

# CS HB 2001 Testimony

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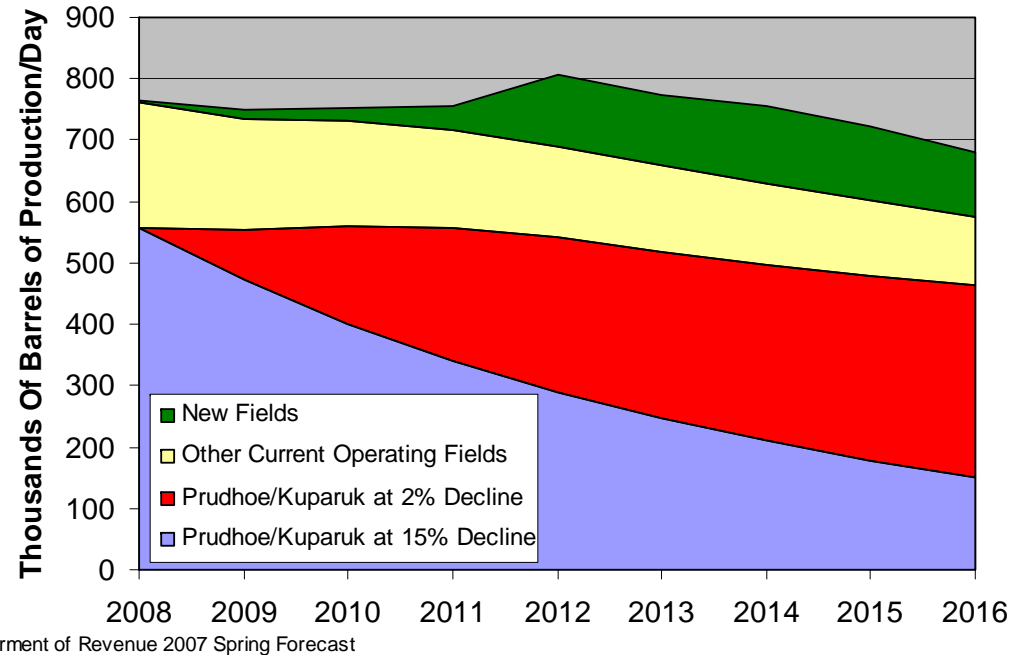
Vice President, Commercial Assets

# Summary of CS Bill

- Less attractive climate for investors:
  - Increased base rate
  - Increased progressivity
  - Multiple changes to deductions and other provisions
- Will have an impact on decisions
- Will result in less investment

# Tax System and Investments

- Base rate increase
- Progressivity increase
- Gross elements
- Reduced TIE credits



*A tax system formulated on the most economic projects will deter investment on more marginal projects, including Heavy Oil*

# Other Provisions

- Out of state exclusion
- Topping plant exclusion
- DR&R exclusion
- “Reasonable” transportation costs
- Exploration confidentiality
- 6 year statute of limitations
- Retroactive implementation

# Impact on Investment Climate

- Enhanced EICs – Positive
- Base rate increase to 25% – Negative
- Increased progressivity – Negative
- Progressivity on gross – Negative
- Reduce TIE credits – Negative
- Exclude out of state costs – Negative
- Exclude topping plant – Negative
- “Reasonable” transportation costs – Negative
- Exclude DR&R – Negative
- Exploration data confidentiality – Negative
- Retroactive implementation – Negative