*Inventory of Estimated Budgetary Support and Tax Expenditures Relating to Fossil Fuels in Selected OECD Countries,* COM/TAD/ENV/JWPTE(2011)11/REV1). An update incorporating some elements of this review will be released in January 2013.

Executive Summary

Although data on fossil fuel subsidies around the world have been growing steadily, most of this information focuses on national level policies. There are thousands of subsidies at the state, provincial or local levels as well, but they are largely untracked. The sheer volume of programs makes systematized evaluation of how these subsidies affect energy choice, emissions, and fiscal spending challenging. But it is the wide variation in reporting standards and formats that makes subsidy tracking particularly onerous, and quantification and aggregation nearly impossible.

The dollars associated with *individual* sub-national subsidies are usually smaller than national-level programs. In *the aggregate*, however, sub-national subsidies transfer billions of dollars to fossil fuel industries just like their federal counter-parts. There is a great deal of money at play here. The *Tax Exemption Budget* for the US state of Louisiana, for example, runs more than 400 pages long. It contains a dizzying array of exemptions, exclusions and reductions that, all told, manage to forego more than 75% of the state's corporate income tax revenue, 61% of its sales tax revenue, and 31% of its severance tax revenue. Severance tax breaks in Louisiana alone were worth more than $350 million in 2010, nearly all benefiting the fossil fuel sector. Colorado has so many exemptions and offsets to severance taxes that only five of the more than 30 oil-producing counties in the state paid any net severance taxes on oil and natural gas, according to past reviews. In many states, fossil fuel industries routinely capture a significant share of more general state incentive programs as well.

Investment decisions are made at the project level, and it is there that all levels and all types of subsidies converge, distorting the economics of one option versus another. States view their ability to tip investment decisions in a positive light. This perspective is somewhat simplistic: the process is often imprecise and opaque, with the industrial facility managers being the only ones to know all the ways they are being subsidized. Too often, different government entities end up bidding against each other for similar types of investments, worsening fiscal imbalances for all with little or no net societal gain. State politicians often have favored industries to which government largesse is directed, replacing economic drivers of market success with political ones. This is one reason why powerful industries are so successful in tapping into more general state subsidies for capital, job creation, and transportation infrastructure support.

Recognizing the importance of greater transparency on fossil fuel subsidies, the Organisation for Economic Co-operation and Development (OECD) began building a multi-country inventory of these supports in 2010. The first installment was published in 2011, breaking important new ground by including state and provincial tax expenditures and budgetary transfers in the review. The first inventory included data on the U.S. states of Alaska, Texas, and West Virginia. This paper, initiated in consultation with, and receiving partial funding from, the OECD aims to further expand their inventory by adding state-level coverage for Colorado, Kentucky, Louisiana, Oklahoma, and Wyoming.

We view both this paper and the OECD's inventory as first passes at achieving greater transparency on fossil fuel subsidies at the sub-national level. Subsequent chapters detail subsidy policies in each of the five states individually. Below, we highlight a number of cross-cutting important findings from our review.

However, there remains much we don't know about state-level fossil fuel subsidies, and that we have not yet captured here. We hope others will build on this base to further expand what is known about fossil fuel subsidies in these states and how they influence investment patterns and environmental impacts.

ES.1 State-level subsidy data varies widely in coverage and quality

The wide variety of ways that governments subsidize energy has always made tracking and quantifying the value of this support difficult. In addition to grants, subsidy mechanisms also include more complicated approaches such as tax breaks, loan guarantees, liability caps, purchase mandates, and below-market sales of resources. Many governments also build and maintain roads related to energy production, or are left cleaning up and reclaiming fossil fuel sites where the original owner did not do so properly. Infrastructure, oversight, and reclamation expenditures are often spread across many different state agencies, making total spending difficult to measure.

The quality of available data is improving, but important gaps remain. Two of the five states in this review (WY and CO) were among the handful in the US that still have no formal tax expenditure reporting at all. While we were able to build a list of tax expenditure provisions using other sources, the absence of any government data on revenue losses is evident in our numerical tables.

Even in the other three states, individual provisions of import to the fossil fuels sector were sometimes aggregated with unrelated provisions into a single revenue-loss estimate. This made it impossible to break out the specific share related to fossil fuels. Decision rules used by states in terms of what to include and how to value them were not always visible. Oklahoma, for example, discontinued reporting on ad valorem tax exemptions entirely in 2006. The state argued that the revenues went to localities, not the state; nonetheless, exemptions are set by state statute. In other cases, the framework used to categorize or quantify subsidies wasn't consistent across states.

State budgets reviewed for this report were all accessible on the internet, a big improvement over ten or fifteen years ago. However, they varied in terms of the detail of reported spending, the ability to attribute spending within an agency to specific topical areas, and the degree to which one could evaluate whether funding came from fuel-related fees versus general tax revenues or grants from other governmental units.

ES.2 Systematic tracking of credit support was difficult

States have many different subsidized lending programs, including some that are issued at the state level but authorized by federal rules. We suspect that aggregate data may exist within state government for use by officials. However, publicly available data sets did not enable us to systematically evaluate and tally the multiple programs providing subsidized credit or tax-favored bond capacity for fossil fuel enterprises and infrastructure in the states evaluated. Nonetheless, our non-systematic review of credit programs indicated that the fossil fuel sector effectively taps into many different types of credit programs.

ES.3 "General" subsidies are often successfully captured by the fossil fuel sector

Some programs are clearly related to energy – fuel tax exemptions, for example. Other provisions are accessible by more than one sector, but heavily utilized by fossil fuel industries. This is particularly true where the fossil fuel industry is both large and politically powerful within a state. General enterprise zone and jobs credits in Louisiana, for example, direct more than $100 million per year towards the fossil fuel sector. More than $4.5 billion of the $7.8 billion in tax-exempt Gulf Opportunity Zone Bonds issued by Louisiana for rebuilding the state after damage from Hurricane Katrina in 2005 ended up supporting firms related to fossil fuel extraction, production, refining, transport and storage. Expanding the recipients to include basic chemical production (heavily reliant on fossil fuel inputs) and joint facilities (supporting fossil fuel specific uses and other industries), the capture rate jumps to nearly two-thirds.

ES.4 Common exemptions

While the states evaluated did not all offer the same kinds of subsidies, and similar subsidies often had different eligibility rules, we nonetheless found a number of common patterns. Fossil fuel subsidies are often predicated on promoting new resource development; propping up aging or low productivity extractive activity; rectifying damages caused by the industry; or encouraging the increased in-state use or export of indigenous fuels, for instance by subsidizing transport links. Resource goals often conflict with environmental ones. "New" technologies such as horizontal drilling sometimes continue to be subsidized long after the technology has become routine. Further, exemptions appear to be granted based on a narrow view of energy markets, and may not make sense once broader infrastructure demands or demand-side management options for energy are taken into account.

ES.4.1 Transport fuel exemptions are common and sometimes deplete infrastructure funding

Fuel taxes in the United States are routinely used both to finance the infrastructure (primarily roads) on which most of that fuel is used and as a revenue source for state governments. Certain fuel users are routinely exempted from fuel-excise taxes across all of the states evaluated. These include the farming, aviation, railroad, and boating sectors, as well as usage by government vehicles or by private vehicles on behalf of governmental purposes (e.g., school buses). Some of these exemptions have an internal logic. For example, on-farm usage of motorized vehicles in states where excise tax is used exclusively to finance public roads is consistent with the structure of the tax because these vehicles are not driving on roads the tax was intended to pay for.

Other exemptions are not so logical. Governmental vehicles are using roads and highways, but not paying for them through fuel taxes. Likewise, fuel users in the aviation and boating sectors aren't using public highways, but rather often have their own publicly-financed infrastructure needs. At the federal level, excise taxes on aviation and boat fuel are earmarked to finance airports and waterway maintenance; the taxes aren't waived entirely.

Where fuel-excise taxes are a partial replacement for a sales tax on fuels rather than used solely to pay for road infrastructure, full exemptions even for off-road usage would not be in line with the purpose of the tax.

ES.4.2 Fossil fuel consumption is routinely exempted from state sales and use taxes for most users

Although all of the states evaluated have state-wide sales taxes (and four of the five also have incremental sales tax rates that localities can levy on top), fuel and electric power are routinely exempted from sales tax charges across most or all economic sectors. Some states exclude all intermediate products from sales tax in order to prevent double taxation (i.e., on both the inputs and the final products those inputs are used to manufacture). However, fuel tax exclusions were much broader, including not only industrial production, but residential and commercial users as well. They also applied to production that was exported from the state, and therefore not subject to double taxation because it would never have incurred a state sales tax.

Even for the industrial sector where the logic for some exclusion is the greatest, these exemptions were not consistently applied. Some states offered a blanket exemption to all industries; others exempted only specifically-named sectors – a distinction that raises questions about exemptions being linked only to the issue of double taxation. Colorado, for example, temporarily suspended a wide-ranging sales tax exemption for industrial and manufacturing energy in 2010, but during that time retained the exemption for farms, railroads, and power generation. Statutes in Louisiana also call out specific industries for exemptions, including electric power and natural gas in paper or wood-products manufacturing industries; natural gas used in the production of iron; industrial boilers; and steel works and blast furnaces.

These exemptions have a large fiscal cost, reducing state Treasury revenues by hundreds of millions of dollars per year. They are among the largest subsidies to fossil fuels in the states evaluated. However, there is an important market distortionary element as well. Exempting energy from sales taxes that are applied to a wide range of other goods and services in the state artificially reduces the end-user price of energy relative to other things that people buy. This skews markets away from fuel-saving behaviors, such as conservation or investing in higher efficiency infrastructure and equipment.

ES.4.3 Royalty or severance-taxes exempt resource losses by producers or on-site consumption

State fees on extracted resources compensate the public for the sale (or "severance") of mineral assets from the State. While royalties are charged only if the resources originate from government-owned land, severance taxes are levied on resources from private lands. Governments recognize that fossil fuels are an endowment, and once they are removed from the ground and sold, they are gone forever.

Nonetheless, the states evaluated routinely reduced the effective taxes levied on extracted resources. Of particular interest is the exclusion of taxes on mineral resources that don't "make it" to market. Examples include fossil fuels consumed by power mining or field operations (Louisiana) or power used for enhanced oil recovery, including fracking (Oklahoma); and natural gas that is reinjected to maintain well pressure or flared (Louisiana).

Perhaps the strangest severance-tax exemption is in Colorado. The state allows firms to make payments to municipal governments to defray administrative or regulatory costs these governments incur as a result of the firm's oil and gas activities. These payments may then be deducted from the firm's severance tax liability. In effect, the tax levy compensating the state for its resource endowment is applied to pay for the state's extra cost of dealing with resource extraction. This does not seem to be a logical way to determine real returns from fossil fuel extraction activity.

Exemptions for reinjected natural gas might actually make sense because the natural gas isn't actually "severed" from the state. However, exemptions for losses, consumption, or flaring not only cost the state money for resources that are gone forever, but reduce the incentive to improve the operating efficiency of the extractive activity.

ES.4.4 Subsidies favor in-state uses or lower quality reserves

We found a number of cases in which states reduced severance taxes in order to bolster lower-quality sources of supply or to increase in-state demand for a particular fuel. Because lower quality or locally-abundant supplies may also be more polluting, these subsidies can conflict with state environmental goals.

Colorado, for example, has a 50% severance tax discount on lignitic coal, a highly polluting fuel. Kentucky applies lower severance taxes on tar sands, which have higher carbon emissions than normal petroleum. Oklahoma offers a series of tax credits for in-state use of Oklahoma coal (which is higher in sulphur and therefore less desirable than out-of-state deposits). Higher-cost coal deposits, such as those accessible only through underground mining techniques (Colorado and Wyoming) or in thin seams (Kentucky), also receive reduced severance rates. While the subsidies to lignite and high sulphur coal may be the most environmentally-damaging of these examples, all hinder the transition from coal to cleaner fuels.

Promoting increased consumption of state-favored fossil fuels is another recurring theme. Kentucky offers reduced severance tax on coal if the fuel is used in-state to burn solid waste or in a gasification facility; a tax credit is also available for coal usage in a “clean coal” power facility. Firms replacing non-coal fuels with coal in their plants and buildings can earn tax credits as well. In all of these situations, emissions from coal use are likely higher than from other fuels, but the state’s primary interest in expanding outlet markets for domestically abundant coal trumps environmental concerns. Oklahoma’s market priorities differ from those of Kentucky; Oklahoma manufacturers get an income-tax credit for consuming natural gas or casing-head gas (often co-produced with oil) in their production process.

Subsidizing additional in-state processing was another theme we encountered. Colorado allows investments in new or upgraded refineries be expensed (written off from taxes entirely in the year of investment) rather than depreciated over its useful life. Wyoming exempts certain equipment used for coal liquefaction from sales taxes. Kentucky historically funded a research consortium into liquefaction technology.

ES.4.5 Subsidies to “new” technologies may continue well past technology maturity

There are problems with subsidizing high-cost reserves or technologies in general. Primarily, this approach ignores the fact that there are many “marginal” supplies of energy, not just the specific fossil fuel deposits that a particular interest group wishes to develop. These include substitute forms of energy, improved efficiency of consumption by large users, and even lower-cost fossil fuel reserves in other locations. Targeted subsidies to high-cost or low-margin fossil fuel deposits in a state eliminate the ability of these other options to compete in the marketplace on an equal footing, despite possibly having both a lower cost and a better environmental profile.

But even ignoring this problem, states have sometimes continued to subsidize higher-cost deposits or technologies well past the point at which those approaches have become standard practice in the industry. Louisiana still offers severance-tax exemptions for horizontal drilling and tertiary recovery, providing subsidies of roughly $370 million between 2010 and 2012. Oklahoma offered rebates of most of its gross production tax through the middle of 2012 for wells using either horizontal drilling or three dimensional seismic imaging. Both technologies have been economic and widely deployed across the world for years.

ES.4.6 Subsidies to prop up aging properties or restart closed ones are common

Subsidies to higher-cost properties are common, and are either aimed at keeping these properties operating longer in the face of worsening economics or intended to restart properties once they have been closed. Louisiana has severance tax exemptions or reductions for restarting older properties, and for deep or low-pressure wells. Colorado offers reduced severance taxes for wells with low output or low revenues. These particular policies do not apply to higher-producing properties, but the state's coal severance tax exemption does: up to 1.2 million tons of coal per year per property is exempt from severance tax regardless of mine type or size. Oklahoma offers reduced gross production taxes for horizontal wells, restarted wells, deep wells, new discoveries, and wells "at risk" economically. In Wyoming, low-production stripper wells, restarts, and new wells all receive tax subsidies.

These policies often ignore the availability of a wider range of "marginal" (i.e., higher cost) substitutes in energy markets. Furthermore, every industry – not just fossil fuels – has sunk investments that become less profitable over time as equipment ages and competitors adopt more recent innovations, once break-through intellectual property becomes commoditized, or as market tastes change. Like oil wells, these assets and investments are not easily repurposed, and once shuttered become difficult and expensive to bring back into production. Yet none of these parallel industries receive the same special treatment as oil, gas, and coal to keep marginal operations going.

Finally, the biggest factors in well restarts tend to be new technology (bringing down extraction costs) or surging energy prices (which improves the financial break-even point on older wells). The impact of some of these tax breaks is likely to be small in comparison.

ES.4.7 Energy-related assets may benefit from reduced property and sales taxes

Many state and municipal governments use property taxes as an important source of revenue, but sometimes provide special terms for assets related to fossil fuels. Fossil fuel-related activities may be exempted entirely from sales and property taxes; tax rates may be lower; or tax rates may be similar to those in other industries, but the taxable base on which that rate is applied is reduced. In Colorado, the taxable base on oil and gas production property and coal mines is reduced. In Louisiana, the rental or repair of oil- and gas-related rigs and equipment is exempted from sales taxes under certain conditions. In Wyoming, pollution-control equipment is exempted from property taxes entirely, a policy that inadvertently favors more polluting technologies, such as coal. Similar exemptions exist for sales taxes in Kentucky. In Oklahoma, equipment related to the desulphurization of transport fuels is also exempt from property tax.

ES.4.8 Subsidies to energy-related transport infrastructure underwrite market access

Subsidies to transport links allow fossil fuel producers an extra margin in achieving market competitiveness. This is particularly true for bulk, largely commodity fuels like coal that must be shipped over long distances to reach market, but are unable to flow through lower cost pipelines.

Data on this type of support from the states we examined indicate that subsidies may be quite large, but are not well characterized. A review of state funding for coal haul roads in Kentucky by the Mountain Association for Community Economic Development, for instance, found subsidies of more than $230 million per year. This was one of the largest subsidies to coal in the state, and was larger than what Kentucky had collected in coal severance taxes. There are indications in press reports that road damage in Wyoming from energy operations is also a growing issue. The state has established a special fund to cover this type of damage, but has received more requests for compensation than there is money available.

Energy equipment is heavy, and mine and drilling sites are often located in rural areas along less durable roads. It is not surprising that road costs attributable to fossil fuel operations would be high. However, additional work is needed to quantify observed damages and determine what portion should be attributed to fossil fuel-related activities.

Direct funding of roads is not the only source of transport subsidy to fossil fuels, however. Oklahoma, for example, exempts leased rail cars from sales and use taxes if they are used to move coal to in-state power plants. In Wyoming, coal-mine owners have been granted fairly broad eminent domain rights to run rail lines from their mine sites across private land owned by others. Railroad maintenance and upgrades in Kentucky to enhance the transport of fossil fuels are eligible for tax credits, and the cost to transport coal from the mine to processing point is deductible from severance taxes due.

ES.4.9 Widespread government activities for fossil fuel oversight and cleanup, but industry reimbursements difficult to track

Fossil fuel industries are land-intensive and have been operating for many decades. The current activities require oversight to ensure safe and environmentally-sound operations, and many sites (both legacy and operating) have extensive environmental problems that require monitoring and cleanup.

All the states we evaluated have an array of resources and agencies to address these issues. These resources license operators, monitor operations and required bonding to cover site reclamation should the company go bankrupt, ensure the efficient management of pooled fuel reserves, address current and legacy environmental issues, and monitor worker safety. However, the mix of agencies and the responsibilities of each are not consistent across states, nor is it easy to identify how these activities are funded. Funding sources include fees on industry or fuel consumers, recoveries from state litigation, state and federal grants, and general tax revenues. The greater the degree to which legacy costs remain unaddressed and to which funding for ongoing activities comes from sources other than the state's fossil fuel industry or fuel consumers, the larger the subsidies to fossil fuels for that state.

It is clear that significant portions of these activities are not funded by fees on industry. In Colorado, mine safety, drilling oversight, site cleanup, and reclamation are partly paid from general tax revenues and partly from severance taxes. In Kentucky, mine reclamation costs are one-third funded from the state's general fund.

While Colorado's severance taxes *are* levied specifically on the extractive industries, the spending on oversight and reclamation may still confer a subsidy. In this case, as in others, Colorado is deploying the proceeds from severing a limited resource endowment to pay the ancillary costs of the extractive industry itself, rather than capturing fees as a return to the citizens of Colorado for an asset sale. The adequacy of returns from mineral activity need to be evaluated net of all of the offsetting costs to regulate the industry and address damages; often, it is not.

We were unable to investigate the spending and funding on fossil fuel-related oversight and cleanup with anything close to the level of detail needed to calculate the associated subsidies. However, it is an area that would be both interesting and important to quantify more systematically.

ES. 5 Summary

This review clearly demonstrates the need for greater transparency and more systematic valuation rules for sub-national subsidies to fossil fuels. Individual subsidies often exceed $100 million per year and in the aggregate run into the many billions of dollars. Oil, natural gas, and coal industries have proven highly successful in accessing more general subsidies to capital, financing, job creation, and infrastructure support, adding this funding to a wide array of fossil fuel-specific support. While some of the items that show up in state tax expenditure budgets may have a fiscal rationale (avoiding double taxation of the same input, for example) many do not. Instead, the policies reduce infrastructure funding; introduce competitive impediments to competing technologies; subsidize fuels that may be environmentally damaging; and shift significant costs related to infrastructure, land management, and reclamation onto taxpayers. More systematic tracking of these policies can provide significant fiscal and environmental benefits.

1. Introduction

This inventory covers state subsidies to fossil fuels through tax expenditures and budgetary transfers. Colorado, Kentucky, Louisiana, Oklahoma, and Wyoming were selected by OECD staff, and extend earlier work they had done on the US states of Alaska, Texas, and West Virginia. These five new states all have important fossil fuel sectors. However, they vary in terms of which specific fuels are most important, and also in terms of the degree to which state finances rely on fossil-fuel related revenues. Our review is comprised of two main elements. This text summary provides a description and brief background on the subsidies included. State-specific tables listing each of the subsidies along with quantitative data where available follow the text.

Our review encompassed a variety of information sources, including state budgetary and tax expenditure documents, state statutes, press articles, as well as publications from local and national non-governmental organizations. Data availability varied widely across states. Of the handful of US states that have no formal tax expenditure reporting process, two (WY and CO) were in our sample. Even where tax expenditure budgets existed, gaps remained. Often, states did not estimate revenue losses for all the provisions they listed. In other situations, multiple tax expenditures were aggregated into a single revenue loss line. The aggregation sometimes resulted from how information used was incorporated into state tax return filings; in other cases, however, the revenue departments did seem to have more discrete data than what was published. Nonetheless, the gaps reduced the number of specific tax expenditures for which we were able to report revenue loss data.

As with OECD's 2011 report, our objective was to inventory the subsidies as comprehensively as possible based on the information that is available. In this goal we were successful: even in states with no formal tax expenditure reporting, we were able to develop detailed lists of tax breaks benefiting fossil fuels. Though we were not able to quantify these breaks, the listing alone is an important step towards greater transparency going forward.

There were many common elements across the states in terms of what fossil-fuel related subsidies were listed on tax expenditure budgets. Fuel tax exemptions for aviation, boats, and school buses were common, as well as for residential consumption of gas or electric power. However, there were many differences as well. We have defaulted to the subsidy definitions used within each of the states. Trying to standardize across the states would have been complicated, particularly given a limited research scope. More importantly, the result of this exercise would not necessarily have been in accordance with OECD's own decisions on the optimal comparative baseline. Not all of the items listed here will necessarily be tallied as fuel-specific subsidies by OECD. In other cases, we have picked up subsidy categories (e.g., credit support) for which there is no disagreement on inclusion, but that have not yet been incorporated in OECD's reporting.

Why Aren't Subsidies Tallied for Each State Listed?

The states varied widely in how clearly they quantified programs generating subsidies to fossil fuels. Multiple tax exemptions, across sectors, were sometimes reported in a single line item; budget spending was not broken out; data on important subsidy transfer mechanisms such as credit support or site reclamation was often missing entirely. These gaps were large enough that totaling only the provisions for which subsidies could be quantified would have presented a misleading picture of total supports within states and relative magnitudes across states.

We view this analysis as a first step in building comprehensive data on state subsidies to oil, gas, and coal. We were focused on capturing relevant policies, even if we could not quantify them, into a subsidy inventory. We hope that others will continue to build on the data sets, and anticipate that people within the states will be able to access a variety of data resources to help them do so. To support this outcome, we will make Excel versions of the state data available to selected researchers. In return, they would agree to provide us with their improvements and extended data. Using this collaborative approach, we hope to greatly improve the knowledge base on state-level fossil fuel subsidies.

Finally, we have not reviewed tax differentials across states to flag situations where very low resource taxes may well generate another layer of subsidies to the sector.

Instead, we have provided subsidy data on as disaggregated a basis as we could, allowing other researchers to more easily regroup the data. Data have been organized using OECD's producer subsidy and consumer subsidy equivalents (PSE and CSE) to enhance international comparability. The PSE measures subsidies targeted to energy producers or converters, such as industrial tax breaks or credit subsidies. The CSE picks up subsidies to consumers, such as fuel tax exemptions for particular end-users.

Earlier work by Earth Track on biofuels indicated that "general" subsidies to bond issues, investment, or job creation often become significant sources of subsidy to dominant industries within a state. Using data compiled by Good Jobs First, a Washington, DC-based NGO, and in some cases from the states themselves, we were able to assess whether our earlier experience with biofuels subsidies also held true with respect to fossil fuel subsidies. It did. Fossil fuel "capture" of these programs was often a third or more. Nearly two-thirds of the $7.8 billion in tax-exempt Gulf Opportunity Zone Bonds issued by Louisiana for rebuilding the state after damage from Hurricane Katrina in 2005 ended up with firms related to fossil fuel extraction, production, refining, transport and storage, or basic chemicals using fossil fuels as the key feedstock. While even the Good Jobs First database did not capture all of the available state subsidy awards, the sample evaluated clearly illustrates the importance of adopting broader definitions on which subsidies need to be tracked if the level of environmentally harmful subsidies is to be reduced.

Despite many gaps, the coverage of tax breaks to fossil fuels was actually better than some other types of support. Areas for which virtually no information was available unfortunately remain widespread, and suggest that the policies reviewed should be caveated as but a partial picture of total levels of support. Noticeable gaps included reclamation bonding shortfalls; spending on supporting infrastructure such as roads (energy industries trigger the need for more expensive and durable roads and more frequent repairs to existing infrastructure); clean-up of legacy sites not funded by user fees; evaluation of lease auction transparency and competitiveness; and the adequacy of mineral payment audits (a problem noted in Colorado).

Subsidies to coal roads in Kentucky were analyzed in detail by a local NGO, and proved to be quite large. Other states had no similar analyses, and even in Kentucky, the one-time review had not been updated. The interaction of state and federal policy and budgets in states with large federal resource holdings is another important gap, as federal subsidies were not in the scope of review for this study, but directly affect state revenues none-theless. Lease subsidies to the Powder River Basin coal deposit (largely in Wyoming) have been estimated in the tens of billions over the life of the lease. Because states get a percentage of the federal take, shortfalls due to federal subsidies or oversight programs immediately hit the state as well.

A detailed review of each state, in alphabetical order, follows.

2. Fossil Fuel Subsidies in Colorado

According to the U.S. Energy Information Administration, the state of Colorado produces about one percent of the country's conventional oil. However, based on 2009 estimates, oil shale deposits in basins that span Colorado as well as Wyoming and Utah were the largest in the world. Colorado is a top natural gas producer, contributing to roughly 5 percent of US production; about half of this comes from coalbed methane. Colorado is also a large coal producer, from both surface and underground mines. (EIA, Colorado, 2009).

Colorado does not prepare a formal tax expenditure budget. Legislation in 2011 (HB 11-1104) would have required an annual reporting on tax expenditures, but it did not pass. A one-time assessment of Colorado's tax expenditures was published by the University of Denver (Dunn, 2009), and provides useful background on many of the provisions, including their statutory authorities, dates of implementation, and some estimates. However, the assessment does not capture everything relevant to fossil fuels and is not replicated on a regular basis.

Colorado does prepare an estimate of losses due to sales tax exemptions (State of Colorado, 2004-09), which captures a portion of state tax expenditures. However, the energy-portion of tax breaks available to multiple sectors is not always visible.

2.1 Producer Support Estimate

2.1.1 Support to unit returns

The state of Colorado levies severance taxes on the gross value of fuel produced at the wellhead. Rates vary from 2 to 5 percent, with lower rates on specific types or levels of production.

Severance tax offset for up to 87.5% of property taxes paid for oil, gas, and CO2
Colorado statutes 39-29-105(2)

The state allows nearly all (87.5%) property taxes paid (ad valorem taxes paid to county or local governmental units) to be credited against state severance tax liabilities. Property taxes paid on the actual oil and gas can be credited; those due on the facility or equipment may not be (CO DOR, 2000: 2). As the property tax rate is 7%, this offsets most (leaving a 1% tax according to IOGCC) or all (Fong, 2010: 75) of the severance tax liability. IOGCC estimates that only five of the more than 30 oil producing counties in Colorado pay any net severance taxes.

Tag: CO-1
Sources: CO statutes, CO DOR 2000, Fong 2010, IOGCC.

No severance tax on oil stripper wells (avg. of 15 bbl/d or less) or gas stripper wells (average of 90k cu ft/day or less)
CO statutes 39-29-105(1)(b)

Oil and gas income from "stripper wells" (i.e., wells that produce an average of 15 barrels or less of oil per producing day or 90,000 cubic feet of gas per producing day) is exempt from severance tax (stripper well threshold levels increased effective Jan. 1, 2000). The cut-offs are based on the daily average production over the course of a year.

Tax credits for ad valorem payments on the stripper wells may not be taken as a credit because no severance taxes were paid. (IOGCC; CO DOR 2011).

Tag: CO-2
Sources: IOGCC; CO DOR 2011; CO statutes; COGA 2011

Impact assistance credit
CO statutes 39-29-107.5

This severance tax credit applies to new or increased mineral operations for approved contributions given to local governments so they can deal with impacts of those operations. The provision results in state taxpayers receiving returns on sales of mineral assets used to pay for incremental costs triggered by mining operations. Normally such costs would be paid directly by the private mining enterprise and severance taxes on extracted minerals would be paid to the government.

Tag: CO-3
Sources: CO Statutes; Ozpehriz 2010

Reduced severance tax rate on oil, gas, and CO2 wells with gross revenue < $300k
CO statutes 39-29-105(1)(b)

Wells earning less than $300,000 per year received reduced severance tax rates, ranging from 2% for annual gross revenues under $25,000 to 4% for annual revenues between $100,000 and $300,000.

Tag: CO-4
Sources: CO statutes

50% reduction in severance taxes for underground coal
CO statutes 39-29-106(3)

Coal produced from underground mines in Colorado receives a 50% credit from the standard severance taxes on coal.

Tag: CO-5
Sources: Kent et al., 2011: 5; CO statutes

50% reduction in severance taxes for lignitic coal
CO statutes 39-29-106(4)

Production of lignitic coal (as classified by the American Society for Testing and Materials) receives a 50% credit from the standard severance taxes on coal.

While the statutes do not preclude the joint use of lignitic and underground coal credits, Kent et al. note that lignite coal is almost always extracted via surface mining, so "double-dipping" is not likely (Kent et al., 2011: 5, 28).

Tag: CO-6
Sources: Kent et al., 2011; CO statutes

No severance tax on first 300,000 tons of coal produced each quarter
CO statutes 39-29-104(2)(b)

The first 300,000 tons of coal produced in each quarter of the taxable year pays no severance tax. This applies to all coal regardless of mine type, production level, or coal type.

Tag:
Source: Kent et al., 2011; CO statutes

Reduced severance tax on oil shale relative to oil; additional reductions during first three years of production
CO Statutes 39-29-107(1) and (2)

Severance tax on commercial oil shale operations is set at 4% of gross proceeds, versus 5 percent for conventional oil. This rate is further reduced to 0% during the first half-year of production, 1% during the remainder of the first year, 2% during the second year, and 3% during the third year. The full rate of 4% is due starting in the fourth year of production.

Tag: CO-8
Source: CO statutes

Severance tax exemption for first 15,000 tons or oil shale (or 10,000 barrels of shale oil if greater) per day
CO Statutes 39-29-107(3) and (3.1)

In addition to reduced severance tax rates during the first years of production, oil shale production also receives a full severance tax exemption on the first increment of production per day. This exemption applies to the first 15,000 tons per day of oil shale, or the first 10,000 barrels per day of shale oil (roughly 5.5m tons/year or 3.65m barrels per year), whichever is greater. The exemption is based on the daily average production levels over the course of a month, so production lower than the limits on any single day does not necessarily result in losing the tax exemption.

Tag: CO-9
Source: CO statutes

Variable rate coal severance tax
CO statutes 39-29-104(5)

The statutory severance tax rate on coal (36 cents per ton) varies, and can be adjusted up or down depending on commodity prices. Each 1.5% change in the price of all commodities (based on data from the Federal Bureau of Labor Statistics and from a January 1978 baseline) results in a 1% change in the severance tax per ton. Adjustments can go either up or down. To the extent that coal prices have risen relative to other components of the general commodity mix, the severance tax as a percent of value will decline over time.

Tag: CO-10
Source: CO statutes

Reduced fees for oil and gas reclamation

The Colorado Oil and Gas Conservation Commission levies a tax ranging from 0.7 to 1.5% of the value of fuel produced to fund cleanup of abandoned oil and gas sites (COGA, 2011: 2).

Tag: CO-11
Source: COGA 2011

Colorado Department of Natural Resources: Division of Reclamation, Mining and Safety

The **Coal Program** is a regulatory program charged with the review and approval of coal mining and reclamation permits. Currently, the program regulates 41 coal mines and 115 exploration permits. The Coal Program is funded by a federal grant (79 percent) from OSM, and by severance tax revenues (21 percent). Use of severance tax funds to pay for regulatory oversight of an industry reduces the return to taxpayers from selling the state's resource base.

The **Inactive Mine Reclamation Program** oversees abandoned coal and hard rock mines in Colorado and works to reclaim them.

The **Mine Safety and Training Program** (MSTP) is charged with protecting the health and safety of miners, the public, and the mining community from mining-related hazards. Its primary focus is on coal mines in Colorado. Funding comes from federal grants and state severance taxes.

Tag: CO-12
Source: CO DNR

2.1.2 Support for land and labor

Department of Natural Resources, Oil and Gas Conservation Commission

The Colorado Oil and Gas Conservation Commission's (COGCC) goal is responsible development of Colorado's oil and gas natural resources. COGCC provides administrative functions on budgeting and revenue forecasting, as well as collects and manages data on well production, safety, environmental compliance and permitting, and bonding.

Tag: CO-13
Source: CO DNR

Department of Natural Resources, State Land Board

The State Land Board serves in a number of functions related to fossil fuels in Colorado. The **Field Operations Section** manages approximately 2.8 million acres of state trust land assets and approximately 3,000 surface leases. This Section performs property inspections, works with state trust lessees on day-to-day land management issues and challenges, and develops longer-term initiatives to ensure natural resources on trust lands are conserved and long-term value of the trust assets are maintained or improved.

The **Minerals Section** manages and evaluates roughly 4 million acres of the trust mineral estate, and focuses on preserving long-term productivity of mineral assets while producing reasonable and consistent income over time. This Section issues leases for production and exploration permits; collects resource rents, royalties, and bonuses; conducts royalty revenue audits and public lease auctions; sets reclamation bond amounts; approves reclamation for bond release; examines mineral lease tracts for production evaluation; and audits for environmental protection.

Tag: CO-14
Source: CO DNR

Enterprise Zones

Investment tax credits, which range from 3 to 25% depending on the specifics of the spending, target depressed regions of the state (WTO 2011, 81). Our review of other states indicates that fossil fuel industries often benefit from this type of support; however, we did not have data-specific awards within Colorado.

Tag: CO-15
Source: WTO 2011

Exemption of oil and gas workers from occupational privilege taxes

Some cities and counties in Colorado levy fees per worker. The funds are justified on the basis that workers require services from the government, but do not pay taxes there if they are not residents. According to IOGCC, municipalities and counties “may not consider oil and gas wells and their related facilities as a business or occupation for the purpose of imposing an occupational privilege tax.” (IOGCC, 2007; CO Statutes 31-15-501 (1)(c)). This effectively exempts the sector from the levies.

Tag: CO-16
Sources: IOGCC 2007, CO Statutes

Job Growth Incentive Tax Credit
CO statute 39-22-531 C.R.S

This tax credit provides a state income tax credit to businesses undertaking job creation projects that would otherwise not occur in Colorado. Business must meet certain requirements under the Economic Development Commission’s (EDC) Job Growth Incentive Tax Credit Program. Businesses have to create at least 20 net new jobs (full-time equivalents) in Colorado during the credit period (defined as 60 consecutive months where the business may qualify for an annual tax credit) with an average yearly wage of at least 110% of the county average wage rate based on where the business is located

Tag: CO-17
Source: CO Statutes

Job creation incentive performance fund
CO statute 24-46-105.7

The Job Creation Performance Incentive Fund (PIF) provides a performance-based incentive payment to qualifying companies that have created net new jobs paying above-average wages. The program is designed to support and encourage new business development, business expansions, and relocations that have generated new jobs throughout Colorado. After maintaining new jobs for a year, an employer has 90 days from the last day of the month in which the jobs were filled to submit an incentive application. Incentives will be awarded to applicants in the order in which the Colorado Economic Development Commission (EDC) receives complete, accurate, and eligible applications (first come, first served) until the program funds have been expended. Any eligible applications that are received after the funds have been expended will be placed first in line until new funding is available.

Tag: CO-18
Source: CO statute

2.1.3 Support for capital formation

Reduced value for certain mineral properties

Assessed value of *oil and gas production* set at 87.5% of actual value of oil and gas sales, less any sales to governmental entities for consumption or in-kind royalties. (CO Statutes, 37-7-102).

Tag: CO-19
Source: COGA 2011; (CO Statutes, 39-7-102).

Assessed value of *machinery, equipment, and buildings* based on 29% of market value (COGA, 2011; Kent et al., 2011: 5).

Tag: CO-20
Source: COGA 2011; Kent et al., 2011 ; (CO Statutes, 39-7,102).

Assessed value of *oil and gas production using secondary or tertiary recovery* is set at 75% of actual value of oil and gas sales, less any sales to governmental entities for consumption or in-kind royalties (CO Statutes, 37-7-102).

Tag: CO-21
Source: IOGCC 2007; CO Statutes

The assessed value of *coal mines* is based on 25% of gross proceeds (CO Statutes, 39-6-106 (2)).

Tag: CO-22
Source: CO Statutes

Economic Development Commission Incentive Awards

The Colorado Economic Development Commission (EDC) was created by the legislature to promote economic development in Colorado. In cooperation with state, local, and private entities, the EDC develops incentive packages (approves loans and grants) to assist existing business expansions and new company relocations in order to promote job creation and retention in all regions of the state. It implements marketing programs to support ongoing business activities. All policy and funding decisions are made by commission members. As part of determining whether to approve incentive awards, the EDC reviews the number of jobs created, average salary levels, location, and other factors. It oversees the Job Growth Incentive Tax Credit program.

Tag: CO-23
Source: CO EDC

2.1.4 Support for knowledge creation

Department of Natural Resources, Colorado Geological Survey – Mineral Resources and Mapping Program

This program studies mineral resources and produces reports, maps, and statistical data on mineral and energy resources in Colorado. In addition to energy resources, the CGS has also studied CO2 sequestration opportunities.

Tag: CO-24
Source: CO DNR

2.2 Consumer Support Estimate

2.2.1 Consumption of fuels by manufacturers or power plants

Energy used for industrial, manufacturing, and similar purposes
Colorado Revised Statute: §39-26-102(21), enacted in 1937

Historically, energy purchased for industrial and manufacturing purposes was exempt from state sales and use taxes. This exemption was removed for the period March 1, 2010 through June 30, 2012. During this period, sales and purchases of electricity, coal, gas, fuel oil, steam, coke, or nuclear fuel used in processing, manufacturing, mining, refining, irrigation, construction, telegraph, telephone, and radio communication, street transportation services, and all industrial uses are subject to the state's standard 2.9 percent sales and use tax. Absent other legislation, the broad exemption will return in latter 2012.

A number of energy-related sectors did not have their exemption suspended: fuel or energy used for agricultural purposes or railroad transportation services; fuel used in the generation of electricity (though fuel used to produce other energy that will later be used in the generation of electricity may be taxable); gas and electricity for residential consumption; and gasoline and special fuel (diesel) that is subject to excise tax, even when excise tax is refunded.

Tag: CO-25
Source: 2004-2009 Sales Tax Exemptions: 1; exemption for industrial energy usage

Sales of pollution control equipment sold to businesses
Colorado Revised Statute: §39-26-502(2), enacted in 2000.

In years in which Colorado has had rising tax revenues (defined as when the general fund appropriations are able to grow by 6% over the prior year), sales tax paid on qualifying pollution control equipment sales to businesses can be refunded. This refund program does not apply to purchases made prior to July 1, 1999. Only purchases made in a qualifying state fiscal year qualify for refund.

Tag: CO-26
Source: 2004-2009 Sales Tax Exemptions: 1; pollution control equipment exemption

2.2.2 Consumption of fuels by end-users

Sales tax exemption, gasoline and special fuel
§39-26-715(1)(a)(I) , Enacted in 1935

Colorado tax law allows for a refund of fuel tax paid for gasoline, aviation fuel, and special fuels. The allowance of the refund depends on how the fuel is used, the type of fuel, and if and when the fuel excise tax was paid.

Tag: CO-27
Sources: 2004-2009 Sales Tax Exemptions: 2; Fuel Exemption

Sales tax exemption – Fuel for residential heat, light, and power
§39-26-715(1)(a)(II), enacted in 1979

A variety of fuels, including natural gas, electricity, butane, propane, fuel oil, coal, coke, and wood are exempt from sales tax if consumed for residential use. Because the exemption is more favorable than what industry sometimes gets, the statutes define residential users in a specific manner and specifies that the energy must be used for domestic, non-commercial purposes. This exemption applies to consumption of gas or electricity by single or multi-family homes (including mobile homes) and associated buildings (e.g., garages), as well as apartment buildings with individual units.

Tag: CO-28
Source: 2004-2009 Sales Tax Exemptions: 2; sales of residential fuel for heat, light, power

Sales tax exemption - Special fuel for farm vehicles
§39-26-716(2)(a), enacted in 1977

A sales tax exemption is granted on sales subject to tax under the motor fuel tax statute (article 27 of title 39, C.R.S. 1973, as amended). This exemption applies even though motor fuel tax is refundable to farmers or other non-highway motor fuel consumers.

Aviation jet fuel sales and special fuel sales not taxed under this statute are subject to sales tax because the exemptions and dates in the law do not apply to those fuel sales.

Tag: CO-29
Source: 2004-2009 Sales Tax Exemptions: 2; Farm Vehicle Fuel Exemption

Sales tax exemption – governmental units
§39-26-704(1), enacted in 1937

There is no sales tax on sales to the United States government, to the state of Colorado, or to any department, institution, or subdivision of the state or federal government, when purchased within its governmental capacities. To secure exemption from the sales tax, the order for the goods must be on a prescribed government form or purchase order and paid for directly to the seller by warrant or check drawn on governmental funds.

Data collected by Colorado on sales taxes foregone by this provision do not disaggregate energy sales from other governmental purchases.

Tag: CO-30
Source: 2004-2009 Sales Tax Exemptions: 1; Sales tax exemption on government purchases

Excise tax exemption - diesel fuel or biodiesel blends used on farms and ranches
CO statutes 39-27-102.5(2)(a)

Dyed (tax exempt) diesel fuel or blends of dyed fuel with biodiesel are exempt from Colorado's normal excise tax on diesel.

Tag: CO-31
Source: CO statutes

Excise tax exemption - diesel fuel or biodiesel blends used by any government entity
CO statutes 39-27-102.5(2)(b)(II)

Diesel fuel or biodiesel blends are exempt from the state's normal excise tax if used exclusively for government purposes. Much of the excise tax supports the state's highway system, government vehicles are not paying into the highway system.

Tag: CO-32
Source: CO statutes

Excise tax reduction – diesel and special fuels
CO statutes 39-27-102(1)(a)(IV)(A)

Diesel and special fuels pay an excise tax rate of 1.5 cents per gallon less than gasoline (20.5 cents/gallon versus 22 cents/gallon). The lower rate applies even though diesel fuel has a higher energy content, and all else being equal, could propel a vehicle for more highway miles than a gallon of gasoline.

Tag: CO-33
Source: CO statutes

Excise tax reduction - gasoline used by aircraft
CO statutes 39-27-102(1)(a)(IV)(A)

Gasoline fuel used in aircraft pay a reduced excise tax, on a per gallon basis. The rate is 6 cents/gallon for non-propeller and non-jet engine craft, and 4 cents/gallon for propeller and jet aircraft (versus 22 cents/gallon for road vehicles). This particular provision does not exempt aviation fuel other than gasoline.

Tag: CO-34
Source: CO statutes

Excise tax exemption - commuter air carriers or air charter operations
CO statutes 39-27-102(1)(a)(IV)(B)

Some classes of aircraft, such as qualified air carriers authorized to provide passenger, air cargo, or charter services, appear to be exempt from excise taxes entirely.

Tag: CO-35
Source: CO statutes

Excise tax distributor loss allowance of 2% - gasoline and special fuel
CO statutes 39-27-102(1)(b)

A credit equal to 2% of the taxes due on gasoline or special fuels shipped from a terminal is provided to the distributor to cover collection costs and/or transfer losses.

Tag: CO-36
Source: CO statutes

Annual fee in lieu of excise taxes on LPG or LNG used in vehicles
CO statutes 39-27-102.5(5)

Vehicles powered by LPG or LNG are exempt from fuel excise taxes. Colorado levies an annual charge ranging from $70 to $125 per vehicle, depending on vehicle weight. Cars and light trucks would fall into the lower end.

At the standard excise tax of 22 cents/gallon, a $70 per year fee would buy about 318 gallons of gasoline-equivalent LPG or LNG fuel. Drivers using more than this would receive a net subsidy relative to the excise tax applied to other vehicles.

Tag: CO-37
Source: CO statutes

Excise tax refunds - gasoline or special fuels used in a stationary gas engine, vehicles on fixed rails, farm equipment, crop treatment aircraft, motor boats, other non-highway commercial use
CO statutes 39-27-103(3)(a)(I)

In addition to categories noted in the heading above, a variety of fuel users are exempt from excise taxes on gasoline or special fuels, or eligible for a refund if they paid it in error. The categories include stationary gas engines, vehicles on fixed rails (such as diesel-power trains), farm equipment used predominantly off-roads, aircraft used to apply chemicals on farmland, motor boats, and other off-highway commercial fuel uses.

Tag: CO-38
Source: CO statutes

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Table 2-1: Fossil Fuel Subsidies Identified for Colorado

Support Element	Tag	Subsidy Amount ($millions)*									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Producer Support Estimate											
Support to unit returns											
Severance tax offset for up to 87.5% of property taxes paid for oil, gas, and CO2	CO-1										Fong, 2010: 75; CO statutes 39-29-105; CO DOR 2000; IOGCC
No severance tax on oil stripper wells (avg. of 15 bbl/d or less) or gas stripper wells (average of 90k cu ft/day or less)	CO-2										IOGCC; CO DOR 2011; CO Statutes; COGA 2011: 2, 6; nat'l average for stipper wells is 18% of domestic production; nat'l average for nat gas stripper wells is 9%.
Impact Assistance Credit: Severance tax credit for new or increased mineral operations for approved contributions to local government to deal with the impact of those operations	CO-3										Ozpehriz, 2010: 10; CO Statutes. Credit is limited to half of the estimated 10 year severance tax on the new activity.
Reduced severance tax rate on oil, gas, and CO2 wells with gross revenue < $300k	CO-4										CO statutes 39-29-105(1)(a)
50% reduction in severance taxes for underground coal	CO-5										Kent et al., 2011: 5; CO statutes 39-29-106(3)
50% reduction in severance taxes for lignitic coal	CO-6										Kent et al., 2011: 5; CO statutes 39-29-106(4); lignite coal almost always surface mined, so unlikely to get both tax exemptions.
No severance tax on first 300,000 tons of coal produced each quarter	CO-7										Kent et al., 2011: 35; CO statutes 39-29-106(b)
Reduced severance tax on oil shale relative to oil; additional reductions during first three years of production	CO-8										CO statutes 39-29-107
Severance tax exemption for first 15,000 tons or oil shale (or 10,000 barrels of shale oil if greater) per day	CO-9										CO statutes 39-29-107
Variable rate coal severance tax	CO-10										CO statutues 39-29-106(5)
Reduced fees for oil and gas reclamation	CO-11										COGA 2011
Colorado Department of Natural Resources: Division of Reclamation, Mining and Safety	CO-12										CO DNR
Support for land and labor											
Department of Natural Resources, Oil and Gas Conservation Commission	CO-13										CO DNR
Department of Natural Resources, State Land Board	CO-14										CO DNR
Enterprise zone tax credit (capital and labor)	CO-15										WTO 2011
Exemption of oil and gas workers from occupational privilege taxes	CO-16										IOGCC 2007; CO Statutes
Job Growth Incentive Tax Credit	CO-17			0.4							CO Statutes
Job creation incentive performance fund	CO-18			0.8	0.8						CO Statutes

Table 2-1: Fossil Fuel Subsidies Identified for Colorado

Support Element	Tag	Subsidy Amount ($millions)*									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Support for capital formation											
Assessed value reduction: oil and gas production set at 87.5% of actual value	CO-19										CO Statutues; COGA, 2011: 2; industry says this higher than other industries.
Assessed value reduction: machinery, equipment, and buildings based on 29% of market value	CO-20										COGA, 2011: 2; Kent et al., 2011
Assessed value reduction: oil and gas production using secondary or tertiary recovery set at 75% of actual value	CO-21										IOGCC 2007; CO Statutes 39-7-102
Assessed value reduction: coal mines set at 25% of actual value	CO-22										CO statutes, 39-6-106 (2)
Economic Development Commission Incentive Awarc	CO-23										CO EDC
Support for knowledge creation											
Department of Natural Resources, Colorado Geological Survey – Mineral Resources and Mapping Program	CO-24										CO DNR
Consumer Support Estimate											
Consumption of fuels by manufacturers or power plants											
Sales tax exemption - energy used for industrial, manufacturing, and similar purposes	CO-25				39.6	48.1	42.1	39.3	35.7	30.5	2004-2009 Sales Tax Exemptions: 1
Sales tax exemption - sales of pollution control equipment sold to businesses	CO-26				see 2	see 2	see 2	see 2	see 2	see 2	2004-2009 Sales Tax Exemptions: 1
Consumption of fuels by end-users											
Sales tax exemption - gasoline and special fuel	CO-27				181.8	257.0	226.0	179.2	158.8	128.0	2004-2009 Sales Tax Exemptions: 2
Sales tax exemption - fuel for residential heat, light, and power	CO-28				91.2	104.5	89.7	80.1	83.9	72.8	2004-2009 Sales Tax Exemptions: 2
Sales tax exemption - special fuel for farm vehicles	CO-29				3.3	4.6	4.0	2.9	2.6	2.1	2004-2009 Sales Tax Exemptions: 2
Sales tax exemption - governmental units (includes all products, not just energy)	CO-30				123.4	124.2	119.6	69.4	67.2	65.4	2004-2009 Sales Tax Exemptions: 1
Excise tax exemption - diesel fuel or biodiesel blends used on farms and ranches	CO-31										CO statutes 39-27-102.5(2)(a)
Excise tax exemption - diesel fuel or biodiesel blends used by any government entity	CO-32										CO statutes 39-27-102.5(2)(b)(II)
Excise tax reduction - diesel and special fuels	CO-33										CO statutes 39-27-102(1)(a)(II)(B)

Table 2-1: Fossil Fuel Subsidies Identified for Colorado

Support Element	Tag	Subsidy Amount ($millions)*									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Excise tax reduction - gasoline used by aircraft	CO-34										CO statutes 39-27-102(1)(a)(IV)(A)
Excise tax exemption - commuter air carriers or air charter operations	CO-35										CO statutes 39-27-102(1)(a)(IV)(B)
Excise tax distributor loss allowance of 2% - gasoline and special fuel	CO-36										CO statutes 39-27-102(1)(b)
Annual fee in lieu of excise taxes on LPG or LNG used in vehicles	CO-37										CO statutes 39-27-102.5(5)
Excise tax refunds - gasoline or special fuels used in a stationary gas engine, vehicles on fixed rails, farm equipment, crop treatment aircraft, motor boats, other non-highway commercial use	CO-38										CO statutes 39-27-103(3)(a)(I)
Revenues											
Severance tax revenues, oil and gas	CO-39				274.0	140.0	126.0	202.0	135.0	107.0	COGA, 2011: 3
Severance tax revenues, other	CO-40				11.0	11.0	11.0	10.0	11.0	9.0	COGA, 2011: 3
Conservation tax, 0.14%	CO-41										Fong, 2010: 75

*This review has flagged subsidy provisions, but because Colorado has no tax expenditure budget, we were not able to quantify most of them.

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Table 2-2: Fossil Fuel Sector Use of Other State of Colorado Incentives

Company	City	Year	Subsidy Value	Program Name	Type of Subsidy	Number of Jobs or Training Slots	Wage Data	Wage Data Type	Notes
EnCana Oil & Gas USA, Corp.		2009	$450,000	Job Creation Performance Incentive Fund	grant/low-cost loan	100	$79,572	average annual wage	Based on jobs created January-June 2006.
Cummins Rocky Mountain, LLC	Commerce City	2010	$384,771	Job Growth Incentive Tax Credit	tax credit/rebate	42	$66,740	average annual wage	Subsidy value is maxium tax credit.
EnCana Oil & Gas USA, Corp.		2010	$360,000	Job Creation Performance Incentive Fund	grant/low-cost loan	80	$88,744	average annual wage	Based on jobs created January-June 2007.
Stanley Aviation Corporation	Aurora	2004	$350,000	Economic Development Commission Incentive Awards	grant/low-cost loan	175	$38,467	average annual wage	
EnCana Oil & Gas USA, Corp.		2009	$324,000	Job Creation Performance Incentive Fund	grant/low-cost loan	72	$83,847	average annual wage	Based on jobs created July-December 2006.
EnCana Oil & Gas USA, Corp.		2010	$310,500	Job Creation Performance Incentive Fund	grant/low-cost loan	69	$91,587	average annual wage	Based on jobs created July-December 2007.
Williams Companies, The		2008	$30,000	Job Creation Performance Incentive Fund	grant/low-cost loan	12	$78,842	average annual wage	Based on application from July 2006. $12,000 comes from Enhanced Incentive Program.
Williams Companies, The		2008	$28,000	Job Creation Performance Incentive Fund	grant/low-cost loan	14	$60,658	average annual wage	Based on application from March 2007. $7,000 comes from Enhanced Incentive Program.
Williams Companies, The		2007	$22,500	Job Creation Performance Incentive Fund	grant/low-cost loan	15	$49,541	average annual wage	Based on application from May 2006.
Mercury Payment Systems LLC	Durango	2007	$16,500	Job Creation Performance Incentive Fund	grant/low-cost loan	6	$41,972	average annual wage	Based on application from February 2006. $9,000 comes from Enhanced Incentive Program.

Notes

(1) The awarding agency for all programs listed on this page is the Colorado Economic Development Commission.

(2) Data were extracted from from the Good Jobs First database, accessed 14 February 2012. Although all programs in the database were reviewed, only fossil-fuel related spending is shown. http://www.goodjobsfirst.org/subsidy-tracker

3. Fossil Fuel Subsidies in Kentucky

Coal is the dominant fossil fuel in Kentucky, though oil and gas can be found in the state's major coal producing regions as well. Kentucky is the third largest coal producing state in the United States. Though its mines are smaller than the large operations in states such as Wyoming, they are numerous: Kentucky owns nearly one-third of the coal mines in the US. Kentucky's power sector is also heavily reliant on coal, with 90% of the generation capacity being coal-fired. (EIA, "Kentucky Fact Sheet," 2009).

Data on tax expenditures in Kentucky relied primarily on the state's biennial *Tax Expenditure Analysis* (TEA), prepared jointly by the Office of the State Budget Director and the Department of Revenue. The reports provide prospective estimates, going out three years. Though the state does look at actual return data in preparing its estimates, they don't make aggregate data from these returns public. Since 1995, these reports have been prepared in the odd-numbered year prior to the biennial budget sessions.

The major tax expenditures involve reductions or exemptions from core state taxes. The major tax provisions related to energy include:

- **Severance and processing tax for coal and other natural resources.** A percentage charge (currently at 4.5% of the gross value of coal, with a minimum of 50 cents per ton). Certain deductions (primarily transportation) are allowed, and reduce the taxable base of the resource. Rates for other natural resources (including natural gas) is also 4.5%, but with no minimum.

- **Gasoline and special fuels tax**. A variable charge currently at 9 percent of the average wholesale price per gallon, subject to statutory minimums. Funds are earmarked for road construction. A similarly structured tax on special fuels (i.e., fuels other than gasoline) also exists.

- **Liquefied Petroleum Gas Tax in Kentucky.** A flat fee per gallon on gasoline that serves as a companion tax to the gasoline tax, though covers any fuel used to propel vehicles on public highways, whether in liquid or gaseous state. Proceeds also go into the state road fund. Collections under this tax have been relatively low.

- **Motor Vehicle Usage Tax**. A flat 6 percent excise tax on vehicle value, deposited into the state road fund.

- **Sales and use tax expenditures**. Kentucky levies a sales and use tax at a 6% rate on gross receipts from the sale, lease, or rental of retail sales, tangible personal property, and some services.

Kentucky, like many states, earmarks some of the collections from fuel-related taxes to fuel-related infrastructure or oversight. The specifics of these programs matter when evaluating the net subsidization of activities. Where fees are higher on fuels than other sectors to cover the costs of these related goods and services, they can be an offset to the gross subsidy. However, this is not always the case. The use of funds for related uses may result in a severance fee net of diversions that is less than the fair market value of the resource being sold. Similarly, earmarked sales or excise taxes may result in the residual contributions to the state's general fund being lower than the tax rates on other goods and services.

3.1 Producer Support Estimate

3.1.1 Support to Unit Returns

Coal severance and processing tax expenditures: coal used to burn solid waste
Kentucky Revised Statute 143.023, enacted in 1991

The severance tax on coal used for burning solid waste is limited to the lesser of 4 percent of the selling price or fifty cents per ton, versus the standard rate of 4.5%.

Tag: KY-1
Source(s): TEA 2006: 12, 24; TEA 2008: 30, 50; TEA 2010: 32; TEA 2012: 14, 34; TEA 2014: 14, 20, 34;

Coal severance and processing tax expenditures: thin seam tax credit
Kentucky Revised Statute 143.021, enacted 2000

This non-refundable tax credit applies to coal mined from thin seams or from areas with a high mining ratio. The credit is on a sliding scale from 2.25 percent to 3.75 percent of the value of the severed coal and based on the thickness of the seam, the ratio of overburden removed to coal severed, and the sulfur content of the coal.

Tag: KY-2
Source(s): TEA 2006: 12, 25; TEA 2008: 30, 51; TEA 2010: 32; TEA 2012: 14, 34; TEA 2014: 14, 20, 35

Coal severance and processing tax expenditures: transportation expense
Kentucky Revised Statute 143.010(6), and (11), enacted 1978

Transportation expenses incurred in transporting coal from the mine mouth or pit to a processing plant, loading point, or customer is deductible in computing gross value.

This expenditure existed in TEA 2012 (with estimates for FY10 through FY12), but was not listed in TEA 2014 (which covers FY12 to FY14).

Tag: KY-3
Source(s): TEA 2006: 12, 24; TEA 2008: 30, 50; TEA 2010: 32; TEA 2012: 14, 35; TEA 2014: 16, 22, 33, 107

Coal severance and processing tax expenditures: coal purchased for alternative energy for gasification facility
Kentucky Revised Statute 154.270, enacted January 1, 2008

Use of coal in an approved gasification facility may be eligible for an 80% reduction in severance taxes due on the feedstock.

Tag: KY-4
Source(s): TEA 2010: 32; TEA 2012: 14, 34; TEA 2014: 13, 17, 34

Corporation income and license taxes expenditure: exclusion of 50% of coal royalties
Kentucky Revised Statute 141.010(12)(d), enacted 1962

A corporation owning an economic interest in coal land may exclude 50 percent of any royalties received from such land if it does not deduct certain expenses related to the production of the royalty income, including percentage depletion.

Tag: KY-5
Source(s): TEA 2006: 12, 32; TEA 2008: 30, 57; TEA 2010: 32; TEA 2012: 14, 40; TEA 2014: 14, 20, 41

Corporation income and license taxes expenditure: excess of percentage over cost depletion
Kentucky Revised Statute 141.010(13), IRC Sec. 611 through 614, enacted 1954

Percentage depletion allows deductions from taxable income based on a percentage of the gross income from mining or drilling for natural resources. Unlike standard cost depletion, percentage depletion allows taxpayers to deduct from taxes more than they actually invested in the property.

Tag: KY-6
Source(s): TEA 2006: 12, 32; TEA 2008: 30, 58; TEA 2010: 32; TEA 2012: 14, 42; TEA 2014: 14, 22, 42

Corporation income and license taxes expenditure: coal conversion credit
Kentucky Revised Statutes 141.041, effective 1984

Corporations may claim an income tax credit equal to 4.5 percent of the purchase price, minus transportation costs, of coal consumed or substituted in heating facilities that are currently using a different source of energy.

Tag: KY-8
Source(s): TEA 2006: 12, 34; TEA 2008: 30, 59; TEA 2010: 32; TEA 2012: 14, 44; TEA 2014: 14, 20, 44

Corporation income and license taxes expenditure: coal incentive tax credit
Kentucky Revised Statute 141.0405, effective 2000

This credit may be claimed by any electric power company or entity operating coal-fired electric generation plants, alternative fuel facilities, or gasification facilities. The credit supports only increased use of coal: it is equal to $2 multiplied by the increase in tons burned in the tax year over the tons burned in the base year.

Tag: KY-9
Source(s): TEA 2006: 12, 38; TEA 2008: 30, 63; TEA 2010: 32; TEA 2012: 14, 44; TEA 2014: 20

Natural Resources Severance and Processing Tax Expenditures: Inactive Crude Oil & Natural Gas Wells
Kentucky Revised Statute 143A, effective 1998

A tax credit equal to 4.5 percent of the total tax is allowed for natural gas and oil produced from recovered inactive wells.

Tag: KY-10
Source(s): TEA 2006: 14, 85; TEA 2008: 32, 114; TEA 2010: 34; TEA 2012: 17; TEA 2014: 16, 20, 109

3.1.2 Support for land

Mine Reclamation and Enforcement

Kentucky's Mine Reclamation and Enforcement divisions are in the Cabinet for Environmental and Public Protection. Roughly one third of the budget for this effort comes from the state's general fund.

Tag: KY-27
Source(s): Konty and Bailey, 2009: 13-14

Environmental Protection – Air and Water Quality

Kentucky's Environmental Protection Department is in the Cabinet for Environmental and Public Protection. An estimated 20% of the Cabinet's general fund expenditures can be attributed to coal-related work in the Air and Water Quality units.

Tag: KY-30
Source(s): Konty and Bailey, 2009: 13-14

Environmental Protection – Administrative and Program Support for air and water quality work related to coal

Administrative and program support expenditures for the Air and Water Quality units' work related to coal is a proportional estimate.

Tag: KY-31
Source(s): Konty and Bailey, 2009: 13-14

3.1.3 Support for capital formation

Limited Liability Entity Tax Expenditures:

Limited liability corporations or partnerships do not pay corporate-level income taxes at the federal level. Since 2007, Kentucky has levied a Limited Liability entity tax based either on gross profits or gross receipts (with the tax rate higher on the former). A handful of energy-related entities are exempt from these payments:

Certified Fluidized Bed Energy Production Facility
Kentucky Revised Statute 141.0401(6)(k), effective January 1, 2007

The tax does not apply to a certified fluidized bed energy production facility as defined in KRS 211.390.

Tag: KY-11
Source(s): TEA 2010: 34; TEA 2012: 16, 92; TEA 2014: 16, 20, 92

Limited Liability Entity Tax Expenditures: Publicly traded partnerships
Kentucky Revised Statute 141.0401(6)®, effective January 1, 2007

The tax does not apply to a publicly traded partnership as defined by Section 7704(b) of the Internal Revenue Code that is treated as a partnership for federal tax purposes under Section 7704(c) of the Internal Revenue Code, or its publicly traded partnership affiliate.

Tag: KY-12
Source(s): TEA 2010: 34; TEA 2012: 21, 94; TEA 2014: 16, 20, 95

Corporation income and license taxes expenditure: railroad improvement tax credit
Kentucky Revised Statute 141.385, effective June 26, 2009

Class II and Class III railroads, as defined by the Federal Surface Transportation Board, may receive credit against costs incurred for railroad maintenance and improvement and for railroad expansion or upgrades to accommodate the transport of fossil energy or biomass resources.

Tag: KY-13
Source(s): TEA 2012: 14, 50; TEA 2014: 14, 23, 51

Natural Resources Severance and Processing Tax Expenditures: Ball Clay, Fluorspar, Lead, Zinc, Tar Sands, Barite, and Stone Used for Privately Maintained but Publicly Dedicated Roads
Kentucky Revised Statute 143A.020 and 143A.030, effective 1980, 1984

In 1984, the General Assembly exempted fluorspar, lead, zinc, barite, and tar sands from the state's severance tax. Tar sands are relevant in terms of fossil fuel subsidies.

Tag: KY-14
Source(s): TEA 2006: 14, 84; TEA 2008: 32, 113; TEA 2010: 34; TEA 2012: 17; TEA 2014: 16, 22, 107, 108

Sales and use tax exemption: Pollution Control Facilities
Kentucky Revised Statute 139.480(12), effective 1974

Property certified as a pollution control facility as defined by KRS 224.01-300 is exempt from sales and use taxes.

Tag: KY-15
Source(s): TEA 2006: 15, 108; TEA 2008: 34, 138; TEA 2010: 35; TEA 2012: 17; TEA 2014: 17, 20, 133

Sales and use tax exemption: Property Certified as a Fluidized Bed Energy Production Facility
Kentucky Revised Statute 139.480(20), effective 1986

Any sale, use, storage or consumption of tangible property that has been certified as a fluidized bed energy production facility, as defined in KRS 211.390, is exempt from sales and use taxes.

Tag: KY-16
Source(s): TEA 2006: 15, 116; TEA 2008: 34, 146; TEA 2010: 36; TEA 2012: 17; TEA 2014: 17, 20, 134

Sales and use tax exemption: New and Replacement Machinery and Equipment for Energy Efficient Projects
Kentucky Revised Statute 139, effective January 1, 2008

A manufacturer who purchases machinery or equipment that reduces energy consumption at its facility by 15 percent or more is eligible for a refund of the sales tax on the purchase.

Tag: KY-17
Source(s): TEA 2010: 36; TEA 2012: 18, 21, 132; TEA 2014: 17, 20, 132

Sales and use tax exemption: Construction Expenses for Alternative Fuel or Gasification Facility
Kentucky Revised Statute 154.27, effective January 1, 2008

Sales taxes paid on tangible personal property used in the process of constructing an alternative fuel or gasification facility may be refunded at the end of the calendar year.

Tag: KY-18
Source(s): TEA 2010: 36; TEA 2012: 18, 21, 126; TEA 2014: 17, 20, 126

Sales and use tax exemption: Construction Expenses for coal-based Near Zero Emission Power Plants

Kentucky Revised Statute 139.537, effective January 1, 2007

Tangible personal property used to construct, repair, renovate or upgrade a coal-based near-zero emission power plant is exempt from sales tax, including on repair and replacement parts.

Tag: KY-19
Source(s): TEA 2010: 36; TEA 2012: 18, 21, 127; TEA 2014: 17, 20, 126

Various Kentucky investment credit programs, credits to fossil fuel sector (primarily coal)

Kentucky has a number of investment incentive programs that have been beneficial to fossil fuel industries in the state. These include tax credits or rebates under the Kentucky Rural Economic Development Act, the Kentucky Industrial Revitalization Act, the Kentucky Rural Economic Development Act, and the Incentives for Energy Independence Act.

While we were unable to review all of the awards under these programs, we did review the largest of these of the awards using a database compiled by Washington, DC-based Good Jobs First. The Energy Independence Act is particularly relevant. Investments exceeding $100m in an alternative fuel facility using coal as a feedstock can receive state reimbursement of sales and use taxes, an income tax credit, or wage incentives (up to 4% of gross wages for each employee added for the project). The negotiated incentives are capped at 50% of the capital expenditures related to the project (WTO 2011: 127), but can still be extremely large.

Three awards under the Energy Independence Act in 2007 and 2008 totaled $950 million, with a single project receiving a subsidy of more than $500 million (Clean Coal Power LLC, though still listed at "prelimary" in the state's data). This is a very high level of investment into a single facility, particularly for a State. The other plants with maximum credits in excess of $100 million were Kentucky Syngas, LLC, and Cash Creek Generation, LLC. Awards were assumed to cover five years of support.

Tag: KY-20
Source(s): Extract from the Good Jobs First Subsidy database (www.goodjobsfirst.org), WTO 2011.

New Energy Ventures Fund

KRS 154.20-400 et seq.

The fund provides grants of $30,000 and investments in the $250-750k range for Kentucky-based companies working to commercialize alternative fuel and renewable energy products, processes, and services in Kentucky. (WTO 2011: 127).

Tag: KY-56
Source: WTO 2011: 127

3.1.4 Support for knowledge creation

Consortium for Fossil Fuel Liquefaction Science

The Consortium for Fossil Fuel Liquefaction Science involves five universities (not all in KY), with a research focus on new chemical pathways for converting coal, biomass, and other feedstock into alternative transportation fuels and premium-quality chemicals. Their funding comes from grants and contracts from the U.S. Department of Energy, U.S. Department of Defense, the Electric Power Research Institute, state funding, and private organizations. Since its inception, the Consortium has to date received over $50M of funding. It historically averaged $2-2.5 million per year, but has recently been zeroed out.

Tag: KY-21
Source(s): Konty and Bailey, 2009: 13-14; Huffman, 2012

Sales and use tax exclusion of services: scientific research and development
Kentucky Revised Statute 139.100 and 139.160, effective 1960

Services are excluded from the sales and use tax by the definition of "retail sale" or "sale at retail" as a sale of tangible personal property. Energy-related research would be only a portion of the total occurring within the State.

Tag: KY-58
Source(s): TEA 2008: 155; TEA 2010: 160; TEA 2012: 22, 144; TEA 2014: 21, 145

Coal-related program funding, University of Kentucky

University of Kentucky's Center for Applied Energy Research (CAER) engages in a diverse breadth of energy sources and technologies research. A significant portion of the research pertains to coal and over half of the research staff have expertise in coal-related work. Coal's share of funds received from the state of Kentucky is estimated to be $2.6 million. The University of Kentucky's Mining Engineering program receives $1 million from the state of Kentucky annually.

Tag: KY-25
Source(s): Konty and Bailey, 2009: 13-14

KY Office of Energy Policy

The state of Kentucky's Office of Energy Policy promotes the development of Kentucky's energy resources and helps maintain low energy prices. Funding goes towards university, research and development, and demonstration programs. Eighty percent of the office's general fund is estimated as coal expenditures.

Tag: KY-26
Source(s): Konty and Bailey, 2009: 13-14

3.1.5 Support for labor

Individual Income Tax Expenditures: Exclusion of Special Benefits for Disabled Coal Miners
Internal Revenue Code Section 104 and 192, effective 1981

Disability payments to former coal miners out of the Black Lung Trust Fund are not subject to the income tax. This mirrors a federal policy which does the same. While the approach extends the ability of the trust fund to cover injured workers, coal remains a vibrant business in the United States and higher fees on the sector could be collected to compensate injured workers with no tax breaks.

Tag: KY-22
Source(s): TEA 2006: 13, 56; TEA 2008: 31, 85; TEA 2010: 32; TEA 2012: 15, 62; TEA 2014: 15, 61

Social Security Benefits for All Retired Workers, Disabled Workers, and Dependents and Survivors
Internal Revenue Code Section 86, effective 1954 and KRS 141.010(10)(e)

Social Security benefits paid to retired workers and their dependents, to persons who are survivors of deceased workers and to disabled workers and their dependents are not taxed. This covers all people in the state, not just disabled miners. Kentucky has not adopted IRC Sec. 86, which taxes a portion of these payments if the taxpayer's income is above a certain level, meaning that benefits payments are entirely tax-free.

Tag: KY-59
Source(s): TEA 2010: 33, 83; TEA 2012: 15, 69; TEA 2014: 15, 69

Grant to Coal Council for Energy Education in Schools

The State of Kentucky grants $400,000 per year to the Coal Council to provide public school students with educational materials presenting the benefits of coal. The Coal Council's broader responsibilities include promoting Kentucky coal through development of marketing programs, coordinating research, and advising industry players on entering or expanding domestic or export markets.

Tag: KY-23
Source(s): Konty and Bailey, 2009: 13-14

Coal Academy – Mining Workforce Development

The State of Kentucky provides a $3 million grant to the Coal Academy, a mining workforce development program offered through the Kentucky Community and Technical College System.

Tag: KY-24
Source(s): Konty and Bailey, 2009: 13-14

Mine Safety and Licensing

The state of Kentucky's general fund contributes funding to the Mine Safety and Licensing. In past years, this has amounted to about $10 million annually.

Tag: KY-28
Source(s): Konty and Bailey, 2009: 13-14

Mine Safety Review Commission

The state of Kentucky's general fund supports the Mine Safety Review Commission, though amounts have been relatively small (less than $0.5 million).

Tag: KY-29
Source(s): Konty and Bailey, 2009: 13-14

3.2 Consumer Support Estimate

3.2.1 Consumption of fuels by manufacturers or power plants

Sales and use tax exemption: Coal Used in the Manufacture of Electricity
Kentucky Revised Statute 139.480(2), effective 1960

Coal used in the manufacturing of electricity is exempt from sales and use tax.

Tag: KY-32
Source(s): TEA 2006: 15, 106; TEA 2008: 33, 136; TEA 2010: 35; TEA 2012: 17; TEA 2014: 17, 20, 126

Subsidies to Kentucky coal haul road system

Kentucky's coal haul road system consists of rural roads, county and local roads, state highways, and interstates. These roads transport coal from mine mouth to the next stage of transportation via train or barge; or to a power plant. Due primarily to the weight of the loads, coal haul roads are exposed to more extensive wear and tear, and require frequent and extensive maintenance. The Kentucky Energy Cabinet estimates 75% of the costs incurred from maintaining the 4,000 miles of coal haul roads can be attributed to the coal industry. The estimates for road costs not covered by the industry come from a detailed look at the issue by a Kentucky-based policy research organization (Konty and Baily, 2009). Data for more recent years is not available (Baily, 2012).

Tag: KY-33
Source(s): Konty and Bailey, 2009: 13-16

Corporation income and license taxes expenditure: Clean Coal Incentive Credit
Kentucky Revised Statutes 141.428, enacted 2007

Qualifying coal burned by an electricity generation facility investing more than $150 million and certified by the Natural Resources and Environmental Protection Cabinet as using “clean” coal equipment and technology receives a tax credit equal to $2 per ton. To be eligible, the coal burned must be subject to Kentucky’s severance tax, which means the subsidy applies only to the use of in-state coal.

Tag: KY-7
Source(s): TEA 2008: 32, 65; TEA 2010: 32; TEA 2012: 14, 43; TEA 2014: 14, 20, 43

3.2.2 Consumption of fuels by end-users

Gasoline Tax Expenditures: agricultural exemption
Kentucky Revised Statute 138.344(1), effective 1946, revised 2002

Gasoline used exclusively in tractors or stationary engines for agricultural purposes is exempt from state gasoline tax.

Tag: KY-34
Source(s): TEA 2006: 12, 41; TEA 2008: 30, 69; TEA 2010: 32; TEA 2012: 14, 54; TEA 2014: 15, 19, 55

Gasoline tax exemption: U.S. government exemption
Kentucky Revised Statute 138.240(2), effective 1956

Gasoline sold to the U.S. Government is exempt from gasoline tax even though the tax finances roads built and maintained by the state.

Kentucky’s tracking of this provision changed in 2006, when a tax expenditure summit hosted by Kentucky’s Office of the State Budget Director removed gasoline sales and excise tax exemptions to the U.S. government from their tax expenditure reports. These no longer appear in reports published after the *2008-2010 TEA*, though the policy has not changed.

Tag: KY-35
Source(s): TEA 2006: 12, 41; TEA 2008: 30, 68; TEA 2010: 28-29

Gasoline Tax Expenditures: aircraft refund
Kentucky Revised Statute 138.341, effective 1942

One hundred percent of the tax paid is refunded to qualified purchasers if the gasoline is used in aircraft engaged in the transportation of persons or property.

Tag: KY-36
Source(s): TEA 2006: 12, 41; TEA 2008: 30, 69; TEA 2010: 32, 42, 70; TEA 2012: 14, 54; TEA 2014: 14, 23, 55

Gasoline Tax Expenditures: Bus, Taxicab, and Certain Senior Citizen's Programs Refund
Kentucky Revised Statute 138.446, effective 1978

Seven-ninths of the tax paid is refunded if the gasoline is used in regularly scheduled operations of the city and suburban buses, taxicabs, senior citizen transportation and non-profit buses.

Tag: KY-37
Source(s): TEA 2006: 12, 42; TEA 2008: 30, 70; TEA 2010: 32; TEA 2012: 14, 55; TEA 2014: 14, 23, 55

Gasoline Tax Expenditures: Dealer's Monthly Reporting Allowance
Kentucky Revised Statute 138.270(1)(b), effective 1936

A gasoline dealer is allowed a 2.25 percent credit of the net tax due when timely filing and paying a monthly tax return.

Tag: KY-38
Source(s): TEA 2006: 12, 40; TEA 2008: 30, 68; TEA 2010: 32; TEA 2012: 14, 55; TEA 2014: 14, 21

Gasoline Tax Expenditures: Watercraft Refund
Kentucky Revised Statue 138.445, effective 1960

The entire tax paid is refunded to qualified boat dock operators if the gasoline is used to operate or propel watercraft.

Tag: KY-39
Source(s): TEA 2006: 12, 41; TEA 2008: 30, 69; TEA 2010: 32; TEA 2012: 14, 55; TEA 2014: 14, 23, 56

Liquefied Petroleum Gas Tax Expenditures: Approved Carburetion Systems
Kentucky Revised Statute 234.321(1), effective 1972

The tax is not collected when the motor vehicles using liquefied petroleum gas are equipped with carburetion systems approved by the Natural Resources and Environmental Protection Cabinet. Though these fueling systems may reduce pollution, the vehicles using them are still driving on the roadways financed by the motor fuels tax.

Tag: KY-40
Source(s): TEA 2006: 14, 72; TEA 2008: 32, 102; TEA 2010: 34; TEA 2012: 16, 98; TEA 2014: 16, 20, 98

Liquefied Petroleum Gas Tax Expenditures: Dealer's Monthly Reporting Allowance
Kentucky Revised Statute 234.320(1), effective 1972

An allowance of one percent of the net tax due is allowed a dealer on a timely filed and paid monthly return. This allowance is given to offset the costs of unaccountable losses, bad debts and handling and reporting the tax. Usage of the fuel, and therefore the related tax expenditure, has been minimal.

Tag: KY-41
Source(s): TEA 2006: 14, 72; TEA 2008: 32, 102; TEA 2010: 34; TEA 2012: 16, 98; TEA 2014: 16, 21

Sales and use tax exemption: Fuel Used for Farm Purposes
Kentucky Revised Statute 139.480(16), effective 1978, revised 1998

Gasoline, special fuels, and liquefied petroleum gas used to operate or propel stationary engines or tractors for agricultural purposes are exempt.

Tag: KY-42
Source(s): TEA 2006: 16, 120; TEA 2008: 34, 151; TEA 2010: 36; TEA 2012: 17; TEA 2014: 18, 19, 141

Sales and use tax exemption: residential utilities (90% of KY power is coal-fired)
Kentucky Revised Statute 139.470(8), effective 1979

Sales of electricity, sewer services, water, and fuel to Kentucky residents for use in heating, cooking, lighting, and other residential uses are exempt from sales and use tax.

Tag: KY-43
Source(s): TEA 2006: 15, 105; TEA 2008: 33, 135; TEA 2010: 35; TEA 2012: 17; TEA 2014: 17, 20, 135

Sales and use tax exemption: energy and energy producing fuels
Kentucky Revised Statute 139.480(3), effective 1960

Energy and energy producing fuels used in manufacturing, processing, mining, or refining, to the extent that the cost of the energy or energy producing fuels used exceeds 3 percent of the cost of production, are exempt. The provision effectively subsidizes the energy-intensive industries where investments in improved efficiency would be most valuable.

Tag: KY-44
Source(s): TEA 2006: 15, 106; TEA 2008: 33, 136; TEA 2010: 35; TEA 2012: 17; TEA 2014: 17, 20, 128

Sales and use tax reduction: Jet Fuel Tax capped at $1M per carrier
Kentucky Revised Statute 144.132, effective July 1, 2000

Certified air carriers are allowed a credit after payment of the first $1.0 million in sales and use tax on the purchase of aircraft fuel including jet fuel.

Tag: KY-45
Source(s): TEA 2006: 16, 117; TEA 2008: 34, 147; TEA 2010: 36; TEA 2012: 17; TEA 2014: 17, 23, 130

Special fuels tax exemption: Agricultural Use
Kentucky Revised Statute 138.358(2), effective 1988

A credit is allowed for special fuels used for non-highway agricultural purposes.

Tag: KY-46
Source(s): TEA 2006: 16, 127; TEA 2008: 35, 160; TEA 2010: 36; TEA 2012: 19; TEA 2014: 15, 18, 19, 148

Special fuels tax exemption: Bus, Taxicab and Certain Senior Citizen's Programs Refunds
Kentucky Revised Statute 138.446, effective 1978

Seven-ninths of the tax paid is refunded if the special fuels are used in regularly scheduled operations of the city and suburban buses, taxicabs, senior citizen transportation and non-profit buses.

Tag: KY-47
Source(s): TEA 2006: 16, 128; TEA 2008: 35, 160; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 23, 149

Special fuels tax exemption: Dealer's Monthly Reporting Allowance
Kentucky revised Statute 138.270(1)(b), effective 1958

An allowance of 2.25 percent of the net tax due is allowed a dealer on a timely filed and paid monthly return. This allowance is given to offset the costs of evaporation, shrinkage, unaccountable losses, collection costs, bad debts and handling and reporting the tax.

Tag: KY-48
Source(s): TEA 2006: 16, 127; TEA 2008: 35, 160; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 21

Special fuels tax exemption: Non-Highway Use
Kentucky Revised Statute 138.344(1), effective 1988, revised 2000

Special fuels used exclusively for non-highway use by qualified purchasers are exempt sales.

Tag: KY-49
Source(s): TEA 2006: 16, 126; TEA 2008: 35, 159; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 21, 149

Special fuels tax exemption: Railroad Companies
Kentucky Revised Statute 138.240(2)(f), effective 1988

Railroad companies principally engaged in the business of transporting property for others as a common carrier or in the conveyance of persons are exempt from paying special fuels tax.

Tag: KY-50
Source(s): TEA 2006: 16, 127; TEA 2008: 35, 159; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 23, 150

Special fuels tax exemption: Religious, Charitable or Educational Use
Kentucky Revised Statute 138.358(3), effective 1988

A special fuels tax exemption is allowed for sales to qualifying non-profit religious, charitable or educational organizations for non-highway use.

Tag: KY-51
Source(s): TEA 2006: 16, 129; TEA 2008: 35, 161; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 19, 150

Special fuels tax exemption: Residential Heating
Kentucky Revised Statute 138.358(1), effective 1988

A special fuels tax exemption is allowed for special fuels used exclusively for heating personal residences.

Tag: KY-52
Source(s): TEA 2006: 16, 128; TEA 2008: 35, 160; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 22, 150

Special fuels tax exemption: State and Local Government Use
Kentucky Revised Statute 138.358(3), effective 1988

A special fuels tax exemption is allowed for sales to qualifying state and local government agencies for non-highway use.

Tag: KY-53
Source(s): TEA 2006: 16, 128; TEA 2008: 35, 161; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 23, 151

Special fuels tax exemption: Watercraft
Kentucky Revised Statute 138.455, effective 1960

One hundred percent of the tax paid on special fuels to operate or propel watercraft is refunded to qualified boat dock operators.

Tag: KY-54
Source(s): TEA 2006: 16, 129; TEA 2008: 35, 161; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 23, 151

Special fuels tax exemption: U.S. Government Exemption
Kentucky Revised Statute 138.240(2), effective 7/1/88

Special fuels sold to the U.S. Government are exempt. As noted above, tracking of fuel tax exemptions to the federal government ended with the 2006-08 TEA.

Tag: KY-55
Source(s): TEA 2006: 16, 129; TEA 2008: 35, 162; TEA 2010: 28-29

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Table 3-1: Fossil Fuel Subsidies Identified for Kentucky

Support Element	Tag	Subsidy Amount ($millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Producer Support Estimate											
Support to unit returns											
Coal severance and processing tax expenditures: coal used to burn solid waste	KY-1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	TEA 2006: 12, 24; TEA 2008: 30, 50; TEA 2010: 32; TEA 2012: 14, 34; TEA 2014: 14, 20, 34;
Coal severance and processing tax expenditures: thin seam tax credit	KY-2	2.4	2.3	2.3	0.6	0.6	0.4	0.4	0.1	0.1	TEA 2006: 12, 25; TEA 2008: 30, 51; TEA 2010: 32; TEA 2012: 14, 34; TEA 2014: 14, 20, 35
Coal severance and processing tax expenditures: transportation expense **[see*]**	KY-3	21.9	21.4	21.3	24.1	23.7	18.0	17.7	9.0	9.0	TEA 2006: 12, 24; TEA 2008: 30, 50; TEA 2010: 32; TEA 2012: 14, 35; TEA 2014: 16, 22, 33, 107
Coal severance and processing tax expenditures: coal purchased for alternative energy for gasification facility	KY-4	0.0	0.0	0.0	0.0	0.0		N/A	N/A	N/A	TEA 2010: 32; TEA 2012: 14, 34; TEA 2014: 13, 17, 34
Corporation income and license taxes expenditure: exclusion of 50% of coal royalties	KY-5	min	min	min	min	min	min	0.1	0.1	0.1	TEA 2006: 12, 32; TEA 2008: 30, 57; TEA 2010: 32; TEA 2012: 14, 40; TEA 2014: 14, 20, 41
Corporation income and license taxes expenditure: Excess of Percentage Over Cost Depletion	KY-6	2.8	2.9	3.0	3.9	3.9	1.0	0.9	5.2	5.2	TEA 2006: 12, 32; TEA 2008: 30, 58; TEA 2010: 32; TEA 2012: 14, 42; TEA 2014: 14, 22, 42
Corporation income and license taxes expenditure: coal conversion credit	KY-8	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2	TEA 2006: 12, 34; TEA 2008: 30, 59; TEA 2010: 32; TEA 2012: 14, 44; TEA 2014: 14, 20, 44
Corporation income and license taxes expenditure: coal incentive tax credit	KY-9	4.1	0.0	0.0	0.0	0.0	0.1	0.1	0.9	0.6	TEA 2006: 12, 38; TEA 2008: 30, 63; TEA 2010: 32; TEA 2012: 14, 44; TEA 2014: 20
Natural Resources Severance and Processing Tax Expenditures: Inactive Crude Oil & Natural Gas Wells	KY-10	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	TEA 2006: 14, 85; TEA 2008: 32, 114; TEA 2010: 34; TEA 2012: 17; TEA 2014: 16, 20, 109
Support for land											
Mine reclamation and enforcement	KY-27							9.7			Konty and Bailey, 2009: 13-14
Environmental Protection - Air and Water Quality	KY-30							2.3			Konty and Bailey, 2009: 13
Environmental Protection - Administrative and Program Support for air and water quality work related to coal	KY-31							0.9			Konty and Bailey, 2009: 13
Support for capital formation											
Limited Liability Entity Tax Expenditures: Certified Fluidized Bed Energy Production Facility	KY-11	0.1	0.1	0.1	0.0	0.0	N/A	N/A	N/A	N/A	TEA 2010: 34; TEA 2012: 16, 92; TEA 2014: 16, 20, 92
Limited Liability Entity Tax Expenditures: Publicly traded partnerships	KY-12	min	min	min	1.2	1.1	N/A	N/A	N/A	N/A	TEA 2010: 34; TEA 2012: 21, 94; TEA 2014: 16, 20, 95
Corporation income and license taxes expenditure: railroad improvement tax credit	KY-13	0.0	3.3	0.0	N/A	N/A	N/A	N/A	N/A	N/A	TEA 2012: 14, 50; TEA 2014: 14, 23, 51

Table 3-1: Fossil Fuel Subsidies Identified for Kentucky

Support Element	Tag	Subsidy Amount ($millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Natural Resources Severance and Processing Tax Expenditures: Ball Clay, Fluorspar, Lead, Zinc, Tar Sands, Barite, and Stone Used for Privately Maintained but Publicly Dedicated Roads	KY-14	0.3	0.3	0.3	0.3	0.3	0.5	0.5	0.5	0.5	TEA 2006: 14, 84; TEA 2008: 32, 113; TEA 2010: 34; TEA 2012: 17; TEA 2014: 16, 22, 107, 108
Sales and use tax exemption: Pollution Control Facilities	KY-15	24.3	37.5	33.1	23.9	23.6	21.3	21.0	13.9	13.5	TEA 2006: 15, 108; TEA 2008: 34, 138; TEA 2010: 35; TEA 2012: 17; TEA 2014: 17, 20, 133
Sales and use tax exemption: Property Certified as a Fluidized Bed Energy Production Facility	KY-16	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	TEA 2006: 15, 116; TEA 2008: 34, 146; TEA 2010: 36; TEA 2012: 17; TEA 2014: 17, 20, 134
Sales and use tax exemption: New and Replacement Machinery and Equipment for Energy Efficient Projects	KY-17	0.0	3.8	3.7	3.7	0.0	N/A	N/A	N/A	N/A	TEA 2010: 36; TEA 2012: 18, 21, 132; TEA 2014: 17, 20, 132
Sales and use tax exemption: Construction Expenses for Alternative Fuel or Gasification Facility	KY-18	1.6	0.0	0.0	11.9	0.0	N/A	N/A	N/A	N/A	TEA 2010: 36; TEA 2012: 18, 21, 126; TEA 2014: 17, 20, 126
Sales and use tax exemption: Construction Expenses for coal-based Near Zero Emission Power Plants	KY-19	0.0	0.0	0.0	0.0	0.0	N/A	N/A	N/A	N/A	TEA 2010: 36; TEA 2012: 18, 21, 127; TEA 2014: 17, 20, 126
Various Kentucky investment credit programs, credits to fossil fuel sector (primarily coal)	KY-20		0.2	0.2	0.2	0.2	0.2				See KY_CompanyDetail sheet; total assumed to cover five years of support
New Energy Ventures Fund	KY-56										WTO 2011: 127
Support for knowledge creation											
Consortium for Fossil Fuel Liquefaction Science	KY-21							0.1			Konty and Bailey, 2009: 13-14
Sales and use tax exclusion of services: Scientific Research and Development	KY-58	8.8	8.4	8.5	8.5	7.8	6.8	6.3	N/A	N/A	TEA 2008: 155; TEA 2010: 160; TEA 2012: 22, 144; TEA 2014: 21, 145
Coal-related program funding, University of Kentucky	KY-25							3.6			Konty and Bailey, 2009: 13-14
KY Office of Energy Policy	KY-26							1.9			Konty and Bailey, 2009: 13-14
Support for labor											
Individual Income Tax Expenditures: Exclusion of Special Benefits for Disabled Coal Miners	KY-22	0.4	0.2	0.2	1.1	1.0	1.1	1.1	3.7	3.7	TEA 2006: 13, 56; TEA 2008: 31, 85; TEA 2010: 32; TEA 2012: 15, 62; TEA 2014: 15, 61
Individual Income Tax: Social Security Benefits for All Retired Workers, Disabled Workers, and Dependents and Survivors	KY-59	359.2	114.5	110.4	149.1	147.2	N/A	N/A	N/A	N/A	TEA 2010: 33, 83; TEA 2012: 15, 69; TEA 2014: 15, 69
Grant to Coal Council for Energy Education in Schools	KY-23							0.4			Konty and Bailey, 2009: 13-14
Coal Academy - Mining Workforce Development	KY-24							3.0			Konty and Bailey, 2009: 13-14
Mine Safety and Licensing	KY-28							9.5			Konty and Bailey, 2009: 13-14
Mine Safety Review Commission	KY-29							0.2			Konty and Bailey, 2009: 13-14

Table 3-1: Fossil Fuel Subsidies Identified for Kentucky

Support Element	Tag	Subsidy Amount ($millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Consumer Support Estimate											
Consumption of fuels by manufacturers or power plants											
Sales and use tax exemption: coal Used in the Manufacture of Electricity	KY-32	76.4	87.4	86.1	71.2	70.2	80.2	78.7	57.1	55.0	TEA 2006: 15, 106; TEA 2008: 33, 136; TEA 2010: 35; TEA 2012: 17; TEA 2014: 17, 20, 126
Subsidies to Kentucky coal haul road system	KY-33							239.0			Konty and Bailey, 2009: 13-16
Corporation income and license taxes expenditure: Clean Coal Incentive Credit	KY-7	0.0	0.0	0.0	0.0	0.0	0.0	N/A	N/A	N/A	TEA 2008: 32, 65; TEA 2010: 32; TEA 2012: 14, 43; TEA 2014: 14, 20, 43
Consumption of fuels by end-users											
Gasoline Tax Expenditures: agricultural exemption	KY-34	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	TEA 2006: 12, 41; TEA 2008: 30, 69; TEA 2010: 32; TEA 2012: 14, 54; TEA 2014: 15, 19, 55
Gasoline tax exemption: U.S. government exemption	KY-35	rem	rem	rem	rem	rem	0.2	0.2	0.1	0.1	TEA 2006: 12, 41; TEA 2008: 30, 68; TEA 2010: 28-29
Gasoline Tax Expenditures: aircraft refund	KY-36	0.3	0.3	0.3	0.5	0.5	0.2	0.2	0.2	0.2	TEA 2006: 12, 41; TEA 2008: 30, 69; TEA 2010: 32, 42, 70; TEA 2012: 14, 54; TEA 2014: 14, 23, 55
Gasoline Tax Expenditures: Bus, Taxicab, and Certain Senior Citizen's Programs Refund	KY-37	0.6	0.4	0.4	0.5	0.5	0.3	0.3	0.3	0.3	TEA 2006: 12, 42; TEA 2008: 30, 70; TEA 2010: 32; TEA 2012: 14, 55; TEA 2014: 14, 23, 55
Gasoline Tax Expenditures: Dealer's Monthly Reporting Allowance	KY-38	13.7	12.8	12.6	10.9	10.1	9.2	8.7	7.5	7.5	TEA 2006: 12, 40; TEA 2008: 30, 68; TEA 2010: 32; TEA 2012: 14, 55; TEA 2014: 14, 21
Gasoline Tax Expenditures: Watercraft Refund	KY-39	1.0	0.7	0.7	0.5	0.5	0.7	0.7	0.8	0.8	TEA 2006: 12, 41; TEA 2008: 30, 69; TEA 2010: 32; TEA 2012: 14, 55; TEA 2014: 14, 23, 56
Liquefied Petroleum Gas Tax Expenditures: Approved Carburetion Systems	KY-40	0.000	0.000	0.000	0.001	0.001	0.012	0.011	0.000	0.000	TEA 2006: 14, 72; TEA 2008: 32, 102; TEA 2010: 34; TEA 2012: 16, 98; TEA 2014: 16, 20, 98
Liquefied Petroleum Gas Tax Expenditures: Dealer's Monthly Reporting Allowance	KY-41	0.002	0.002	0.002	0.002	0.002	0.001	0.001	0.000	0.000	TEA 2006: 14, 72; TEA 2008: 32, 102; TEA 2010: 34; TEA 2012: 16, 98; TEA 2014: 16, 21
Sales and use tax exemption: Fuel Used for Farm Purposes	KY-42	15.9	17.2	15.8	8.2	7.9	7.7	7.5	7.3	7.1	TEA 2006: 16, 120; TEA 2008: 34, 151; TEA 2010: 36; TEA 2012: 17; TEA 2014: 18, 19, 141
Sales and use tax exemption: residential utilities (90% of KY power is coal-fired)	KY-43	347.0	301.9	263.9	259.6	254.6	183.7	187.1	138.4	134.4	TEA 2006: 15, 105; TEA 2008: 33, 135; TEA 2010: 35; TEA 2012: 17; TEA 2014: 17, 20, 135
Sales and use tax exemption: energy and energy producing fuels	KY-44	48.0	28.0	27.5	26.3	25.0	21.4	20.8	56.2	55.5	TEA 2006: 15, 106; TEA 2008: 33, 136; TEA 2010: 35; TEA 2012: 17; TEA 2014: 17, 20, 128
Sales and use tax reduction: Jet Fuel tax capped at $1M per carrier	KY-45	24.9	25.0	20.0	38.0	36.0	23.5	23.0	20.0	19.3	TEA 2006: 16, 117; TEA 2008: 34, 147; TEA 2010: 36; TEA 2012: 17; TEA 2014: 17, 23, 130
Special fuels tax exemption: Agricultural Use	KY-46	6.6	6.3	6.1	6.1	5.7	3.8	3.7	3.6	3.5	TEA 2006: 16, 127; TEA 2008: 35, 160; TEA 2010: 36; TEA 2012: 19; TEA 2014: 15, 18, 19, 148
Special fuels tax exemption: Bus, Taxicab and Certain Senior Citizen's Programs Refunds	KY-47	0.7	0.7	0.7	0.5	0.4	0.3	0.3	0.3	0.3	TEA 2006: 16, 128; TEA 2008: 35, 160; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 23, 149
Special fuels tax exemption: Dealer's Monthly Reporting Allowance	KY-48	4.3	4.4	4.3	3.9	3.6	3.1	3.0	2.3	2.3	TEA 2006: 16, 127; TEA 2008: 35, 160; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 21
Special fuels tax exemption: Non-Highway Use	KY-49	44.0	38.4	37.2	37.2	34.2	30.5	29.0	28.0	27.0	TEA 2006: 16, 126; TEA 2008: 35, 159; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 21, 149

Table 3-1: Fossil Fuel Subsidies Identified for Kentucky

Support Element	Tag	Subsidy Amount ($millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Special fuels tax exemption: Railroad Companies	KY-50	25.5	23.6	21.8	23.6	21.8	15.0	14.7	12.5	12.2	TEA 2006: 16, 127; TEA 2008: 35, 159; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 23, 150
Special fuels tax exemption: Religious, Charitable or Educational Use	KY-51	0.2	0.3	0.3	0.5	0.4	0.3	0.2	0.2	0.2	TEA 2006: 16, 129; TEA 2008: 35, 161; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 19, 150
Special fuels tax exemption: Residential Heating	KY-52	1.2	1.3	1.2	1.3	1.2	1.5	1.4	1.4	1.4	TEA 2006: 16, 128; TEA 2008: 35, 160; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 22, 150
Special fuels tax exemption: State and Local Government Use	KY-53	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	TEA 2006: 16, 128; TEA 2008: 35, 161; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 23, 151
Special fuels tax exemption: Watercraft	KY-54	0.62	0.04	0.04	0.05	0.05	0.05	0.05	0.03	0.03	TEA 2006: 16, 129; TEA 2008: 35, 161; TEA 2010: 36; TEA 2012: 19; TEA 2014: 18, 23, 151
Special fuels tax exemption: U.S. Government Exemption	KY-55	rem	rem	rem	rem	rem	0.6	0.6	2.0	2.0	TEA 2006: 16, 129; TEA 2008: 35, 162; TEA 2010: 28-29

Key

"min" = minimal = less than $1M

"N/A" = Expenditures for which data resources are "not unavailable" to provide an estimate

"rem" = removed

* Note on "coal severance and processing tax expenditures: transportation expense": The estimate for FY12 uses TEA 2012 rather than TEA 2014 (like the rest of the entries). This is due to the

Table 3-2: Fossil Fuel Sector Use of Other State of Kentucky Incentives

Company	City	County	Year (Note 1)	Subsidy Value	Program Name	New Jobs or Training Slots (Note 2)	Implied Subsidy/ New Job Created
Lubrizol Advanced Materials, Inc. (f/k/a Noveon, Inc.)	Calvert City	MARSHALL	2004	$5,000,000	Kentucky Industrial Revitalization Act		
Clean Coal Power Operations (KY) LLC		MCCRACKEN	2008	$550,000,000	Incentives for Energy Independence Act	830	$ 662,651
Kentucky Syngas, LLC		MUHLENBERG	2007	$250,000,000	Incentives for Energy Independence Act	175	$ 1,428,571
Cash Creek Generation, LLC	Henderson	HENDERSON	2008	$150,000,000	Incentives for Energy Independence Act	251	$ 597,610
Secure Energy Kentucky, LLC		MCCRACKEN	2011	$85,000,000	Incentives for Energy Independence Act	131	$ 648,855
Coal Synthetics		Undecided	2008	$80,000,000	Incentives for Energy Independence Act	115	$ 695,652
C2O Technologies, LLC		OHIO	2010	$37,000,000	Incentives for Energy Independence Act	60	$ 616,667
Kentucky Mountain Power, LLC	Hazard	KNOTT	2000	$30,000,000	Kentucky Rural Economic Development Act	301	$ 99,668
Thoroughbred Generating Company, LLC		MUHLENBERG	2002	$16,200,000	Kentucky Rural Economic Development Act	110	$ 147,273
Armstrong Coal Company, Inc.	Centertown	OHIO	2007	$16,000,000	Kentucky Industrial Revitalization Act	923	$ 17,335
Kentucky Western Power, LLC		MARSHALL	2001	$15,000,000	Kentucky Rural Economic Development Act	126	$ 119,048
River View Coal, LLC	Waverly	UNION	2009	$15,000,000	Kentucky Industrial Revitalization Act	426	$ 35,211
HIGHLAND MINING COMPANY		UNION	2003	$13,000,000	Kentucky Industrial Revitalization Act	260	$ 50,000

Table 3-2: Fossil Fuel Sector Use of Other State of Kentucky Incentives

Company	City	County	Year (Note 1)	Subsidy Value	Program Name	New Jobs or Training Slots (Note 2)	Implied Subsidy/ New Job Created
AEP River Operations LLC	Paducah	MCCRACKEN	2009	$1,000,000	Kentucky Jobs Development Act	39	$ 25,641

Fossil-fuel related -- based on first pass review only **$1,263,200,000** **maximum authorized credit**

Notes

(1) Year awarded; subsidies may be paid over more than one year.
(2) Job figures are estimates contained within the State data.
(3) The awarding agency for all programs listed on this page is the Kentucky Economic Development Finance Authority. Incentives provided were tax credits or rebates.
(4) Data were extracted from from the Good Jobs First database, accessed 14 February 2012. Although all programs in the database were reviewed, only fossil-fuel related spending is shown. http://www.goodjobsfirst.org/subsidy-tracker

4. Fossil Fuel Subsidies in Louisiana

Oil and gas production is a primary industry in Louisiana, with large reserves both on land and in state-controlled offshore areas. Federally-controlled areas of the Outer Continental Shelf (OCS) have the bulk of the hydrocarbon resources associated with the state. EIA notes that the Gulf of Mexico OCS is the largest oil producing region of the United States, and that the Louisiana portion of that zone holds 90% of the OCS total reserves. Including both state- and federally-administered zones, Louisiana is the largest crude producer in the country. The state is also a major import hub for crude oil, and has invested heavily in refining and chemical processing infrastructure. Much of the state's production is exported to other parts of the country.

Natural gas reserves comprised about 10% of the nation's natural gas reserves as of 2009, ranking fifth. Including federally-administered OCS zones, the state jumps to second. Louisiana is a natural gas hub, with an extensive network of pipelines to move gas from Texas and inside Louisiana to consumers elsewhere.

Louisiana also has some lignite coal deposits, which are used primarily by in-state power plants. Coal imports from Wyoming also support coal-fired power in-state. (EIA "Louisiana," 2009).

The state produces a detailed accounting of tax expenditures in a "Tax Exemption Budget," or "TEB." The document provides a brief summary and legislative history as well as a revenue loss estimate for a large number of tax breaks to the fossil fuel industry and related infrastructure. The TEB provides five years of data, based on fiscal years. In some cases, the estimates for specific provisions for a particular year differ across biennial reports. Where this occurred, we deferred to the most recent publication, assuming that the revised figures represented the most accurate available data.

Subsidy estimates are presented for each provision whenever possible. However, in some cases the TEB combined multiple subsidies into a single revenue loss estimate. Disaggregating the values based on more detailed research was not possible within the scope of this project. Where the combined total included both fossil fuel and non-fossil fuel related subsidies, the aggregation problem was most acute; combined totals involving constituent tax breaks mostly or completely linked to fossil fuels were less of a problem.

Like many of the tax expenditure reports in the US, Louisiana's TEB tracks only revenue losses. As some of the tax breaks are themselves exempt from taxation, their actual after-tax value to the recipient is higher. This incremental benefit can be integrated into "outlay equivalent" metrics of tax expenditures, but was not available for Louisiana.

Revenue losses from Louisiana's tax exemptions were $7 billion for FY2010, the most recent year for which actual data are available. Tax breaks form a substantial component of what the state "buys" each year. For example, the subsidies cost the state more than

75% of its corporate income tax revenue, 61% of its sale tax revenue, and 31% of its severance tax revenue (TEB 10: 6). Severance tax losses, almost exclusively from oil and gas, cost the state $354 million in FY2010 (LA Budget 11-12: 10).

Because oil and gas are such a large part of the economy, nearly every category of tax break subsidizes firms and activities in the fossil fuel sector. This is true even for tax breaks that appear to be “general” based on what sectors are eligible to get them. For example, general incentives to capital formation and job creation have greatly benefited the oil and gas sector. A snap-shot of this dynamic can be seen thanks to a compilation of individual awards under some of these state programs compiled by Good Jobs First, a Washington, DC-based NGO.

State government departments also have substantial expenditures to support and regulate the oil and gas enterprises within the state. Budget documents do not always clearly show when offsetting collections to fund these services are the result of fees on the industry (which would reduce the net subsidy amount) versus other transfers ultimately funded by taxpayers. We have presented total expenditures here, recognizing that in some cases a portion of that expenditure comes from fees on the industry and may not be a true net subsidy.

Individual provisions are summarized below.

4.1 Producer Support Estimate

4.1.1 Support to unit returns

Oil and gas depletion deductions from corporate income tax
R.S. 47:158(C) and R.S. 47:287.745; enacted in 1934

Normal accounting methods limit the ability to deduct investments from taxable income to the amount actually invested in a property. Percentage depletion rules base deductions not on investment amounts, but on the gross value of the resources being extracted. Firms can choose whether to use cost depletion or percentage depletion approaches; thus, if they are choosing percentage depletion it is because the approach is generating a better return. Louisiana allows percentage depletion deductions from state-level corporate income taxes (similar provisions are available at the federal level for many oil and gas producers as a deduction against federal income taxes). The state limits the percentage depletion deduction to 50 percent of the net income from the property calculated without the deduction for depletion.

The Louisiana percentage depletion rate for oil and gas is 22%, more generous than the federal rate of 14%. Further, the federal laws restrict the largest oil and gas firms from using this subsidy, while Louisiana does not.

Tag: LA-1
Sources: TEB 2007: 30, 96; TEB 2009: 97; TEB 2011: 27;

Sales tax exclusion for installation of board roads to oil-field operators

This exclusion allows installers of board roads (wooden road surfaces to reach well sites), when dealing with oil-field operators, to separately itemize the installation charges associated with the board road and to exclude these charges from the sales tax. This exclusion benefits oil-field contractors by eliminating tax on installation charges they would otherwise pay.

Tag: LA-2
Sources: TEB 2007: 16, 222; TEB 2008: 18, 229; TEB 2011: 18

Sales tax exemption for lease or rental of certain vessels in mineral production
R.S. 47:305.19 enacted 1975

This exemption allows vessels leased or rented for use offshore beyond the territorial limits for the production of oil, gas, sulfur, and other minerals to be exempt from sales tax. This exemption benefits production companies and their service companies, and is intended to provide financial assistance to the mineral-production industry. This exemption has been suspended.

Tag: LA-3
Sources: TEB 2007: 24; TEB 2008: 24, 289; TEB 2011: 23

Natural gas severance tax suspension for horizontal wells
R.S. 47:633(7)(c)(iii) enacted 1994

Any well drilled or recompleted horizontally from which production commences after July 31, 1994, shall have all severance tax suspended for 24 months or until payout of the well is achieved, whichever comes first. The Department of Natural Resources determines the well cost payout, defined as the cost of completing the well to the start of production, and the Department of Revenue administers the tax suspension.

Tag: LA-4
Sources: TEB 2007: 37, 175; TEB 2008: 35, 184; TEB 2011: 35;

Natural gas severance tax suspension for inactive well restarts
R.S. 47:633(7)(c)(iv) enacted 1994 plus subsequent amendments

Gas wells returned to service after being inactive for two or more years, or which have had 30 days or less production for the past two years, were allowed a severance tax exemption for five years from the date of restart. The Department of Natural Resources certifies the well and the Department of Revenue administers the tax suspension. This severance tax benefits gas producers with older mature fields containing inactive wells. Past iterations of this provision have limited the tax exemption to two year rather than the current five.

Tag: LA-5
Sources: TEB 2007: 37, 175; TEB 2008: 35, 185; TEB 2011: 35;

Natural gas severance tax suspension for deep wells
R.S. 47:633(9)(d)(v) enacted 1994

Severance tax due on gas wells drilled to a true vertical depth greater than 15,000 feet is suspended for 24 months or until payout of the well cost, whichever occurs first. Well cost payout is defined as the cost of completing the well to the start of production. To be eligible, production must have started after July 31, 1994. This tax suspension is intended to encourage gas operators to invest in deep well drilling, and thus benefits gas producers that successfully drill to depths greater than 15,000 feet.

Tag: LA-6
Sources: TEB 2007: 37, 176; TEB 2008: 35, 185; TEB 11: 35;

Natural gas severance tax suspension for production from new discovery wells
R.S. 47:648.1 et seq. enacted 1994

The severance tax on production from certified new natural gas discovery wells is suspended for 24 months from the date of completion or until payout of the cost is recovered, whichever occurs first. This tax suspension is intended to encourage gas well exploration, and benefits natural gas producers that discover new wells. The Department of Natural Resources certifies these wells and the Department of Revenue administers the program. Since the new discovery well completion deadline was September 30, 2000, and the suspension was for 24 months from the date of completion, no additional revenue losses are expected.

Tag: LA-7
Sources: TEB 2007: 37, 176; TEB 2008: 35, 186; TEB 11: 35;

Reduced severance tax on "incapable" oil-well gas
R.S. 47:633(9)(b) enacted 1958

A special reduced tax rate of 3¢ per MCF can be applied to gas produced from oil wells determined by the Secretary to have 50 pounds or less of wellhead pressure per square inch or produced by artificial methods, gas lift, or pumping. This rate is intended to encourage both small independent operators and major oil companies to continue producing from low-pressure oil wells.

Tag: LA-8
Sources: TEB 2007: 37, 177; TEB 2008: 35, 186; TEB 2011: 35;

Reduced severance tax on "incapable" gas-well gas
R.S. 47:633(9)(c) enacted 1958

A special reduced tax rate of 1.3¢ per MCF can be applied to gas produced from gas wells determined by the Secretary to be incapable of producing an average of 250,000 cubic feet of gas per day. This rate is intended to encourage both small independent operators and major oil companies to continue producing from low-producing gas wells.

Tag: LA-9
Sources: TEB 2007: 37, 177; TEB 2008: 35, 187; TEB 2011: 35;

Oil deduction severance tax on trucking, barging, and pipeline fees
R.S. 47:633(7)(a) enacted 1974

Oil and condensate are taxed based either at 12.5 percent of the gross receipts less charges for trucking, barging, and pipeline fees; or at the posted field price, whichever is higher. The Department's regulation, LAC 61:I.2903, allows producers transporting through their own facilities a 25¢ per barrel deduction; those with third party transportation may deduct 25¢ per barrel or the actual amount charged. This regulation allows all producers a minimum deduction of 25¢ per barrel, providing an incremental deduction for some producers if their actual transport costs are lower.

Tag: LA-10
Sources: TEB 2007: 37, 178; TEB 2008: 35, 187; TEB 2011: 35;

Severance tax suspension on oil from horizontal wells
R.S. 47:633(7)(c)(iii) enacted 1994

Any well drilled or recompleted horizontally will have all severance tax suspended for 24 months or until payout of the well is achieved, whichever occurs first. Payout of well cost is defined as the cost of completing the well to the start of production. Well production must begin after July 31, 1994. The Department of Natural Resources determines the well cost payout and the Department of Revenue administers the tax suspension.

While horizontal drilling was novel and expensive at the time this provision was put in place, it is now common in the industry and well understood.

Tag: LA-11
Sources: TEB 2007: 38, 178; TEB 2008: 35, 188; TEB 2011: 35;

Severance tax suspension on oil from inactive wells
R.S. 47:633(7)(c)(iv) enacted 1994

Oil wells returned to service after being inactive for two or more years, or almost inactive (having 30 days or less production for the past two years) were allowed a severance tax exemption for five years. The tax subsidy has been renewed multiple times, with the most recent certification deadline being June 30, 2010. Earlier iterations of the statute allowed a two-year suspension rather than the current five. The Department of Natural Resources certifies the wells, and the Department of Revenue is responsible for administering the tax break.

Tag: LA-12
Sources: TEB 2007: 38, 179; TEB 2008: 35, 188; TEB 2011: 35;

Severance tax suspension on oil from deep wells
R.S. 47:633(9)(d)(v) enacted 1994

This severance tax on oil wells drilled to a true vertical depth of more than 15,000 feet is suspended for a period of 24 months or until payout of the well cost, whichever occurs first. Production must start after July 31, 1994.

Tag: LA-13
Sources: TEB 2007: 38, 179; TEB 2008: 35, 189; TEB 2011: 35;

Severance tax suspension on oil from new discovery wells
R.S. 47:648.1 et seq. enacted 1994

The severance tax on production from certified new oil discovery wells is suspended for a period of 24 months from the date of completion or until payout of the cost is recovered, whichever occurs first. The wells must be spudded[2] after September 30, 1994, and completed before September 30, 1998. Act 7 of the 1998 Regular Legislative Session extended the completion date until September 30, 2000. Since the new discovery well completion deadline was September 30, 2000, and the suspension was for 24 months from the date of completion, no additional revenue losses are expected. The Department of Natural Resources certifies these wells and the Department of Revenue administers the program.

Tag: LA-14
Sources: TEB 2007: 38, 180; TEB 2008: 35, 189; TEB 2011: 35;

Severance tax suspension on oil from tertiary recovery
R.S. 47:633.4 enacted 1983

This suspension, enacted in 1983, provides that no severance tax is due on crude oil produced from a qualified tertiary project approved by the Department of Natural Resources until the project has reached payout. This suspension was intended to provide financial subsidies to producers undertaking large-scale carbon dioxide injection projects.

As with other subsidies to specific industry practices, tertiary recovery has moved from novel to common in the industry since this provision was implemented.

Tag: LA-15
Sources: TEB 2007: 38, 180; TEB 2008: 35, 190; TEB 2011: 35;

2 "Spudding" occurs on the day that a well rig capable of drilling to the authorized depth first breaks the surface of the ground to start drilling.

Reduced severance tax rate on "incapable" oil wells
R.S. 47:633(7)(b) enacted 1948

An oil well incapable of producing an average of more than 25 barrels of oil per producing day, and producing at least 50 percent salt water, and having no capable well on the lease is eligible for a special reduced tax rate of 6.25 percent of value. This special rate is intended to encourage the continued production from low-volume wells and benefits oil producers with wells producing 10-25 barrels per day.

Tag: LA-16
Sources: TEB 2007: 38, 181; TEB 2008: 35, 190; TEB 2011: 35;

Reduced severance tax rate on oil from stripper wells
R.S. 47:633(7)(c)(i)(aa) enacted 1974

An oil well incapable of producing an average of more than ten barrels of oil per producing day for the entire taxable month is eligible for a special reduced tax rate of 3.125 percent of value. This special rate is intended to encourage the continued production from stripper oil wells and benefits oil producers with low-producing oil wells.

Tag: LA-17
Sources: TEB 2007: 38, 181; TEB 2008: 35, 191; TEB 2011: 35;

Reduced severance tax rate on stripper well oil value less than $20 per barrel
R.S. 47:633(c)(i)(bb) enacted 1994

An oil well certified as a stripper well (incapable of producing an average of more than ten barrels of oil per producing day) is exempt from severance tax in any month in which the average posted price for a 30-day period is less than $20 per barrel. Act 43 of the 1998 Regular Legislative Session amended the law to provide that the same value used as a basis to impose the severance tax under R.S. 47:633(7)(a) be used to determine the exemption for certified stripper production. This exemption is intended to encourage producers to continue the operation of low-producing oil wells, though stripper wells already qualify for a reduced tax rate of 3.125 percent of value.

Tag: LA-18
Sources: TEB 2007: 38, 182; TEB 2008: 35, 191; TEB 2011: 35;

Reduced severance tax rate on salvage oil
R.S. 47:648.21 enacted 1986

A special reduced rate of 3.125 percent of value applies to salvage oil reclaimed by class-one reclamation facilities that are permitted by the Office of Conservation. This special rate provides financial assistance to class-one salvage oil operators only. People and affiliates of those engaged in severing of oil, gas, or other natural resources are prohibited from participating in this reduced rate program.

Tag: LA-19
Sources: TEB 2007: 38, 182; TEB 2008: 35, 192; TEB 2011: 35;

Reduced severance tax rate on horizontal mining and drilling projects of hydrocarbons in a stripper well zone
R.S. 47:633(7)(c)(ii) (aa) and (cc) enacted 1990

The working-interest owners of horizontal- mining and drilling projects approved by the Office of Conservation as occurring within a stripper well zone are taxed at the special reduced rate of 3.125 percent of value. The special rate remains in effect until the cumulative value of hydrocarbon production from the project equals 2.33 times the private investment invested by the working-interest owners. The Tax Exemption Budget notes that the 2.33x recoupment could be difficult to administer given the unclear language. This special rate is intended to promote innovation by companies in horizontal-mining and drilling technologies to restart declining fields. The TEB notes that there currently are not any planned projects.

Tag: LA-20
Sources: TEB 2007: 38, 183; TEB 2008: 35, 192; TEB 2011: 35;

Produced water injection incentive
R.S. 47:633.5(C) enacted 1991

A 20 percent severance tax reduction is allowed on oil and gas produced from wells in which produced water is re-injected into the reservoir to enhance recovery. This incentive was enacted to reduce produced water discharge to other sites by providing a severance tax saving for producers that inject produced waters into an oil or gas reservoir to increase recovery or oil or gas.

Tag: LA-21
Sources: TEB 2007: 38, 183; TEB 2008: 36, 193; TEB 2011: 36;

Mineral exemption for political subdivisions that own and sever minerals for their own use
R.S. 47:632(B) enacted 1988

This severance tax exemption, enacted in 1988, applies to any political subdivision of the state that owns and severs minerals for its own use. While the provision applies to any minerals, the TEB indicates that the focus of the exemption was not on oil and gas, but instead on the use of gravel by local governments. The severance tax on gravel has been repealed, leading to zero revenue loss estimates in the TEB. However, the onset of fracking has brought oil and gas extraction activities into many new regions. It is plausible that some of these would be on municipally-owned property, triggering more significant revenue losses to the state than is currently being reflected.

Tag: LA-22
Sources: TEB 2007: 38, 184; TEB 2008: 36, 193; TEB 2011: 36;

Sales tax exemption for anthropogenic carbon dioxide used in qualified tertiary recovery projects

Carbon dioxide injection is a common technique to enhance fossil fuel recovery. Most often, the CO2 is a byproduct of extraction, as is reinjected to maintain well pressure. This provision provides a sales tax exemption only for anthropogenic CO2, such as would be obtained through carbon capture techniques at power plants. The provision took effect in 2009; state revenue losses, if there are any, are not disaggregated.

Tag: LA-23
Source: TEB 2011: 20;

4.1.2 Support for Land and Labor

Reduced reclamation fee on incapable and stripper wells

Louisiana levies an "oil field site restoration" fee of 1.5 cents per barrel to finance remediation at contaminated sites around the state. The rate for incapable wells is only 0.75 cents per barrel, and only 0.375 cents per barrel for stripper wells.

While the dollar subsidy per well is not likely significant (since production levels are so low), many stripper wells originally produced at a higher level and often did not properly finance or bond to cover post-closure expenses.

Tag: LA-25
Source: Fong, 2011: 76

Louisiana Office of Conservation

The Louisiana Office of Conservation, housed in the Department of Natural Resources, has six divisions that develop, manage, and oversee statutory and regulatory programs concerning nonrenewable energy resources, water, and land. Specifically, its mission is to conserve and regulate Louisiana's oil, gas, and lignite resources. It is also responsible for regulating the exploration and production of oil, gas and other hydrocarbons and lignite; controlling and allocating energy supplies and distribution; and protecting public safety and the environment from oilfield waste, including regulation of underground injection and disposal practices.

Tag: LA-43
Source: LA Budget 11-12: 141; LA DNR Office of Conservation

Tax incentives and exemption contracts: Louisiana Quality Jobs Program

The Quality Jobs (QJ) program administered by Louisiana Economic Development (LED) through the Board of Commerce & Industry provides a cash rebate (equal to 5 or 6 percent of annual gross payroll for new direct jobs) to companies that create well-paid jobs and promote economic development. Payments can be made for up to ten years. Firms with a majority of out-of-state sales or that locate in distressed areas are eligible. So too are any firms in seven selected industries, including manufacturing, advanced materials, and oil and gas field service. Firms can apply *either* for Enterprise Zone benefits of the Quality Jobs Program. The oil and gas sector has been a significant beneficiary of this program.

Tag: LA-27
Source: Company subsidies tab; state data compiled by Good Jobs First; TEB 2008: 37, 350; TEB 2011: 34; LA State Website, "Services Directory," August 2011.

Tax incentives and exemption contracts: Enterprise Zones credits and rebates – fossil fuel related only

The Enterprise Zone (EZ) program is a jobs incentive program administered by Louisiana Economic Development (LED), a state agency. The program provides Louisiana income and franchise tax credits to a business hiring at least 35% of net new jobs in targeted segments.

EZs are areas with high unemployment, low income or a high percentage of residents receiving some form of public assistance. A business must create permanent net new jobs at the EZ site. A business is not required to be located in an EZ. A business does not have to invest money, only create additional jobs.

Subsidies include a one-time $2,500 credit per new job and rebates of the 4% sales/use tax on materials, machinery, furniture or equipment; or a 1.5% Refundable Investment Tax Credit.

Tag: LA-28
Source: Company subsidies tab; state data compiled by Good Jobs First; TEB 2008: 340; TEB 2011: 34; LA State Website, "Services Directory," August 2011.

Wildlife and Fisheries work related to oil spill damage via the Department of Environmental Quality and the Department of Wildlife and Fisheries

Following the Deepwater Horizon spill in the Gulf, the Department of Wildlife and Fisheries took on a significant role in monitoring habitat and access for hunting and fishing.

Tag: LA-29
Source: http://www.wlf.louisiana.gov/oilspill/actions

4.1.3 Support for capital formation

Sales tax exclusion on repairs, renovations or conversions of drilling rigs
R.S.47:301(14)(g)(iii) since 2007

Drilling rigs used exclusively for the exploration or development of minerals outside the territorial limits of the state in the Outer Continental Shelf waters may be repaired, renovated or converted without the owner paying sales or use taxes.

The revenue loss estimate was not broken out by the state, but rather is included within its “repair services performed in Louisiana when the repair property is exported” subtotal in the 2008 report and in its “other exemptions” subtotal in the 2011 report.

Tag: LA-30
Sources: TEB 2007: 22, 267; TEB 2008: 21, 256; TEB 2011: 20;

Sales tax exclusion on repair services performed in Louisiana when the repaired property is exported

This exclusion allows Louisiana dealers to repair tangible personal property from other states tax-free, if the property is delivered back to the other state by the Louisiana dealer or by common carrier. The purpose of this exclusion is to allow Louisiana dealers to be competitive with dealers in neighboring states.

Tag: LA-31
Sources: TEB 2008: 21, 256; TEB 2011: 20, 278;

Sales tax exclusion on rentals or leases of certain oil-field property to be re-leased or re-rented
R.S. 47:301(7)(b) enacted 1966

Oil-field equipment rental dealers may rent or lease certain oil-field equipment from other dealers for re-rent or re-lease, without paying a tax on the rental for re-rental, or lease for re-lease. The tax is collected on the rental to the final consumer. The TEB suggests the provision reduces the need for dealers to maintain a large inventory of rental oil-field equipment.

The revenue loss estimate was not broken out by the state, but rather is included within its “other exemptions” subtotal. Based on earlier years, the revenue loss appears to be small.

Tag: LA-32
Sources: TEB 2007: 16; TEB 2008: 18, 233; TEB 2011: 255

Sales tax exemption on purchase of tangible property by nonprofit electric cooperatives
R.S. 12:425 enacted 1940

Nonprofit electric cooperatives are allowed to purchase tangible property without paying sales tax. This exemption assists in providing electrical-utility service to rural areas; investor-owned utility companies are not allowed a comparable exemption. This exemption was fully suspended through June 30, 2009; a one percent suspension will continue indefinitely.

Tag: LA-34
Sources: TEB 2007: 21, 255; TEB 2011: 21, 289

Sales and use tax exemption, machinery and equipment purchases by electric power utilities
R.S. 47:301(16)(o)(i) and (ii) enacted 2008

This exclusion allows certain utilities assigned North American Industry Classification Systems Sector 22111 (electric power generation) to purchase machinery and equipment without paying sales or use tax.

Tag: LA-35
Sources: TEB 2011: 287

Corporate income tax credit on purchasing or converting vehicles to use alternative fuels
R.S. 47:287.757 and R.S. 47:38 enacted 1991

This credit applies to vehicles converted to accept certain alternative fuels or to purchases of vehicles that use certain alternative fuels. The credit is 20 percent of the cost of qualified clean burning motor vehicle fuel property. If the vehicle is purchased with the equipment installed by the manufacturer, then the tax credit is the lesser of 20 percent of 10 percent of the cost of the motor vehicle or $1,500.

Tag: LA-35
Source: TEB 2007: 31, 102; TEB 2008: 29, 105; TEB 2011: 28;

Corporate/Individual Income Tax: Ad Valorem Tax on Natural Gas

A refundable credit against corporate income and franchise taxes (and individual income taxes) is allowed for ad valorem taxes paid to political subdivisions of Louisiana on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities.

Tag: LA-27
Sources: TEB 2011: 29, 118; TEB 2011: 32, 162;

Corporate/ Individual Income Tax: Ad Valorem Tax on Offshore Vessels

A refundable credit against corporate income and franchise taxes (and individual income taxes) is allowed for ad valorem taxes paid on vessels that operate principally in Outer Continental Shelf Lands Act Waters. To qualify for the credit, the taxpayer must certify to the assessor that the vessel operated principally in outer continental shelf waters within the calendar year immediately before the tax year of assessment of the vessel and the ad valorem tax must have been paid to the political subdivision without protest. The credit is equal to 100 percent of the taxes paid.

Tag: LA-28
Sources: TEB 2011: 29, 118; TEB 2011: 32, 163;

Alternative reporting method for charging sales tax to users of certain interchangeable components and measurement-while-drilling equipment stored in Louisiana
R.S. 47:301(3)(d) enacted 1990

This alternate-reporting method allows importers or users of certain measurement-while-drilling equipment to store equipment in the state without paying the use tax due upon importation. Instead, taxes would be paid on 1/60 of the total material cost of all equipment stored within Louisiana each month. The purpose of this method is to offer companies relief from use tax on equipment stored in Louisiana, but seldom used in this state.

Tag: LA-39
Sources: TEB 2007: 26, 290; TEB 2008: 26, 305; TEB 2011: 25, 330;

Tax exempt Gulf Opportunity Zone (GO Zone) Bonds - issuances for infrastructure linked to fossil fuels

Following Hurricane Katrina in 2005, the federal government allowed storm-impacted states to issue a much larger level of tax-exempt bonds than would otherwise have been permitted. Call Gulf Opportunity Zone Bonds, because interest received by bond holders was exempt from federal tax, issuers were able to borrow funds at a lower interest rate. Louisiana was the single largest beneficiary of this program with $7.8 billion in authorized capacity. While the intent of the program was to accelerate the rebuilding the state following the storm, the states had widespread latitude in determining how to deploy the borrowing capacity.

While the fossil fuel industry was not the only beneficiary of this program, they were the single largest beneficiary sector. We included extraction, refining, transport, and storage operations, as well as financing of fossil-fuel burning utilities and petrochemical facilities dependent on oil and gas feedstocks.

Earth Track analysis of data provided by the Louisiana Bond Commission (LSBC, 2012), and covering the entire period of GO Zone bond issuance found that fossil-fuel related industries captured $4.5 billion in issuance capacity, 57 percent of the total. An additional $622 million, primarily to bulk logistics facilities, benefits fossil fuels as well as other sectors. Of the fossil fuel total, two individual bond approvals (a Marathon Oil Refinery and a petroleum coke gasification project) were for $1 billion each.

Louisiana was also much more likely to approve proposals from the fossil fuel sector than the average applicant, issuing bond capacity to 54% of the fossil-fuel related applicants and versus 32% overall.

4.1.4 Support for knowledge creation

Sales tax exclusion on certain geophysical survey information and data analyses
R.S. 47:301(16)(b)(iii) since 1988

This exclusion allows geophysical information and data provided under a restricted-use agreement to be free of sales tax, and excludes these transactions from the definition of tangible personal property. Under the statute, these transactions are not considered an exchange of tangible personal property and are therefore not subject to tax. This exclusion is to clarify that tax is not due on geophysical surveys, and is intended to benefit oil exploration and geophysical survey companies.

Tag: LA-40
Sources: TEB 2007: 20, 249; TEB 2008: 21, 258; TEB 2011: 21;

Research and development tax credit
R.S. 47:6015 since 2002 and 2003

The research and development tax credit is intended to encourage new and continuing efforts to conduct research and development activities. Any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a) for increasing research activities is eligible for this tax credit to be applied against income and corporation franchise taxes due. An indeterminate portion of this credit support energy-related R&D in the state.

Research and development expenditures made after January 1, 2009 are refundable. A related tax credit for the Federal Small Business Innovation Research Grants allows a credit equal to a set portion of the grant received. This has risen from 8% 2003 to 40% for grants received in 2009 or later.

Unused tax credits earned from 2003 and 2008 can be sold to other taxpayers.

Tag: LA-41
Sources: TEB 2007: 39, 315; TEB 08: 37, 328; TEB 2011: 34

4.1.5 Market Regulation and Oversight

Liquefied Petroleum Gas Commission

The Louisiana Liquefied Petroleum Gas Commission is a division in the Department of Public Safety & Corrections. Its mission is to promulgate and enforce rules that will allow safe distribution, handling, and use of liquefied petroleum gas and anhydrous ammonia.

Tag: LA-42
Source: LA Budget 11-12: 114; LA LPG Commission

Oversight and auditing of state mineral operations

The Office of Mineral Resources manages Louisiana's mineral assets and advises the State Mineral and Energy Board on granting and administering leases on state-owned property for the development and production of minerals (primarily oil and gas).

Tag: LA-44
Source: LA Budget 11-12: 142; LA DNR Office of Mineral Resources

4.2 Consumer Support Estimate

4.2.1 Consumption of fuels by manufacturers or power plants

Sales tax exclusion for purchases of electric power and natural gas by paper or wood products manufacturing facilities
R.S. 47:301(3)(j) and 13(m); R.S. 47:302(T), 321(J) and 331(R) – repealed by Acts 2007, No. 471; since 2006

This provision originally provided a state sales tax exclusion for purchases of electric power by paper or wood products manufacturing facilities for the period July 1, 2006 through December 31, 2008. It further allowed these facilities to pay 3.3 percent tax on natural gas purchased for energy purposes (up to a purchase price of $6.20 per MMBtu) and fully excluded any amounts in excess of the $6.20 per MMBtu price. Subsequent amendments in 2007 eliminated the price threshold, and any purchases of electric power or natural gas by paper or wood products manufacturing facilities are fully exempt from state sales taxes.

Revenue losses for this item were not disaggregated by the state, but were combined in the "sales of electric power or energy" subtotal.

Tag: LA-45
Sources: TEB 2007: 16, 225; TEB 08: 18, 232; TEB 2010: 18, 22, 257; TEB 2011: 18, 253

Sales tax exclusion for natural gas used in the production of iron
R.S. 47:301(10)(c)(i)(bb) enacted 1995

This exclusion allows iron manufacturers using the "direct reduced iron process" to make tax-free purchases of natural gas for use in that specific manufacturing process. The exclusion considers the natural gas to be a material for further processing into an article of tangible personal property.

Revenue losses for this item were not disaggregated by the state, but were combined in the "sales of electric power or energy" subtotal in 2010-2012 and "other exemptions" in 2008-2009.

Tag: LA-46
Sources: TEB 2007: 18, 234; TEB 08: 19, 242; TEB 2011: 19, 22;

Use tax exclusion for refinery gas created and consumed by the producer
R.S. 47:301(18)(d)(ii) since 1996

Residuals or by-products created as part of a manufacturing/refining process and used at the facility that generated them are normally exempt from tax. This includes refinery gas used on-site, even though refinery gas sold from the facility would be taxed (R.S. 47:301(13)(d)).

Tag: LA-47
Sources: TEB 2008: 22, 265; TEB 2010: 21;

Severance tax exclusion on flared or vented natural gas
R.S. 47:633(9)(e)(iii) and R.S. 47:633(9)(e)(vi) enacted 1935

This exclusion allows gas to be flared or vented to the atmosphere free of severance tax, even though the natural resource is severed and unrecovable subsequent to such actions. Gas is vented or flared in such circumstances as line testing or when produced in noncommercial quantities. The exclusion is intended to provide financial relief to producers of natural and casinghead gas.

Tag: LA-48
Sources: TEB 2007: 37, 173; TEB 2008: 35, 182; TEB 2011: 35;

Severance tax exclusion on natural gas consumed in field operations
R.S. 47:633(9)(e)(iv) enacted 1958

So long as it is not sold to a third party, gas used or consumed as fuel in maintaining the operation of a field qualify is exempted from paying severance tax under this exclusion. Examples include gas used for heating, separating, producing, dehydrating, compressing, and pumping oil and gas in the field where produced. As with venting or flaring, resources used on-site represent a permanent severance of the resource from the state.

Tag: LA-49
Sources: TEB 2007: 37, 173; TEB 2008: 35, 183; TEB 2011: 35;

Severance tax exclusion on natural gas consumed during the production of natural resources (does not include oil and gas) in the state of Louisiana
R.S. 47:633(9)(e)(v) enacted 1974

This exclusion applies to gas consumed in the production of natural resources, such as coal, timber, or other minerals in the state of Louisiana. The oil and gas sector is not included under this provision (though is covered by the other provisions listed above). Although the state does have some other mineral production, revenue losses noted in the TEB for this provision are negligible.

Tag: LA-50
Sources: TEB 2007: 37, 174; TEB 2008: 35, 183; TEB 2011: 35;

Severance tax exclusion on natural gas consumed in manufacturing carbon black
R.S. 47:633(9)(e)(vii)enacted 1958

This exclusion applies to producers and sellers of gas consumed in manufacturing carbon black. It is intended to provide financial assistance to carbon-black manufacturers.

Tag: LA-51
Sources: TEB 2007: 37, 174; TEB 2008: 35, 184; TEB 2011: 35

Petroleum products tax exemption on casinghead gasoline
R.S. 47:713 since 1929

Casinghead and absorption gasoline sold for blending or compounding with less volatile liquids for manufacturing commercial gasoline or motor fuel is exempt from gasoline tax. There are currently no sales of this category.

Tag: LA-52
Sources: TEB 2007: 43, 190; TEB 2008: 41, 200; TEB 2011: 37;

Sales tax exclusion of natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities
R.S. 47:301(10)(bb) since 2005

This provision allows a state sales and use tax exclusion for purchases of natural gas to be held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities.

Revenue losses for this item were not disaggregated by the state, but were combined in the “other exemptions” subtotal. In recent years, the revenue loss has been zero since the general sales tax on natural gas has been removed. However, the lack of a sales tax is itself a subsidy to natural gas consumption.

Tag: LA-53
Sources: TEB 2007: 19, 243; TEB 2008: 20, 250; TEB 2011: 20

Severance tax exclusion for the injection of natural gas into producing reservoirs
R.S. 47:633(9)(e)(i) since 1940

This exclusion is allowed for the injection of gas into producing reservoirs. The gas injected maintains reservoir pressure and enhances the recovery of hydrocarbons, and will eventually be reproduced and sold at a taxed rate. This provision is more of a deferred payment than an exclusion, and is intended to promote secondary recovery and repressurization programs in the industry.

Although the item is listed within the TEB as a tax expenditure, we do not view it as such since the resource is reinjected and not lost to the state as it would be under flaring, venting, or on-site usage.

Tag: LA-54
Sources: TEB 2007: 37, 172; TEB 2008: 35, 181; TEB 2011: 35;

Sales tax exclusion for pollution control devices and systems
R.S. 47:301(10)(l) enacted 1991

This exclusion allows industry to purchase pollution control equipment free of general sales tax. This sales tax exclusion is intended to encourage companies to purchase and install necessary equipment to cut industrial air, noise, groundwater, and other pollution. Because the fossil fuel industry is so significant in the state, and tends to have significant pollution control expenses, a sizable portion of this tax expenditure is anticipated to benefit the fossil fuel sector.

Revenue losses under this provision are aggregated in the "other exemptions" line item by the State.

Tag: LA-57
Sources: TEB 2007: 18; TEB 08: 20, 246; TEB 2011: 19

Sales tax exemption on alternate substances used as fuels
R.S. 47:301(10)(z) and R.S. 47:301(18)(l) since 2006. Scheduled to sunset in June 2012

"Alternative" substances used as fuel are exempt from sales tax. This category includes a variety of fossil-fuel related fuels, including petroleum coke, reclaimed or waste oil, and tire-derived fuel. The definition specifically excludes coal, lignite, refinery gas, oil and natural gas or their refined products, and electricity. Some non-fossil fuels also qualify, including unblended biodiesel and landfill gas

Revenue losses under this provision are aggregated in the "other exemptions" line item by the State.

Tag: LA-58
Sources: TEB 2007: 19, 242; TEB 2008: 20, 249; TEB 2011: 20, 271

Sales tax exemption: sale of steam for industrial users
R.S. 47:305(D)(1)(b) enacted 1948

This exemption allows the tax-free sale of steam by industrial users. The exemption was suspended at the rate of 3.8 percent for the period 7/1/04 – 6/30/08, and at the rate of 2.8 percent for the period 7/1/08 -6/30/09. This exemption is subject to zero percent tax effective 7/1/2009.

Revenue losses under this provision are aggregated in the "sales of electric power or energy" line item by the State.

Tag: LA-59
Source: TEB 2007: 4, 22, 217, 260; TEB 2011: 296

Sales tax exemption: boiler fuels other than refinery gas; residuals and byproducts if burned on-site
R.S. 47:305(D)(1)(h) enacted 1974

This provision allows an exemption for all energy sources used as boiler fuel, except refinery gas (which is covered by a different provision). The use of residual or byproducts created or derived from the processing of a raw material would be excluded from the sales tax only when used by the producer. This exemption provides a benefit to industries utilizing by-products in on-site boilers.

This exemption was fully suspended through 6/30/09 and the one percent suspension will continue indefinitely.

Tag: LA-60
Source: TEB 2007: 22, 263; TEB 2011: 299

Sales tax exemptions: steel works and blast furnace purchases of utilities (including electricity)
R.S. 47:305.51 enacted 2001

This provision allows utilities, including electricity used by steelworks and blast furnaces, to be exempt from sales tax. The facility must employee more than 125 full-time workers and be classified as code 331111 of the North American Industry Classification System to qualify. This exemption is intended to provide an economic incentive for steel mills to locate in Louisiana.

We are unable to disaggregate this specific subsidy from the broader sales tax exemption line item "electric power or energy to the consumer for residential use." Despite the title, this sub-category includes not only natural gas and the purchases of certain fuels, standard fuels or gas for private residential consumption, but water for residential use as well.

Tag: LA-61
Source: TEB 2007: 26, 287; TEB 2011: 323

Sales tax exemption: Repairs and materials used on drilling rigs and equipment
R.S. 47:305(I) since 2002

Repairs and materials used on drilling rigs and equipment used exclusively for exploration and development of minerals outside the territorial limits of the state in outer continental shelf waters are exempt from the state sales and use tax. The exemption applies to the sale of materials, services, and supplies as well as labor used to repair, renovate or convert any drilling rig, or machinery and equipment that are component parts used exclusively for the exploration or development of minerals outside the territorial limits of the outer continental shelf waters. The definition of drilling rig and component parts are also defined under R.S. 47:305(I).

This exemption provides financial assistance to companies operating drilling rigs and that are engaged in exploration and development of minerals outside the territorial limits of the state in outer continental shelf waters.

This statutory exemption was suspended through June 30, 2009, but again came into effect thereafter.

Revenue losses under this provision are aggregated in the "other exemptions" line item by the State.

Tag: LA-62
Sources: TEB 2007: 22, 267; TEB 08: 23, 280; TEB 10: 22;

Sales tax exemption on 50-ton Vessels and New Component Parts and Sales of Certain Materials and Services to Vessels Operating in Interstate Commerce (exempts drilling rigs and barges)
R.S. 47:305.1 since 1959

Materials, equipment, and machinery that become component parts of ships, vessels, and barges that have load displacements of over 50-tons are exempt from sales tax. This exemption is also applicable to sales of qualifying ships, vessels, and barges, a category that includes drilling rigs. The provision allows ships or vessels operating exclusively in foreign or interstate coastwise commerce to make tax-free purchases of materials and supplies, repair services, and laundry services. The exemption is intended to make Louisiana boat builders and boat-service businesses more competitive with similar companies in other states.

The original statute contained language linking the tax exemption to use of intra-Louisiana boat building services. The courts have declared such linkage in tax laws illegal because they discriminate against interstate commerce. As a result, out-of-state builders have also benefited from this exemption.

Acts 2002, No. 40 and 41 had provided a specific definition of "foreign or interstate coastwise commerce." This was later clarified (Acts 2006 1st Extraordinary Session No. 34) to stipulate the exemption was applicable to barges and drilling ships.

Tag: LA-63
Sources: TEB 2007: 22, 267; TEB 2008: 280; TEB 2011: 23;

Sales tax exemption on helicopters leased for use in the extraction, production, or exploration for oil, gas, or other minerals
R.S. 47:302.1 since 1984

This alternate-reporting method allows the lease or rental of certain helicopters used in the extraction, production, and exploration of oil, gas, and other minerals to be considered a sale of tangible personal property with an extended period of time allowed to remit any taxes due.

Helicopters acquired through a lease, rental, lease purchase, or similar transaction by a company involved in the extraction, production, or exploration for oil, gas, or other mineral qualify for this method. Helicopters used by companies providing service to qualifying companies are also eligible to use this alternate reporting method. Qualifying companies do not pay sales tax on lease or rental payments, but remit the tax on the sales price in equal installments over the terms of the lease, rental, or lease-purchase contract, reducing the cost of the acquisition on a present value basis.

Revenue losses under this provision are aggregated in the "purchases of tangible personal property for lease or rental" line item by the State.

Tag: LA-64
Sources: TEB 2007: 18, 26, 290; TEB 2008: 19, 26, 305; TEB 2011: 19, 25;

Sales tax exclusion: Purchases of tangible personal property for lease or rental
R.S. 47:301(10)(a)(iii), R.S. 47:301(18)(a)(iii) enacted 1990

This exclusion allows rental companies to purchase tangible personal property without paying the general sales tax if the property is to be used solely as rental property. The exclusion's effective dates varied based on the type of property being purchased. The purpose of this exclusion is to give dealers financial relief and to make them more competitive with dealers in neighboring states that exempt the same transactions.

Tag: LA-65
Source: TEB 2007: 18, 232; TEB 2010: 19; TEB 2011: 19, 262

"Sales or cost price" sales tax determination for refineries producing of refinery gas
R.S. 47:301(3)(f) and R.S. 47:301(13)(d) since 1996

These exclusions define the valuation of refinery gas, except feedstock, either sold or produced. This value is determined for each calendar year. Sales of such property are subject to tax under R.S. 47:301(13)(d) and the use of such property by the producer is subject to the tax under R.S. 47:301(3)(f). The price is set by statute and can result in a tax base that is lower than the actual amount received.

Tag: LA-66
Sources: TEB 2007: 27, 293; TEB 2008: 26, 308; TEB 2011: 25;

4.2.2 Consumption of fuels by end-users

Sales tax exemption for certain fuels (diesel fuel, butane, propane, and other liquefied petroleum gases) used for farm purposes
R.S. 47:305.37 since 1983

This exemption provides financial assistance to commercial farmers by allowing tax-free purchase of diesel fuel, butane, propane, and other liquefied petroleum gases for farm use.

Tag: LA-67
Sources: TEB 2007: 25, 280; TEB 2008: 25, 293; TEB 2011: 24;

Sales tax exemption: sales of electric power or energy to the consumer for residential use
La. Const. art. VII, § 2.2 since 2003

The Louisiana Constitution prohibits the taxation of natural gas, electricity, and water sold directly to the consumer for residential use. The constitutional amendment was passed on November 5, 2002, with the full exclusion effective July 1, 2003. This exclusion is intended to benefit the residential consumers of electrical utility services, natural gas, and water. As Louisiana does have a sales tax, this provision provides a tax-based advantage to the purchase of fuels, power, and water relative to other goods and services in the state.

The TEB combined a number of provisions in a single revenue loss estimate ("sales of electric power or energy to the consumer for residential use"). Of these, all but water sales are heavily linked to fossil fuel consumption.

Tag: LA-68
Sources: TEB 2007: 22, 28, 261, 300; TEB 2008: 23, 276; TEB 2011: 22, 26, 100, 297, 341

Petroleum products tax exemption on aviation gasoline
R.S. 47:716.1 superseded by R.S. 47:818.14(A)(3) since 1980

This provision exempts the sale of gasoline for aviation from the gasoline tax. It applies to aviation fuel used for propelling aircraft, including aircraft operated in interstate or foreign commerce under a certificate or permit issued by the Civil Aeronautics Board of the United States or any successor or federal governmental board or agency having similar authority. The subsidy benefits owners/operators of aviation gasoline powered aircraft.

Taxes on aviation fuel, for example at the federal level, are commonly used to help finance aviation-related transportation infrastructure.

Tag: LA-69
Sources: TEB 2007: 43, 190; TEB 2008: 41, 200; TEB 2011: 37;

Gasoline fuel tax refunds: gasoline for premixed two-cycle engine fuel

Manufacturers that use gasoline in the manufacture of a premixed two-cycle engine fuel containing gasoline and oil sold in containers of one gallon or less are allowed an exemption from gasoline tax.

Tag: LA-48
Sources: TEB 2011: 37, 218

Gasoline and gasoline fuel tax refund on gasoline used by contract drivers of privately owned school buses
R.S. 47:715.1 superseded by R.S. 47:818.15(A)(1) since 1984

Contract drivers of all privately owned school buses transporting Louisiana students may qualify for refunds of three-fourths of the gasoline or diesel fuel tax paid during the period July 1, 2005 through June 30, 2006, and one-half of the gasoline or diesel fuel tax paid beginning July 1, 2006. This refund does not apply to commercial buses that transport students only incidentally as a part of the operator's regular business.

Tag: LA-71
Sources: TEB 2007: 43, 191; TEB 2008: 41, 201, 203; TEB 2011: 37, 218

Special Fuel tax refund for contract drivers of privately owned school buses
R.S. 47:715.1 enacted in 1982

Contract drivers of all privately-owned school buses transporting Louisiana students, whether such students are in private or public schools, are eligible for a refund of three-fourths of the special fuels tax. The purpose of this refund is to financially assist contract drivers of privately-owned school buses.

Tag: LA-72
Sources: TEB 2007: 43, 193; TEB 2008: 41, 203; TEB 2011: 37, 221;

Petroleum products tax refund for farmers, fishermen, and operators of gasoline-powered aircraft
R.S. 47:818.15(A)(2) enacted 1950

Tax paid on gasoline fuel used for the following purposes may be refunded when the requirements of R.S. 47:1681 et seq. have been met:

- Operating or propelling aircraft;
- Operating or propelling any commercial fishing boat or any vehicle used by a licensed fisherman in the administration of business associated with commercial fishing;
- Operating any boat used to transport children to or from school; and
- Operating any farm tractor or any farm machinery, including any stationary motor, used in the actual tilling of the soil and production of crops.

Tag: LA-73
Sources: TEB 2007: 43, 191; TEB 2008: 41, 201; TEB 2011: 37;

Petroleum products (gasoline) tax discount of 3% for gasoline dealers, licensed distributors and importers
R.S. 47:719(A) superseded by R.S. 47:818.22 since 1975

The original provision provided gasoline jobbers with a discount of three percent of the first 4¢ of the total tax per gallon purchased for domestic consumption as a deduction from the taxable gallonage. This discount was intended to compensate the jobbers for product losses incurred when handling motor fuels.

Beginning July 1, 2006, this discount was superseded by Acts 2005, No. 252, and will no longer be allowed. This may reflect the fact that distribution systems are much more efficient than in the mid-1970s when the provision was first put into place. Loss rates as high as 3% would be highly uncommon.

Tag: LA-74
Sources: TEB 2007: 43, 192; TEB 2008: 41, 202; TEB 2011: 37;

Petroleum products (gasoline) tax discount of 3% for gasoline jobbers, suppliers and permissive suppliers
R.S. 47:719(B) superseded by R.S. 47:818.22(A); originally enacted in 1929

The original provision provided gasoline dealers with a discount of three percent of the first 1¢ of the total tax per gallons sold, used, or consumed by a dealer for domestic consumption to be deducted from the taxable gallonage. This discount was intended to compensate dealers for product losses incurred when handling motor fuels. The discount was discontinued in 2006.

Tag: LA-75
Sources: TEB 2007: 43, 192; TEB 2008: 41, 202; TEB 2011: 37;

Gasoline tax discount for suppliers that file returns and remit payments in timely manner
R.S. 47:818.22(A) since 2006

The provision allows suppliers and permissive suppliers that file a timely return and remit a timely payment to deduct an administrative discount of one and one-half percent of the tax due on gasoline fuels. The deduction is only allowed if the supplier allows a deduction of one percent to a purchaser with a valid distributor or importer license.

Tag: LA-76
Sources: TEB 2007: 43, 193; TEB 2008: 41, 203; TEB 2011: 37, 220;

Special fuels discount on diesel fuels tax for suppliers that file timely returns and remit timely payments

R.S. 47:818.22(A) enacted 2006

This provision allows suppliers and permissive suppliers that file a timely return and remit a timely payment to deduct an administrative discount of one and one-half percent of the tax due on diesel fuels. The deduction is only allowed if the supplier allows a deduction of one percent to a purchaser with a valid distributor or importer license.

Tag: LA-77

Sources: TEB 2007: 43, 195; TEB 2008: 41, 205; TEB 2011: 37, 222;

Petroleum products tax refund on diesel fuels used in licensed vehicles by commercial fishermen

R.S. 47:802.2 superseded by R.S. 47:818.15(A)(2) enacted 1983

Licensed commercial fishermen are eligible for a refund of the diesel fuels tax paid on the fuel used operating licensed motor vehicles when performing commercial fishing-related business. This refund is intended to financially assist commercial fishermen by allowing them to use undyed diesel fuels tax-free. It parallels the provision allowing fishermen tax exempt use of gasoline fuels as well.

Tag: LA-78

Sources: TEB 2007: 43; TEB 2008: 41, 204; TEB 2011: 37, 221;

Special fuels[3]/diesel fuels tax discount of 3% for licensed special fuels suppliers to compensate for losses due to evaporation

R.S. 47:808(C) superseded R.S. 47:818.22(A) and (B) enacted 1954

The provision allowed a three percent discount on the net taxable gallons reported during tax collection and remittance. This discount was intended to compensate the suppliers for expenses incurred in collecting and remitting the taxes and for product losses incurred during evaporation. This discount was superseded by Acts 2005, No. 252 on July 1, 2006, and is no longer allowed.

Tag: LA-79

Sources: TEB 2007: 194; TEB 2008: 41, 204; TEB 2011: 37, 222;

3 The State of Louisiana defines "special fuels" as any gas or liquid, other than gasoline or diesel fuel, used or suitable for use as motorfuel in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance. Special fuels include compressed natural gas, liquefied natural gas, and liquefied petroleum gas.

Federally-imposed petroleum products tax exemption on gasoline sales to federal government and its agencies
R.S. 47:715 superseded by R.S. 47:818.14(A)(1) and (2) since 1944

Bulk gasoline sales of fuel (6,000 gallons or more per transaction) for specific government purposes, and not resold at retail, are exempt from gasoline taxes. These include gasoline sales to the U.S. Government and to the U.S. armed forces for propelling Navy or Coast Guard ships and aircrafts.

Tag: LA-80
Sources: TEB 2007: 43, 197; TEB 2008: 41, 207; TEB 2011: 37, 225;

Federally-imposed petroleum products tax exemption for dealers engaged in interstate commerce of gasoline and undyed diesel fuel shipments/exports
R.S. 47:717 superseded by R.S. 47:818.14(C) and (D) and the U.S. Constitution since 1929

Gasoline or undyed diesel fuel exported to other states are exempt from the tax only when the tax of the destination state is remitted to the supplier state. This exemption does not apply to gasoline or undyed diesel fuel transported and delivered outside this state in the fuel supply tank of a highway vehicle (i.e., being used as fuel rather than shipped as a product to sell). Gasoline or undyed diesel fuel exported to a foreign country is exempt from the tax if the shipping manifest indicates the foreign destination. This exemption is to comply with taxation prohibitions of the U.S. Constitution regarding taxes on interstate commerce.

Tag: LA-81
Sources: TEB 2007: 43, 198; TEB 2008: 41, 208; TEB 2011: 37, 225;

Sales tax exemption on gasoline sales (not subject to motor fuels tax)
R.S. 47:305(D)(1)(a) since 1948

This exemption allows the sale of gasoline to be exempt when sold in Louisiana, and for gasoline sold when the road use tax has not been levied. La. Const. art. VII, §27 extends an exclusion for gasoline sold that has been subject to a Louisiana road use tax. The exemption reduced the tax due by consumers, and benefited consumers of gasoline for off-road use. For example, consumption of fuels on farms, and in airplanes and boats, would not be subject either to a motor fuels excise tax or to a sales tax on fuel purchases.

This exemption was suspended through June 30, 2009, but came back in force subsequently.

Tag: LA-82
Sources: TEB 2007: 21; TEB 2008: 23, 273; TEB 2011: 22;

Sales tax prohibition on gasoline, diesel, or gasohol subject to the motor fuels tax (included with "other exemptions")
La. Const. art. VII, § 27 since 1990

The Louisiana Constitution prohibits the further taxation of fuel that is subject to the road-use excise tax. This excludes most fuel sales, as most gasoline, gasohol, and diesel will be subject to road use tax. Gasoline that has not been subjected to a road use excise tax, is also exempt from sales tax, though under a different statute (R.S. 47:301(D)(1)(a)). Gasohol, not subject to road use excise tax, is exempt from taxation under R.S.47:305.28 for gasohol produced, fermented, and distilled in Louisiana. (TEB 10: 180).

Since motor fuel excise taxes pay are user fees that finance roadways, and most other goods and services pay sales taxes, there is a strong logic for transport fuels to pay both. In Louisiana, significant portions of the consumer base pay neither.

Louisiana did not disaggregate the revenue loss from this provision. In the 2008 TEB, revenue losses from this provision exceeded $300 million per year. In the 2010 TEB, the state began commingling the revenue losses as part of a larger grouping of tax breaks under "other exemptions". Prior year projections were carried forward in the data to retain the disaggregation.

Tag: LA-83
Source: TEB 2007: 28; TEB 2008: 27, 312; TEB 2011: 337

Sales tax exemption - Electric power or energy used to produce power by non-residential users
R.S. 47:305(D)(1)(d) since 1948

This exemption allows the tax-free sale of electric power or energy and any materials or energy sources used to fuel the generation of electric power for resale or used by an industrial manufacturing plant for self-consumption or cogeneration. As the sale of electricity for residential use is constitutionally protected, this exemption benefits the non-residential users of electrical utility services and industrial manufacturing plants that generate their own electricity.

This exemption was partially suspended (to a rate of 3.3 percent for the period 1/1/06 – 6/30/09) but came back in effect thereafter.

Sales tax exemption - Natural Gas consumption by non-residential users
R.S. 47:305(D)(1)(g) enacted 1948

This exemption allows tax-free sales of natural gas and is intended to provide financial assistance to nonresidential consumers of natural gas.

This exemption was partially suspended (to a rate of 3.3 percent for the period 1/1/06 – 6/30/09) but came back in effect thereafter.

Sources: TEB 2008: 23, 276; TEB 2011: 22, 298

Individual income tax credit for commercial fishermen on gasoline & special fuels taxes

R.S. 47.297(C) enacted 1993

This credit applies to gasoline and special fuels taxes paid by commercial fisherman for operating or propelling any commercial fishing boat, if a tax refund has not been received pursuant to R.S. 47:802.2 and R.S. 47:1681. This credit is intended to allow taxpayers additional time to obtain a refund of the taxes, since under R.S. 47:802.2 and R.S. 47:1681 the refund application period is only six months.

Tag: LA-84
Sources: TEB 2007: 27, 133; TEB 2008: 32, 138; TEB 2011: 31;

Individual income tax credit on purchasing or converting vehicles to use alternative fuels

R.S. 47:38 enacted 1991

This credit applies to vehicles converted to accept certain alternative fuels or to purchases of vehicles that use certain alternative fuels. The credit is 20 percent of the cost of qualified clean-burning motor vehicle fuel property. If the vehicle is purchased with the equipment installed by the manufacturer, the tax credit is the lesser of 20 percent of 10 percent of the cost of the motor vehicle or $1,500.

Tag: LA-85
Sources: TEB 2007: 34, 131; TEB 2008: 32, 146; TEB 2011: 31;

Sales tax exemption on gasohol only if the constituent alcohol is made in Louisiana

R.S. 47:305.28 enacted 1979

This exemption allows the sale of gasohol to be exempt when sold in Louisiana, provided that the alcohol used in the gasohol is produced, fermented, and distilled in Louisiana. La. Const. art. VII, §27 provides a sales tax exclusion for gasoline sold that has been subject to a Louisiana road use tax (See number 154, Sales Tax Section). This exemption exempts only gasohol sold where the road use tax has not been levied, and is intended to reduce the tax paid by consumers. It parallels the exemptions elsewhere in the code for straight gasoline, and applies not only to the ethanol fraction in the blend, but to the entire blend.

This exemption was suspended through June 30, 2009, but back in effect subsequently.

Tag: LA-86
Sources: TEB 2007: 24, 279; TEB 2008: 24, 292; TEB 2011: 24;

4.3 Inspection fee exemptions

Louisiana recovers the cost of inspecting fossil-fuel related shipments and enterprises via fees. A number of activities are exempt from those fees, resulting in higher direct costs to the state of oversight. These include:

Inspection fee exemption: gasoline and undyed diesel brought into Louisiana in fuel supply tanks of interstate motor fuel users
R.S. 47:818.13(F) and R.S. 3:4684 since 1977

The inspection fee does not apply to gasoline or undyed diesel fuels brought into Louisiana in the fuel supply tanks of interstate motor fuel users. The majority of these users are participants in the International Fuel Tax Agreement who file reports with their base jurisdiction to report miles traveled within this state and the related tax liability. This provision would benefit interstate motor fuel users who travel into and through Louisiana.

Tag: LA-87
Sources: TEB 2007: 43, 195; TEB 2008: 41, 205; TEB 2011: 37;

Inspection fee exemption: undyed diesel fuel used by commercial fishermen
R.S. 3:4684 since 2003

The inspection fee does not apply to taxed undyed special fuel that is purchased and used in vehicles utilized by licensed commercial fishermen in the administration of the business associated with commercial fishing that is subject to a tax refund in accordance with R.S. 47:818.15(A)(5). This provision is intended to benefit licensed commercial fishermen.

Tag: LA-88
Sources: TEB 2007: 43, 196; TEB 2008: 41, 206; TEB 2011: 37;

Inspection fee exemption: diesel fuels used in or distributed to seagoing vessels
R.S. 3:4684 since 2003

The inspection fee does not apply to fuels sold for use in or distributed to seagoing vessels as defined at R.S. 3:4602. These vessels must also be in possession of an exemption certificate issued under the provisions of R.S. 47:305.1. This provision is intended to benefit purchasers of diesel fuels that are used for or distributed to seagoing vessels.

Tag: LA-89
Sources: TEB 2007: 43, 196; TEB 2008: 41, 206; TEB 2011: 37;

Inspection fee exemption: exports of gasoline or diesel fuels
R.S. 3:4684 since 2003

The inspection fee does not apply to gasoline or diesel fuels that are exported from Louisiana, and is intended to benefit product exporters in interstate commerce.

Tag: LA-90
Sources: TEB 2007: 43, 197; TEB 2008: 41, 207; TEB 2011: 37;

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Table 4-1: Fossil Fuel Subsidies Identified for Louisiana

Support Element	Tag	Subsidy Amount (FY $millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Producer Support Estimate											
Support to unit returns											
Oil and gas depletion deductions from corporate income tax	LA-1	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	TEB 2007: 30, 96; TEB 2009: 97; TEB 2011: 27;
Sales tax exclusion for installation of board roads to oil-field operators	LA-2	ND	ND	ND	ND	ND	no data	no data	no data	no data	TEB 2007: 16, 222; TEB 2008: 18, 229; TEB 2011: 18
Sales tax exemption for lease or rental of certain vessels in mineral production	LA-3	SUS	SUS	SUS	SUS	SUS	SUS	SUS	SUS	SUS	TEB 2007: 24; TEB 2008: 24, 289; TEB 2011: 23. Exemptions subject to 1% suspended rate.
Natural gas severance tax suspension for horizontal wells	LA-4	90.0	83.0	167.5	14.5	0.9	0.3	0.1	0.6	1.1	TEB 2007: 37, 175; TEB 2008: 35, 184; TEB 2011: 35;
Natural gas severance tax suspension for inactive well restarts	LA-5	3.5	3.2	6.5	6.8	4.7	4.5	2.1	2.5	2.6	TEB 2007: 37, 175; TEB 2008: 35, 185; TEB 2011: 35;
Natural gas severance tax suspension for deep wells	LA-6	4.5	3.9	8.0	7.0	8.0	8.4	0.4	15.2	9.3	TEB 2007: 37, 176; TEB 2008: 35, 185; TEB 2011: 35;
Natural gas severance tax suspension for production from new discovery wells	LA-7	expired	expired	expired	expired	expired	expired	expired	expired	1.0	TEB 2007: 37, 176; TEB 2008: 35, 186; TEB 2011: 35;
Reduced severance tax (special natural gas rates) on "incapable" oil-well gas	LA-8	1.1	1.0	2.1	0.8	1.7	2.3	1.2	1.0	1.0	TEB 2007: 37, 177; TEB 2008: 35, 186; TEB 2011: 35;
Reduced severance tax (special natural gas rates) on "incapable" gas-well gas	LA-9	30.0	26.8	56.4	40.6	33.9	40.2	28.3	17.6	13.0	TEB 2007: 37, 177; TEB 2008: 35, 187; TEB 2011: 35;
Oil deduction severance tax on trucking, barging, and pipeline fees	LA-10	1.5	1.5	1.6	2.8	5.4	4.2	3.5	4.2	2.4	TEB 2007: 37, 178; TEB 2008: 35, 187; TEB 2011: 35;
Severance tax suspension on oil from horizontal wells	LA-11	0.4	0.5	0.3	0.6	0.0	0.1	0.6	2.4	6.7	TEB 2007: 38, 178; TEB 2008: 35, 188; TEB 2011: 35;
Severance tax suspension on oil from inactive wells	LA-12	40.0	45.0	42.1	56.0	35.2	16.5	9.6	15.5	7.6	TEB 2007: 38, 179; TEB 2008: 35, 188; TEB 2011: 35;
Severance tax suspension on oil from deep wells	LA-13	10.0	8.0	9.6	7.2	12.3	6.3	4.2	3.4	3.8	TEB 2007: 38, 179; TEB 2008: 35, 189; TEB 2011: 35;
Severance tax suspension on oil from new discovery wells	LA-14	expired	expired	expired	expired	expired	expired	expired	expired	1.1	TEB 2007: 38, 180; TEB 2008: 35, 189; TEB 2011: 35;
Severance tax suspension on oil from tertiary recovery	LA-15	12.0	12.0	7.2	2.6	0.1	0.1	0.1	0.1	0.1	TEB 2007: 38, 180; TEB 2008: 35, 190; TEB 2011: 35;
Reduced severance tax rate on "incapable" oil wells	LA-16	11.0	10.0	8.6	12.1	13.1	10.8	9.1	11.9	5.3	TEB 2007: 38, 181; TEB 2008: 35, 190; TEB 2011: 35;
Reduced severance tax rate on oil from stripper wells	LA-17	30.0	30.0	27.3	35.0	36.8	26.9	25.3	32.0	14.7	TEB 2007: 38, 181; TEB 2008: 35, 191; TEB 2011: 35;
Reduced severance tax rate on stripper well oil value less than $20 per barrel	LA-18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	TEB 2007: 38, 182; TEB 2008: 35, 191; TEB 2011: 35;

Table 4-1: Fossil Fuel Subsidies Identified for Louisiana

Support Element	Tag	Subsidy Amount (FY $millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Reduced severance tax rate on salvage oil	LA-19	0.3	0.2	0.2	0.1	0.3	0.2	0.4	0.1	0.1	TEB 2007: 38, 182; TEB 2008: 35, 192; TEB 2011: 35;
Reduced severance tax rate on horizontal mining and drilling projects of hydrocarbons within a stipper well zone	LA-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	TEB 2007: 38, 183; TEB 2008: 35, 192; TEB 2011: 35;
Produced water injection incentive	LA-21	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.0	0.0	TEB 2007: 38, 183; TEB 2008: 36, 193; TEB 2011: 36;
Mineral exemption for political subdivisions that own and sever minerals for their own use	LA-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	TEB 2007: 38, 184; TEB 2008: 36, 193; TEB 2011: 36;
Sales tax exemption for anthropogenic carbon dioxide used in qualified tertiary recovery projects (included in "other exemptions")	LA-23	ND	ND	ND	NIE	NIE	NIE	NIE	NIE	NIE	TEB 2011: 20;
Support for Labor and Land											
Property damage from pipeline accidents	LA-24		10.5	0.1							LA Budget, 11-12: 140.
Reduced reclamation fees on incapable and stripper wells	LA-25										Fong, 2011: 76
Regulation and oversight of wells - LA Office of Conservation	LA-43		19.2	19.4							LA Budget 11-12: 141
Quality Jobs program	LA-27	4.75	4.8	4.8	4.8	4.8	4.8				Company subsidies tab; state data compiled by Good Jobs First; TEB 2008: 37, 350; TEB 2011: 34; Sales & use tax credit and 10-year payroll tax rebate; average annual value from multi-year estimate.
Enterprise zone credits and rebates - fossil fuel related only	LA-28	8.6	8.6	8.6	8.6	8.6	8.6				Company subsidies tab; state data compiled by Good Jobs First; TEB 2008: 340; TEB 2011: 34; Rebates and credits; average annual value from multi-year estimate.
Wildlife and Fisheries work related to oil spill damage via the Department of Environmental Quality and the Department of Wildlife and Fisheries	LA-29	NQ									
Support for capital formation											
Sales tax exclusion on repairs, renovations or conversions of drilling rigs (included in category "repair services performed in Louisiana when the repaired property is exported" and "other exemptions")	LA-30			ND	ND	ND	ND	NIE	NIE	NIE	TEB 2007: 22, 267; TEB 2008: 21, 256; TEB 2011: 20;

Table 4-1: Fossil Fuel Subsidies Identified for Louisiana

Support Element	Tag	Subsidy Amount (FY $millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Sales tax exclusion on repair services performed in Louisiana when the repaired property is exported	LA-31	10.4	10.2	10.0	13.8	9.6	8.0	NIE	NIE	NIE	TEB 2008: 21, 256; TEB 2011: 20, 278;
Sales tax exclusion on rentals or leases of certain oil-field property to be re-leased or re-rented (included in "other exemptions")	LA-32	ND	ND	ND	1.0	1.0	1.0	0.9	0.9	0.9	TEB 2007: 16; TEB 2008: 18, 233; TEB 2011: 255
Industrial tax exemption - fossil fuel related only	LA-33	87.3	87.3	87.3	87.3	87.3	87.3				Company subsidies tab; state data compiled by Good Jobs First; Property tax abatement; average annual value from multi-year estimate.
Sales tax exemption on purchase of tangible property by nonprofit electric cooperatives	LA-34	SUS	SUS	SUS	SUS	SUS	SUS	SUS	SUS	SUS	TEB 2007: 21, 255; TEB 2011: 21, 289. Subject to 1% suspended rate
Sales and use tax exemption, machinery and equipment purchases by electric power utilities	LA-35	ND	ND	ND	ND	NIE	NIE	NIE	NIE	NIE	TEB 2011: 287
Corporate income tax credit on purchasing or converting vehicles to use alternative fuels	LA-36	NIE	NIE	0.15	0.01	0.02	0.05	0.00	0.00	NIE	TEB 2007: 31, 102; TEB 2008: 29, 105; TEB 2011: 28;
Corporate Income and Franchise Tax Credits: Ad Valorem Tax on Natural Gas	LA-37	3.8	3.7	3.6	1.6	0.1	NIE	NIE	NIE	NIE	TEB 2011: 29, 118;
Corporate Income and Franchise Tax Credits: Ad Valorem Tax on Offshore Vessels	LA-38	19.2	18.9	18.5	13.8	18.4	NIE	NIE	NIE	NIE	TEB 2011: 29, 118;
Individual Income Tax: Ad Valorem Tax on Natural Gas	LA-37	0.2	0.2	0.2	NEGL	0.2		NIE	NIE	NIE	TEB 2011: 32, 162;
Individual Income Tax: Ad Valorem Tax on Offshore Vessels	LA-38	11.8	11.5	11.3	8.8	3.5		NIE	NIE	NIE	TEB 2011: 32, 163;
Alternative reporting method for charging sales tax to users of certain interchangeable components and measurement-while-drilling equipment stored in Louisiana (included in "other exemptions")	LA-39	ND	ND	ND	0.6	0.6	0.6	0.6	0.6	0.6	TEB 2007: 26, 290; TEB 2008: 26, 305; TEB 2011: 25, 330;
Tax exempt Gulf Opportunity Zone Bonds - issuances for infrastructure linked to fossil fuels		See txt discuss									see text discussion
Support for knowledge creation											
Sales tax exclusion on certain geophysical survey information and data analyses	LA-40	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	TEB 2007: 20, 249; TEB 2008: 21, 258; TEB 2011: 21;

Table 4-1: Fossil Fuel Subsidies Identified for Louisiana

Support Element	Tag	Subsidy Amount (FY $millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Market regulation and oversight											
Liquefied Petroleum Gas Commission	LA-42		0.9	0.8							LA Budget 11-12: 114
Oversight and auditing of state mineral operations	LA-44		13.2	15.0							LA Budget 11-12: 142
Consumer Support Estimate											
Consumption of fuels by manufacturers or power plants											
Sales tax exclusion for purchases of electric power and natural gas by paper or wood products manufacturing facilities (2010-2012 lumped in with "Sales of electric power or energy")	LA-45	ND	ND	ND	7.5	6.0	6.7	6.2	NIE	NIE	TEB 2007: 16, 225; TEB 08: 18, 232; TEB 2010: 18, 22, 257; TEB 2011: 18, 253
Sales tax exclusion for natural gas used in the production of iron (included in "other exemptions" for 2008-2009, "sales of electric power or energy" in 2010-2012)	LA-46	ND	ND	ND	ND	ND	no data	no data	no data	no data	TEB 2007: 18, 234; TEB 08: 19, 242; TEB 2011: 19, 22;
Use tax exclusion for refinery gas created and consumed by the producer	LA-47	NIE	NIE	NIE	NIE	NIE	no data	no data	no data	no data	TEB 2008: 22, 265; TEB 2010: 21;
Severance tax exclusion on flared or vented natural gas	LA-48	0.6	0.6	1.2	1.0	0.8	1.0	0.5	0.4	1.2	TEB 2007: 37, 173; TEB 2008: 35, 182; TEB 2011: 35;
Severance tax exclusion on natural gas consumed in field operations	LA-49	6.5	6.3	12.8	13.5	7.9	9.0	4.8	4.9	6.3	TEB 2007: 37, 173; TEB 2008: 35, 183; TEB 2011: 35;
Severance tax exclusion on natural gas consumed during the production of natural resources (does not include oil and gas) in the state of Louisiana	LA-50	NEGL	NEGL	NEGL	0.01	0.01	0.00	0.03	0.03	0.06	TEB 2007: 37, 174; TEB 2008: 35, 183; TEB 2011: 35;
Severance tax exclusion on natural gas consumed in manufacturing carbon black	LA-51	1.3	1.1	2.2	1.4	0.9	0.0	0.1	0.2	0.2	TEB 2007: 37, 174; TEB 2008: 35, 184; TEB 2011: 35;
Petroleum products tax exemption on casinghead gasoline	LA-52	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	TEB 2007: 43, 190; TEB 2008: 41, 200; TEB 2011: 37;
Sales tax exclusion of natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities (included in "other exemptions" in 2008-2009)	LA-53	0.0	0.0	0.0	ND	ND	no data	no data	NIE	NIE	TEB 2007: 19, 243; TEB 2008: 20, 250; TEB 2011: 20
Severance tax exclusion for the injection of natural gas into producing reservoirs	LA-54	NS	NS	NS	NS	NS	NS	NS	NS	NS	TEB 2007: 37, 172; TEB 2008: 35, 181; TEB 2011: 35;

Table 4-1: Fossil Fuel Subsidies Identified for Louisiana

Support Element	Tag	Subsidy Amount (FY $millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Sales tax exclusion for pollution control devices and systems (included in "other exemptions")	LA-57	ND	ND	ND	ND	ND	0.0	0.0	0.4	0.0	TEB 2007: 18; TEB 08: 20, 246; TEB 2011: 19
Sales tax exemption on alternate substances used as fuels	LA-58	ND	ND	ND	UTE	UTE	no data	no data	NIE	NIE	TEB 2007: 19, 242; TEB 2008: 20, 249; TEB 2011: 20, 271
Sales tax exemption: sale of steam for industrial users (included in "sales of electric power or energy")	LA-59	ND	ND	ND	ND	ND	ND	ND	ND	ND	TEB 2007: 4, 22, 217, 260; TEB 2011: 296
Sales tax exemption: boiler fuels other than refinery gas; residuals and byproducts if burned on-site	LA-60	SUS	SUS	SUS	SUS	SUS	SUS	SUS	SUS	SUS	TEB 2007: 22, 263; TEB 2011: 299. 1% suspended rate
Sales tax exemptions: steel works and blast furnace purchases of utilities (including electricity)	LA-61	ND	ND	ND	ND				no data	no data	TEB 2007: 26, 287; TEB 2011: 323
Sales tax exemption: Repairs and materials used on drilling rigs and equipment (included in "other exemptions")	LA-62	ND	ND	ND	SUS	SUS	SUS	SUS	SUS	no data	TEB 2007: 22, 267; TEB 08: 23, 280; TEB 10: 22;
Sales tax exemption on 50-ton Vessels and New Component Parts and Sales of Certain Materials and Services to Vessels Operating in Interstate Commerce (exempts drilling rigs and barges)	LA-63	ND	ND	ND	45.1	44.2		42.5	41.7	41.6	TEB 2007: 22, 267; TEB 2008: 280; TEB 2011: 23;
Sales tax exemption: Helicopters leased for use in the extraction, production, or exploration for oil, gas, or other minerals (included as lump sum under "Purchases of tangible personal property for lease or rental")	LA-64	ND	ND	ND	ND	ND	ND	ND	ND	ND	TEB 2007: 18, 26, 290; TEB 2008: 19, 26, 305; TEB 2011: 19, 25;
Sales tax exclusion: Purchases of tangible personal property for lease or rental	LA-65	8.6	8.4	8.2	17.6	11.4	6.3	5.7	2.5	2.1	TEB 2007: 18, 232; TEB 2010: 19; TEB 2011: 19, 262
"Sales or cost price" sales tax determination for refineries producing of refinery gas	LA-66	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	TEB 2007: 27, 293; TEB 2008: 26, 308; TEB 2011: 25;
Consumption of fuels by end-users											
Sales tax exemption for certain fuels (diesel fuel, butane, propane, and other liquefied petroleum gases) used for farm purposes (included in "other exemptions")	LA-67	ND	ND	ND	11.7	11.5	11.3	11.0	10.8	10.6	TEB 2007: 25, 280; TEB 2008: 25, 293; TEB 2011: 24;

Table 4-1: Fossil Fuel Subsidies Identified for Louisiana

Support Element	Tag	Subsidy Amount (FY $millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Sales tax exemption for sales of natural gas to the consumer for residential use (included as lump sum in "Sales of electric power or energy to the consumer for residential use")	LA-68	ND	ND	ND	ND	ND	ND	ND	ND	ND	TEB 2007: 28, 300; TEB 2011: 26, 341; Classified as State Exemptions with Prohibitions on Taxation*
CATEGORY TOTAL: Sales tax exemption, "Sales of electric power or energy to the consumer for residential use" (includes natural gas, water, Purchases of certain fuels for private residential consumption, Purchases of fuel or gas by residential consumers)		151.9	148.9	146.0	174.8	130.1	122.1	304.2	331.1	198.3	TEB 2007: 28, 300; TEB 08: 20, 27, 315, 316; TEB 10: 26; Classified as State Exemptions with Prohibitions on Taxation*
Petroleum products/gasoline fuel tax exemption on aviation gasoline	LA-69	0.2	0.2	0.2	0.2	0.3	1.3	1.3	1.3	1.3	TEB 2007: 43, 190; TEB 2008: 41, 200; TEB 2011: 37;
Gasoline fuel tax refunds: gasoline for premixed two-cycle engine fuel	LA-70	NEGL	NEGL	NEGL	NEGL	NEGL	NIE	NIE	NIE	NIE	TEB 2011: 37, 218
Gasoline tax refund on gasoline used by contract drivers of privately owned school buses	LA-71	0.04	0.04	0.04	0.04	0.08	0.08	0.11	0.14	0.14	TEB 2007: 43, 191; TEB 2008: 41, 201, 203; TEB 2011: 37, 218
Special Fuel/diesel fuel tax refund on diesel fuel used by contract drivers of privately owned school buses	LA-72	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	TEB 2007: 43, 193; TEB 2008: 41, 203; TEB 2011: 37, 221;
Petroleum products tax refund for farmers, fishermen, and operators of gasoline-powered aircraft	LA-73	0.04	0.04	0.04	0.05	0.07	0.07	0.04	0.12	0.12	TEB 2007: 43, 191; TEB 2008: 41, 201; TEB 2011: 37;
Petroleum products (gasoline) tax discount of 3% on gasoline for gasoline dealers, licensed distributors and importers	LA-74	NIE	NIE	NIE	NIE	NIE	NIE	0.7	0.7	0.7	TEB 2007: 43, 192; TEB 2008: 41, 202; TEB 2011: 37;
Petroleum products (gasoline) tax discount of 3% for gasoline jobbers, suppliers and permissive suppliers	LA-75	NIE	NIE	NIE	NIE	NIE	NIE	0.7	0.7	0.7	TEB 2007: 43, 192; TEB 2008: 41, 202; TEB 2011: 37;
Gasoline tax refund discount for suppliers that file returns and remit payments in timely manner	LA-76	7.0	7.0	6.8	6.7	6.9	6.2	NIE	NIE	NIE	TEB 2007: 43, 193; TEB 2008: 41, 203; TEB 2011: 37, 220;
Petroleum products (special fuel/diesel fuel) tax discount for suppliers that file returns and remit payments in timely manner	LA-77	2.2	2.2	2.1	2.2	2.2	2.1	NIE	NIE	NIE	TEB 2007: 43, 195; TEB 2008: 41, 205; TEB 2011: 37, 222;
Petroleum products tax refund on diesel fuels used in licensed vehicles by commercial fishermen	LA-78	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	TEB 2007: 43; TEB 2008: 41, 204; TEB 2011: 37, 221;

Table 4-1: Fossil Fuel Subsidies Identified for Louisiana

Support Element	Tag	Subsidy Amount (FY $millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Special fuels/diesel fuels tax discount of 3% for licensed special fuels suppliers to compensate for losses due to evaporation	LA-79	NIE	NIE	NIE	NIE	NIE	NEGL	4.0	4.0	0.0	TEB 2007: 194; TEB 2008: 41, 204; TEB 2011: 37, 222;
Federally-imposed petroleum products tax exemption on gasoline sales to federal government and its agencies	LA-80	0.3	0.3	0.3	0.3	0.8	2.0	2.0	2.0	1.8	TEB 2007: 43, 197; TEB 2008: 41, 207; TEB 2011: 37, 225;
Federally-imposed petroleum products tax exemption for dealers engaged in interstate commerce of gasoline and undyed diesel fuel shipments/exports	LA-81	80.0	80.0	75.5	104.1	95.5	1000.0	1000.0	1925.0	1925.0	TEB 2007: 43, 198; TEB 2008: 41, 208; TEB 2011: 37, 225;
Sales tax exemption on gasoline sales for fuel that was not subject to the to motor fuels tax	LA-82	SUS	SUS	SUS	SUS	SUS	SUS	SUS	SUS	SUS	TEB 2007: 21; TEB 2008: 23, 273; TEB 2011: 22. Exemptions subject to 1% suspended rate.
Sales tax prohibition (states sales tax exemption) on gasoline, diesel, or gasohol subject to the motor fuels tax (included with "other exemptions")	LA-83	ND	ND	ND	340.4	333.7	327.1	272.6	222.5	180.2	TEB 2007: 28; TEB 2008: 27, 312; TEB 2011: 337; Classified as State Exemptions with Prohibitions on Taxation*
Sales tax exemption: nonresidential consumers of natural gas		ND	ND	ND	ND	ND	ND	ND	ND	ND	TEB 2008: 23, 276; TEB 2011: 22, 298
CATEGORY TOTAL: Sales tax exemption, "Sales of electric power or energy" (includes natural gas, steam, water, Utilities used by steelworks and blast furnaces)		162.6	159.4	156.3	113.4	46.9	43.8	27.1	12.3	9.2	TEB 2007: 22, 261; TEB 2008: 23, 276; TEB 2011: 22, 100, 297;
Individual income tax credit for commercial fishermen on gasoline & special fuels taxes	LA-84	0.12	0.12	0.12	0.03	0.03	0.01	0.01	0.02	NIE	TEB 2007: 27, 133; TEB 2008: 32, 138; TEB 2011: 31;
Individual income tax credit on purchasing or converting vehicles to use alternative fuels	LA-85	0.02	0.02	0.02	0.14	0.04	0.02	0.02	0.00	NIE	TEB 2007: 34, 131; TEB 2008: 32, 146; TEB 2011: 31;
Sales tax exemption on gasohol only if the constituent alcohol is made in Louisiana	LA-86	SUS	SUS	SUS	SUS	SUS	SUS	SUS	SUS	SUS	TEB 2007: 24, 279; TEB 2008: 24, 292; TEB 2011: 24. Exemptions subject to 1% suspended rate.
Inspection fee on exemptions: Gasoline and undyed diesel brought into Louisiana in fuel supply tanks of interstate motor fuel users	LA-87	0.03	0.03	0.02	0.02	0.02	NEGL	NEGL	NEGL	NEGL	TEB 2007: 43, 195; TEB 2008: 41, 205; TEB 2011: 37;
Inspection fee on exemptions: Undyed diesel fuel used by commercial fishermen	LA-88	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	NEGL	TEB 2007: 43, 196; TEB 2008: 41, 206; TEB 2011: 37;
Inspection fee on exemptions: Diesel fuels used in or distributed to seagoing vessels	LA-89	0.7	0.7	0.7	0.6	0.6	0.5	UTE	UTE	UTE	TEB 2007: 43, 196; TEB 2008: 41, 206; TEB 2011: 37;
Inspection fee on exemptions: Exports of gasoline or diesel fuels	LA-90	1.0	1.0	0.8	1.1	1.1	0.6	UTE	UTE	UTE	TEB 2007: 43, 197; TEB 2008: 41, 207; TEB 2011: 37;
GROUP TOTAL: "Other Exemptions"		3312.8	3247.9	3184.2	3634.7	3675.5	NIE	NIE	NIE	NIE	TEB 2011: 26;

Table 4-1: Fossil Fuel Subsidies Identified for Louisiana

Support Element	Tag	Subsidy Amount (FY $millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
GROUP TOTAL: "Exemptions subject to 1% suspended rate"		10.1	9.9	9.8	NIE	NIE	NIE	NIE	NIE	NIE	TEB 2011: 26;
Tax collections data											
Natural resources - severance (total)		243.1	233.6	354.2	202.6	164.8	132.3	90.6	112.4	77.7	TEB 2007: 15; TEB 08: 17; TEB 10: 17
Petroleum products tax (total)		11.4	11.4	10.9	11.0	11.4	11.0	6.9	7.1	6.9	TEB 2007: 15; TEB 08: 17; TEB 10: 17
Items not believed to be subsidies											
Severance tax exclusion: natural gas produced outside the state of Louisiana	LA-91	0.05	0.04	0.08	0.07	0.08	0.06	0.07	0.09	0.09	TEB 2007: 37, 172; TEB 2008: 35, 182; TEB 2011: 35;

Key

"NEGL" = "negligible" = less than $10,000
"ND" = "not disaggregated." Revenue loss estimates combined with other line items by the state.
"NIE" = "not in effect"
"NS" = "no subsidy." Provisions within the State TEB, but that we do not view as a subsidy.
"NQ" = "not quantified." Implies a situation in which there should be values, but we just weren't able to figure them out
"SUS" = "suspended"
"UTE" = "unable to estimate"

*Taxation is prohibited by the state constitution, federal laws, or existing reciprocal agreements.

Sources

(1) Fong, Cory. State and Local Taxes: An Overview and Comparative Guide: 2010, North Dakota Office of the State Tax Commissioner, December 2010.
(2) LA Budget. State of Louisiana. State Budget: Fiscal Year 2011-2012. Accessed at http://doa.louisiana.gov/opb/pub/FY12/StateBudget_FY12.pdf on 29 February 2012.
(3) TEB, various years. Louisiana Department of Revenue, Tax Exemption Budget: 2006-2007, 2007-2008, 2008-2009, 2010-2011. http://revenue.louisiana.gov

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
1	Perryville Gas Storage LLC	Winnsboro	Construction of a gas storage facility	2009	$5,826,500	$1,165,300	Enterprise Zone Program	enterprise zone	5	$ 1,165,300
2	Southwestern Electric Power Company dba SWEPCO	Shreveport	Construction of a gas fired combined cycle electric generating unit	2010	$3,954,000	$790,800	Enterprise Zone Program	enterprise zone	10	$ 395,400
3	Plains Marketing LP	St. James	Expansion of crude oil terminal	2008	$3,888,500	$777,700	Enterprise Zone Program	enterprise zone	5	$ 777,700
4	Turner Specialty Services, LLC	Baton Rouge	Expandion of workforce and facility [heavy industry construction, including power and oil & gas]	2009	$3,837,690	$767,538	Enterprise Zone Program	enterprise zone	1500	$ 2,558
5	Placid Refining Company, LLC	Port Allen	Funds capital projects within fence line of facility during contracted period. Includes completion of projects to increase productivity, impact efficiencies of the facility, upgrade and maintain facility.	2009	$3,567,000	$713,400	Enterprise Zone Program	enterprise zone	10	$ 356,700
6	Cadeville Gas Storage, LLC	West Monroe	Construction of gas storage facility	2009	$3,500,900	$700,180	Enterprise Zone Program	enterprise zone	5	$ 700,180
7	Trunkline LNG Company, LLC	Lake Charles	Expandion of LNG storage facility	2008	$3,022,500	$604,500	Enterprise Zone Program	enterprise zone	9	$ 335,833
8	Motiva Enterprises LLC	Convent	Installation of wet gas scrubber, regenerator and power recovery train and separator at the refinery	2008	$2,607,500	$521,500	Enterprise Zone Program	enterprise zone	43	$ 60,640
9	Targa Resources LLC	Venice	Update and expand facilities and equipment due to Hurricane Katrina.	2009	$2,217,500	$443,500	Enterprise Zone Program	enterprise zone	5	$ 443,500
10	Murphy Oil USA, Inc dba Murphy USA	Meraux	Upgraded and expanded a refinery	2008	$2,161,580	$432,316	Enterprise Zone Program	enterprise zone	8	$ 270,198
11	Arcadia Gas Storage, LLC	Arcadia	Expansion and upgrade of gas storage and manufacturing facility	2009	$1,960,500	$392,100	Enterprise Zone Program	enterprise zone	9	$ 217,833
12	Gulf South Pipeline Company, LP	Ta;;i;aj	Construction of natural gas compressor station	2009	$908,000	$181,600	Enterprise Zone Program	enterprise zone	2	$ 454,000
13	Targa Resources, LLC	St Bernard		2009	$852,000	$170,400	Enterprise Zone Program	enterprise zone	3	$ 284,000
14	Gulf Crossing Pipeline Company LLC	Sterlington	Build and operate a natural gas compressor station	2010	$743,000	$148,600	Enterprise Zone Program	enterprise zone	2	$ 371,500
15	Gulf South Pipeline Company, LP	West Monroe	Construction of a new natural gas compressor station and two Solar Mars turbines	2008	$662,892	$132,578	Enterprise Zone Program	enterprise zone	1	$ 662,892

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
16	Gulf Island, L.L.C.	Houma	Capital expenditures	2009	$595,249	$119,050	Enterprise Zone Program	enterprise zone	108	$ 5,512
17	Gilchrist Construction Company dba Gilchrist Construction Co Inc	Alexandria	General expansion	2009	$543,746	$108,749	Enterprise Zone Program	enterprise zone	193	$ 2,817
18	Cabot Corporation	Franklin	Upgrade existing facilities and expand plant to add new manufacturing equipment	2010	$512,500	$102,500	Enterprise Zone Program	enterprise zone	9	$ 56,944
19	Targa Resources LLC	Cameron	Update and expand facilities and equipment due to Hurricane Katrina	2009	$378,500	$75,700	Enterprise Zone Program	enterprise zone	5	$ 75,700
20	Sempra Pipelines & Storage Corp	Ragley	Construction of a natural gas storage facility	2010	$357,276	$71,455	Enterprise Zone Program	enterprise zone	11	$ 32,480
21	Halliburton Energy Services, Inc	Broussard	Construction of new Quality Control Lab for Gulf of Mexico	2009	$314,285	$62,857	Enterprise Zone Program	enterprise zone	52	$ 6,044
22	Gulf Island, L.L.C.	Houma	Expanded and upgraded oil and gas industry structure manufacturing facility	2008	$309,000	$61,800	Enterprise Zone Program	enterprise zone	50	$ 6,180
23	Cameron International Corporation	Hammond	Purchase additional equipment	2009	$160,000	$32,000	Enterprise Zone Program	enterprise zone	16	$ 10,000
24	Targa Resources LLC	Cameron	Repair and update facilities and equipment due to Hurricane Ike; increase employment	2010	$140,000	$28,000	Enterprise Zone Program	enterprise zone	2	$ 70,000
25	Targa Resources LLC	Lake Arthur	Repair and update facilities and equipment due to Hurricane Ike; increase employment	2010	$92,000	$18,400	Enterprise Zone Program	enterprise zone	5	$ 18,400
26	Salathe Oil Company	Harvey	Increasing a fuel and lubricant distributor workforce	2008	$40,000	$8,000	Enterprise Zone Program	enterprise zone	16	$ 2,500
27	Five Star Fuels, LLC dba Five Star Fuels	Baldwin	Construction of a new fuel storage terminal with a rack distribution system	2010	$26,360	$5,272	Enterprise Zone Program	enterprise zone	1	$ 26,360
28	Salathe Gas Company	Harvey	Increasing a fuel distributor workforce	2008	$17,500	$3,500	Enterprise Zone Program	enterprise zone	7	$ 2,500
29	Gulf South Pipeline Company, LP	Delhi	Gulf South Pipeline Company, LP	2009	$2,500	$500	Enterprise Zone Program	enterprise zone	1	$ 2,500
30	Cleco Power, LLC	Lena	660 MVV Solid fuel (CFB) Electricity Generation Plant [all of Cleco's plants are fossil-fuel powered]	2010	$163,002,297	$16,300,230	Industrial Tax Exemption	property tax abatement		N/A
31	Sabine Pass LNG, LP	Cameron	Assets completed and placed in service during 2009.	2010	$126,098,145	$12,609,815	Industrial Tax Exemption	property tax abatement	23	$ 5,482,528

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
32	Southwestern Electric Power Company dba SWEPCO	Shreveport	J. Lamar Stall Plant [natural gas peaking plant]	2010	$92,588,770	$9,258,877	Industrial Tax Exemption	property tax abatement	10	$ 9,258,877
33	Valero Refining-New Orleans, LLC	Norco	Ultra low sulfur diesel unit [addition to refinery to produce low sulfur diesel]	2008	$73,001,528	$7,300,153	Industrial Tax Exemption	property tax abatement	10	$ 7,300,153
34	Motiva Enterprises LLC	Norco	2007/2008 Addition	2009	$46,256,642	$4,625,664	Industrial Tax Exemption	property tax abatement	0	N/A
35	Placid Refining Company, LLC	Port Allen	Addition [independent petroleum refinery]	2009	$31,643,501	$3,164,350	Industrial Tax Exemption	property tax abatement	0	N/A
36	Placid Refining Company, LLC	Port Allen	Addition	2009	$31,643,501	$3,164,350	Industrial Tax Exemption	property tax abatement		N/A
37	Valero Refining-New Orleans, LLC	Norco	Upgrade Facility Phase VII - East Plant Control Room, BFW Reliability, Crude Unit, Hydrogen Plant VL-195	2008	$19,332,497	$1,933,250	Industrial Tax Exemption	property tax abatement	3	$ 6,444,166
38	Exxon Mobil Corporation (Refinery)	Baton Rouge		2010	$16,134,909	$1,613,491	Industrial Tax Exemption	property tax abatement		N/A
39	Chalmette Refining, LLC	Chalmette	2007 Miscellaneous capital additions	2008	$15,973,326	$1,597,333	Industrial Tax Exemption	property tax abatement	0	N/A
40	Valero Refining-New Orleans, LLC	Norco	2008 Addition	2009	$15,802,093	$1,580,209	Industrial Tax Exemption	property tax abatement	1	$15,802,093
41	Arcadia Gas Storage, LLC	Arcadia	2006/2008 Start-Up/New	2009	$14,183,195	$1,418,320	Industrial Tax Exemption	property tax abatement	9	$ 1,575,911
42	Conoco Phillips Co.	Belle Chasse	Installation of a new Wet Gas Scrubber (WGS), purge treatment unit, caustic system, make up water supply and an upgrade to the electrical system.	2010	$11,968,969	$1,196,897	Industrial Tax Exemption	property tax abatement	0	N/A
43	Chalmette Refining, LLC	Chalmette	2008 Addition	2009	$11,706,895	$1,170,690	Industrial Tax Exemption	property tax abatement	0	N/A
44	Chalmette Refining, LLC	Chalmette		2010	$11,142,903	$1,114,290	Industrial Tax Exemption	property tax abatement	0	N/A
45	Motiva Enterprises LLC	Convent	2007/2009 Expansion	2009	$9,992,893	$999,289	Industrial Tax Exemption	property tax abatement		N/A
46	Exxon Mobil Corporation (Refinery)	Baton Rouge	Additions	2009	$8,484,869	$848,487	Industrial Tax Exemption	property tax abatement	0	N/A
47	Weatherford U.S., L.P.	Schrieves, LA	2008 Start Up [oil field services]	2009	$7,853,495	$785,350	Industrial Tax Exemption	property tax abatement	50	$ 157,070

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
48	Motiva Enterprises LLC	Convent	1997/2008 Addition	2009	$6,750,636	$675,064	Industrial Tax Exemption	property tax abatement		N/A
49	Valero Refining-New Orleans, LLC	Norco		2010	$5,920,933	$592,093	Industrial Tax Exemption	property tax abatement	3	$ 1,973,644
50	Entergy Louisiana, LLC - Waterford 1, 2 & 4	Killona	Installation of a Frame 6B gas fired combustion turbine to serve as a black start unit.	2010	$5,058,614	$505,861	Industrial Tax Exemption	property tax abatement		N/A
51	Exxon Mobil Corporation (Refinery)	Baton Rouge	2007 additions and upgrades	2008	$4,936,099	$493,610	Industrial Tax Exemption	property tax abatement	0	N/A
52	Calcasieu Refining Company	Lake Charles	2007 addition - new vacuum unit	2008	$4,834,377	$483,438	Industrial Tax Exemption	property tax abatement	9	$ 537,153
53	Conoco Phillips Co.	Belle Chasse	Installation of a selective catalyst system on the Crude Unit Heater to include waste water heat recovery, fan, damper, measurement and analysis equipment and all supporting foundations, platforms, and electrical.	2010	$4,352,900	$435,290	Industrial Tax Exemption	property tax abatement	0	N/A
54	Targa Resources LLC	Venice	Labor and materials necessary to clean up, repair and replace facilities and equipment rendered inoperable due to Hurricane Katrina at the Venice processing plant [mid-stream natural gas and NGL service provider]	2008	$4,198,680	$419,868	Industrial Tax Exemption	property tax abatement	6	$ 699,780
55	Marathon Petroleum Company, LLC	Garyville	Addition - Construct a 300,000 barrel natural gasoline storage tank	2009	$3,703,936	$370,394	Industrial Tax Exemption	property tax abatement		N/A
56	Dow Hydrocarbon and Resources LLC (DHR, LLC)	Belle Rose	Addition - Brine Storage Ponds and associated equipment - Brine Production	2008	$3,466,937	$346,694	Industrial Tax Exemption	property tax abatement		N/A
57	Marathon Petroleum Company, LLC	Garyville	Addition - Gas Oil Storage Tank Addition - Construct a 300,000 barrel gas oil storage tank	2009	$3,175,956	$317,596	Industrial Tax Exemption	property tax abatement		N/A
58	Marathon Petroleum Company, LLC	Garyville	Miscellaneous Plant Upgrades	2009	$3,102,845	$310,285	Industrial Tax Exemption	property tax abatement		N/A
59	ConocoPhillips Company	Westlake	Additions - East Dock 2B, Marine Vapor Controll System and the Shore Side Tie-ins.	2008	$3,025,494	$302,549	Industrial Tax Exemption	property tax abatement		N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
60	Halliburton Energy Services, Inc.	Port Fourchon		2008	$2,638,456	$263,846	Industrial Tax Exemption	property tax abatement	5	$ 527,691
61	Marathon Petroleum Company, LLC	Garyville	Miscellaneous plant upgrades for 2009	2010	$2,313,702	$231,370	Industrial Tax Exemption	property tax abatement		N/A
62	Marathon Petroleum Company, LLC	Garyville	Construct a new blend building and relocate the blending operations control center	2009	$2,191,480	$219,148	Industrial Tax Exemption	property tax abatement		N/A
63	Marathon Petroleum Company, LLC	Garyville		2008	$2,132,940	$213,294	Industrial Tax Exemption	property tax abatement	0	N/A
64	Dow Hydrocarbon and Resources LLC (DHR, LLC)	Napoleonville	Grand Bayou Operations Storage Upgrade	2009	$2,092,500	$209,250	Industrial Tax Exemption	property tax abatement	0	N/A
65	ConocoPhillips Company	Westlake	Construction of an administrative office building to replace trailers	2010	$1,982,449	$198,245	Industrial Tax Exemption	property tax abatement	0	N/A
66	Valero Refining-New Orleans, LLC	New Sarpy	2007 Addition	2009	$1,617,013	$161,701	Industrial Tax Exemption	property tax abatement	3	$ 539,004
67	Marathon Petroleum Company, LLC	Garyville	Addition - Crude Metering Facilities - Installation of a new crude oil custody transfer system	2009	$1,569,338	$156,934	Industrial Tax Exemption	property tax abatement	0	N/A
68	Cameron International Corporation	Ville Platte	Oil and gas services and equipment	2010	$1,395,571	$139,557	Industrial Tax Exemption	property tax abatement	110	$ 12,687
69	Marathon Petroleum Company, LLC	Garyville	Upgrading Crude/Pitch Exchangers to improve efficiency	2010	$1,386,650	$138,665	Industrial Tax Exemption	property tax abatement	0	N/A
70	Cabot Corporation	Centerville	2007 Addition	2008	$1,357,378	$135,738	Industrial Tax Exemption	property tax abatement	3	$ 452,459
71	Conoco Phillips Co.	Belle Chasse		2009	$1,225,655	$122,566	Industrial Tax Exemption	property tax abatement	0	N/A
72	Marathon Petroleum Company, LLC	Garyville	Sulfur storage and handling facilties	2008	$1,195,282	$119,528	Industrial Tax Exemption	property tax abatement	0	N/A
73	Entergy Gulf States Louisiana, L.L.C.	Sulphur	Calcasieu Plant - 2009 Capital Additions [natural gas utility]	2010	$1,097,000	$109,700	Industrial Tax Exemption	property tax abatement	0	N/A
74	Calumet Shreveport Lubricants & Waxes, LLC	Shreveport	Phase III Expansion-Sour Crude Phase II	2010	$1,057,305	$105,731	Industrial Tax Exemption	property tax abatement	0	N/A
75	UOP, LLC	Shreveport	2008 Miscellaneous capital additions [owned by Honeywell; provides catalysts and equipment to industries including gas and refining]	2009	$981,473	$98,147	Industrial Tax Exemption	property tax abatement		N/A
76	CITGO Petroleum Corporation	Lake Charles	2007 Miscellaneous capital additions	2008	$906,816	$90,682	Industrial Tax Exemption	property tax abatement		N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
77	CITGO Petroleum Corporation	Lake Charles	2009 Miscellaneous capital additions	2010	$889,336	$88,934	Industrial Tax Exemption	property tax abatement	0	N/A
78	Entergy Gulf States Louisiana, L.L.C.	Sulphur	2008 Miscellaneous capital additions	2009	$887,384	$88,738	Industrial Tax Exemption	property tax abatement	0	N/A
79	CITGO Petroleum Corporation	Lake Charles	2009 Miscellaneous capital additions	2010	$886,358	$88,636	Industrial Tax Exemption	property tax abatement	0	N/A
80	CITGO Petroleum Corporation	Lake Charles	2009 Miscellaneous capital additions	2010	$886,190	$88,619	Industrial Tax Exemption	property tax abatement	0	N/A
81	UOP, LLC	Shreveport	2007 Miscellaneous capital additions	2008	$880,091	$88,009	Industrial Tax Exemption	property tax abatement	0	N/A
82	CITGO Petroleum Corporation	Lake Charles	2009 Miscellaneous capital additions	2010	$877,365	$87,737	Industrial Tax Exemption	property tax abatement	0	N/A
83	Halliburton Energy Services Inc.	Venice	Consolidated/relocated Halliburton Energy Services	2010	$870,137	$87,014	Industrial Tax Exemption	property tax abatement	0	N/A
84	Cleco Power LLC	Mansfield		2010	$865,500	$86,550	Industrial Tax Exemption	property tax abatement	0	N/A
85	CITGO Petroleum Corporation	Lake Charles	2007 Miscellaneous capital additions	2008	$844,276	$84,428	Industrial Tax Exemption	property tax abatement		N/A
86	ConocoPhillips Company	Westlake	2007 Miscellaneous capital additions	2008	$839,326	$83,933	Industrial Tax Exemption	property tax abatement	0	N/A
87	ConocoPhillips Company	Westlake	2009 Miscellaneous capital additions [various upgrades to existing refinery site to include W-12 Reboiler ISS Improvements, No. Coker Sewage Lift Station, UX-2 Stator Replacement, Improved Makeup Water Controls Y-5, DIB Reboiler X-142 , Compressor Upgrade - C-103-106]	2010	$836,050	$83,605	Industrial Tax Exemption	property tax abatement		N/A
88	ConocoPhillips Company	Westlake	2007 Miscellaneous capital additions	2008	$833,278	$83,328	Industrial Tax Exemption	property tax abatement	0	N/A
89	CITGO Petroleum Corporation	Lake Charles	2008 Miscellaneous capital additions	2009	$827,658	$82,766	Industrial Tax Exemption	property tax abatement	4	$ 206,915
90	Cleco Power LLC	Mansfield		2010	$827,164	$82,716	Industrial Tax Exemption	property tax abatement		N/A
91	Baker Oil Tools	Broussard	2007 Miscellaneous capital additions	2008	$809,794	$80,979	Industrial Tax Exemption	property tax abatement	0	N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
92	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions [chemicals, plus materials supplied to O&G industry]	2010	$807,403	$80,740	Industrial Tax Exemption	property tax abatement	0	N/A
93	Southwestern Electric Power Company (Dolet Hills Power Plant)	Mansfield	Purchase of machinery and equipment to allow for an increased capacity to supply lignite coal exclusively to CLECO and SWEPCO's Dolet Hills Power Generation Plant. The electric plant is adjacent to the lignite production area.	2010	$788,878	$78,888	Industrial Tax Exemption	property tax abatement	0	N/A
94	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$788,429	$78,843	Industrial Tax Exemption	property tax abatement	0	N/A
95	ConocoPhillips Company	Westlake	2009 MC various upgrades to existing refinery site to include Jet Water Pump Drill Motor, Waste Water Vapor Recovery System Improvement, Sub 101 & 201 Relay Upgrades, Foundation and Floor Replacement	2010	$784,187	$78,419	Industrial Tax Exemption	property tax abatement		N/A
96	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$783,355	$78,336	Industrial Tax Exemption	property tax abatement	0	N/A
97	CITGO Petroleum Corporation	Lake Charles	2009 Miscellaneous capital additions	2010	$782,547	$78,255	Industrial Tax Exemption	property tax abatement	0	N/A
98	Cleco Power LLC	Mansfield		2010	$772,093	$77,209	Industrial Tax Exemption	property tax abatement	0	N/A
99	ConocoPhillips Company	Westlake	2009 Miscellaneous capital additions [various upgrades to existing refinery site to include Szorb Vacuum System, DAF Sludge Pit Pumps, #2 CTU PBC Knockout Drum, Debottleneck W-14 Rich Amine Loop, H-14 Heavy Oil Side Burner Upgrade]	2010	$769,605	$76,961	Industrial Tax Exemption	property tax abatement		N/A
100	Trunkline LNG Company, LLC	Lake Charles	2007 Miscellaneous capital additions	2008	$765,471	$76,547	Industrial Tax Exemption	property tax abatement	0	N/A
101	Huntsman International, LLC	Geismar	2008 Miscellaneous capital additions	2009	$764,016	$76,402	Industrial Tax Exemption	property tax abatement	0	N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
102	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$755,573	$75,557	Industrial Tax Exemption	property tax abatement	0	N/A
103	CITGO Petroleum Corporation	Lake Charles	2008 Miscellaneous capital additions	2009	$755,009	$75,501	Industrial Tax Exemption	property tax abatement		N/A
104	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$750,991	$75,099	Industrial Tax Exemption	property tax abatement	0	N/A
105	Halliburton Energy Services, Inc.	Bossier City	Investment in new liquid mud drilling plant	2010	$749,496	$74,950	Industrial Tax Exemption	property tax abatement	31	$ 24,177
106	Marathon Petroleum Company, LLC	Garyville	Control Equipment Upgrades - Phase 4	2009	$745,013	$74,501	Industrial Tax Exemption	property tax abatement		N/A
107	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$741,230	$74,123	Industrial Tax Exemption	property tax abatement	0	N/A
108	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$735,206	$73,521	Industrial Tax Exemption	property tax abatement	0	N/A
109	Huntsman International, LLC	Geismar	2007 Miscellaneous capital additions	2008	$729,306	$72,931	Industrial Tax Exemption	property tax abatement	0	N/A
110	Cleco Power LLC	Mansfield		2010	$724,210	$72,421	Industrial Tax Exemption	property tax abatement		N/A
111	Marathon Petroleum Company, LLC	Garyville	Control Equipment Upgrades - Phase 3	2008	$723,193	$72,319	Industrial Tax Exemption	property tax abatement	0	N/A
112	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$719,471	$71,947	Industrial Tax Exemption	property tax abatement	0	N/A
113	Placid Refining Company, LLC	Port Allen	2008 Miscellaneous capital additions	2009	$717,805	$71,781	Industrial Tax Exemption	property tax abatement		N/A
114	Cameron International Corporation	Berwick		2009	$706,867	$70,687	Industrial Tax Exemption	property tax abatement	61	$ 11,588
115	Huntsman International, LLC	Geismar	2007 Miscellaneous capital additions	2008	$697,889	$69,789	Industrial Tax Exemption	property tax abatement	0	N/A
116	Cameron International Corporation	Ville Platte	Plant expansion [new and transferred equipment]	2008	$697,646	$69,765	Industrial Tax Exemption	property tax abatement	16	$ 43,603
117	UOP, LLC	Shreveport	2008 Miscellaneous capital additions	2009	$691,517	$69,152	Industrial Tax Exemption	property tax abatement		N/A
118	Cabot Corporation	Centerville	2008 Miscellaneous capital additions [Phase 2 of Project #070087]	2009	$687,142	$68,714	Industrial Tax Exemption	property tax abatement		N/A
119	CITGO Petroleum Corporation	Lake Charles	2008 Miscellaneous capital additions	2009	$667,921	$66,792	Industrial Tax Exemption	property tax abatement		N/A
120	Gilchrist Construction Company, LLC	Alexandria	Asphalt plant expansion	2009	$665,890	$66,589	Industrial Tax Exemption	property tax abatement	2	$ 332,945

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
121	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$664,236	$66,424	Industrial Tax Exemption	property tax abatement	0	N/A
122	Southwestern Electric Power Company (Dolet Hills Power Plant)	Mansfield	2009 Miscellaneous capital additions	2010	$661,731	$66,173	Industrial Tax Exemption	property tax abatement	0	N/A
123	ConocoPhillips Company	Westlake	2008 Miscellaneous capital additions	2009	$660,220	$66,022	Industrial Tax Exemption	property tax abatement		N/A
124	Exxon Mobil Corporation (Lubes)	Port Allen	2009 Miscellaneous capital additions	2010	$659,300	$65,930	Industrial Tax Exemption	property tax abatement		N/A
125	Calumet Lubricants Co., LP	Princeton	2008 Miscellaneous capital additions	2009	$658,648	$65,865	Industrial Tax Exemption	property tax abatement	0	N/A
126	Cameron International Corporation	Berwick	2009 Miscellaneous capital additions	2010	$651,687	$65,169	Industrial Tax Exemption	property tax abatement	0	N/A
127	Halliburton Energy Services, Inc.	Cameron	2007 Addtion - Phase II Rebuild of Hurricane Rita damage	2008	$635,617	$63,562	Industrial Tax Exemption	property tax abatement	0	N/A
128	Enterprise Gas Processing, LLC	St. Bernard	2009 Miscellaneous capital additions	2010	$633,273	$63,327	Industrial Tax Exemption	property tax abatement	1	$ 633,273
129	Exxon Mobil Corporation (Lubes)	Port Allen	2009 Miscellaneous capital additions	2010	$628,985	$62,899	Industrial Tax Exemption	property tax abatement		N/A
130	ConocoPhillips Company	Westlake	2009 Miscellaneous capital additions [various upgrades to existing refinery site to include Interlock Compliance to No. 1 Coker, Low Pressur BFW to the SRU's, Plant Wide Fall Protect Area C, Exchanger Replace to Reactor Effluent, and Sweet Curde Furnace Heat Recovery Upgrade]	2010	$619,776	$61,978	Industrial Tax Exemption	property tax abatement		N/A
131	Halliburton Energy Services, Inc.	Port Fourchon	Liquid Mud Drilling Fluid Production Expansion	2008	$617,680	$61,768	Industrial Tax Exemption	property tax abatement	6	$ 102,947
132	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$607,687	$60,769	Industrial Tax Exemption	property tax abatement	0	N/A
133	ConocoPhillips Company	Westlake	2008 Miscellaneous capital additions	2009	$606,003	$60,600	Industrial Tax Exemption	property tax abatement		N/A
134	UOP, LLC	Shreveport	2009 Miscellaneous capital additions	2010	$605,618	$60,562	Industrial Tax Exemption	property tax abatement	0	N/A
135	CITGO Petroleum Corporation	Lake Charles	2007 Miscellaneous capital additions	2008	$595,847	$59,585	Industrial Tax Exemption	property tax abatement		N/A
136	Placid Refining Company, LLC	Port Allen	2007 Miscellaneous capital additions	2008	$594,916	$59,492	Industrial Tax Exemption	property tax abatement		N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
137	Gulf Island, L.L.C.	Houma	2008 Miscellaneous capital additions	2009	$583,894	$58,389	Industrial Tax Exemption	property tax abatement	50	$ 11,678
138	Calumet Shreveport Lubricants & Waxes, LLC	Shreveport	Phase III Expansion-Sour Crude Phase III	2010	$583,618	$58,362	Industrial Tax Exemption	property tax abatement	0	N/A
139	Motiva Enterprises, LLC	Sorrento		2008	$582,662	$58,266	Industrial Tax Exemption	property tax abatement	0	N/A
140	UOP, LLC	Shreveport	2007 Miscellaneous capital additions	2008	$581,578	$58,158	Industrial Tax Exemption	property tax abatement	0	N/A
141	Southwestern Electric Power Company (Dolet Hills Power Plant)	Mansfield	Purchase of machinery and equipment to allow for an increased capacity to supply lignite coal exclusively to CLECO and SWEPCO's Dolet Hills Power Generation Plant. The electric plant is adjacent to the lignite production area.	2010	$579,368	$57,937	Industrial Tax Exemption	property tax abatement	0	N/A
142	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$564,513	$56,451	Industrial Tax Exemption	property tax abatement	0	N/A
143	ConocoPhillips Company	Westlake	Upgrade of pumps P6305 and P6306.	2010	$560,477	$56,048	Industrial Tax Exemption	property tax abatement	0	N/A
144	UOP, LLC	Shreveport	2009 Miscellaneous capital additions	2010	$546,656	$54,666	Industrial Tax Exemption	property tax abatement	0	N/A
145	UOP, LLC	Baton Rouge	2009 Miscellaneous capital additions	2010	$546,072	$54,607	Industrial Tax Exemption	property tax abatement	0	N/A
146	Huntsman International, LLC	Geismar	2008 Miscellaneous capital additions	2009	$539,702	$53,970	Industrial Tax Exemption	property tax abatement	0	N/A
147	Cleco Power LLC	Mansfield	2008 Miscellaneous capital additions	2009	$526,250	$52,625	Industrial Tax Exemption	property tax abatement		N/A
148	ConocoPhillips Company	Westlake	2007 Miscellaneous capital additions	2008	$521,717	$52,172	Industrial Tax Exemption	property tax abatement	0	N/A
149	Baker Oil Tools	Broussard	2008 Miscellaneous capital additions	2010	$515,370	$51,537	Industrial Tax Exemption	property tax abatement		N/A
150	Marathon Petroleum Company, LLC	Garyville	Upgrade the Safety Instrumented Systems (SIS) throughout the refinery	2010	$514,723	$51,472	Industrial Tax Exemption	property tax abatement		N/A
151	Calumet Lubricants Co., LP	Princeton	2008 Miscellaneous capital additions	2009	$513,497	$51,350	Industrial Tax Exemption	property tax abatement		N/A
152	Huntsman International, LLC	Geismar	2007 Miscellaneous capital additions	2008	$498,151	$49,815	Industrial Tax Exemption	property tax abatement	0	N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
153	Marathon Petroleum Company, LLC	Garyville	Upgrade the Safety Instrumented Systems (SIS) throughout the refinery	2009	$491,325	$49,133	Industrial Tax Exemption	property tax abatement	0	N/A
154	Conoco Phillips Co.	Belle Chasse	2008 Miscellaneous capital additions	2009	$487,878	$48,788	Industrial Tax Exemption	property tax abatement	0	N/A
155	Halliburton Energy Services, Inc.	Morgan City	2007 Miscellaneous capital additions	2008	$484,672	$48,467	Industrial Tax Exemption	property tax abatement	2	$ 242,336
156	Halliburton Energy Services, Inc.	Cameron	2007 Addition - Phase II rebuild after Hurricane Rita	2008	$482,704	$48,270	Industrial Tax Exemption	property tax abatement	5	$ 96,541
157	Baker Oil Tools	Broussard	2009 Miscellaneous capital additions	2010	$482,246	$48,225	Industrial Tax Exemption	property tax abatement		N/A
158	Weatherford U.S., LP	Scott	2007 Miscellaneous capital additions [oilfield industry tools]	2008	$481,756	$48,176	Industrial Tax Exemption	property tax abatement	5	$ 96,351
159	Huntsman International, LLC	Geismar	2007 Miscellaneous capital additions	2008	$477,996	$47,800	Industrial Tax Exemption	property tax abatement	0	N/A
160	Cleco Power LLC	Mansfield		2010	$476,068	$47,607	Industrial Tax Exemption	property tax abatement		N/A
161	Huntsman International, LLC	Geismar	2009 Miscellaneous capital additions	2010	$476,018	$47,602	Industrial Tax Exemption	property tax abatement		N/A
162	Conoco Phillips Co.	Belle Chasse	2007 Miscellaneous capital additions	2008	$475,797	$47,580	Industrial Tax Exemption	property tax abatement		N/A
163	UOP, LLC	Baton Rouge	2007 Miscellaneous capital additions	2008	$470,519	$47,052	Industrial Tax Exemption	property tax abatement	2	$ 235,260
164	Huntsman International, LLC	Geismar	2007 Miscellaneous capital additions	2008	$465,211	$46,521	Industrial Tax Exemption	property tax abatement	0	N/A
165	Conoco Phillips Co.	Belle Chasse	2008 Miscellaneous capital additions	2009	$463,641	$46,364	Industrial Tax Exemption	property tax abatement	0	N/A
166	Weatherford U.S., L.P.	Schriever, LA	Construction of additional warehouse building. Additional equipment was added to the original construction to manufacture additional products.	2010	$459,494	$45,949	Industrial Tax Exemption	property tax abatement	0	N/A
167	Conoco Phillips Co.	Belle Chasse	2008 Miscellaneous capital additions	2009	$458,419	$45,842	Industrial Tax Exemption	property tax abatement	0	N/A
168	Cabot Corporation	Centerville		2010	$457,858	$45,786	Industrial Tax Exemption	property tax abatement	0	N/A
169	UOP, LLC	Shreveport	2007 Miscellaneous capital additions	2008	$448,709	$44,871	Industrial Tax Exemption	property tax abatement	0	N/A
170	UOP, LLC	Shreveport	2008 Miscellaneous capital additions	2009	$446,839	$44,684	Industrial Tax Exemption	property tax abatement	0	N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
171	UOP, LLC	Baton Rouge	2008 Miscellaneous capital additions	2009	$440,491	$44,049	Industrial Tax Exemption	property tax abatement	1	$ 440,491
172	ConocoPhillips Company	Westlake	2007 Miscellaneous capital additions	2008	$440,233	$44,023	Industrial Tax Exemption	property tax abatement	0	N/A
173	CITGO Petroleum Corporation	Lake Charles	2007 Miscellaneous capital additions	2008	$439,917	$43,992	Industrial Tax Exemption	property tax abatement		N/A
174	Trunkline LNG Company, LLC	Lake Charles	2008 Miscellaneous capital additions	2009	$432,726	$43,273	Industrial Tax Exemption	property tax abatement	0	N/A
175	Exxon Mobil Corporation (Lubes)	Port Allen	2007 Miscellaneous capital additions	2008	$430,545	$43,055	Industrial Tax Exemption	property tax abatement	0	N/A
176	Conoco Phillips Co.	Belle Chasse	Miscellaneous capital project	2010	$421,724	$42,172	Industrial Tax Exemption	property tax abatement	0	N/A
177	Southwestern Electric Power Company (Dolet Hills Power Plant)	Mansfield	2008 Miscellaneous capital additions	2009	$421,000	$42,100	Industrial Tax Exemption	property tax abatement	8	$ 52,625
178	Cleco Evangeline LLC	St Landry		2010	$420,525	$42,053	Industrial Tax Exemption	property tax abatement	0	N/A
179	Cleco Evangeline LLC	St Landry		2010	$414,797	$41,480	Industrial Tax Exemption	property tax abatement		N/A
180	Louisiana Generating LLC	New Roads	Electricity	2008	$403,309	$40,331	Industrial Tax Exemption	property tax abatement	0	N/A
181	Conoco Phillips Co.	Belle Chasse	Miscellaneous capital project	2010	$398,112	$39,811	Industrial Tax Exemption	property tax abatement	0	N/A
182	Conoco Phillips Co.	Belle Chasse	2009 Miscellaneous capital project	2010	$395,818	$39,582	Industrial Tax Exemption	property tax abatement	0	N/A
183	Marathon Petroleum Company, LLC	Garyville	Improvements in order to comply with OSHA Standard 1910.119	2009	$395,431	$39,543	Industrial Tax Exemption	property tax abatement	0	N/A
184	Conoco Phillips Co.	Belle Chasse	2007 Miscellaneous capital additions	2008	$392,512	$39,251	Industrial Tax Exemption	property tax abatement	0	N/A
185	Trunkline LNG Company, LLC	Lake Charles	2009 Miscellaneous capital additions	2010	$390,795	$39,080	Industrial Tax Exemption	property tax abatement	0	N/A
186	TruSouth Oil, LLC	Shreveport	2009 Miscellaneous capital additions	2010	$383,713	$38,371	Industrial Tax Exemption	property tax abatement		N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
187	Southwestern Electric Power Company (Dolet Hills Power Plant)	Mansfield	Purchase of machinery and equipmen to allow for an increased capacity to supply lignite coal exclusively to CLECO and SWEPCO's Dolet Hills Power Generation Plant. The electric plant is adjacent to the lignite production area.	2010	$380,854	$38,085	Industrial Tax Exemption	property tax abatement	0	N/A
188	Hughes Christensen Corp.	Lafayette	2009 Miscellaneous capital additions	2010	$380,482	$38,048	Industrial Tax Exemption	property tax abatement	0	N/A
189	Cameron International Corporation	Berwick		2010	$380,449	$38,045	Industrial Tax Exemption	property tax abatement	0	N/A
190	Conoco Phillips Co.	Belle Chasse	2008 Miscellaneous capital additions	2009	$380,419	$38,042	Industrial Tax Exemption	property tax abatement	0	N/A
191	Conoco Phillips Co.	Belle Chasse	2009 Miscellaneous capital project	2010	$377,409	$37,741	Industrial Tax Exemption	property tax abatement	0	N/A
192	Baker Oil Tools	Broussard	2007 Miscellaneous capital additions	2008	$369,656	$36,966	Industrial Tax Exemption	property tax abatement	0	N/A
193	Dow Hydrocarbon and Resources LLC (DHR, LLC)	Napoleonville	2009 Miscellaneous capital additions	2010	$365,703	$36,570	Industrial Tax Exemption	property tax abatement		N/A
194	Exxon Mobil Corporation (Lubes)	Port Allen	2007 Miscellaneous capital additions	2008	$359,785	$35,979	Industrial Tax Exemption	property tax abatement		N/A
195	Conoco Phillips Co.	Belle Chasse	2009 Miscellaneous capital additions	2010	$356,109	$35,611	Industrial Tax Exemption	property tax abatement	0	N/A
196	UOP, LLC	Shreveport	2009 Miscellaneous capital additions	2010	$352,235	$35,224	Industrial Tax Exemption	property tax abatement	0	N/A
197	Marathon Petroleum Company, LLC	Garyville	Installation of a dedicated 16" crude receipt line from barge dock #3	2010	$349,820	$34,982	Industrial Tax Exemption	property tax abatement		N/A
198	Halliburton Energy Services, Inc.	Cameron	Phase three of facility rebuilt as a result of damages by Hurricane Rita in 2005. Investment includes platforms,walkways,storage tanks, process piping, compressors, pumps, mixers, electrical equipment.	2009	$348,757	$34,876	Industrial Tax Exemption	property tax abatement	6	$ 58,126
199	Halliburton Energy Services Inc.	Broussard	2007 Miscellaneous capital additions	2008	$344,222	$34,422	Industrial Tax Exemption	property tax abatement	0	N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
200	ConocoPhillips Company	Westlake	Upgrade to electrical equipment associated with Substation #6 at the Lake Charles Refinery	2008	$344,105	$34,411	Industrial Tax Exemption	property tax abatement	0	N/A
201	Oil States Skagit-Smatco LLC	Houma	2008/2009 Addition	2009	$342,480	$34,248	Industrial Tax Exemption	property tax abatement	2	$ 171,240
202	Conoco Phillips Co.	Belle Chasse	2008 Miscellaneous capital additions	2009	$339,558	$33,956	Industrial Tax Exemption	property tax abatement	0	N/A
203	Performance Energy Services, LLC	Houma	Spud Barge Project - Phase 2	2010	$339,198	$33,920	Industrial Tax Exemption	property tax abatement		N/A
204	Conoco Phillips Co.	Belle Chasse	2007 Miscellaneous capital additions	2008	$338,717	$33,872	Industrial Tax Exemption	property tax abatement		N/A
205	Marathon Petroleum Company, LLC	Garyville	Improvements in order to comply with OSHA Standard 1910.119	2010	$333,289	$33,329	Industrial Tax Exemption	property tax abatement		N/A
206	Louisiana Generating LLC	New Roads	2008 Miscellaneous capital additions	2009	$321,476	$32,148	Industrial Tax Exemption	property tax abatement		N/A
207	Conoco Phillips Co.	Belle Chasse	2007 Miscellaneous capital additions	2008	$317,983	$31,798	Industrial Tax Exemption	property tax abatement		N/A
208	Exxon Mobil Corporation (Lubes)	Port Allen	2008 Miscellaneous capital additions	2009	$315,588	$31,559	Industrial Tax Exemption	property tax abatement	0	N/A
209	Louisiana Generating LLC	New Roads	Electricity	2008	$313,252	$31,325	Industrial Tax Exemption	property tax abatement	0	N/A
210	Cleco Evangeline LLC	St Landry		2010	$311,283	$31,128	Industrial Tax Exemption	property tax abatement		N/A
211	Conoco Phillips Co.	Belle Chasse	2007 Miscellaneous capital additions	2008	$311,205	$31,121	Industrial Tax Exemption	property tax abatement		N/A
212	Oklahoma Municipal Power Authority	Mansfield	2009 Miscellaneous capital additions	2010	$302,850	$30,285	Industrial Tax Exemption	property tax abatement	0	N/A
213	Conoco Phillips Co.	Belle Chasse	2009 Miscellaneous capital projects	2010	$299,137	$29,914	Industrial Tax Exemption	property tax abatement	0	N/A
214	Cameron International Corporation	Berwick	2007 Miscellaneous capital additions	2008	$297,374	$29,737	Industrial Tax Exemption	property tax abatement	31	$ 9,593
215	Marathon Petroleum Company, LLC	Garyville	Expansion of existing hazardous waste delisting facility	2009	$296,844	$29,684	Industrial Tax Exemption	property tax abatement	0	N/A
216	Louisiana Generating LLC	New Roads	2008 Miscellaneous capital additions	2009	$282,385	$28,239	Industrial Tax Exemption	property tax abatement		N/A
217	Huntsman International, LLC	Geismar	2008 Miscellaneous capital additions	2009	$279,953	$27,995	Industrial Tax Exemption	property tax abatement	0	N/A
218	Cameron International Corporation	Berwick		2010	$279,822	$27,982	Industrial Tax Exemption	property tax abatement	0	N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
219	Cabot Corporation	Ville Platte	2007 Miscellaneous capital additions	2008	$279,650	$27,965	Industrial Tax Exemption	property tax abatement	4	$ 69,913
220	Hughes Christensen Corp.	Lafayette	Diamond drill bits	2008	$276,135	$27,614	Industrial Tax Exemption	property tax abatement	0	N/A
221	ConocoPhillips Company	Westlake	Enhance performance and operator safety by upgrading instrumentation associated with the LCR Closed Blowdown System.	2008	$267,724	$26,772	Industrial Tax Exemption	property tax abatement	0	N/A
222	Cleco Evangeline LLC	St Landry	2008 Miscellaneous capital additions	2009	$256,917	$25,692	Industrial Tax Exemption	property tax abatement		N/A
223	Conoco Phillips Co.	Belle Chasse	2007 Miscellaneous capital additions	2008	$235,049	$23,505	Industrial Tax Exemption	property tax abatement		N/A
224	Halliburton Energy Services, Inc.	Cameron	Facility rebuild due to heavy damages by Hurricane Rita in 2005. Investment includes rebuild of two separate facilities, the Office Building and the Living Quarters. The Living Quarters is used by the personnel involved in manufacturing on site.	2010	$227,611	$22,761	Industrial Tax Exemption	property tax abatement	0	N/A
225	Taylor Oilfield Mfg, Inc.	Broussard	2007 Miscellaneous capital additions	2008	$225,063	$22,506	Industrial Tax Exemption	property tax abatement		N/A
226	Halliburton Energy Services Inc.	Broussard	Conveyors, a milling machine, lathes, bridge crane, instrumentation and an expansion of the parking lot	2010	$219,120	$21,912	Industrial Tax Exemption	property tax abatement	0	N/A
227	Cameron International Corporation	Hammond	2007 Addition	2008	$208,405	$20,841	Industrial Tax Exemption	property tax abatement	3	$ 69,468
228	Halliburton Energy Services Inc.	Broussard	2008 Miscellaneous capital additions	2009	$202,316	$20,232	Industrial Tax Exemption	property tax abatement	4	$ 50,579
229	Cabot Corporation	Ville Platte	2009 Miscellaneous capital additions	2010	$201,057	$20,106	Industrial Tax Exemption	property tax abatement		N/A
230	Gulf Island, L.L.C.	Houma	2007 improvements to facility	2008	$186,682	$18,668	Industrial Tax Exemption	property tax abatement	5	$ 37,336
231	Cabot Corporation	Ville Platte	2008 Miscellaneous capital additions	2009	$175,040	$17,504	Industrial Tax Exemption	property tax abatement	0	N/A
232	Louisiana Generating LLC	New Roads	2009 Miscellaneous capital additions	2010	$173,694	$17,369	Industrial Tax Exemption	property tax abatement		N/A
233	Cameron International Corporation	Hammond		2010	$171,254	$17,125	Industrial Tax Exemption	property tax abatement	0	N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
234	Calumet Lubricants Co., LP	Princeton	2009 Miscellaneous capital additions	2010	$167,422	$16,742	Industrial Tax Exemption	property tax abatement	0	N/A
235	Cleco Power LLC	Lena	Miscellaneous capital additions	2008	$163,684	$16,368	Industrial Tax Exemption	property tax abatement	0	N/A
236	Halliburton Energy Services, LLC	New Iberia	Hangar Road Complex/Hangar Drive Expansion/Investment in new manufacturing facility includes building that contains manufacturing operation and related office space. Equipment includes air conditioning systems, 3 bridge cranes, welding machine, high pressure washer and compressor. This facility also contains non-manufacturing activity. Asset costs have been prorated to reflect portion dedicated to manufacturing activity.	2009	$162,676	$16,268	Industrial Tax Exemption	property tax abatement	9	$ 18,075
237	Schoeller-Bleckmann Energy Services, LLC	Broussard	2007 Miscellaneous capital additions [oil field tools and equipment]	2008	$160,846	$16,085	Industrial Tax Exemption	property tax abatement		N/A
238	Cabot Corporation	Centerville	2009 Upgrades and additions	2010	$160,237	$16,024	Industrial Tax Exemption	property tax abatement	0	N/A
239	Cameron International Corporation	Hammond	2008 Miscellaneous capital additions	2009	$149,710	$14,971	Industrial Tax Exemption	property tax abatement	4	$ 37,428
240	Placid Refining Company, LLC	Port Allen	2009 Miscellaneous capital additions	2010	$149,362	$14,936	Industrial Tax Exemption	property tax abatement	0	N/A
241	Calumet Lubricants Co., L.P.	Cotton Valley	2009 Miscellaneous capital additions	2010	$147,110	$14,711	Industrial Tax Exemption	property tax abatement	0	N/A
242	Cameron International Corporation	St. Rose		2009	$134,668	$13,467	Industrial Tax Exemption	property tax abatement	13	$ 10,359
243	Barriere Construction Co. LLC	Boutte	2008 Miscellaneous capital additions [miscellaneous improvements to bottle asphalt plant]	2009	$132,559	$13,256	Industrial Tax Exemption	property tax abatement	0	N/A
244	Gulf Island, L.L.C.	Houma	2009 Addition	2010	$132,440	$13,244	Industrial Tax Exemption	property tax abatement	5	$ 26,488
245	Calumet Lubricants Co., LP	Princeton	2007 Miscellaneous capital additions	2008	$132,050	$13,205	Industrial Tax Exemption	property tax abatement	0	N/A

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	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
246	Genesis Energy, LLC	Westlake	2009 Miscellaneous capital additions	2010	$119,665	$11,967	Industrial Tax Exemption	property tax abatement	0	N/A
247	Enterprise Gas Processing, LLC	Norco	2007 Miscellaneous capital additions	2008	$113,597	$11,360	Industrial Tax Exemption	property tax abatement	0	N/A
248	ConocoPhillips Company	Westlake	2009 Miscellaneous capital additions [various upgrades to existing refinery site to include CBS Settling Drum Improvements, 3 Reformer Draft Indication, Instrumentation Upgrades at FCC, Benzene Cooler Replacement]	2010	$111,944	$11,194	Industrial Tax Exemption	property tax abatement		N/A
249	Cameron International Corporation	St. Rose	2007 Miscellaneous capital additions	2008	$111,684	$11,168	Industrial Tax Exemption	property tax abatement	0	N/A
250	Calumet Lubricants Co., L.P.	Cotton Valley	2007 Miscellaneous capital additions	2008	$104,188	$10,419	Industrial Tax Exemption	property tax abatement	0	N/A
251	Schoeller-Bleckmann Energy Services, LLC	Broussard	2008 Miscellaneous capital additions	2009	$103,778	$10,378	Industrial Tax Exemption	property tax abatement		N/A
252	Oil States Skagit-Smatco LLC	Houma	2008 Miscellaneous capital additions	2009	$99,890	$9,989	Industrial Tax Exemption	property tax abatement		N/A
253	Hughes Christensen Corp.	Lafayette		2010	$99,570	$9,957	Industrial Tax Exemption	property tax abatement		N/A
254	Cleco Power LLC	Lena		2010	$98,102	$9,810	Industrial Tax Exemption	property tax abatement		N/A
255	Enterprise Gas Processing, LLC	Norco	2009 Miscellaneous capital additions	2010	$97,563	$9,756	Industrial Tax Exemption	property tax abatement	0	N/A
256	Enterprise Gas Processing, LLC	Geismar	2007 Miscellaneous capital additions	2008	$89,755	$8,976	Industrial Tax Exemption	property tax abatement	1	$ 89,755
257	Cleco Power LLC	Lena	2008 Miscellaneous capital additions	2009	$82,518	$8,252	Industrial Tax Exemption	property tax abatement		N/A
258	Halliburton Energy Services, Inc.	Abbeville	2007 Miscellaneous capital additions	2008	$75,118	$7,512	Industrial Tax Exemption	property tax abatement	0	N/A
259	Baroid Drilling Fluids, A division of Halliburton Energy Services, Inc.	Sulphur	2008 Miscellaneous capital additions	2009	$68,276	$6,828	Industrial Tax Exemption	property tax abatement	1	$ 68,276
260	Gulf Island, L.L.C.	Houma		2010	$67,920	$6,792	Industrial Tax Exemption	property tax abatement	5	$ 13,584
261	Halliburton Energy Services, Inc.	Port Fourchon	Investment includes Office Building, security equipment and three new compressors	2010	$64,984	$6,498	Industrial Tax Exemption	property tax abatement	0	N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
262	Cleco Power LLC	Baldwin		2010	$60,841	$6,084	Industrial Tax Exemption	property tax abatement		N/A
263	Placid Refining Company, LLC	Port Allen	2008 Miscellaneous capital additions	2009	$59,091	$5,909	Industrial Tax Exemption	property tax abatement		N/A
264	Entergy Louisiana, LLC - Sterlington	Sterlington	Fossil fuel containing latent heat energy	2008	$56,636	$5,664	Industrial Tax Exemption	property tax abatement	0	N/A
265	Taylor Oilfield Mfg, Inc.	Broussard	2008 Miscellaneous capital additions	2009	$56,151	$5,615	Industrial Tax Exemption	property tax abatement	0	N/A
266	Gilchrist Construction Company, LLC	Alexandria	2008 Miscellaneous capital additions	2009	$55,151	$5,515	Industrial Tax Exemption	property tax abatement	2	$ 27,576
267	Marathon Petroleum Company, LLC	Garyville	Control Equipment Upgrade - Phase 5	2010	$51,322	$5,132	Industrial Tax Exemption	property tax abatement		N/A
268	Cleco Power LLC	Mansfield	2007 Miscellaneous capital additions	2008	$49,446	$4,945	Industrial Tax Exemption	property tax abatement	0	N/A
269	Weatherford U.S., LP	Lafayette	2007 Miscellaneous capital additions [oilfield Tools]	2008	$49,202	$4,920	Industrial Tax Exemption	property tax abatement	1	$ 49,202
270	Baroid Drilling Fluids, A division of Halliburton Energy Services, Inc.	Sulphur	2007 Miscellaneous capital additions	2008	$45,121	$4,512	Industrial Tax Exemption	property tax abatement	0	N/A
271	Oklahoma Municipal Power Authority	Mansfield	2008 Miscellaneous capital additions	2009	$42,100	$4,210	Industrial Tax Exemption	property tax abatement	0	N/A
272	Cameron LNG, LLC	Hackberry		2010	$39,658	$3,966	Industrial Tax Exemption	property tax abatement		N/A
273	Southwestern Electric Power Company (Dolet Hills Power Plant)	Mansfield	2007 Miscellaneous capital additions	2008	$39,557	$3,956	Industrial Tax Exemption	property tax abatement	1	$ 39,557
274	Balmar, LLC	Lafayette	2008 Miscellaneous capital additions [lubricating oil and grease manufacturing]	2009	$38,840	$3,884	Industrial Tax Exemption	property tax abatement	0	N/A
275	Weatherford U.S., LP	Scott	Various fixed asset purchases for 2009	2010	$38,001	$3,800	Industrial Tax Exemption	property tax abatement	5	$ 7,600
276	Weatherford U.S., LP	Scott	2008 Miscellaneous capital additions	2009	$37,771	$3,777	Industrial Tax Exemption	property tax abatement		N/A
277	Baker Oil Tools	Houma	2009 Miscellaneous capital additions	2010	$37,615	$3,762	Industrial Tax Exemption	property tax abatement	15	$ 2,508
278	Enterprise Gas Processing, LLC	St. Bernard	2008 Miscellaneous capital additions	2009	$35,708	$3,571	Industrial Tax Exemption	property tax abatement	0	N/A

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	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
279	Halliburton Energy Services, LLC	New Iberia	Investment in new manufacturing equipment including plasma cutting machine including its fan and exhaust system, a sweeper and metal fabricating equipment. This facility also contains non-manufacturing activity. Asset costs, where appropriate, have been prorated to reflect portion dedicated to manufacturing activity	2010	$31,792	$3,179	Industrial Tax Exemption	property tax abatement	0	N/A
280	Enterprise Gas Processing, LLC	Garden City	2009 Miscellaneous capital additions	2010	$30,241	$3,024	Industrial Tax Exemption	property tax abatement	0	N/A
281	Enterprise Gas Processing, LLC	Norco	2008 Miscellaneous capital additions	2009	$29,841	$2,984	Industrial Tax Exemption	property tax abatement	3	$ 9,947
282	Enterprise Gas Processing, LLC	Gibson	2009 Miscellaneous capital additions	2010	$28,853	$2,885	Industrial Tax Exemption	property tax abatement	0	N/A
283	Dow Hydrocarbon and Resources LLC (DHR, LLC)	Napoleonville	2008 Miscellaneous capital additions	2009	$28,685	$2,869	Industrial Tax Exemption	property tax abatement	0	N/A
284	Cleco Power LLC	Baldwin	2008 Miscellaneous capital additions	2009	$27,348	$2,735	Industrial Tax Exemption	property tax abatement		N/A
285	Baker Oil Tools	Houma	Oilfield Tools	2008	$26,128	$2,613	Industrial Tax Exemption	property tax abatement	0	N/A
286	Balmar, LLC	Lafayette	2006 Miscellaneous capital additions	2008	$25,351	$2,535	Industrial Tax Exemption	property tax abatement		N/A
287	Schoeller-Bleckmann Energy Services, LLC	Broussard	2009 Miscellaneous capital additions	2010	$24,215	$2,422	Industrial Tax Exemption	property tax abatement	0	N/A
288	Baroid Drilling Fluids, A Division of Halliburton Energy Services Inc.	New Orleans	Replacement of equipment damaged by Hurricane Katrina. The electrical equipment related to the crushing circuit was completely underwater as a result of Hurricane Katrina. This electical equipment was continually failing and therefore the need to replace the equipment.	2009	$22,997	$2,300	Industrial Tax Exemption	property tax abatement	1	$ 22,997
289	Baker Oil Tools	Houma	2008 Miscellaneous capital additions	2009	$22,552	$2,255	Industrial Tax Exemption	property tax abatement	5	$ 4,510
290	Balmar, LLC	Lafayette	2009 Miscellaneous capital additions	2010	$20,312	$2,031	Industrial Tax Exemption	property tax abatement		N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
291	Balmar, LLC	Lafayette	2007 Miscellaneous capital additions	2008	$19,894	$1,989	Industrial Tax Exemption	property tax abatement		N/A
292	Halliburton Energy Services, Inc.	Morgan City	Investment includes replacing two air compressors and a new dust collector bag.	2010	$17,181	$1,718	Industrial Tax Exemption	property tax abatement	0	N/A
293	Barriere Construction Co. LLC	Franklinton	2008 Miscellaneous capital additions [convert plant burners from oil to natural gas]	2009	$17,138	$1,714	Industrial Tax Exemption	property tax abatement	0	N/A
294	Cameron LNG, LLC	Hackberry		2010	$16,522	$1,652	Industrial Tax Exemption	property tax abatement	0	N/A
295	Baroid Drilling Fluids, A division of Halliburton Energy Services, Inc.	Sulphur	Replace components of cyclone mill #1,2 &3.	2010	$15,623	$1,562	Industrial Tax Exemption	property tax abatement	0	N/A
296	Halliburton Energy Services, Inc.	Venice	2007 Miscellaneous capital additions	2008	$15,076	$1,508	Industrial Tax Exemption	property tax abatement	5	$ 3,015
297	Halliburton Energy Services, Inc.	Abbeville	This Application includes an electrical control panel that was replaced as a result of Hurricane Ike. Electrical equipment was also elevated in an effort to reduce damage by potential future rising water.	2010	$13,260	$1,326	Industrial Tax Exemption	property tax abatement	1	$ 13,260
298	Weatherford U.S., LP	Lafayette	Fixed assets purchased for calendar 2009	2010	$12,481	$1,248	Industrial Tax Exemption	property tax abatement		N/A
299	Enterprise Gas Processing, LLC	Patterson	2007 Miscellaneous capital additions	2008	$10,200	$1,020	Industrial Tax Exemption	property tax abatement	0	N/A
300	Oklahoma Municipal Power Authority	Mansfield	2007 Miscellaneous capital additions [electricity]	2008	$8,936	$894	Industrial Tax Exemption	property tax abatement	0	N/A
301	Calumet Lubricants Co., L.P.	Cotton Valley	2008 Miscellaneous capital additions	2009	$5,690	$569	Industrial Tax Exemption	property tax abatement		N/A
302	Enterprise Gas Processing, LLC	Gibson	2007 Miscellaneous capital additions	2008	$5,370	$537	Industrial Tax Exemption	property tax abatement	0	N/A
303	Weatherford U.S., LP	Lafayette	2008 Miscellaneous capital additions	2009	$5,304	$530	Industrial Tax Exemption	property tax abatement		N/A
304	Enterprise Gas Processing, LLC	Garden City	2008 Miscellaneous capital additions	2009	$5,300	$530	Industrial Tax Exemption	property tax abatement	1	$ 5,300
305	Enterprise Gas Processing, LLC	St. Bernard	2007 Miscellaneous capital additions	2008	$4,938	$494	Industrial Tax Exemption	property tax abatement	0	N/A
306	Cameron International Corporation	St. Rose		2010	$4,279	$428	Industrial Tax Exemption	property tax abatement	0	N/A

Table 4-2: Fossil Fuel Sector Use of Other State of Louisiana Incentives

	Company	City	Project Description	Year	Subsidy Value, Awarded	Subsidy Value_Annual	Program Name	Type of Subsidy	Number of Jobs or Training Slots, Estimated	Implied Subsidy/ New Job
307	Enterprise Gas Processing, LLC	Geismar	2009 Miscellaneous capital additions	2010	$3,823	$382	Industrial Tax Exemption	property tax abatement	1	$ 3,823
308	Taylor Oilfield Mfg, Inc.	Broussard	2009 Miscellaneous capital additions	2010	$3,334	$333	Industrial Tax Exemption	property tax abatement	0	N/A
309	CITGO Petroleum Corporation	Lake Charles	2009 Miscellaneous capital additions	2010		$0	Industrial Tax Exemption	property tax abatement	0	N/A
310	Select Energy Services LLC	Frierson	Plans to build a new storage facility to service the Holly Field shale	2010	$14,326,477	$1,432,648	Quality Jobs Program	tax credit/rebate	220	$ 65,120
311	Dynamic Industries, Inc.	Lake Charles	Oil and gas downstream service	2009	$13,551,785	$1,355,179	Quality Jobs Program	tax credit/rebate	596	$ 22,738
312	Schlumberger Technology Corporation	Shreveport	The location at 2675 Valley View Drive will be a new oil field services headquarters which will consolidate all of Schlumberger	2010	$9,138,892	$913,889	Quality Jobs Program	tax credit/rebate	309	$ 29,576
313	Blake International USA Rigs, LLC	Houma	Purchase of Platform Rigs and Houma Facility.	2010	$5,367,959	$536,796	Quality Jobs Program	tax credit/rebate	210	$ 25,562
314	Chevron USA, Inc.	Covington		2010	$3,714,849	$371,485	Quality Jobs Program	tax credit/rebate	42	$ 88,449
315	Pelican Refining Company	Broussard	Purchased closed refinerry, invested in work force and equipmine to bring refinery back to production	2009	$1,436,494	$143,649	Quality Jobs Program	tax credit/rebate	53	$ 27,104
			Total, fossil-fuel related		**$964,124,120**	**$100,732,310**				
			Enterprise Zone		$43,198,978	$8,639,796				
			Industrial Tax exemption		$873,388,686	$87,338,869				
			Quality Jobs program		$47,536,456	$4,753,646				

Notes

(1) The awarding agency for all programs listed on this page is the Louisiana Commerce & Industry Board.

(2) Data were extracted from from the Good Jobs First database, accessed 14 February 2012. Although all programs in the database were reviewed, only fossil-fuel related spending is shown. http://www.goodjobsfirst.org/subsidy-tracker

Table 4-3: Gulf Opportunity Zone Bonds Issued in Louisiana, Totals by Sector

Fossil-Fuel Related Sectors	Applied for	Allocated	Issued	Issued/ applied for	Issued/ allocated
Fossil fuel infrastructure	$ 8,380,250,000	$ 5,743,418,000	$ 4,502,193,000	54%	78%
Joint use infrastructure including fossil fuels	$ 1,330,000,000	$ 959,443,560	$ 620,000,000	47%	65%
	$ 9,710,250,000	$ 6,702,861,560	$ 5,122,193,000	53%	76%
All applicants	$ 24,594,025,100	$ 16,392,582,459	$ 7,839,749,820	32%	48%
Percent share, fossil fuel	34%	35%	57%		
Percent share, fossil fuel + joint use	39%	41%	65%		

Other sectors	Applied for	Allocated	Issued	Issued/ applied for	Issued/ allocated
Aluminum	$ 35,000,000	$ 35,000,000	$ -	0%	0%
Biofuels (plant-based)	$ 1,550,000,000	$ 1,160,000,000	$ -	0%	0%
Biofuels (animal fat)	$ 135,000,000	$ 100,000,000	$ 100,000,000	74%	100%
Sugar	$ 405,575,000	$ 230,000,000	$ 100,000,000	25%	43%
Lumber and Paper	$ 713,500,100	$ 663,330,000	$ 12,600,000	2%	2%
Nuclear Power	$ 180,000,000	$ 71,700,000	$ -	0%	0%

Source

(1) Earth Track tabulations based on data provided by the Louisiana State Bond Commission, applications as of 3 January 2012.

Table 4-4: Louisiana Gulf Opportunity Zone Bond Approvals - Full Approval and Issuance History

Entity	Parish	Total Applied For	Preliminary Approval	Final Approval	Allocation Amount	Amount Issued, Net of Rescissions	Rescinded Amount	Purpose	Status	Beneficiary Sector
Lake Charles Harbor & Terminal Dist. (Lake Charles Cogeneration Project)	Calcasieu	$1,000,000,000	$0	$1,000,000,000	$1,000,000,000	$1,000,000,000	$0	Petroleum Coke Gasification Project	Final Approval	FF
St. John the Baptist Parish Council (Marathon Oil Corp. Project)	St. John	$1,000,000,000		$1,000,000,000	$1,000,000,000	$1,000,000,000	$0	Oil Refinery	Final Approval	FF
IDB of the Parish of East Baton Rouge (Exxon Capital Ventures, Inc. Project)	East Baton Rouge	$300,000,000		$300,000,000	$300,000,000	$300,000,000	$0	Acq, constr & equip certain industrial, manufact &/or processing facilities at the existing refinery	Final Approval	FF
St. Charles Parish Council (Valero Energy Corporation Project)	St. Charles	$300,000,000	$300,000,000	$300,000,000	$300,000,000	$300,000,000	$0	Finance a Hydrocracker unit at the Valero St. Charles refinery	Final Approval	FF
LCDA (Westlake Chemical Corporation Projects)	multiple	$500,000,000	$500,000,000	$250,000,000	$250,000,000	$250,000,000	$0	Expansion of Chemical Plants	Final Approval	FF
IDB of the Parish of East Baton Rouge (Exxon Capital Ventures, Inc. Project)	East Baton Rouge	$200,000,000		$200,000,000	$200,000,000	$200,000,000	$0	Acqu, constr & equip certain industrial, manufacturing &/or processing facilities at existing plant.	Final Approval	FF
Lake Charles Harbor and Terminal District (Lake Charles Cogeneration LLC Project)	Calcasieu	$300,000,000		$161,000,000	$161,000,000	$161,000,000	$0	Acq, constr, install & equip gasification project using state of the art technology to produce SNG (coal-to-gas)	Final Approval	FF
Louisiana Offshore Terminal Authority	Multiple	$120,000,000		$120,000,000	$120,000,000	$120,000,000	$0	Offshore Tank Storage Facility	Final Approval	FF

Table 4-4: Louisiana Gulf Opportunity Zone Bond Approvals - Full Approval and Issuance History

Entity	Parish	Total Applied For	Preliminary Approval	Final Approval	Allocation Amount	Amount Issued, Net of Rescissions	Rescinded Amount	Purpose	Status	Beneficiary Sector
LCDA (Kinder Morgan Louisiana Pipeline, LLC Project)	Multiple	$100,000,000		$100,000,000	$100,000,000	$100,000,000	$0	Interstate Pipeline (Evangeline Parish adds $71,000,000)	Final Approval	FF
LPFA (Cleco Power LLC Project)	Multiple	$100,000,000	$160,000,000	$100,000,000	$100,000,000	$100,000,000	$0	Electric Distribution & Transmission Rebuild (all generation is FF)	Final Approval	FF
St. James Parish Council (NuStar Logistics, L.P. Project)	St. James	$100,000,000		$100,000,000	$100,000,000	$100,000,000	$0	Acqu, consr, & install of add'l storage capacity for shell barrels.	Final Approval	FF
Lake Charles Harbor and Terminal District (Lake Charles Cogeneration, LLC)	Calcasieu	$90,000,000		$90,000,000	$90,000,000	$90,000,000	$0	Acquire, construct, install & equip gasification project to produce substitute natural gas or chems.	Final Approval	FF
LPFA (Air Products and Chemicals - Steam Methane Reformer Baton Rouge Project)	East Baton Rouge	$85,000,000	$85,000,000	$85,000,000	$85,000,000	$85,000,000	$0	Building steam methane reformer to produce hydrogen & steam to ExxonMobil & Air Products pipeline (FF feedstocks at core of process)	Final Approval	FF

Table 4-4: Louisiana Gulf Opportunity Zone Bond Approvals - Full Approval and Issuance History

Entity	Parish	Total Applied For	Preliminary Approval	Final Approval	Allocation Amount	Amount Issued, Net of Rescissions	Rescinded Amount	Purpose	Status	Beneficiary Sector
St. James Parish Council (NuStar Energy Services, Inc. Project)	St. James	$85,000,000		$85,000,000	$85,000,000	$85,000,000	$0	acquiring, constructing and installing an addition of approximately 4.8 million barrels	Final Approval	FF
IDB of the Parish of Ascension (BASF Corporation)	Ascension	$80,000,000	$80,000,000	$80,000,000	$80,000,000	$80,000,000	$0	Construction of chemical production plant. Engineering, const, labor & equi/material purchases (nat gas at core of facility)	Final Approval	FF
LPFA (Air Products and Chemicals Project)	Multiple	$78,750,000	$78,750,000	$78,750,000	$78,750,000	$78,750,000	$0	Fund the cost of a hydrogen offgas facility and construct 2 hydrogen pipelines (FF feedstocks at LA facilities)	Final Approval	FF
LPFA (Air Products & Chemicals - Steam Methane Reformer B.R. Project)	East Baton Rouge	$75,000,000	$200,000,000	$75,000,000	$75,000,000	$75,000,000	$0	Steam Methane Production Facility (FF feedstocks)	Final Approval	FF
St. James Parish Council (NuStar Logistics, L.P. Project)	St. James	$75,000,000	$75,000,000	$75,000,000	$75,000,000	$75,000,000	$0	Acquiring, constructing and installing an addition of storage capacity	Final Approval	FF
Louisiana Offshore Terminal Authority (LOOP LLC Project)	Lafourche	$100,000,000		$100,000,000	$100,000,000	$70,000,000	$0	Acqu, Constr, Impr, Inst & Exp facilities and enhancements to the tank facility in Galliano.	Final Approval	FF

Table 4-4: Louisiana Gulf Opportunity Zone Bond Approvals - Full Approval and Issuance History

Entity	Parish	Total Applied For	Preliminary Approval	Final Approval	Allocation Amount	Amount Issued, Net of Rescissions	Rescinded Amount	Purpose	Status	Beneficiary Sector
St. James Parish Council (NuStar Energy Service Inc. Project)	St. James	$60,000,000		$60,000,000	$60,000,000	$56,200,000	$3,800,000	Terminal Storage Facility	Final Approval	FF
St. James the Parish Council (NuStar Logistics, L.P. Project)	St. James	$100,000,000	$100,000,000	$100,000,000	$100,000,000	$50,000,000	$50,000,000	Acq, constr & installing approx 1.2M addt'l barrels of crude storage capacity	Final Approval	FF
Louisiana Offshore Terminal Authority (LOOP LLC Project)	Lafourche	$100,000,000		$100,000,000	$100,000,000	$30,000,000	$0	Acqu, Constr, Impr, Inst & Exp facilities and enhancements to the tank facility in Galliano.	Final Approval	FF
IDB of the City of Baton Rouge (ExxonMobil Project)	East Baton Rouge	$200,000,000		$22,568,000	$22,568,000	$22,568,000	$0	Acq, constr, equip, certain industrial, manuf and/or processing at existing refiner &/or chem plant	Final Approval	FF
LPFA (Pipeline Technology VI, LLC Project)	Multiple	$17,500,000	$17,500,000	$17,500,000	$17,500,000	$16,500,000	$1,000,000	Benzene Pipeline	Final Approval	FF
LPFA (GCGK Investments LLC Project)	Terrebonne	$14,000,000	$14,000,000	$14,000,000	$14,000,000	$13,260,000	$740,000	Storage & Distribution Center (Oilfield Supplies)	Final Approval	FF
Greater Lafourche Port Commission (VIH Helicopters USA Project)	Lafourche	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$0	Search & Rescue Gulf of Mexico Deep Water Base & Helicopter Transportation Facility	Final Approval	FF
LPFA (Southern Ionics Incorp. Project)	East Baton Rouge	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$0	Chemical Manufacturer	Final Approval	FF

Table 4-4: Louisiana Gulf Opportunity Zone Bond Approvals - Full Approval and Issuance History

Entity	Parish	Total Applied For	Preliminary Approval	Final Approval	Allocation Amount	Amount Issued, Net of Rescissions	Rescinded Amount	Purpose	Status	Beneficiary Sector
LCDA (ExPert E & P Consultants, LLC Project)	Lafourche	$8,000,000		$8,000,000	$8,000,000	$8,000,000	$0	Oil Refinery, Pipeline, Tank Battery, Terminal, Dock & Wharf Facility	Final Approval	FF
LPFA (Pipeline Technology VI LLC)	Ascension	$5,500,000	$5,500,000	$5,500,000	$5,500,000	$5,500,000	$0	Acq, constr & install new burried 18,500ft, 4in carbon steel pipeline.	Final Approval	FF
LCDA (Plains Marketing, L.P. Project)	St. James	$80,000,000		$60,000,000	$60,000,000	$5,000,000	$55,000,000	Manufacturing facility (expansion of crude oil interchange)	Final Approval	FF
LCDA (Talen's Marine & Fuel, LLC Project)	Jefferson Davis	$4,000,000		$4,000,000	$4,000,000	$3,315,000	$685,000	Acquisition & coinstruction of a new bulk lubricant packaging plant & corporate offices	Final Approval	FF
IDB of St. Mary Parish (Five Star Fuels, LLC Project)	St. Mary	$2,500,000	$2,500,000	$2,500,000	$2,100,000	$2,100,000	$0	Fuel Storage Terminal	Final Approval	FF
St. Charles Parish Council (Valero Energy Corporation Project)	St. Charles	$1,000,000,000				$0		Hydrocracker Unit	To Be Heard	FF
IDB of Parish of Calcasieu (Rain CII Carbon LLC Project)	Calcasieu	$80,000,000	$80,000,000		$80,000,000	$0		Constr, install & equip of waste heat boiler in Sulphur	Preliminary Approval	FF
LCDA (Pelican Refining Company, LLC Project)	Calcasieu	$100,000,000		$100,000,000	$100,000,000	$0		Oil Refinery Facility	Final Approval	FF
LPFA (Air Products and Chemicals Project)	St. John	$200,000,000	$200,000,000			$0		Methane Reformer Plant	Preliminary Approval	FF

Table 4-4: Louisiana Gulf Opportunity Zone Bond Approvals - Full Approval and Issuance History

Entity	Parish	Total Applied For	Preliminary Approval	Final Approval	Allocation Amount	Amount Issued, Net of Rescissions	Rescinded Amount	Purpose	Status	Beneficiary Sector
LPFA (Entergy Louisiana Project)	Jefferson	$100,000,000				$0		Acquiring, Constructing & Equipping a gas turbine power plant in Westwego	To Be Heard	FF
LPFA (Faustina Hydrogen Products Project)	St. James	$1,000,000,000	$1,000,000,000	$250,000,000	$250,000,000	$0		Petroleum Coke Gasification Plant	Final Approval	FF
Plaquemines Parish Council (Louisiana Ethanol Refinery Corp.)	Multiple	$600,000,000		$600,000,000	$600,000,000	$0		Oil Refinery	Final Approval	FF
		$8,380,250,000	**$2,918,250,000**	**$5,663,818,000**	**$5,743,418,000**	**$4,502,193,000**	**$111,225,000**			**FF Total**
IDB of Ascension Parish (International Matex Terminal Project)	Ascension	$165,000,000	$165,000,000	$165,000,000	$165,000,000	$165,000,000	$0	Liquid Logistics Center	Final Approval	FF_partial
LPFA (International-Matex Tank Terminals Project)	Ascension	$100,000,000	$85,000,000	$100,000,000	$100,000,000	$100,000,000	$0	Finance improvements and expansions to the liquid logistics centers	Final Approval	FF_partial
LPFA (International-Matex Tank Terminals Project)	Multiple	$90,000,000		$90,000,000	$90,000,000	$90,000,000	$0	Improving and expanding the liquid logistics centers in St. Rose, Geismar and Harvey.	Final Approval	FF_partial
LPFA (International-Matex Tank Terminals Project)	Multiple	$85,000,000	$85,000,000	$85,000,000	$85,000,000	$85,000,000	$0	Finance improvements and expansions to the liquid logistics centers	Final Approval	FF_partial
IDB of the Parish of Ascension (Impala Warehousing (US) LLC Project)	Ascension	$70,000,000	$70,000,000	$70,000,000	$70,000,000	$70,000,000	$0	Reconstruction & operation of marine terminal to handling bulk materials. (Coal, bauxite, and alumina bulk shipping).	Final Approval	FF_partial

Table 4-4: Louisiana Gulf Opportunity Zone Bond Approvals - Full Approval and Issuance History

Entity	Parish	Total Applied For	Preliminary Approval	Final Approval	Allocation Amount	Amount Issued, Net of Rescissions	Rescinded Amount	Purpose	Status	Beneficiary Sector
IDB of the Parish of East Baton Rouge (Stupp Bros. Inc. Project)	East Baton Rouge	$60,000,000	$60,000,000	$60,000,000	$60,000,000	$60,000,000	$0	Pipe Mill	Final Approval	FF_partial
LPFA (International-Matex Tank Terminals Project)	St. Charles	$50,000,000		$50,000,000	$50,000,000	$50,000,000	$0	Liquid Logistics Center	Final Approval	FF_partial
IDB of Ascension Parish (International Matex-Geismar Project)	Ascension	$85,000,000				$0		Liquid Logistics Center	To Be Heard	FF_partial
LPFA (International-Matex Tank Terminals Project)	St. Charles	$100,000,000				$0		Liquid Logistics Center	To Be Heard	FF_partial
IDB of the Parish of Ascension (Impala Warehousing (US) LLC Project)	Ascension	$25,000,000	$70,000,000	$70,000,000		$0		Reconstruction & operation of marine terminal to handling bulk materials. (Coal, bauxite, and alumina bulk shipping).	To Be Heard	FF_partial
Port of South Louisiana (Dunhill Terminals Project)	St. James	$100,000,000		$100,000,000	$100,000,000	$0		Installation and Equipping of petroleum and chemical manufacturing and storage facility	Final Approval	FF_partial
LPFA (Entergy Louisiana Project)	St. Charles	$100,000,000	$100,000,000	$100,000,000	$100,000,000	$0		Utility Reconstruction (Port Charles plants include natural gas and nuclear).	Final Approval	FF_partial
LPFA (Entergy Louisiana, LLC Project)	St. Charles	$100,000,000		$100,000,000	$100,000,000	$0		Utility Reconstruction (natural gas and nuclear).	Final Approval	FF_partial

Table 4-4: Louisiana Gulf Opportunity Zone Bond Approvals - Full Approval and Issuance History

Entity	Parish	Total Applied For	Preliminary Approval	Final Approval	Allocation Amount	Amount Issued, Net of Rescissions	Rescinded Amount	Purpose	Status	Beneficiary Sector
IDB of the Parish of Ascension (IMTT - Geismar Project)	Ascension	$200,000,000		$39,443,560	$39,443,560	$0		Acquisition, construction and installation of a liquid logistics center	Final Approval	FF_partial
		$1,330,000,000	**$635,000,000**	**$1,029,443,560**	**$959,443,560**	**$620,000,000**	**$0**			**FF_partial Total**
Total, Fossil Fuel Related Subsidies		**$9.7B**	**$3.6B**	**$6.7B**	**$6.7B**	**$5.1B**	**$111M**			

Source

(1) Earth Track tabulations based on data provided by the Louisiana State Bond Commission, "GO Zone Applications Listing," January 3, 2012.

Table 4-5: Sales Tax Reductions to Fossil Fuel-related Activities in Louisiana

Deduction #	Deduction Description	Fiscal Year Deductions Claimed ($)					% Reduction from 4%	Sales tax avoided (%)	Sales tax avoided ($)
		2006-2007	2007-2008	2008-2009	2009-2010	2010-2011		2010-2011	2010-2011
20A	Non-resident electricity and natural gas	1,282,610,803	1,292,789,876	2,871,526,921	3,865,433,329	6,420,403,781	100%	4%	256,816,151
20B	Non-resident steam and water	12,201,111	10,884,296	47,915,590	118,281,529	111,327,715	100%	4%	4,453,109
20C	Other transactions subject to 1% tax including sales of coal, lignite and nuclear fuel	0	0	0	9,753,916	9,125,282	75%	3%	273,758
29	Electricity, natural gas, bulk water, and all other fuels for residential use	3,061,368,783	3,232,521,665	4,191,344,996	3,595,760,773	3,638,498,831	100%	4%	145,539,953
	Total	4,356,180,697	4,536,195,837	7,110,787,507	7,579,475,631	10,170,230,327			407,082,972

Sources

(1) Louisiana Department of Revenue Sales Tax Return, Form R-1029 (7/11). Accessed at http://www.rev.state.la.us/forms/taxforms/1029%287_11%29F.pdf on 29 February 2012.
(2) Michelle Galland, Lousiana Department of Revenue, e-mail communications with Cynthia Lin, 27 February 2012 and 12 March 2012.

5. Fossil Fuel Subsidies in Oklahoma

The fossil fuel industry is an integral part of the Oklahoma economy. The state hosts more than 10% of the largest natural gas fields in the United States, and is one of the top natural-gas producing states according to the US Energy Information Administration (EIA, 2009). The state also produces significant amounts of oil, and hosts a major oil trading hub in Cushing. The state has a number of refineries, with about three percent of US refining capacity as of 2009.

Oklahoma has some coal reserves and mining activity. However, the coal is high sulphur and has been losing market share to low sulphur deposits despite generous state subsidies. Coal-fired power plants in the state often import coal by rail car from Wyoming. In addition to coal subsidies, the state also provides incentives for desulpherization and for rail cars.

The state prepares a tax expenditure budget every two years. Subsidies to fossil fuels via direct government expenditure are small relative to those granted through tax breaks. We did not analyze other mechanisms such as credit and insurance supports.

Although the listing of provisions within the Tax Expenditure reports is long, some have criticized their accuracy. Blatt (2010) for example called the information "often unreliable," noting that

> *The online and print versions of the 2008 Tax Expenditure Report have major discrepancies in the fiscal impact of various income tax credits, and differ further from the amount of credits identified on Openbooks.ok.gov.*

Some of these problems may have been corrected in more recent years. However, many of the provisions are listed without an estimate of the revenue losses. Further, the state stopped tracking subsidies through ad valorem tax exemptions in 2006 on the grounds that they didn't trigger state revenue losses, only losses to local or county governments. Exemptions from ad valorem taxes for much oil and gas-related property also did not seem to be well tracked even in the earlier tax expenditure reports. This is an area that would benefit from additional disclosures.

Where data were available on a number of general investment and jobs credits, it was evident that the fossil fuels sector was a significant beneficiary of these subsidy programs. Disaggregated data were not readily available in for other general programs, such as a variety of tax exempt bonds. However, we would expect the fossil fuels industries to be important beneficiaries of those programs as well.

While Oklahoma is not as reliant on fossil-fuel specific taxes as some of the other states examined such as Wyoming, revenues from fuel extraction and use have comprised between 14 and 19% of total state revenues over the past few years (OK Budget: 423). This figure likely understates the problem since sales and corporate income taxes applicable to the fossil fuels sector are excluded.

5.1 Producer Support Estimate

5.1.1 Support to unit returns

Excess of percentage over cost depletion, oil and gas
68 O.S. §2353 (10)

Deduction of investments is normally limited to the funds put into a property. Percentage depletion allows a percentage of the market value to be deducted from taxes each year, regardless of the cost basis in the property. Firms use this approach if deductions are higher than under the cost depletion approach.

Oklahoma allows oil and gas operations a 22 percent depletion rate. This rate is higher than the federal rate, and oil majors may participate, though are restricted from federal rules. At present, percentage depletion deductions are limited to 50% of the net income that would have been taxable under cost depletion. Between 2001 and 2011, however, this income limitation applied only to major oil companies. Smaller (though still large) firms could have offset their entire state income tax burden using percentage depletion, particularly given the high energy prices during part of this period.

Given the scale of the oil and gas industry in Oklahoma, the estimated size of the tax expenditure for percentage depletion seems low. This may be due to a measurement problem, rather than to actual practice. The TER (2009-10: 17) notes, for example, that

> *While some of these deductions and exemptions are available for both corporate and individual income tax filers, aggregate data for corporate filers is not available. The tax expenditure estimates in this report, for deductions and exemptions which are available for both corporate and individual filers, reflect only individual income tax due to the data limitation.*

Tag: OK-1
Sources: TER, 2009-10: 19; OK TER, 2005-06: 9; OK TER, 2007-08: 9; OK Statutes

Gross production tax rebate, enhanced oil recovery deduction
68 O.S. §1001 (D)

Incremental production attributable to the working interest owners of an approved enhanced oil recovery operation is exempt from the state's gross production tax for up to five years.

Tag: OK-2
Source(s): OK TER, 2005-06: 83; OK TER, 2007-08: 84; OK TER, 2009-10: 84; OK Statutes

Gross Production and Petroleum Excise Tax Incentive Rebates
68 O.S. §1001

This provision allows a rebate of 6/7ths of the 7% gross production tax paid on oil and/or gas produced from certified projects in the following categories:

- **Horizontally drilled wells** (68 O.S. 1001(E)(1); Tag OK-3). Eligible for rebate until well reaches payback, up to a maximum of 24 months. Well must be completed prior to 1 July 2012.
- **Reestablished production wells** (68 O.S. 1001(F)(1); Tag OK-4). To be eligible for up to 28 months of rebates, the well must have had no production for at least a year, or a loss of mechanical integrity or other failure that resulted in a cessation of production. Eligibility period ends 1 July 2012.
- **Production enhancement wells** (68 O.S. 1001(G)(1); Tag OK-5). Eligible wells include workovers, re-entry of previously plugged and abandoned well sites, or the addition of a well to an existing field, or adding field compression. Wells qualified prior to 1 July 2012 can receive rebates for up to 28 months. Only incremental production is eligible.
- **Ultra-deep wells** (68 O.S. 1001(H)(1); Tag OK-6). Eligible wells had to have been spudded prior to 1 July 2011 to qualify. Well depths of 15,000 to 17,499 feet received rebates for a 48 month period; wells deeper than 17,500 feet received rebates for a 60 month period. Annual payouts under this provision and the deep well provision below are capped at $25 million by the state; excess claims will be reduced pro-rata.
- **Deep wells** (68 O.S. 1001(G)(1); Tag OK-7). Eligible wells have a depth of 12,500 to 14,999 feet, and must be spudded prior to 1 July 2012. The rebate is available for a period of 28 months. Payments of this provision and the ultra-deep well provision above are capped at $25 million annually, with excess claims reduced pro-rata.
- **New discovery wells** (68 O.S. 1001; Tag OK-8). Eligible oil wells must be 1 mile from the nearest existing well, and deeper. Eligible gas wells must be 2 miles from the nearest existing well. Both must be spudded prior to 1 July 2012, and receive a rebate for 28 months.
- **Three-dimensional wells** (68 O.S. 1001(J)(2); Tag OK-9). Well bores based on 3-D seismic imaging are eligible for rebates for a 28 month period. As with the other categories, wells must be spudded by 1 July 2012.
- **Economically-at-risk wells** (68 O.S. 1001.3a; Tag OK-10). Wells operating at a net loss, or at a profit insufficient to pay the gross profits tax at 7% may reduce that payment to a 1% level. Eligible production includes CY2005-CY2010 only. Calculations of profitability at any production site can be difficult for governments to monitor. Operators often have related-party transactions, and have an incentive to use these transactions to overstate costs in order to qualify for the incentive.

Source(s): Oklahoma Policy Institute, March 2011: 3; OK TER, 2009-10: 84; Oklahoma Statutes.

Gross production tax exemption, O&G owned by government entities

Oil and gas interests owned by government entities (cities, counties, school districts, Indian tribes, state or federal government) are not subject to gross production taxes.

Tag: OK-11
Source(s): OK TER 2009-10: 85

Gross production and excise tax credits, small business and rural small business capital companies
68 O.S. §§2357.63(E) and 2357.74(E)

Qualified investment in Oklahoma Small Business Capital Companies and Oklahoma Rural Small Business Capital companies receive tax credits against gross production and petroleum excise taxes.

Tags: OK-12 and OK-13
Source(s): OK TER, 2007-08: 84; OK TER, 2009-10: 85

Gas marketing deduction against gross production tax

Certain non-production related costs associated with the marketing and transportation of natural gas may be deducted from the basis against which the gross production and petroleum excise taxes are levied. Normally, the tax basis would be against the gross value of the resource at the well head. While not necessarily the case in Oklahoma, firms have an incentive to boost deductible costs if possible to reduce the tax payments due. With integrated firms providing both the extractive and transport services, an absence of arms-length pricing makes it more difficult for government to monitor gaming of the deductions.

Tag: OK-14
Source(s): OK TER 2009-10: 85

5.1.2 Support for land and labor

Oklahoma Department of Mines

The mission of the Oklahoma Department of Mines (ODM) is to protect the environment of the state, to protect the health and safety of the miners and to protect the life, health, and property of the citizens who are affected through enforcement of the state mining and reclamation laws. The budget does not break out expenditures by type of mineral mined.

Tag: OK-45
Source(s): OK Budget: 144

Energy Resource Board

The Board oversees environmental restoration of abandoned well sites and plays an education role on the oil and natural gas industry in the state.

Tag: OK-32
Source(s): OK Budget: 137

5.1.3 Support for capital formation

Investment tax credit – pollution control devices
68 O.S. 2357

Nonrefundable income tax credit for investments into pollution control devices. According to the Oklahoma Tax Commission, nobody claimed this credit during 2009. The subsidy would benefit fossil fuels along with other polluting industries in the state.

Tag: OK-15
Source(s): OK TER, 2009-10: 7

Income tax credit for new manufacturing or processing capacity; or for increasing employment
68 O.S. 2357.4

The Oklahoma Investment Credit, the New Jobs Credits and the Quality Jobs Program offer tax credits either for an investment in depreciable property that is used an Oklahoma manufacturing or processing facility, or for a net increase in the average levels of employment in that facility. The subsidies are higher for larger investments, and if the facility is located in a state enterprise zone – reaching a maximum credit of 10% of the investment or $5,000 per new employee for a period of five years (OK Commerce 2012: 38). While tax credits are not refundable, they can be carried forward to future tax years.

Although the credits are available beyond the fossil fuels sector, fossil fuels have been a major beneficiary of the program. Good Jobs First, a Washington, DC-based NGO, compiled database of awards under these programs. The data set we evaluated was restricted to awards $500,000 or above to reduce the number of entries. This subset captures the largest beneficiaries of these programs in recent years. The database reports the total estimated credits awarded, though these benefits will be realized over multiple years. For example, the Quality Jobs Program, which pays 5% of the payroll of eligible new employees, can last for up to ten years (OK Commerce 2012: 10).

Of the $440 million awarded overall, the discernible fossil-fuel related beneficiaries captured $180 million, or 41%. The single largest beneficiary from any sector was Weyerhauser, with subsidies of $163 million. Of the non-Weyerhauser subsidy recipients, the fossil fuel sector captured 65% of the total. A small portion of this went to coal; the vast majority was for oil and gas.

Most state-level subsidy programs such as these direct awards to corporations and list specific projects. Oklahoma takes a different approach, awarding large credits not to the corporation, but to individuals. We have assumed that the driver of these subsidies is investment at the firms these individuals work for. Interestingly, many of the individuals included in the database worked for a single firm, Tenaska, an independent power company heavily concentrated in fossil fuels. Whether the corporate structure required them to file as individuals or they were able to qualify for larger overall grants by doing so is not known. However, it is clear that the individual recipients made it much more difficult to identify the resulting beneficiaries. In fact, we were not able to identify an affiliated corporation for all of the large individual subsidy recipients in the state.

Tag: OK-16
Sources: TER 2009-10: 7; Oklahoma extract from the Good Jobs First subsidy database

Income tax credit for conversion of diesel or gasoline vehicles to electric or clean fuels, or purchase of electric or clean fuel vehicles
68 O.S. §2357.22

The provision allows a one-time nonrefundable income tax credit for conversion of gas or diesel powered vehicles to clean-burning fuel or electricity, or for purchasing vehicles installed with this capability from the factory. Allowable fossil fuels include CNG, LNG, and LPG. Other fossil fuels are indirectly supported via the subsidy to electric vehicles, as natural gas and coal are significant sources of power in the state.

Conversions earn a credit of 50% of the cost of investment in the clean-burning fuel or electrical equipment. For vehicle purchases, where no credit is previously claimed on the equipment and the taxpayer elects not to determine the exact investment cost, the credit is limited to ten percent (10%) of the motor vehicle purchase price, with a cap of $1500 per vehicle. Investments through January 1, 2015 are eligible. The credit may be carried over for three (3) years.

Tag: OK-17
Source(s): OK TER 2009-10: 9; OK TER, 2005-06: 11; OK TER, 2007-08: 12; openbook.ok.gov

Tax exempt bonds and property, Municipal Power Authority
11 O.S. 24-106

All the property of and income, obligations and interest on all of the bonds and notes of the Municipal Power Authority (MPA) are nontaxable.

Created by the state legislature in 1981, the MPA now serves 39 cities the state. A significant portion of its power is generated from fossil fuels.

Tag: OK-18
Sources: TER 2009-10: 28; OMPA 2012

Income tax exemption, Municipal Power Authority
11 O.S. 24-106

The Municipal Power Authority is exempt from both state income and property taxes.

Tags: OK-19
Source(s): OK TER 2009-10: 31, 32

Tax exempt bonds, rural utility districts including natural gas
82 O.S. §1324.22

Interest and capital gains on securities or evidences of indebtedness of rural water, sewer, gas, and solid waste management districts are exempt from income tax.

Tag: OK-20
Source(s): OK TER 2009-10: 31

Sales and use tax exemption, rural utility districts including natural gas

Sales from rural utility districts, including those providing natural gas, are exempt from state sales and use taxes.

Tag: OK-22
Source(s): OK TER, 2009-10: 66; OK TER, 2005-06: 27

Income tax exemption, Oklahoma Rural Electric Cooperatives
18 O.S. 437.25

Income earned by rural electric cooperatives is exempt from state income taxes.

Tag: OK-23
Source(s): OK TER, 2009-10

Tax-exempt Oklahoma Development Finance Authority Bonds and Local Industrial Development Act Bonds
74 O.S. §5062.11 and 62 O.S. §660

Interest paid on bonds issued by the Oklahoma Development Finance Authority and for Industrial Development Bonds, is exempt from taxation. The bonds support a variety of investments, including some related to fossil fuels; however, we were unable to access a complete listing of bonds outstanding to assess the distribution across industries.

Tag: OK-24, OK-25
Source(s): OK TER, 2009-10: 28, 30

Cost of Complying with Sulfur Regulations:
68 O.S. §2357.205

Qualified Oklahoma refineries may elect to allocate all or a portion of the cost of complying with sulfur regulations to its owners rather than incurring them at the refinery level. The rules seem to enable owners to bypass corporate taxes, or to allocate a deduction to parties facing a higher marginal tax rate than the refinery.

This expense is commingled with several others on the Oklahoma income tax return; therefore the amount of the costs expensed under this expenditure item cannot be estimated.

Tag: OK-26
Source(s): OK TER, 2009-10: 34;

Fossil Fuel-Related Exemptions from Sales and Use Taxes
68 O.S. 1357

Oklahoma has a number of fossil-fuel related exemptions from its sales and use taxes for purchases related to capital infrastructure. These include purchases of:

- **Tangible property by contractors and subcontractors for a rural electric cooperative** (Tag OK-27)

- **Machinery, electricity, fuels, explosives and other materials used in the mining of coal** (Tag OK-28)

Source(s): OK TER 2009-10: 60, 63

Full expensing of capital investments in qualified new refinery capacity or upgrades
68 O.S. 2357.004

Qualified investments in new, expanded, or upgraded refineries with Oklahoma can be fully expensed in the year of investment, rather than capitalized and written off over the life of the investment. Upgrades to existing plants must increase capacity by at least 5% on an average daily basis.

This expense is commingled with several others on the Oklahoma income tax return; revenue lost estimates for this provision alone are not provided.

Tag: OK-29
Source: OK TER 2009-10: 34

Fossil-fuel related exemptions from ad valorem taxes

Since 2006, the Oklahoma Tax Commission has stopped tracking exemptions to ad valorem taxes in their biennial Tax Expenditure report on the grounds that the revenue losses occur at the county or local level rather than at the state. While this is true, the eligibility for exemptions is set at by state statute. Further, the exemptions benefit the industry regardless of which level of government grants the tax reductions. It is useful to note as well that even in the 2005-06 Tax Expenditure report, the exemptions to oil and gas property were not included on the list of ad valorem exceptions, perhaps because they were granted in a different part of the code than the majority of ad valorem breaks.

A number of fossil-fuel related properties are exempt from ad valorem taxes in Oklahoma:

- **Most oil and gas property on with gross production taxes have been paid,** including "such equipment, machinery, tools, material or property as is actually necessary and is being used in the production of asphalt…or of oil and gas." (68 O.S. 1001 (S)). This exemption is limited to producing leases only.

- **Oil and gas property even where gross production taxes have not been paid due to special exemptions**. Section 68 O.S. 1001 (T) notes that "The exemption from ad valorem tax set forth in subsections R and S of this section shall continue to apply to all property from which production of oil, gas or oil and gas is exempt from gross production tax pursuant to subsection D, E, F, G, H, I or J of this section."

- **Property uses for desulphurization of gasoline or diesel fuel**. Equipment and all associated property used to comply with Oklahoma and federal sulpher regulations in fuel is exempt from ad valorem taxation. The exemption excludes any equipment related to sulphur control or reduction on a motor vehicle (68 O.S. 2817.3).

- **Manufacturing facilities**. Ad valorem exemptions for new, expanded, or acquired manufacturing facilities are available to a wide range of industries under 68 O.S. 2902v1 and 2902v2. This likely includes some facilities in the fossil fuels sector.

- **Municipal Power Authority and Rural Gas Utilities** are exempt from ad valorem taxes under 11 O.S. 24-106 and 82 O.S. 1324.22, respectively.

Tag: OK-30
Sources: OK TER 2005-06: 58-65; OK Statutes; OK

Commission on Marginally Producing Oil and Gas Wells

The Commission sets policy with respect to marginal well economics and operating parameters in an effort to extend their productive life.

Tag: OK-31
Source(s): OK Budget: 143

5.1.4 Support for knowledge creation

Corporation Commission

The Commission's early emphasis on regulation of railroad routes and rates has shifted to a variety of new areas including regulation of public utilities, oil and gas exploration, drilling, production and waste disposal, motor carrier transport, transportation, storage, and quality and dispensing of petroleum products. The Commission also monitors a number of federal programs for compliance in Oklahoma.

Tag: OK-47
Source(s): OK Budget: 133

Liquefied Petroleum Gas Board

This Board promulgates rules relating to safety compliance in storage, distribution, dispensing, transporting and utilization of Liquefied Petroleum Gas (LPG) in the state. This oversight extends to the manufacture, fabrication, assembly, sale, installation or use of LPG systems, containers, apparatus or appliances within Oklahoma.

Tag: OK-47
Source(s): OK Budget: 141

Interstate Oil and Gas Compact Commission

The Interstate Oil and Gas Compact Commission is to conserve oil and gas by formulating long-term, uniform conservation measures through a joint state-federal relationship. The state funding is very low. However, the IOGCC is a large organization coordinate similar commissions across the country and integrating policy on cross-cutting concerns. Additional financial support comes from these affiliates rather than from Oklahoma.

Tag: OK-48
Source(s): OK Budget: 139

5.2 Consumer Support Estimate

5.2.1 Consumption of fuels by manufacturers or power plants

Income tax credit for gas used in manufacturing
68 O.S. 2357

The Oklahoma tax code provides a nonrefundable tax credit Oklahoma manufacturers that consume natural gas or casing head gas (gas often co-produced during oil extraction) in a manufacturing process.

Tag: OK-33
Source(s): OK TER, 2009-10: 7

Nonrefundable coal credit, for the purchase of Oklahoma-mined coal
68 O.S. §2357.11 (B) and (D)

In-state use of Oklahoma mined-coal that produce power, heat, or light for sale or for use in manufacturing, receive a nonrefundable income tax credit. The credit amount (through December 2012) is $2.85 per ton. A second credit to this same group (68 OS 2357.11 (B)(4)) provided an additional $2.15 per ton in credits.

A separate credit ($5/ton) is available for firms involved with mining, producing, or extracting coal within the state in any month for which the average price of coal is less than $68/ton, excluding freight charges. The earning of new credits was suspended for two years in 2010, but during this period older credits can still be claimed. New credits can again be earned starting in the middle of 2012 (Vieth, 2011).

The credits are "transferable," meaning they can be sold to others. Even if the purchasers or mine owners have no tax liability against which to use the credits themselves (or a lower tax rate than investors), they can monetize them through a sale. In effect, a transferable non-refundable tax credit operates in much the same way as a non-transferable refundable one would, though with a small loss in value. Vieth (2011) notes that tax credits earned for burning Oklahoma coal in the Shady Hill power plant in LeFlore county were sold to insurance companies for 92 to 95 cents per dollar of credits.

Both sides of this credit can be applied to the same ton of coal, if it is mined and burned in Oklahoma. This can result in a state tax loss of as much as $10 per ton of coal. Revenue loss estimates by Vieth (2011) are $60 million over the past eight years. This is much larger than what has been published by the Oklahoma Tax Commission. The cause of the variance is not immediately clear.

Tag: OK-34
Source(s): OK TER, 2009-10: 8; Vieth 2011.

Sales and use tax exemption, lease or sale of rolling stock by OK manufacturer
68 O.S. 1357

General provision that exempts the sales of rolling stock-locomotives, autocars, and railroad cards from state sales taxes until July 1, 2014. The provision is not limited to cars used to haul coal (see next exemption below), but rather seems to be subsidizing the manufacture of these vehicles within the state.

Tag: OK-35
Source(s): OK TER 2009-10: 61

Sales and use tax exemption, rail cars used for transporting coal to electricity generation plants
68 O.S. §1404

Leases of rail transportation cars used to transport coal to plants in this state that generate electricity are exempt from sales and use taxes. Rail is the most common method of inland transport for coal.

Tag: OK-36
Source(s): OK TER, 2009-10: 58, 64;

Sales tax exemption for power used in reservoir de-watering projects, including associated transportation and distribution services
68 O.S. §1357

Electricity used by an oil and gas operator for reservoir de-watering projects is exempt from state sales tax.

Tag: OK-37
Source(s): OK TER, 2005-06: 50; OK TER, 2007-08: 54; OK TER, 2009-10: 59; IOGCC, 2008

Sales/use tax exemption for electricity used for enhanced oil recovery methods
68 O. S. § 1357

Electricity used in enhanced recovery methods of oil production (including fracking) is exempt from state sales tax.

Tag: OK-38
Source(s): OK TER, 2005-06: 51; OK TER, 2007-08: 55; OK TER, 2009-10: 60;

Excise tax exemption, rural electric cooperatives
18 OS 437.25

Cooperatives pay an annual fee of $1/100 customers served, but are otherwise exempt from income and excise taxes within the state.

Tag: OK-39
Source(s): OK TER, 2009-10: 36; OK Statutes

5.2.2 Consumption of fuels by end-users

Sales tax exemption, oil drums

Sales of returnable oil and chemical drums to any person not in the business of reselling returnable oil drums are exempt from state sales tax.

Tag: OK-40
Source(s): OK TER, 2005-06: 47; OK TER, 2007-08: 50; OK TER, 2009-10: 56

Sales/use tax exemption for diesel fuel used by commercial watercraft.

Diesel fuel sold for use by commercial vessels, barges, and other commercial watercraft is exempt from state sales and use taxes.

Tag: OK-41
Source(s): OK TER, 2009-10: 58.

Sales and use tax exemption: gas and electricity sold for residential use
68 O.S. 1357.8

The sale of natural or artificial gas and electricity, and associated delivery or transmission services, when sold exclusively for residential use, is exempt from sales and use taxes. The exclusion applies only to state-level charges, and does not pre-empt other jurisdictions from levying a tax.

Tag: OK-42
Source(s): OK TER, 2009-10: 55; OK Statutes

Exemptions from motor fuel (diesel and gasoline) taxes: government entities, transporters of school children, agricultural producers, off-road diesel equipment, diesel used for heating oil or by railroads
68 O.S. §500.10

A variety of users of gasoline and diesel are exempted from state motor fuel vehicle taxes.

- *K-1 Kerosene:* K-1 kerosene sold at retail for use other than for highway use.
- *Sales to Federal Government:* Sales of gasoline or diesel fuel to the United States of America
- *Fuel Used for the Transportation of School Children:* Fuel sold for use solely in FFA and 4-H Club trucks and vehicles, and school buses operated by public school districts.
- *Fuel Used by Exempt Entities:* Fuel sold for use in motor vehicles owned and operated by counties, cities, towns, volunteer fire departments, rural electric cooperatives, rural water and sewer districts, rural ambulance service districts, or federally-recognized Indian tribes.
- *Fuel Used for Agricultural Purposes:* Sales to persons actually engaged in farming for use in farm tractors or stationary engines
- *Aircraft Fuel:* Gasoline, diesel and kerosene sold for use as fuel to generate power in aircraft engines
- *Fuel Sold within Indian Country:* Motor fuel sold within an Indian Reservation or within Indian Country by a federally-recognized tribe to a member of that tribe and used in motor vehicles owned by that tribal member

- *Diesel Fuel Used to Run Equipment:* The portion of diesel fuel used to operate equipment attached to a motor vehicle or consumed in a vehicle off-road
- *Diesel Fuel Used for Certain Purposes:* Diesel fuel used as heating oil, in railroad locomotives, or any other motorized, flanged-wheel rail equipment, or used for other nonhighway purposes
- *Contaminated Diesel:* Credit for taxes paid on diesel fuel which has been accidentally contaminated by dye.
- *Dyed Fuel:* Diesel fuel dyed to indicate it is not usable in road vehicles.

Tag: OK-43
Source(s); OK TER 2009-10: 78-79; OK TER 2005-06: 76-79.

Special Fuel Use Tax exemptions for agricultural equipment, passenger transport vehicles, exempt entities including school districts, and off-road equipment
68 O.S. §708

Oklahoma law defines "special fuels" as "all combustible gases and liquids, including liquefied gases, which exist in the gaseous state at a temperature of sixty (60) degrees Fahrenheit and at a pressure of fourteen and seven-tenths (14.7) pounds per square inch absolute." Use taxes on these fuels exempt many of the same items as are exempted from conventional fuel taxes on gasoline and diesel:

- *Agricultural Use*: Special fuel delivered into the supply tanks of farm tractors and stationary engines used for agricultural purposes.
- *Motor Vehicles with 25 Gallons or Less Supply Tanks*: Special fuel imported into Oklahoma in storage tanks with a capacity of twenty-five (25) gallons or less and not used for commercial purposes
- *Agricultural Vehicles*: Special fuel imported by persons transporting livestock and farm products to or from the market.
- *Road Machinery and Equipment*: Special fuel used in road machinery and equipment built for and used on location in the construction of public highways
- *Passenger Motor Buses or Coaches*: Special fuel used in passenger motor buses or coaches with a seating capacity of ten (10) or more persons used in public transit systems.
- *County, City or Town Vehicles*: Special fuel purchased by any county, city or town for use in vehicles operated for the benefit of the county, city or town
- *School Districts:* Special fuel purchased by an Oklahoma school district for use in vehicles for the sole benefit of the school district
- *State Department of Transportation*: Special fuel purchased by the Oklahoma Department of Transportation for use in vehicles for the sole benefit of the

- Fee in Lieu of Tax: Flat fee of Fifty Dollars ($50.00) for each automobile and truck using liquefied petroleum gas or natural gas as fuel. The fee is in lieu of the special fuel tax

Tag: OK-44
Source(s): OK TER, 2007-08: 93-95; OK TER, 2009-10: 95;

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Table 5-1: Fossil Fuel Subsidies Identified for Oklahoma

Support Element	Tag	Subsidy Amount ($millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Producer Support Estimate											
Support to unit returns											
Excess of percentage over cost depletion, oil and gas	OK-1				15.7		11.6		N/A		OK TER, 2009-10: 19; OK TER, 2005-06: 9; OK TER, 2007-08: 9;
Gross production tax rebate, enhanced oil recovery deduction	OK-2				2.0						OK TER, 2005-06: 83; OK TER, 2007-08: 84; OK TER, 2009-10: 84;
Gross production tax rebate, horizontally drilled wells	OK-3				83.4	35.6	25.8	17.8	4.4	2.4	Wells eligible during first 48 months of operation. Sources: Oklahoma Policy Institute, March 2011: 3; OK TER, 2009-10: 84;
Gross production tax rebate, re-started production	OK-4				0.1	0.3	2.3	8.2	2.8	2.6	Oklahoma Policy Institute, March 2011: 3; OK TER, 2009-10: 84;
Gross production tax rebate, production enhancement (includes both secondary and tertiary production)	OK-5				2.4	0.2	2.0	13.0	11.4	6.8	Oklahoma Policy Institute, March 2011: 3; OK TER, 2009-10: 84;
Gross production tax rebate, ultra deep wells	OK-6				25.0	20.0	12.9	46.8	59.6	23.9	Oklahoma Policy Institute, March 2011: 2; OK TER, 2009-10: 84;
Gross production tax rebate, deep wells	OK-7				0.4						Oklahoma Policy Institute, March 2011: 2; OK TER, 2009-10: 84;
Gross production tax rebate, new discovery wells	OK-8				0.01	0.04	0.3	2.6	1.6	1.0	Oklahoma Policy Institute, March 2011: 2; OK TER, 2009-10: 84;
Gross production tax rebate, 3-D seismic wells	OK-9				0.1	0.1	4.0	17.2	9.7	2.7	Oklahoma Policy Institute, March 2011: 2; OK TER, 2009-10: 84;
Gross production tax rebate, economically at-risk wells	OK-10				1.4	0.7	0.2	0.1	0.1	0.4	Oklahoma Policy Institute, March 2011: 2; OK TER, 2009-10: 84;
Gross production tax exemption, O&G owned by government entities	OK-11				5.9						OK TER 2009-10: 85
Gross production tax credit, small business and rural small business capital companies	OK-12				4.5		21.2				OK TER, 2007-08: 84; OK TER, 2009-10: 85;
Excise tax credit, small business and rural small business capital companies	OK-13				0.1		0.3				OK TER, 2007-08: 84; OK TER, 2009-10: 85;
Gas Marketing deduction against gross production tax	OK-14				30.3						OK TER 2009-10: 85
Oklahoma Commission on Marginally Producing Oil and Gas Wells	OK-31			0.6	0.6						OK FY13 Hist. Budget: 143
Support for land and labor											
Oklahoma Department of Mines	OK-45			3.0	3.1						OK FY13 Hist. Budget: 144
Oklahoma Energy Resources Board	OK-32			14.6	11.4						OK FY13 Hist. Budget: 137
Support for capital formation											
Investment tax credit - pollution control devices	OK-15				0.0						TER, 2009-10: 7

Table 5-1: Fossil Fuel Subsidies Identified for Oklahoma

Support Element	Tag	Subsidy Amount ($millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Income tax credit for new manufacturing or processing capacity; or for increasing employment - fossil-fuel related only	OK-16		36.1	36.1	36.1	36.1	36.1				TER, 2009-10: 7; data from "OK_company grants" table, assuming credits used over a 5-year period
Income tax credit for conversion of diesel or gasoline vehicles to electric or clean fuels, or purchase of electric or clean fuel vehicles	OK-17				15.6	0.05	1.3		N/A		OK TER, 2009-10: 9; OK TER, 2005-06: 11; OK TER, 2007-08: 12; openbook.ok.gov
Tax exempt bonds, Municipal Power Authority	OK-18										
Income tax exemption, Municipal Power Authority	OK-19										OK TER 2009-10: 31
Tax exempt bonds, rural utility districts, including natural gas	OK-20										OK TER 2009-10: 31
Sales and use tax exemption, rural utility districts including natural gas	OK-22										OK TER, 2009-10: 66; OK TER, 2005-06: 27;
Income tax exemption: Oklahoma Rural Electric Cooperatives	OK-23										OK TER, 2009-10
Tax exempt Oklahoma Development Finance Authority Bonds	OK-24										OK TER, 2009-10: 30;
Tax exempt Local Industrial Development Act bonds	OK-25										OK TER, 2009-10: 28;
Allocation of compliance costs with sulphur regulations to owners (bypassing corporate taxes)	OK-26				Comm.						OK TER, 2009-10: 34;
Sales and use tax exemption, purchases of tangible property by contractors and subcontractors for a rural electric cooperative	OK-27										OK TER 2009-10: 60
Sales and use tax exemption, sales of machinery, electricity, fuels, explosives and other materials used in the mining of coal	OK-28										OK TER 2009-10: 63
Full expensing of capital investments in qualified new refinery capacity or upgrades	OK-29				Comm.						OK TER, 2009-10: 34;
Ad valorem tax exemptions, oil and gas property, desulpurization, manufacturing facilities, and rural gas utilities	OK-30										
Support for knowledge creation											
Oklahoma Corporation Commission	OK-46		36.6	38.5							OK FY13 Hist Budget: 133
Oklahoma Liquefied Petroleum Gas Board	OK-47		0.7	0.6							OK FY13 Hist Budget: 141
Interstate Oil and Gas Compact Commission	OK-48		0.8	0.7							OK FY13 Hist Budget: 139
Consumer Support Estimate											
Consumption of fuels by manufacturers or power plants											
Income tax credit for gas used in manufacturing	OK-33				0.08		0.04		0.58		OK TER, 2009-10: 7; OK TER, 2005-06: 10; OK TER, 2007-08: 10; openbook.ok.gov

Table 5-1: Fossil Fuel Subsidies Identified for Oklahoma

Support Element	Tag	Subsidy Amount ($millions)									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Nonrefundable coal credit, for the purchase of Oklahoma-mined coal	OK-34				4.3	0.07	0.01		0.10		OK TER, 2009-10: 8; OK TER, 2005-06: 11; OK TER, 2007-08: 11; openbook.ok.gov
Sales and use tax exemption, lease or sale of rolling stock by OK manufacturer	OK-35										OK TER 2009-10: 61
Sales and use tax exemption, rail cars used for transporting coal to electricity generation plants	OK-36				N/A		N/A		N/A		OK TER, 2005-06: 55; OK TER, 2007-08: 54; OK TER, 2009-10: 58, 64;
Sales tax exemption for power used in de-watering projects, and associated transportation and distribution services	OK-37				N/A		N/A		0.0		OK TER, 2005-06: 50; OK TER, 2007-08: 54; OK TER, 2009-10: 59; IOGCC, 2008
Sales/use tax exemption for electricity used for enhanced oil recovery methods, which includes fracking	OK-38				1.7		1.7		1.6		OK TER, 2005-06: 51; OK TER, 2007-08: 55; OK TER, 2009-10: 60;
Excise tax exemption, rural electric cooperatives	OK-39										OK TER, 2009-10: 36; 18 OS 437.25
Consumption of fuels by end-users											
Sales tax exemption, oil drums	OK-40				N/A		N/A		N/A		OK TER, 2005-06: 47; OK TER, 2007-08: 50; OK TER, 2009-10: 56;
Sales/use tax exemption for diesel fuel used by commercial watercraft.	OK-41				N/A		N/A		N/A		OK TER, 2005-06: 49; OK TER, 2007-08: 53; OK TER, 2009-10: 58, 58;
Sales and use tax exemption: gas and electricity sold for residential use	OK-42				117.6						OK TER, 2009-10: 55
Exemptions from motor fuel (diesel and gasoline) taxes: government entities, transporters of school children, agricultural producers, off-road diesel equipment, diesel used for heating oil or by railroads	OK-43						N/A		N/A		OK TER 2009-10: 78-79
Special Fuel Use Tax exemptions for agricultural equipment, passenger transport vehicles, exempt entities including school districts, and off-road equipment	OK-44										OK TER, 2007-08: 93-95; OK TER, 2009-10: 95;

Key

N/A = Expenditures for which data resources are "not unavailable" to provide an estimate

Comm. = Data for provision commingled with other tax expenditures by the State.

Sources

(1) IOGCC, 2007. Interstate Oil and Gas Compact Commission, *Investments in energy security: state incentives to maximize oil recovery*.

(2) OK FY13 Hist Budget. OK Budget. State of Oklahoma, Executive Budget – Historical Data, for the fiscal year ending June 30, 2013, 6 February 2012.

(3) Oklahoma Policy Institute, March 2011. http://okpolicy.org/gross-production-tax-fact-sheet-march-2011.

(4) OK TER, various years. Oklahoma Tax Policy Division, Oklahoma Tax Commission. Tax Expenditure Report: 2005-2006, 2007-2008, 2009-2010. http://www.tax.ok.gov/reports

(5) openbook.ok.gov. Oklahoma Office of State Finance. Search Tax Credit Information.

Table 5-2: Fossil Fuel Sector Use of Other State of Oklahoma Incentives

	Company (Note 1)	City	Subsidy Value (Note 2)	Program Name (Note 3)	Fossil Fuel Connection
1	BEVELHYMER, DARRELL & PATRICIA		$768,225	Oklahoma Investment/ New Jobs Credit	Consultant & former Senior Executive at Tenaska
2	BEVELHYMER, DARRELL & PATRICIA		$767,852	Oklahoma Investment/ New Jobs Credit	Consultant & former Senior Executive at Tenaska
3	BEVELHYMER, DARRELL & PATRICIA		$767,852	Oklahoma Investment/ New Jobs Credit	Consultant & former Senior Executive at Tenaska
4	CHESAPEAKE ENERGY CORP	OKLAHOMA CITY	$1,413,341	Quality Jobs	
5	CHESAPEAKE ENERGY CORP	OKLAHOMA CITY	$1,204,158	Quality Jobs	
6	CHESAPEAKE ENERGY CORP	OKLAHOMA CITY	$1,043,161	Quality Jobs	
7	CHESAPEAKE ENERGY CORP	OKLAHOMA CITY	$889,056	Quality Jobs	
8	CHESAPEAKE ENERGY CORP	OKLAHOMA CITY	$680,529	Quality Jobs	
9	CHESAPEAKE OPERATING INC #2	OKLAHOMA CITY	$1,249,265	Quality Jobs	
10	CHESAPEAKE OPERATING INC #2	OKLAHOMA CITY	$1,134,528	Quality Jobs	
11	CHESAPEAKE OPERATING INC #2	OKLAHOMA CITY	$945,695	Quality Jobs	
12	CHESAPEAKE OPERATING INC #2	OKLAHOMA CITY	$728,780	Quality Jobs	
13	CHESAPEAKE OPERATING INC #2	OKLAHOMA CITY	$590,277	Quality Jobs	
14	CHESAPEAKE OPERATING INC #2	OKLAHOMA CITY	$584,265	Quality Jobs	
15	CHESAPEAKE OPERATING INC #2	OKLAHOMA CITY	$535,972	Quality Jobs	
16	CHESAPEAKE OPERATING INC #2	OKLAHOMA CITY	$524,363	Quality Jobs	
17	CHESAPEAKE OPERATING INC #2	OKLAHOMA CITY	$510,424	Quality Jobs	
18	CONOCOPHILLIPS CO	BARTLESVILLE	$1,449,080	Quality Jobs	
19	CONOCOPHILLIPS CO	BARTLESVILLE	$1,435,783	Quality Jobs	
20	CONOCOPHILLIPS CO	BARTLESVILLE	$1,424,216	Quality Jobs	
21	CONOCOPHILLIPS CO	BARTLESVILLE	$1,090,293	Quality Jobs	
22	CONOCOPHILLIPS CO	BARTLESVILLE	$1,011,713	Quality Jobs	
23	CONOCOPHILLIPS CO	BARTLESVILLE	$1,008,130	Quality Jobs	
24	CONOCOPHILLIPS CO	BARTLESVILLE	$898,900	Quality Jobs	
25	CONOCOPHILLIPS CO	BARTLESVILLE	$864,947	Quality Jobs	

Table 5-2: Fossil Fuel Sector Use of Other State of Oklahoma Incentives

	Company (Note 1)	City	Subsidy Value (Note 2)	Program Name (Note 3)	Fossil Fuel Connection
26	CONOCOPHILLIPS CO	BARTLESVILLE	$765,662	Quality Jobs	
27	CONOCOPHILLIPS CO	BARTLESVILLE	$757,048	Quality Jobs	
28	CONOCOPHILLIPS CO	BARTLESVILLE	$733,338	Quality Jobs	
29	CONOCOPHILLIPS CO	BARTLESVILLE	$732,470	Quality Jobs	
30	CONOCOPHILLIPS CO	BARTLESVILLE	$727,738	Quality Jobs	
31	CONOCOPHILLIPS CO	BARTLESVILLE	$719,627	Quality Jobs	
32	CONOCOPHILLIPS CO	BARTLESVILLE	$664,256	Quality Jobs	
33	DAY, TIMOTHY & SANDRA		$1,169,560	Oklahoma Investment/ New Jobs Credit	Executive at Crestwood Midstream Partners, a natural gas firm
34	DAY, TIMOTHY & SANDRA		$1,052,349	Oklahoma Investment/ New Jobs Credit	
35	DAY, TIMOTHY & SANDRA		$1,052,349	Oklahoma Investment/ New Jobs Credit	
36	DEVON ENERGY PROD CO LP #2	OKLAHOMA CITY	$533,870	Quality Jobs	
37	DEVON ENERGY PROD CO LP #2	OKLAHOMA CITY	$529,403	Quality Jobs	
38	ELMBURG, JOHN & LINDA		$777,580	Oklahoma Investment/ New Jobs Credit	Blitz USA [fuel storage]
39	ELMBURG, JOHN & LINDA		$777,580	Oklahoma Investment/ New Jobs Credit	Blitz USA [fuel storage]
40	GARY, SAMUEL & NANCY		$4,098,989	Oklahoma Investment/ New Jobs Credit	Gary-Williams Energy; petroleum refinery in OK
41	GARY, SAMUEL & NANCY		$3,982,806	Oklahoma Investment/ New Jobs Credit	Gary-Williams Energy; petroleum refinery in OK
42	GARY, SAMUEL & NANCY		$3,982,806	Oklahoma Investment/ New Jobs Credit	Gary-Williams Energy; petroleum refinery in OK
43	HARPER, TRUDY & ROGER		$600,166	Oklahoma Investment/ New Jobs Credit	Trudy Harper is President of Power Marketing at Tenaska
44	HAWKS, HOWARD & RHONDA		$10,265,842	Oklahoma Investment/ New Jobs Credit	Howard Hawks is Chairman of the Board at Tenaska
45	HAWKS, NEAL		$1,310,913	Oklahoma Investment/ New Jobs Credit	Probably shareholders in Tenaska; relatives of CEO Howard Hawks
46	HAWKS, NEAL		$1,310,054	Oklahoma Investment/ New Jobs Credit	Probably shareholders in Tenaska; relatives of CEO Howard Hawks
47	HAWKS, NEAL		$1,310,054	Oklahoma Investment/ New Jobs Credit	Probably shareholders in Tenaska; relatives of CEO Howard Hawks
48	HAWKS, TROY & HEATHER		$1,299,348	Oklahoma Investment/ New Jobs Credit	Probably shareholders in Tenaska; relatives of CEO Howard Hawks
49	HAWKS, TROY & HEATHER		$1,298,495	Oklahoma Investment/ New Jobs Credit	Probably shareholders in Tenaska; relatives of CEO Howard Hawks
50	HAWKS, TROY & HEATHER		$1,298,495	Oklahoma Investment/ New Jobs Credit	Probably shareholders in Tenaska; relatives of CEO Howard Hawks

Table 5-2: Fossil Fuel Sector Use of Other State of Oklahoma Incentives

	Company (Note 1)	City	Subsidy Value (Note 2)	Program Name (Note 3)	Fossil Fuel Connection
51	HENDRICKS, THOMAS & MARY		$5,731,114	Oklahoma Investment/ New Jobs Credit	Hendricks is a top executive at Tenaska
52	HENDRICKS, THOMAS & MARY		$5,728,345	Oklahoma Investment/ New Jobs Credit	Hendricks is a top executive at Tenaska
53	HENDRICKS, THOMAS & MARY		$5,728,345	Oklahoma Investment/ New Jobs Credit	Hendricks is a top executive at Tenaska
54	HOLLY REFINING & MKTG-TULSA LL	TULSA	$735,894	Quality Jobs	
55	HOLLY REFINING & MKTG-TULSA LL	TULSA	$670,334	Quality Jobs	
56	HOLLY REFINING & MKTG-TULSA LL	TULSA	$613,742	Quality Jobs	
57	HOLLY REFINING & MKTG-TULSA LL	TULSA	$610,707	Quality Jobs	
58	HOLLY REFINING & MKTG-TULSA LL	TULSA	$516,317	Quality Jobs	
59	KOCH INDUSTRIES,INC		$5,959,107	Oklahoma Investment/ New Jobs Credit	
60	KOCH INDUSTRIES,INC		$5,959,107	Oklahoma Investment/ New Jobs Credit	
61	KOCH INDUSTRIES,INC		$4,512,606	Oklahoma Investment/ New Jobs Credit	
62	LAWLER, MICHAEL & SHARON		$1,018,468	Oklahoma Investment/ New Jobs Credit	Executive at DCP Midstream
63	LAWLER, MICHAEL & SHARON		$1,017,975	Oklahoma Investment/ New Jobs Credit	
64	LAWLER, MICHAEL & SHARON		$1,017,975	Oklahoma Investment/ New Jobs Credit	
65	LEBENS, MICHAEL & SUSAN		$1,786,486	Oklahoma Investment/ New Jobs Credit	Appears to be Tenaska Engineering and Operations, an Independent power producer with largely fossil fuel generation.
66	LEBENS, MICHAEL & SUSAN		$1,785,623	Oklahoma Investment/ New Jobs Credit	Appears to be Tenaska Engineering and Operations, an Independent power producer with largely fossil fuel generation.
67	LEBENS, MICHAEL & SUSAN		$1,785,623	Oklahoma Investment/ New Jobs Credit	Appears to be Tenaska Engineering and Operations, an Independent power producer with largely fossil fuel generation.
68	ONEOK,INC		$3,076,310	Oklahoma Investment/ New Jobs Credit	Oil and Gas Master Limited Partnership
69	ONEOK,INC		$3,076,310	Oklahoma Investment/ New Jobs Credit	Oil and Gas Master Limited Partnership
70	ONEOK,INC		$1,000,000	Oklahoma Investment/ New Jobs Credit	Oil and Gas Master Limited Partnership
71	ONEOK,INC		$1,000,000	Oklahoma Investment/ New Jobs Credit	Oil and Gas Master Limited Partnership
72	PARRIS ENTERPRISES LTD		$502,444	Oklahoma Investment/ New Jobs Credit	Assume this is "Parrish" Enterprises
73	PARRISH ENTERPRISES,LTD		$520,362	Oklahoma Investment/ New Jobs Credit	World's largest manufacturer of "cam and groove" couplings for oil and gas industry

Table 5-2: Fossil Fuel Sector Use of Other State of Oklahoma Incentives

	Company (Note 1)	City	Subsidy Value (Note 2)	Program Name (Note 3)	Fossil Fuel Connection
74	PARRISH ENTERPRISES,LTD		$520,362	Oklahoma Investment/ New Jobs Credit	http://www.growenid.com/Headlines/ID/293/Commission_declares_support_for_Parrish_Enterprises_expansion.aspx
75	PEARSON, LARRY & LINDA		$1,523,016	Oklahoma Investment/ New Jobs Credit	Larry Pearson is executive at Tenaska
76	PEARSON, LARRY & LINDA		$1,521,776	Oklahoma Investment/ New Jobs Credit	Larry Pearson is executive at Tenaska
77	PEARSON, LARRY & LINDA		$1,521,776	Oklahoma Investment/ New Jobs Credit	Larry Pearson is executive at Tenaska
78	QUINN, RONALD & TERI		$1,256,825	Oklahoma Investment/ New Jobs Credit	Ronald Quinn is Executive Vice President at Tenaska
79	QUINN, RONALD & TERI		$1,256,218	Oklahoma Investment/ New Jobs Credit	Ronald Quinn is Executive Vice President at Tenaska
80	QUINN, RONALD & TERI		$1,256,218	Oklahoma Investment/ New Jobs Credit	Ronald Quinn is Executive Vice President at Tenaska
81	SAMSON RESOURCES CO #2	TULSA	$954,169	Quality Jobs	Offshore exploration
82	SAMSON RESOURCES CO #2	TULSA	$724,050	Quality Jobs	Offshore exploration
83	SAMSON RESOURCES CO #2	TULSA	$533,851	Quality Jobs	Offshore exploration
84	SAMSON RESOURCES CORP	TULSA	$1,421,119	Quality Jobs	Offshore exploration
85	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$1,823,638	Quality Jobs	Oil exploration company
86	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$1,735,462	Quality Jobs	Oil exploration company
87	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$1,331,865	Quality Jobs	Oil exploration company
88	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$1,268,931	Quality Jobs	Oil exploration company
89	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$978,737	Quality Jobs	Oil exploration company
90	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$970,544	Quality Jobs	Oil exploration company
91	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$832,592	Quality Jobs	Oil exploration company
92	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$710,413	Quality Jobs	Oil exploration company
93	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$679,136	Quality Jobs	Oil exploration company
94	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$655,084	Quality Jobs	Oil exploration company
95	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$588,217	Quality Jobs	Oil exploration company
96	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$586,029	Quality Jobs	Oil exploration company
97	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$529,249	Quality Jobs	Oil exploration company
98	SANDRIDGE OPERATING CO	OKLAHOMA CITY	$503,940	Quality Jobs	Oil exploration company

Table 5-2: Fossil Fuel Sector Use of Other State of Oklahoma Incentives

	Company (Note 1)	City	Subsidy Value (Note 2)	Program Name (Note 3)	Fossil Fuel Connection
99	SINCLAIR OIL CORPORATION		$2,548,987	Oklahoma Investment/ New Jobs Credit	
100	SINCLAIR OIL CORPORATION		$2,548,987	Oklahoma Investment/ New Jobs Credit	
101	SMITH, PAUL & ANNETE		$1,564,292	Oklahoma Investment/ New Jobs Credit	Paul Smith is executive at Tenaska
102	SMITH, PAUL & ANNETE		$1,564,292	Oklahoma Investment/ New Jobs Credit	Paul Smith is executive at Tenaska
103	SMITH, PAUL & ANNETTE		$857,910	Oklahoma Investment/ New Jobs Credit	Paul Smith is executive at Tenaska
104	VALERO REFINING CO OKLAHOMA COMBINED		$9,836,631	Oklahoma Investment/ New Jobs Credit	
105	VALERO REFINING CO OKLAHOMA COMBINED		$9,836,631	Oklahoma Investment/ New Jobs Credit	
106	VALERO REFINING CO-OKLA-COMBINED		$4,728,089	Oklahoma Investment/ New Jobs Credit	
107	MATRIX SERVICE CO (Note 4)		$821,185	Oklahoma Investment/ New Jobs Credit	Industrial service to fossil fuel industries plus
108	MATRIX SERVICE CO (Note 4)		$821,185	Oklahoma Investment/ New Jobs Credit	Industrial service to fossil fuel industries plus
	Total Fossil fuel (based on a $500k/award cut-off on database extract)			**$180,436,203**	
	Percent of total support			41%	
	% of total support, excluding Weyerhauser			65%	Note 5
	Total, all sectors			$440,231,908	

Notes

(1) Some corporate forms, such as limited partnerships (LPs), master limited partnerships (MLPs), or limited liability companies (LLCs) have no corporate level tax burden. Taxes, and tax subsidies, flow directly to the firm's partners (or members in the case of LLCs). This is why Oklahoma lists so many individuals as subsidy recipients. We were able to identify connections between many large recipients and the fossil fuel sector, but some individuals could not be linked to any firm. Since MLPs in particular mostly in the fossil fuel sector, it is likely we are missing beneficiaries in

(2) Subsidy amount is amount claimed by the taxpayer.

(3) Incentives are awarded by the Oklahoma Tax Commission. The New Jobs Credit is noted by the State as coming in the form of a tax credit/rebate. The Quality Jobs incentive is listed as a grant/low cost loan.

(4) Recipient involved with fossil fuel industry plus other sectors.

(5) Weyerhauser received $163 million in subsidies from Oklahoma; once this outlier is removed, the fossil fuel share of investment and jobs credits jumps to nearly two-thirds of the largest recipients. Subsidies below $500,000 were not included in this sort to reduce the number of records.

(6) Data were extracted from from the Good Jobs First database, accessed 14 February 2012. Although all programs in the database were reviewed, only fossil-fuel related spending is shown. http://www.goodjobsfirst.org/subsidy-tracker

Table 5-3: Revenues Linked to Fossil Fuels for Oklahoma

	In millions USD				
	FY09 Actual	FY10 Actual2	FY11 Actual3	FY12 Projected	FY13 Estimate
Gross production tax - gas	702.3	354.8	340.9	365.0	319.5
Gross production tax - oil	344.9	377.3	476.7	474.1	426.2
Petroleum excise tax	15.0	11.5	13.1	11.7	12.5
Conservation excise tax	-	-	-	-	-
Special fuel use tax	0.0	0.0	0.0	0.0	0.0
Special fuel decal	0.2	0.2	0.4	0.4	0.4
Diesel fuel excise tax	102.9	101.5	105.1	105.1	105.1
Gasoline excise tax	294.8	300.0	298.4	296.4	294.7
Rural electric cooperative tax	32.0	30.6	33.0	35.8	37.4
Total	**7,899**	**6,922**	**7,619**	**8,138**	**8,331**
FF/total	**18.9%**	**17.0%**	**16.6%**	**15.8%**	**14.4%**

Fossil fuel (FF) sector also relevant to corporate income taxes and sales taxes, but these are excluded from totals above.

Source: FY13: Executive Budget - Historical Data, Feb. 2012

6. Fossil Fuel Subsidies in Wyoming

Fossil fuel production is extremely important to the state of Wyoming. In 2009, Wyoming ranked eighth in the United States in terms of barrels of oil produced, second for natural gas, and first for coal (Temte, 2010: 2). The Powder River Basin (PRB) coal deposit, much of which lies in northeastern Wyoming, is the largest coal-producing region in the United States and comprises roughly 40 percent of all coal mined in the country (EIA, "Wyoming Fact Sheet," 2009). Roughly one-fifth of Wyoming's natural gas also comes from coalbed methane in the PWB (EIA, "Wyoming Fact Sheet," 2009). While Wyoming's conventional oil reserves are not as large as many other states, it has large deposits of oil shale – equivalent to roughly 300 billion barrels of oil, equal to roughly one quarter of the world's proven oil reserves as of 2009 (EIA, "Wyoming Fact Sheet," 2009).

Power production within Wyoming is primarily coal-fired. The state has been considering large investments into private plants to convert coal into liquid fuels, and has funded coal conversion research for the past decade.

Production volumes affect government revenues as well. Mining contributed to 37% of Wyoming's gross domestic product in 2009, according to Headwaters, a regional economic consulting firm. Severance taxes (primarily, though not entirely, from fossil fuels) comprised a similar percentage of state government revenue in 2010 and 48% of total revenues in 2009 (Headwaters, April 11: 21, 31). Nearly two-thirds of the assessed property value within the state is related to fossil fuel extraction, energy pipelines, and power infrastructure (WY DOR, 2011: 54).

Wyoming has a history of providing tax subsidies to mineral activities in the state, increasing and decreasing tax rates on particular minerals at least back to 1969 (WYLSO, 2011: 137). However, the state is one of only a handful in the United States that prepares no formal tax expenditure report. A literature review and read-through of Wyoming statutory language uncovered a number of tax subsidies benefitting oil, coal, and natural gas. However, we were unable to quantify most of these provisions within our research scope. In some cases it is difficult to tell when or whether a particular provision has been renewed or expired.

Further, some of the largest fossil fuel production sites are on federal lands, and therefore under federal jurisdiction. There appear to be subsidies to PRB coal production worth tens of billions of dollars over its operating period of existing leasing contracts (Sanzillo, 2012). While these are primarily federal subsidies, their impact on the economics of coal is important given the scale of PRB production. Further, these subsidies also affect Wyoming directly since the state receives roughly half of the lease bonuses and royalties collected by the federal government on the resources (Temte, 2010). Similarly, a detailed assessment of subsidies in Kentucky found that damages to the state's highways from heavy trucks were a large source of subsidies. Subsidies to both road and rail links for fossil fuels in Wyoming are expected, though we were unable to evaluate the issue systematically within our research scope. However, there is some anecdotal evidence of road damage from heavy trucks transporting energy resources (Barron, 2011), and a more comprehensive review of transport spending in the state could be a fruitful venue for additional analysis.

We conducted a first-order review of the Wyoming state budget, using budget justifications for the FY2013-14 biennium (the state runs on a two-year budget cycle). Budget justification documents are prepared by each government department in advance of budget deliberation to explain their role, document past spending, and justify funding requests for the future period.

Baseline budget figures in the prospective justifications represent actual funding for the FY2011-12 biennium. There was also some information on the source of this funding, such as whether it came from general tax revenues or from specific funds set up to hold funds from more specialized taxes or user fees. Where fuel-based user fees were clearly visible as a funding source for government agencies (this was the case with the State's Oil and Gas Compact Commission and Abandoned Mine Land reclamation, for example) they were deducted from the reported subsidy numbers. However, this was not always easy to do, and gross spending may include cases with industry-specific offsetting revenue streams. Such inclusion will overstate net subsidies to fossil fuels to some degree. Working in the opposite direction are government agencies that clearly provide services to the fossil fuels sector using general revenues (for example, on air emissions, water quality, engineering reviews, and geological surveys), but where we were unable to do the level of research needed to allocate a portion of their budget to fossil-fuel related activities. The exclusion of such spending understates net subsidies to fossil fuels.

6.1 Producer Support Estimate

6.1.1 Support to unit returns

Severance tax on coal capped for selected long-term coal contracts (60 cents/ton for surface mined coal; 30 cents/ton for underground coal)
Wyoming Statutes 39-14-104 and 105.

New coal production agreements contracted prior to December 31, 2003 (not agreements replacing existing contracts) are eligible for a cap on severance taxes per ton mined. This severance tax results in incremental subsidies to underground coal producers at prices above $8 per ton and to surface-mined coal at prices above $8.57 per ton.

Eligibility for this subsidy requires a variety of other conditions as well. Increases in coal production relative to a base-year are eligible if the coal is shipped out of state; used inside Wyoming in a coking facility or electrical power station; or used in Wyoming at a new (as of the 12.31.03 cut-off) coal-burning facility starting construction or planning. Where coal is being used within Wyoming, eligibility regarding new versus pre-existing contracts was is more flexible, and modification of an earlier contract prior to the deadline for the new contract was allowed.

The severance tax cap remains in effect without expiration as long as the contracts/agreements continue and the quantities of coal used do not drop below baseline levels used by the facilities. These baselines are defined in the statutes as 1985 and 1986 consumption levels for power stations, or the preceding production year for coke facilities. Exceptions for declining production are allowed in case of accidents or other negative events affecting production.

It is not known how many of these contracts were made, or whether the contract terms were long enough for the cap to continue in place and generating continuing revenue losses to Wyoming.

Tag: WY-1
Sources: ND Redbook, 2010:19; WY Statutes 39-14-105(a)

Severance tax reduced from 6 to 4% for stripper wells
Wyoming statutes 39-14-205(a)(xx)(A)(B)

Wells that produce an annual average of less than 15 barrels of oil per day (BOPD) while the price of oil is less than $20 per barrel are taxed at 4% (reduced from 6%). When the price of oil is $20 or more, wells producing 10 BOPD or less receive a 2% tax reduction.

Tag: WY-2
Source: ND 2010: 79; IOGCC 2007

Five year reduction (to 4%) for severance tax on tertiary recovery
Wyoming Statutes 39-14-204(a)(iii)

Tertiary production projects certified by the Wyoming Oil and Gas Conservation Commission (WOGCC) after March 31, 2003 and before March 31, 2008 are exempt from 2% of severance taxes for five years from the date of first tertiary production. The exemption applies only on incremental production and only in months when the price of oil is below $27.50 per barrel (IOGCC; Fong, 79). Prior to 2000, coalbed methane wells were also eligible for this incentive (IOGCC, 2007).

Given high oil prices, current tax expenditures under this provision are likely to be zero. Further, the eligibility period for wells completed in 2008 is nearing an end. This indicates that without legislative action, the subsidy is unlikely to trigger significant revenue losses in future years regardless of what happens to oil prices.

Tag: WY-3
Source: ND 2010: 79

Severance tax reduced to 2% on first 60 barrels (or gas equivalent) of new wells for 24 months
Wyoming Statutes 39-14-205(f)

Crude oil and natural gas produced from wells drilled between July 1, 1993 and March 31, 2003 is exempt from WY severance taxes for 24 months following the start of production. This severance tax reduction does not apply to production from collection wells. The exemption is limited to a maximum of 60 barrels per day or its equivalent in gas production, which is defined as six thousand cubic feet (MCF) of gas production for one (1) barrel oil production. The subsidy also phases out at prices of $22 per barrel of oil or $2.75 per MCF of natural gas (based on the trailing six month average). Shallower gas wells (<2,000 feet) are not eligible. The eligibility period and price triggers of the provision currently do not result in revenue losses to the state. However, the statute remains on the books and could be reinstated via a modification of the eligibility period or price triggers.

Tag: WY-4
Source: ND 2010: 79

Severance tax reduced to 2% for all incremental oil from workovers and recompletions prior to 3.31.2001
Wyoming Statutes 39-14-205(g)

Incremental crude oil or natural gas production from workovers or recompletions of oil or gas wells between January 1, 1997 and March 31, 2001 are exempt from severance taxes for the first two years of operation.

Tag: WY-5
Source: ND 2010: 79

Severance tax reduction (1.5% for 5 years) to restart prior wells (previously shut-in wells)
Wyoming Statutes 39-14-205(h)

Crude oil produced from previously shut-in wells pay a reduced severance tax rate of 1.5% for the first five years of renewed production or until the average price received by the producer for the renewed production is equal to or exceeds $25.00 per barrel of oil for the preceding 6 months, whichever occurs first.

At current oil prices, the revenue loss from this provision is expected to be zero.

Tag: WY-6
Source: ND 2010: 79

Reduced severance tax on underground coal (3.75% versus 7% for surface-mined)
Wyoming Statutes 39-14-104(b)

The total severance tax rate is 3.75% for underground-mined coal. Surface-mined coal pays a higher, 7% rate.

Tag: WY-7
Source: CEBR 2011: 26

Reduced severance tax on oil shale and other unconventional fuels

Oil and gas subject to the state's 6% severance tax rate (Wyoming statutes 39-14-201(a)(vi) and (xv)) include conventional production, but not unconventional production such as oil shale. Non-conventional fuels, addressed in the section titled "Other Valuable Deposits" (W.S. 39-14-701), have base severance rates of only 2% (W.S. 39-14-704). However, the wording is ambiguous. Consider W.S. 39-14-703(a)(i), discussing imposition of the tax:

> *(i) There is levied a severance tax on the value of the gross product for the privilege of severing or extracting other valuable deposits, oil shale or any other fossil fuel in the state. The severance tax imposed by this article may be in addition to other taxes, including but not limited to the ad valorem taxes imposed by W.S. 39-13-104.*

This phrasing suggests that oil shale and other fossil fuels are a separate category from "other valuable deposits." Further, Section 39-14-703(b)(i) refers to the 2% severance in section 39-14-704, but only for "other valuable deposits." One interpretation is that there is a class of non-conventional fossil fuels on which Wyoming is levying zero severance tax.

Tag: WY-8
Source: WY statutes 39-14-705

No severance tax on coal consumed onsite for treating or processing coal for sale from the same mine
Wyoming Statutes 39-14-105(a)

Coal consumed prior to sale, for the purpose of treating or processing coal produced from the same mine, is deemed to have no value and therefore be free of severance tax.

Were the mine to have to purchase that power on the market, it would clearly have a value. Further, unlike reinjection of natural gas where the resources remain an asset of the state for future sale, coal consumed on-site is severed from the state forever.

Tag: WY-9
Source: WY statutes 39-14-105 (a)

Credit CO2 severance tax against oil and gas severance for tertiary production
Wyoming Statutes 39-14-205(d)

Tertiary production of crude oil generally involves injection of carbon dioxide gas into the wells to boost pressure and enhance oil recovery. All Wyoming severance taxes paid on the carbon dioxide gas injected is deducted from, and allowed as a credit against, the severance taxes imposed on the oil produced by the injection.

Tag: WY-10
Source: WY statutes 39-14-205(d)

Severance tax exemption for flared or vented natural gas
Wyoming Statutes 39-14-205 (j)

Natural gas that is vented or flared under the authority of the Wyoming Oil and Gas Conservation Commission (WOGCC), reinjected, or consumed prior to sale for the purpose of maintaining, stimulating, treating, transporting, or producing crude oil or natural gas on the same lease or unit from which it was produced is deemed to have no value and is exempt from taxation.

As with similar exemptions for coal, the on-site use (other than reinjection) or flaring of a fossil fuel resource is severing that resource from the state forever and does represent foregone revenue to the state.

Tag: WY-11
Source: WY statutes 39-14-205(j)

6.1.2 Support for land

No reclamation fees or taxes

While coal mines in Wyoming pay federal fees into the Abandoned Mine Land (AML) Trust fund, there are no state-level reclamation taxes or fees (Kent et al. 2011: 27). Other coal-producing states have state–level reclamation fees as well. Like the federal funds, the state reclamation fees help ensure that reclamation and environmental problems with mining are financed by the industry, rather than from the return on natural resource sales (such as severance taxes) or the general fund.

The degree to which federal reclamation transfers under the AML program are insufficient to meet in-state needs is not known. Short-falls would indicate the absence of a state-fee was subsidizing in-state production. Wyoming does have fees on oil and gas production to cover abandoned well closure and related reclamation in that sector.

Tag: WY-12
Source: CEBR 2011: 26

Eminent domain rights for process water discharge at existing mine sites
Wyoming Statutes 30-1-117

Wyoming statutes give broad authority to mine owners, allowing them to bring in water, use it, and discharge it "into such natural course or gulch as their business interests may require" so long as such use does not "infringe on vested rights." The statute restricts this broad authority to existing mines rather than new or undeveloped mine projects; other requirements in the state result in assessment and permitting of the uses. Nonetheless, the law provides wide latitude for mining operations on water use. Interestingly, section 30-1-126 states that many of the mining provisions in this chapter of Wyoming code, including the water rights, do not apply to coal mines (though would for oil and gas). Similar rights may be granted to coal mines elsewhere in the state statutes, though we were not able to find a specific citation.

Tag: WY-13
Source: WY statutes 30-1-117

Eminent domain rights for coal rail or road links from mine site
Wyoming Statutes 30-1-128

Legal mining corporations or associations that extract a variety of minerals (including coal) can construct a railroad, tramway road, or wagon road from their mine to "any point or points desired by them." They are granted "an exclusive right-of-way to the line of their road over the unoccupied public domain for the space of not exceeding one hundred (100) feet on either side thereof, and also, the exclusive possession at the termini of their said road, and at such intermediate points as may be required, for depots, buildings, turntables, water tanks, machine shops and other necessary appurtenances of a railroad…"

Tag: WY-14
Source: WY statutes 30-1-128

Office of State Lands: Road grants to cover damage from oil and gas development

Energy extraction activities often require heavy equipment, and hauling minerals drives load weights as well. Often the costs of repairing this damage or building stronger roads are hidden within broader transport or construction budgets, rather than broken out by the weight class of vehicles that caused the damage. A county road fund was established in 2010 to fix county roads impacted by oil and gas development. This particular fund is not intended to fix normal wear and tear. Four counties applied for $9 million in grants, though there was only $6 million available (Barron, 2011). Though the amounts are still relatively low, the Fund is one indication that energy-related road damage may be more widespread than previously recognized.

The state also sought to use federal Abandoned Mine Land funds to construct mining-related roads (Barron, 2011), though the original intended purpose of the AML collections was to reclaim abandoned coal mines.

Tag: WY-15
Source: Barron, 2011

Public funding of transport infrastructure for fossil fuel projects

State development and grant funds are sometimes used to build road infrastructure to support fossil fuel infrastructure. For example, The Business Ready Community Grant and Loan Program awarded $1.9 million in grant funds to upgrade roads serving a planned coal-to-liquids plant in Medicine Bow, WY (WY Business Council, June 2010). We were unable to review transport infrastructure subsidies systematically.

Tag: WY-16
Source: WY Business Council, June 2010

Wyoming Department of Environmental Quality: Land Quality Division

The Land Quality Division ensures that mining and exploration for solid minerals is conducted in a manner that protects the public and the environment from harmful impacts, and that land is reclaimed to a condition that is equal or better than it was prior to mining. The Division issues permits for coal and non-coal mining and exploration. Permits include reclamation, monitoring, and bonding requirements for operators. The Division also inspects all mining activities to ensure compliance with applicable standards and regulations.

Spending includes both state money and transfers from the federal government to support energy-related activities in Wyoming. More than half the baseline spending in FY12 was from the general fund.

Tag: WY-17
Source(s): http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/020.pdf

Wyoming Department of Environmental Quality: Abandoned Mine Land Reclamation
Wyoming Statutes 35-11-1201 et seq.

The Abandoned Mine Land program (AML) addresses environmental and safety hazards associated with abandoned mines. The program also funds and manages design and construction services for site reclamation and hazards mitigation.

The program appears to be entirely funded by fees on coal, which are collected at the federal level and then disbursed back to mining states. To be eligible for the funds, the federal government requires that the recipient state have a federally approved coal regulatory program, and that AML funds are being disbursed in a timely manner for AML-approved uses.

Through 2011 the program has reclaimed directly or through contract more than 1,050 abandoned mine sites covering more than 36,000 acres. The program has also provided financial assistance to many mining-impacted Wyoming communities to mitigate health and safety problems. We were unsuccessful in obtaining an estimate of the unreclaimed land backlog within the state. A large backlog would indicate that relying on federal funding alone is inadequate, and that reclamation bonding levels may be too low.

Wyoming's AML program also manages a Mine Subsidence program that insures property owners against the effects of mine subsidence in occupied areas; this type of coverage is not available from private carriers. Property owners electing to take advantage of this program are compensated for damages to structures located over historic mine voids, if the damage can be attributed to subsidence caused by mining.

We did not ascertain whether the state was subsidizing this coverage or pricing it based on actuarial data. Even if premiums are set at actuarial break-even, subsidies may still remain since taxpayers are earning zero return on capital put at risk by the program.

Tag: WY-18
Source(s): http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/020.pdf

Wyoming Oil and Gas Compact Commission

The Wyoming Oil and Gas Compact Commission (WOGCC) oversees organized extraction of reserve deposits to avoid wasting resources; it also oversees proper oil and gas well closure, monitoring, plugging and abandonment. At present, the WOGCC has roughly 30,000 wells under its jurisdiction, primarily in idle status. Between 1997 and 2009, WY OGCC plugged nearly 300 orphan wells at a total cost of more than $5 million (Star-Tribune, 29 July 2009).

The Commission's revenue is derived from a conservation tax, levied on oil and gas sales. It also receives grant money from the U.S. Environmental Protection Agency for the regulation of Class II (oil and gas-related) underground injection wells.

Current spending seems to be adequately financed via user-fees. However, if the state has a significant backlog of sites to address, it is one indication that that conservation tax is too low. A similar conclusion would also be appropriate should there be extraction-related damage (such as environmental contamination) that is not being fully addressed by the program.

Tag: WY-19
Source(s): http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/055.pdf; Wyoming *Star-Tribune*, 29 July 2009

6.1.3 Support for capital formation

Property tax exemption for pollution control equipment

The property tax exemption on pollution control equipment is estimated to be worth $14.6 million per year in state revenue losses. Of this, $6.1 million is associated with power plants. The rest is primarily linked to oil, gas, and coal extraction sites in the state.

Tag: WY-20
Source(s): Equality Policy Center; State Board of Equalization

Property tax exemption on equipment used for underground coal mining

There is no property tax on equipment used for underground coal mining; the rate on surface mining equipment is 11.5%.

Tag: WY-21
Source(s): Board of Equalization, 2012; CEBR 2011: 27.

Tax exempt industrial revenue bonds

Cities and counties may issue federally tax-exempt Industrial Development Revenue Bonds to finance land acquisition, building construction, or equipment purchases for projects expected to promote economic growth and to create jobs for Wyoming residents (BLS Strategies, 2012). The bonds are issued in the name of the municipality (to obtain the tax subsidy), but are an obligation of the private borrower, not the government.

Tag: WY-22
Source: BLS Strategies, 2012

Sales tax exemption – transportation of drilling rigs, associated labor to set it up or take it down
Wyoming Statutes 39-15-105(vii)(A)

Interstate or intrastate transportation of drilling rigs are exempt from state sales taxes. This includes charges for the movement or conveyance of the drilling rig to or away from the well site and the loading, unloading, assembly or disassembly of the drilling rig.

Tag: WY-23
Source: WY Statutes

Sales tax exemption – water delivered by pipeline or truck
Wyoming Statutes 39-15-105(vi)(D)

Sales of water delivered by pipeline or truck are exempt from state sales tax under the category of "essential human goods or services." However, the definitions seem broad enough to include any water, including water delivered by pipeline to extraction sites.

Tag: WY-24
Source: WY Statutes

Sales tax exemption - oil and gas well services; engineering services
Wyoming Statutes 39-15-105(viii)(B)

Many of the technical and support services related to oil and gas well drilling are exempt from state sales tax under this clause. The statutory language specifies:

> *Sales of the services of professional engineers, geologists or members of similar professions including the sales price paid for all services to real or tangible personal property leading to building location, drilling and all related activities that must be completed prior to setting the production casing, including coring, logging and testing done prior to the setting of production casing for the drilling of any oil or gas well or for the deepening or extending of any well previously drilled for oil or gas beyond the maximum point to which they were initially drilled. The exemption in this subparagraph shall also apply to any and all seismographic and geophysical surveying, stratigraphic testing, coring, logging and testing calculated to reveal the existence of geologic conditions favorable to the accumulation of oil or gas…*

Tag: WY-25
Source: WY Statutes

Sales tax exemption - equipment used for coal gasification or liquefaction
Wyoming Statutes 39-15-105(viii)(R)

The sales of equipment used to construct new coal gasification or coal liquefaction facilities are exempt from state sales tax, as long as the equipment is used to make the project operational. The exemption does not apply to tools and equipment used in the construction of a new facility, contracted services required for construction and routine maintenance activities, nor to equipment utilized or acquired after the facility is operational.

Tag: WY-26
Source: WY Statutes

Sales tax exemption - Sales of CO2 and other gases used in tertiary production
Wyoming Statutes 39-15-105(viii)(F)

Sales of carbon dioxide and other gases used in tertiary production are exempt from sales taxes.

Tag: WY-27
Source: WY statutes 39-15-105

Sales and use tax exemption - machinery, equipment, and services related to rail car maintenance and refurbishment
Wyoming Statutes 39-15-105(viii)(Q)

Sales of tangible personal property or services performed for the repair, assembly, alteration, or improvement of railroad rolling stock are exempt from sales taxes until July 1, 2015. Wyoming moves much of its coal via rail.

Tag: WY-28
Source: WTO, 234

Wyoming Pipeline Authority

The state of Wyoming is directly involved in the distribution of fossil fuels. The Authority's mandate is to "plan, finance, construct, develop, acquire, maintain and operate a pipeline system or systems within or without the State of Wyoming to facilitate the production, transportation, distribution and delivery of natural gas and associated natural resources to the point of consumption or to the point of distribution for consumption".

The initiative began about ten years ago as an effort to reduce the discount Wyoming gas received on the market relative to other energy sources. At present, the initiative also aims to reduce oil price discounts using a similar approach and develops a network of carbon dioxide pipelines in the state to support enhanced oil recovery.

Tag: WY-29
Source(s): http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/009.pdf

Wyoming Infrastructure Authority

The state-owned Wyoming Infrastructure Authority (WIA) plays a similar role in power distribution as the Pipeline Authority plays for liquid fuels distribution. Established in 2004, the WIA is authorized to "plan, finance, construct, develop, acquire, own, maintain and operate transmission infrastructure within and outside the state of Wyoming."

In 2006, the WIA's role was expanded to include "the encouragement and development of advanced coal and energy technologies to facilitate clean energy production and transmission of energy."

Tag: WY-30
Source(s): http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/032.pdf

6.1.4 Support for knowledge creation

Immunity from fees and fines for self-reported environmental violations
Wyoming Statutes 35-11-1105

Violations of environmental laws often carry fines and penalties. These charges may help compensate for damages to natural resources from violations, for regulatory oversight costs, or for offsetting economic gains to polluters that do not invest in pollution controls.

Under Wyoming law, oil and gas companies are granted complete immunity from fines and penalties if they self-report violations to the Department of Environmental Quality and file remediation plans at the same time.

Tag: WY-31
Source: IOGCC 2007

Spending on certified natural gas research eligible for up to 50% credit against severance tax liability
Wyoming Statutes 39-14-205(k)

Half the cost of a qualifying investment in a natural gas research project can be claimed as a credit against natural gas severance taxes.

Tag: WY-32
Source: WY Statutes

Advanced Conversion Technologies Task Force (previously the Clean Coal Research Task Force)

The Wyoming Legislature approved $10 million in matching funds to finance pre-construction studies of two projects that would convert coal and natural gas into vehicle fuels. Funding would go through the state's Advanced Conversion Technologies Task Force (formerly the Clean Coal Research Task Force).

Tag: WY-33
Sources: Fugleberg 2011

Wyoming Department of Revenue

Since mineral revenues constitute a large portion of Wyoming's tax base, it is not surprising that a large portion of the tasks and spending of the Department of Revenue relate to fossil fuels.

Core functions of the DOR related to fossil fuels include: collecting mineral severance and excise (sales, use, estate and cigarette) taxes; distributing the taxes collected; determining fair market value of minerals and public utility property in the state for property tax purposes and for certifying that value to the various counties and tax districts in the state; and maintaining computer assisted mass appraisal (CAMA) systems to aid county assessors with their duty to fairly value real and personal property for tax purposes.

Mineral revenues feed the state's general fund, the Budget Reserve Account, as well as the Wyoming Permanent Mineral Trust fund. In addition, DOR oversees distributions of ad valorem (property) taxes to counties, much of which is derived from fossil fuel assets. We therefore estimate 75% of the DOR budget is related to fossil fuels.

Tag: WY-34
Source(s): http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/011.pdf

WY Enhanced Oil Recovery Commission

Founded in 2003, the Enhanced Oil Recovery (EOR) Commission assists with technology transfer to encourage widespread adoption of enhanced oil recovery technology. Areas of focus include CO2 separation, reservoir sweep performance, and reservoir displacement efficiency.

Tag: WY-35
Source(s): http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/070.pdf

6.1.5 Support for Labor

Miner's Hospital Board

The Miner's Hospital Board provides health and wellness programs to the State's active, retired, and contract miners. The programs focus on health maintenance and improvement for conditions disproportionately prevalent in the mining sector, such as pulmonary and respiratory problems, hearing loss, cardiac and musculoskeletal conditions.

Tag: WY-36
Source(s): http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/014.pdf

6.2 Consumer Support Estimate

6.2.1 Consumption of fuels by manufacturers or power plants

Sales tax exemption - transport services by pipelines
Wyoming Statutes 39-15-105(a)(vii)(A)(II)

Transportation services to move freight and property within the State is exempt from sales tax. This includes shipments of oil and gas by pipeline.

Tag: WY-37
Source: WY Statutes

Sales and property tax exemption: power or fuels consumed directly in manufacturing, processing, agriculture, or transport
Wyoming Statutes 39-15-105(a)(iii)(D)

Sales of power or fuel are exempt from sales tax if they are consumed directly in manufacturing, processing or agriculture by the purchasing entity.

Tag: WY-38
Source: WY Statutes

Sales and property tax exemption: fuel used as boiler fuel in the production of electricity
Wyoming Statutes 39-15-105(a)(iii)G)

Sales of fuel for use as boiler fuel in the production of electricity are exempt from sales tax.

Tag: WY-39
Source: WY Statutes

6.2.2 Consumption of fuels by end-users

Reduced tax on aviation gasoline and diesel
Wyoming Statutes 39-17-104(a)(ii) and 39-17-204(a)(iii)

Gasoline and diesel fuels sold for use in aircraft pay a fuel tax of 4 cents per gallon rather than the 14 cents paid for consumption on roads.

Tag: WY-40
Source: WY Statutes 39-17-104, 39-17-204

Sales tax exemption - energy sold to government, non-profit, irrigation and weed control districts
Wyoming Statutes 39-15-105(iv)(A) – (H)

Fuel and energy sales to a variety of tax-exempt entities are exempt from paying sales tax on those purchases. These exemptions do not appear to extend to payment of fuel taxes.

Tag: WY-41
Source: WY statutes 39-15-105(iv)(C)

Industrial Development Revenue Bonds (IDRB)

Many states, including Wyoming, use industrial development revenue bonds to offer tax-exempt financing to privately-owned industrial projects. Proceeds can be used for land acquisition (BLS Strategies, Wyoming, 2012) as well. We were not able to find a centralized listing of projects financed in this manner. However, bond capacity is often used by industries that have a large presence in a state. We therefore expect that industries involved in fossil fuel extraction, processing, and transport activities would be significant users of IDRBs in Wyoming.

Western Resource Advocates (WRA), a non-government organization headquartered in Boulder, Colorado, provides one useful example. The Two Elk 1 coal-fired power plant in East of Wright, WY has obtained $445 million in tax-exempt IDRBs since 1997. Though WRA notes there is usually a $10 million limit on the use of IDRBs for power plants, this particular one accessed far more under a solid waste disposal facility categorization, since it planned to use waste coal as a feedstock (WRA, 2008).

Tag: WY-42
Source: BLS Strategies, Wyoming, 2012; WRA, 2008

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Table 6-1: Fossil Fuel Subsidies Identified for Wyoming

Support Element	Tag	Subsidy Amount ($millions)*									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Producer Support Estimate											
Support to unit returns											
Severance tax on coal capped for selected long-term coal contracts (60 c/ton for surface mined coal; 30 c/ton for underground coal)	WY-1										ND Redbook, 2010:19; WY Statutes 39-14-105(a). Applies to a "few coal contracts" as most producers pay less than this.
Severance tax reduced from 6 to 4% for stripper wells	WY-2	0.0	0.0	0.0	0.0					0.2	ND 2010: 79; IOGCC 2007. Up to 15 BOPD if oil price less than $20/bbl; if > $20/bbl, production limit drops to 10 BOPD. IOGCC 2007 noted that in 2004, 8.487m barrels qualified for this reduction of 2%.
Five year reduction (to 4%) for severance tax on tertiary recovery	WY-3										ND 2010: 79. Reduction canceled in months where price >$27.50/barrel.
Severance tax reduced to 2% on first 60 barrels (or gas equivalent) of new wells for 24 months	WY-4	0.0	0.0	0.0	0.0						ND 2010: 79. Canceled if average price of oil > $22/bbl for preceding six months.
Severance tax reduced to 2% for all incremental oil from workovers and recompletions prior to 3.31.2001	WY-5	0.0	0.0	0.0	0.0						ND 2010: 79
Severance tax reduction (1.5% for 5 years) to restart prior wells (previously shut-in wells)	WY-6										ND 2010: 79. No production since Jan. 1993; incentive canceled if oil price > $25/bbl for six straight months.
Reduced severance tax on underground coal (3.75% versus 7% for surface-mined)	WY-7										CEBR 2011: 26
Reduced severance tax on oil shale and other uncoventional fuels	WY-8										WY statutes 39-14-705
No severance tax on coal consumed onsite for treating or processing coal for sale from the same mine	WY-9										WY statutes 39-14-105 (a)
Credit CO2 severance tax against oil and gas severance for tertiary production	WY-10										WY statutes 39-14-205(d)
Severance tax exemption on flared or vented natural gas	WY-11										WY statutes 39-14-205(j)
Support for land											
No reclamation fees or taxes	WY-12										CEBR 2011: 26
Eminent domain rights for process water discharge at existing mine sites	WY-13										WY statutes 30-1-117
Eminent domain rights for coal rail or road links from mine site	WY-14										WY statutes 30-1-128
Office of State Lands: Road grants to cover damage from oil and gas development	WY-15	6.0									Barron, 2011
Public funding of transport infrastructure for fossil fuel projects	Wy-16										WY Business Council, June 2010

Table 6-1: Fossil Fuel Subsidies Identified for Wyoming

Support Element	Tag	Subsidy Amount ($millions)*									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
Wyoming Department of Environmental Quality: Land Quality Division	WY-17	11.7									WY DEQ 2013
Wyoming Department of Environmental Quality: Abandoned Mine Land Reclamation	WY-18	0.0									Funded through fees on coal
Wyoming Oil and Gas Compact Commission	WY-19	0.0									WOGCC 2013. Funded through tax on O&G.
Support for capital formation											
Property tax exemption for pollution control equipment	WY-20		14.0								WY Equality, circa 2011
Property tax exemption on equipment used for underground coal mining (rate on surface mining equipment is 11.5%)	WY-21										CEBR 2011: 27.
Tax exempt industrial revenue bonds	WY-22										
Sales tax exemption: transportation of drilling rigs, associated labor to set it up or take it down	WY-23										WY statutes 39-15-105
Sales tax exemption – water delivered by pipeline or truck	WY-24										Wyoming Statutes 39-15-105(vi)(D)
Sales tax exemption - oil and gas well services; engineering services	WY-25										WY statutes 39-15-105
Sales tax exemption - equipment used for coal gasification or liquification	WY-26										Wyoming Statutes 39-15-105(viii)(R)
Sales tax exemption - sales of CO2 and other gases used in tertiary production	WY-27										WY statutes 39-15-105
Sales and use tax exemption - machinery, equipment, and services related to rail car maintenance and reburishment	WY-28										WTO, 234
WY Pipeline Authority	WY-29	1.2									WPA 2013
WY Infrastructure Authority	WY-30	1.7									WIA 2013
Support for knowledge creation											
Immunity from fees and fines for self-reported environmental violations	WY-31										IOGCC 2007
Spending on certified natural gas research eligible for up to 50% credit against severance tax liablity	WY-32										WY statutes, 39-14-205(k)
Advanced Conversion Technologies Task Force (prev. Clean Coal Task Force)	WY-33	10.0		14.0	10.6						Fugleberg, 2011; University of Wyoming, 2011
Fossil fuel revenue collection, management (WY Department of Revenue)	WY-34	170.3									WY DOR 2013
WY Enhanced Oil Recovery Commission	WY-35	5.8									WY EORC 2013
Support for Labor											

Table 6-1: Fossil Fuel Subsidies Identified for Wyoming

Support Element	Tag	Subsidy Amount ($millions)*									Reference Information/Notes
		2012	2011	2010	2009	2008	2007	2006	2005	2004	
WY Miners Hospital Board	WY-36	5.9									WY MHB 2013
Consumer Support Estimate											
Consumption of fuels by manufacturers or power plants											
Sales tax exemption - transport services by pipelines	WY-37										WY statutes, 39-15-105
Sales and property tax exemption: power or fuels consumed directly in manufacturing, processing, agriculture, or transport	WY-38										WY statutes, 39-15-105 (D) and (E)
Sales and property tax exemption: fuel used as boiler fuel in the production of electricity	WY-39										WY statutes 39-15-105 (G)
Consumption of fuels by end-users											
Reduced tax on aviation gasoline and diesel	WY-40										WY Statutes 39-17-104, 39-17-204
Sales tax exemption - energy sold to government, non-profit, irrigation and weed control districts	WY-41										WY statutes 39-15-105(iv)(C)
Industrial Development Revenue Bonds (IDRB)	WY-42										BLS Strategies, Wyoming, 2012; WRA, 2008
Unclassified											
WY Department of Revenue, Minerals Tax Division	WY-43	1.4	1.4								WY DOR, 2010: 37; WY DOR 2011: 35
Base Rates											
Coal severance tax			7% of mine mouth value, max of 60 c/ton								ND Redbook, 2010: 19
Oil severance tax			6.0%								ND 2010: 79
Oil ad valorem tax, levied by counties on severance tax base		6.2%	6.7%								ND 2010: 79; WY DOR 2011: 50 -- state average
Royalty rate, oil & gas, state leases			16.7%								Petroleum Assn of WY, 2011
Royalty rate, oil & gas, federal leases (state gets half)			12.5%								Petroleum Assn of WY, 2011

*This review has flagged subsidy provisions, but because Wyoming has no tax expenditure budget, we were not able to quantify most of them.

Sources:

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(4) IOGCC 2007. "Investments in Energy Security: State Incentives to Maximize Oil and Gas Recovery," Interstate Oil and Gas Compact Commission, 2007. http://iogcc.publishpat h.com/Websites/iogcc /pdfs/2007-Incentives- publication.pdf
(5) ND 2010. Cory Fong, *State and Local Taxes: An Overview and Comparative Guide* , North Dakota Tax Commissioner
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(7) University of Wyoming, 2011. School of Energy Resources, "Clean Coal Technology Fund," accessed at http://www.uwyo.edu/ser/clean-coal/index.html on 2 March 2012.
(8) WIA 2013. "2013-2014 Biennium Budget Request," Wyoming Infrastructure Authority, 2012. http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/032.pdf
(9) WOGCC 2013. "2013-2014 Biennium Budget Request," Wyoming Oil and Gas Commission, 2012. http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/055.pdf.
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(13) WY DOR 2011. "Annual Report, 2011" Wyoming Department of Revenue, 2011. http://revenue.state.wy.us/PortalVBVS/uploads/DOR%20Annual%20Report%202011.pdf
(14) WY DOR 2013. "2013-2014 Biennium Budget Request," Wyoming Department of Revenue, 2012. http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/011.pdf
(15) WY EORC 2013. "2013-2014 Biennium Budget Request," Wyoming Enhanced Oil Recovery Commmission, 2012. http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/070.pdf
(16) WY Equality Policy. "End Pollution Control Subsidies," WY Equality Policy Center, circa 2011.
(17) WY MHB 2013. "2013-2014 Biennium Budget Request," Wyoming Miners Hospital Board, 2012. http://ai.state.wy.us/budget/pdf/13-14IndividualStateBudgetRequests/014.pdf

Table 6-2: Fossil Fuel Property as a Share of Total State Assets for Wyoming

I. Commercial and residential property, taxable base

Type of Property	Assessed Value ($)
Real Property	7,273,537,978
Personal Property Personal Property	271,080,622
TOTAL	7,544,618,600
% of state total property tax base	31%

II. Industrial and manufacturing property, taxable base

Number of Companies or Producers	Type of Company or Production	Assessed Value ($)	% shares
541541	Oil	3,272,849,256	13.4%
288	Natural Gas	7,601,436,243	31.2%
16	Coal	4,108,362,906	16.9%
7	Bentonite	64,159,769	
4	Trona	375,999,587	
33	Uranium	32,664,879	
227	Sand & Gravel	22,863,274	
31	All Other Minerals	15,092,339	
21	Natural Gas Pipelines	217,041,104	0.9%
23	Cell./Reseller Telephones	15,159,406	
1515	Airlines	6,453,044	
13	Rural Telephones	12,950,600	
13	Major Telephones	20,596,830	
32	Private Electrics/Gas	446,780,008	1.8%
12	Municipal Electrics	13,059,852	0.1%
2323	Rural Electrics	156,741,043	0.6%
18	Liquid Pipelines	95,243,233	0.4%
3	Railroads	295,620,359	
11	Cable and Satellite	22,007,900	
	TOTAL	16,795,081,632	
	% of state total property tax base	69%	

III. All property in Wyoming for 2011, taxable base

Summary		
Assessed Value ($)	All taxable property in Wyoming for 2011: commerical, residential, industrial, and manufacturing properties	24,339,700,232
% Share	Fossil fuel share of total property tax base	65.4%

Source

http://revenue.state.wy.us/PortalVBVS/uploads/DOR%20Annual%20Report%202011.pdf
page 54, accessed 2/1/12

Table 6-3: Revenues Linked to Fossil Fuels for Wyoming

Category	Amount in FY11 ($)	Amount in FY10 ($)	Reference Information/Notes
Mineral Severance Taxes	945,298,115	927,961,378	CREG Table 4; Only partly goes to General Fund (GF); most goes to Minerals Trust Fund and State Budget Reserve Account (BRA).
Federal Mineral Royalties	942,366,605	878,721,959	CREG Table 7
State mineral leases to Gen Fund	29,554,028	29,554,028	CREG Table 1
Income from Mineral Trust Fund	215,755,659	139,450,800	CREG Table 1
Fossil-fuel-related	**2,132,974,407**	**1,975,688,165**	Includes some trona and hard rock minerals

Category	Amount in FY11 ($)	Amount in FY10 ($)	Reference Information/Notes
Gen Fund/Budget Reserve Acct	1,804,050,000	1,047,496,708	CREG p. 2 (2011); WY Budget data book, 39
Federal mineral royalties	694,911,070	652,481,306	Mostly go to non-GF pots as well; 1/3 of excess over $200m goes into BRA
Severance Tax other than to GF/BRA	446,036,377	439,983,506	
Gross revenues	**2,944,997,447**	**2,139,961,520**	
% related to fossil fuels	**72%**	**92%**	Rough calculation; DOR also oversees distributions to counties from ad valorem taxes

Sources

(1) CREG 2012. Consensus Revenue Estimating Group (CREG), *Wyoming State Government Revenue Forecast: Fiscal Year 2012 - Fiscal Year 2016* , January.

(2) Temte, Dean 2010. "Wyoming Severance Taxes and Federal Mineral Royalties," Wyoming Legislative Service Office, July.

(3) Wyoming Legislative Service Office, *2011 Budget Fiscal Data Book* , January 2011.

Although fossil fuel subsidies at the federal level are receiving increasing attention in national policy debates and within the G-20, sub-national subsidies are still mostly ignored. This is a costly oversight. State-level support to fossil fuel extraction, processing, transport, and consumption measure in the billions of dollars per year. The subsidies distort economic activity across states and result in large fiscal losses to governments struggling to balance their budgets. They also skew market choices on energy consumption, conservation, and investment.

This report analyzes in detail fossil fuel subsidies in five U.S. states: Colorado, Kentucky, Louisiana, Oklahoma, and Wyoming. It identifies cross-state patterns in the subsidies and highlights options for reform.

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