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## Group files ballot proposals to get rid of oil, gas tax credit

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A Denver-based education group wants voters this November to eliminate an oil-and-gas tax credit and instead use the money for other needs, including public school buildings.

In addition, communities impacted by the industry would get more money to offset the costs of drilling in their areas, such as the strain put on roads and health care.

Late Thursday, the Donnell- Kay Foundation filed four ballot proposals with the state but expects only one to make it to the ballot.

"Hopefully, people will rally behind one of the proposals," foundation director Tony Lewis said.

All four proposals eliminate the credit but call for splitting the money in different ways, including for higher education and capital construction. In addition, one proposal calls for increasing the tax on oil and gas to 8 percent from 5.7 percent.

That still would make it lower than Wyoming's or New Mexico's tax, Lewis said.

Sen. Josh Penry, R-Fruita, said, "It's a fair question to ask whether the tax rate is at an appropriate level."

But he said the issue needs to be addressed by the legislature and not by "these special-interest groups that view the Western Slope energy boom as their honey pots to spend on this program or that program."

Rep. Bernie Buescher, D- Grand Junction, said he doesn't support the ballot proposals because they are constitutional amendments. Buescher said one reason why Colorado has a budget problem is because too many fiscal policies are in the constitution.

The tax credit that would be repealed was created in the 1980s to encourage energy production.

"What we're saying is we don't need this credit any more," Lewis said. "We're drilling a whole lot more."

Under the tax credit, oil and gas producers are allowed to deduct from their state severance tax bills nearly all of the amount they pay to counties in property taxes.

Filing the initiatives with the Legislative Council is the first in a number of steps to get a proposal on the ballot.

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