

SAMPLE LETTER TO REQUEST REMOVAL OF REPEAL OF PERCENTAGE DEPLETION

The Honorable _____
U.S. Senate
Washington DC 20510

The Honorable _____
U.S. House of Representatives
Washington, DC 20515

RE: PROPOSED REMOVAL OF PERCENTAGE DEPLETION ALLOWANCE ON OIL AND GAS PRODUCTION

Dear _____:

I am one of millions of American royalty owners who privately own mineral and royalty interests. My interests in oil, gas and helium is derived from the Hugoton Gas Field located in Southwest Kansas. I am not “big oil”! I am one of the millions of American royalty owners who will suffer economic hardships from the loss of the percentage depletion for oil and gas income. Unlike the “big oil” companies that have alternative tax incentives, such as the enhanced oil recovery credit, the repeal of the percentage depletion allowance for oil and gas income will result in a direct tax increase on me, even though my income falls well below \$250,000. My royalty income, while not large, is an important monthly income to me and helps me pay for my basic living needs. The depletion allowance is very important to me and I urge your support in resisting the temptation to repeal the percentage depletion allowance from the budget.

[ADD YOUR PERSONAL STORY]

The percentage depletion deduction has been in effect since its inception in 1926. President Obama’s budget proposal will remove not only the percentage depletion it will also delete most all tax treatment for domestic oil and gas industry. This legislation will result in: less domestic oil and gas production; kill thousands of U.S. jobs; lower local, state and federal production tax revenues and raise energy costs for businesses, industries and individual consumers. Please remove repeal of percentage depletion and the other oil and gas industry tax incentives that are in President Obama’s budget!

Sincerely,

