

BALLOT MEASURE NO. 2
Natural Gas Resources Tax and Production
Credit
05GAS2

This initiative would levy a new state tax on certain oil and gas leases overlying large deposits of natural gas. The tax rate would be three cents a year per thousand cubic feet of taxable gas in the ground. Leaseholders who dispute the levy of the tax or the amount owed will have to deposit the disputed amount into an escrow account until the dispute is resolved. A leaseholder subject to the new tax could avoid paying the tax by giving up rights under oil and gas leases by December 31, 2006.

When a major gas pipeline system is built and gas is transported, the resource tax will be repealed. After the repeal, the initiative provides for tax credits for some of these taxes previously paid, which could be used to reduce future production taxes owed by leaseholders on their gas.

Should this initiative become law?

YES

NO