Rep. Gene Green (D-Texas)

"The U.S. oil and natural gas industry does not receive tax subsidies. In fact, there is not a single targeted tax credit in the Internal Revenue Code available to the oil and natural gas industry. Instead, the industry is allowed to take deductions to recover the costs of doing business, which has been afforded to all businesses since the beginning of our country's income tax system." (3/8/2012)

"The natural gas and oil industry is a staple of the American economy and essential in securing our energy independence. Repealing these tax provisions would put an entire industry at risk; stepping backward at best and fatally wounding it at worst." (2/23/2010)

Former Rep. Dan Boren (D-Okla.)

"Specifically, the Administration is seeking to repeal the "percentage depletion" and "intangible drilling costs (IDCs)" tax incentives. The removal of these provisions would negatively affect domestic independents who utilize them to attract the capital necessary to drill new oil and gas wells inside the United States. It is estimated that eliminating percentage depletion and IDCs for domestic independents would reduce U.S. drilling by 30-40 percent, thereby increasing the nation's dependence energy from foreign sources. Furthermore, the major oil companies are barred by law from receiving percentage depletion altogether, as it only is given to domestic independent producers. The IDC preference is only available for domestic drilling activity, and as the major oil companies drill primarily outside the U.S., the domestic independent sector of the industry will yet again bear the brunt of losing this critical provision." (4/27/2011)

House Speaker John Boehner

"The Congressional Research Service – the non-partisan arm of the Library of Congress – has looked into the president's proposal. And they have determined that doing what the President wants – raising taxes on oil companies – would actually increase oil and gas prices in the United States. That's not what the American people want. I've met with enough independent oil and gas prices here and around the country to understand oil depletion allowances, intangible drilling costs, things that are necessary if we are going to encourage people to produce more of our energy." (4/13/12)

Cedric Richmond (D-Louisiana)

"These are not 'give-me's. These are standard manufacturing deductions that any manufacturing company would be able to get. These are costs. This is the cost of doing business. If he takes away these deductions from the oil and natural gas industry it could cause a 25 percent loss in capital reinvestment which then just basically turns around into loss of jobs and loss of domestic energy production because smaller companies will not be able to operate under these stipulations. …Some of the proposed tax reforms will and can put a lot of the smaller independents just completely out of business." (3/8/2012)

U.S. Sen. Jim Inhofe (R-Okla.)

"Our country needs pro-growth comprehensive tax reform to help get our economy back on track. As we consider tax reform, however, it is important we carefully consider how proposed changes impact industry and job creators. Our tax code impacts competitiveness and that is particularly true for oil and gas. Many of these tax provisions, including expensing of Intangible Drilling Costs, are fully in line with sound accounting principles and should not be targeted simply because of their ties to the oil and gas industry. Every business in America is allowed to deduct the costs they incur to do business, and the oil and gas industry should be allowed to do the same." (6/12/2012)

Sen. Mary Landrieu (D-Louisiana)

"The elimination of these two accounting procedures {percentage depletion and intangible drilling costs} would overwhelmingly impact smaller independent oil and gas explorers, not Big Oil. This will reduce the percentage of oil and gas that is produced domestically without having any impact on how much energy America consumes. The result would be putting thousands more Americans out of work at a time when we should be creating, not eliminating, jobs. That is poor policy." (2/1/2010)

"We have bipartisan opposition to increasing taxes on this industry. While we move to alternatives and renewable fuels, we need to continue to develop our domestic supplies of natural gas and oil. These traditional fuels are the bridge to a greener energy grid and a greater degree of energy independence for the nation." (3/3/2010)

Congressman Mike Conaway (R-Texas)

"The elimination of these provisions would cripple this state's energy jobs, reduce small businesses' access to capital, and harm royalty owners…IDCs are actually similar to research and development costs, for which most manufacturing businesses are able to take a tax credit, rather than a deduction; and Whereas, The percentage depletion allowance, also known as the small producers exemption, was created in the 1920s to encourage oil and natural gas exploration, which is an inherently high-risk venture; the exemption is available only to the smallest producers and allows them to deduct 15 percent of their gross income from oil and gas properties. (7/31/2009)

Kevin Book, Analyst, ClearView Energy Partners

"Anything you do to deprive (the industry of) additional capital . . . is likely to reduce production." (9/11/2009)

Deborah Byers, Ernst & Young

"Eliminating those deductions would have dramatic consequences on domestic energy production. Despite lawmakers' and the public's perception of 'Big Oil,' approximately 90% of all wells in the U.S. are drilled by independent energy producers, most of whom are small or mid-sized companies. To independent producers, IDCs are the equivalent of research and development costs that technology and pharmaceutical companies incur – up-front expenses with no guarantee that the investment will deliver results. Even if a well is successful, it typically takes many months before revenue is captured. Thus, the IDC provision simply accelerates the actual cash flow of the project but does not eliminate the tax liability."

"The technology advancements that are driving the shale boom, coupled with the existing tax code, have put the U.S. in a position not seen in years – one where domestic production is high and new reserves are creating economic opportunities across the country. If we want to increase security of supply, keep retail energy prices low and create high-paying jobs, our energy policy should encourage future drilling by allowing proven tax provisions to remain in place." (6/4/2012)

Robert Bryce, Fellow, Manhattan Institute

"Various studies—including one done in 2009 by Tudor, Pickering, Holt & Co., a Houston-based, energy-focused investment bank—predict that eliminating the deduction for intangible drilling costs could increase natural gas prices by 50 cents per thousand cubic feet. Their reasoning is simple: As the industry sees its costs increased and cash flow reduced, it will drill fewer wells and recover less gas. Given that the U.S. burns about 23 trillion cubic feet of gas per year, simple arithmetic shows that eliminating the deduction could mean an increased cost to consumers of $11.5 billion per year in the form of higher natural gas prices. Changing the tax rules could also slow the surprising resurgence of the U.S. oil industry." (2/26/2011)

Mike Terry, President, OIPA

"America is blessed with an abundance of energy resources, but opponents of crude oil and natural gas development have repeatedly targeted independent producers' ability to deduct normal business expenses and depreciate well assets. Such tax provisions are not subsidies. They have been long established in the tax code to ensure that this capital-intensive industry is treated like other U.S. businesses at tax time.

"Without the ability to deduct normal business costs and depreciate well assets, drilling and production will decrease and consumers' energy costs will increase. To further our push toward energy independence, we must continue to ensure that America's tax policies encourage domestic oil and natural gas production. Every $1 million of upstream capital expenditure by independent producers yields more than $5 million in overall contribution to U.S. GDP." (6/12/2012)

Brian Johnson, Senior Tax Policy Advisor, API

"The ability to deduct those drilling costs really allows us to plan for the next stage of development and construction. The President is proposing to repeal our ability to deduct these costs. That simply means jobs and innovation. Many of these independent companies that are able to deduct 100 percent of these costs in year one are responsible for the technology that is used today. For example, slant drilling, where we are able to take one drill site, go into the ground and segment out several wells that allow us to minimize our environmental footprint. This is possible because companies are permitted to expense these costs in year one and put it towards technology. This is basically the research and development for our industry." (3/11/13)