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Contact: Joe Marlow, Senior Economist, The Sonoran Institute: 520-290-0828

Rich McClintock, Colorado Policy Director, The Sonoran Institute: 303-605-3484

Mark Cooper, Research Director, Consumer Federation of America: 301-384-2204

## **Ending Oil and Gas Tax Break Would Not Raise Prices for Colorado Consumers Contrary to Industry Ad Say Institute Economist and National Consumer Group**

DENVER — Ending Colorado’s 30-year tax break for the oil and gas companies would not increase prices for the state’s consumers at the gas pump and would be highly unlikely to affect home heating bills, according to an economic white paper the Sonoran Institute released Thursday and statements by the Research Director of the Consumer Federation of America. The findings run counter to radio advertisements being run by the oil and gas industry to defeat a proposed initiative for the November ballot that would end the tax. Revenues from passage of the proposed initiative would fund college scholarships, wildlife habitat protection, clean energy and community impacts associated with expanded drilling.

The Institute’s analysis found that eliminating the severance tax break will not cause gasoline prices to rise. Within the structure of the global oil market, crude oil prices are the largest determinant of gasoline prices, and Colorado’s contribution to the global oil supply is too small to affect prices. Similarly, the analysis indicated little chance that ending the severance tax break would lead to an increase in consumer prices for natural gas. A copy of the white paper is available at [www.sonoran.org](http://www.sonoran.org).

“The factors that drive gas and home heating prices are not local,” said Joe Marlow, report author and senior economist at the Sonoran Institute. “Contrary to industry claims, if Colorado voters decide to end the tax break for the oil and gas industry, it would not raise prices locally – or anywhere else.”

Mark Cooper, research director of the Consumer Federation of America, also concluded that ending the tax break would not affect Colorado consumers. “Claims that removing the tax breaks for oil companies in Colorado will raise the price of energy are misinformed and misleading. Since oil and gas companies continue to enjoy record profits, there is no economic reason why they can or should target price increases to Colorado consumers.”

The Consumer Federation of America is the nation’s largest consumer alliance, representing more than 300 local, state and national consumer organizations. The size and diversity of its membership -- nonprofit organizations from throughout the nation with a combined membership exceeding 50 million people -- enables CFA to speak for virtually all consumers. For more information, go to [www.consumerfederation.org](http://www.consumerfederation.org).

The Sonoran Institute is recognized for economic reports documenting that prosperity and conservation go hand-in-hand and for collaborative conservation efforts that engage diverse interests, including ranchers and farmers, business and civic leaders, environmental advocates, elected officials and others. The Sonoran Institute is headquartered in Tucson and the Institute’s Denver office is in the Alliance Center in Lower Downtown at 1536 Wynkoop Street, Suite 307.