

HB 111 Hard Floor:

Price Crossover Points Where Loss Recovery Begins

A Supplement to April 27 Presentation

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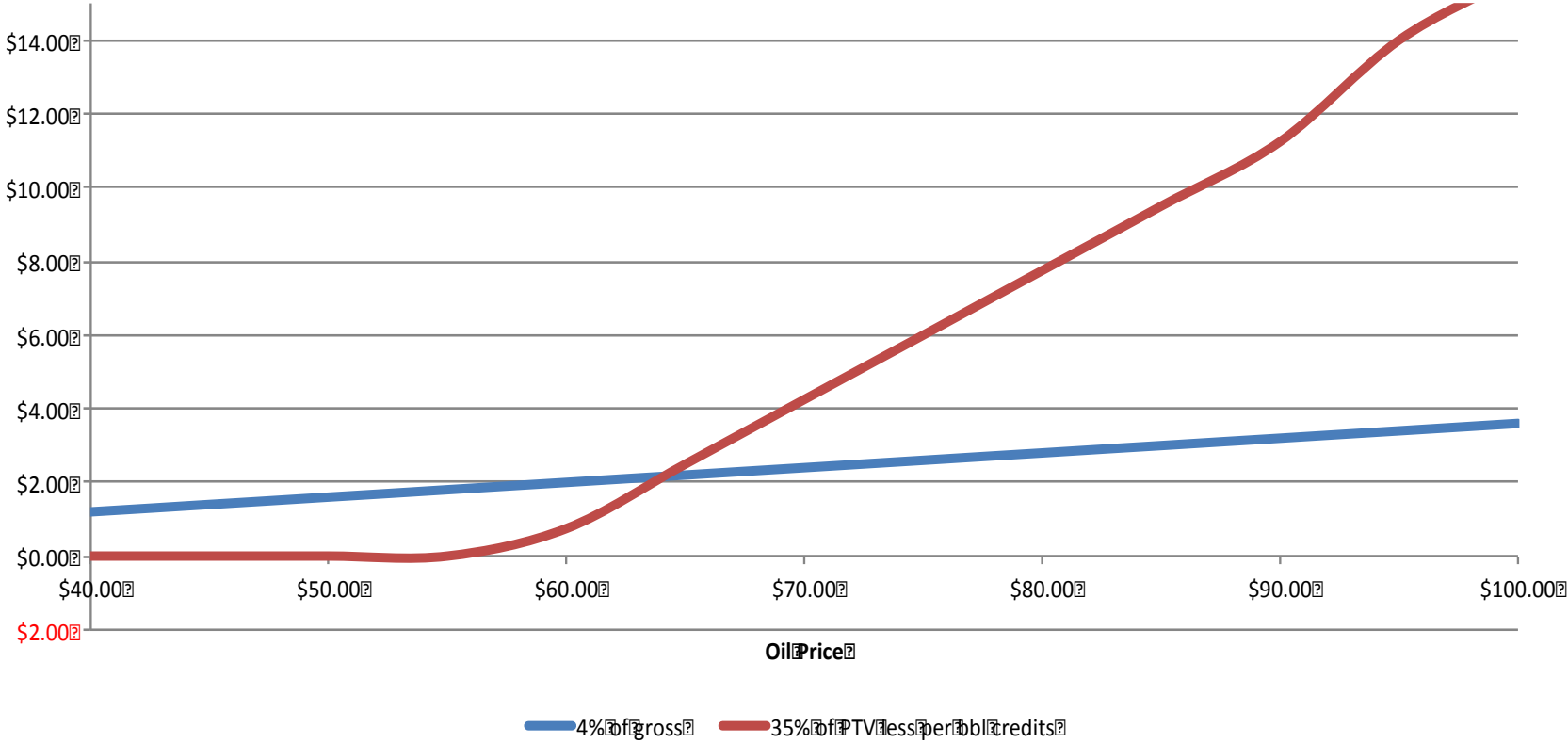
April 28, 2017

Cost Recovery With Hard Floor

- If losses cannot bring the tax below the gross minimum floor, recovery of prior losses generally will not begin until prices are high enough such that the net tax calculation exceeds the gross minimum tax calculation
- The following graphs show the crossover points for:
 - Non-GVR oil assuming \$25/bbl upstream costs
 - GVR oil assuming \$35/bbl upstream costs
 - GVR oil assuming \$45/bbl upstream costs

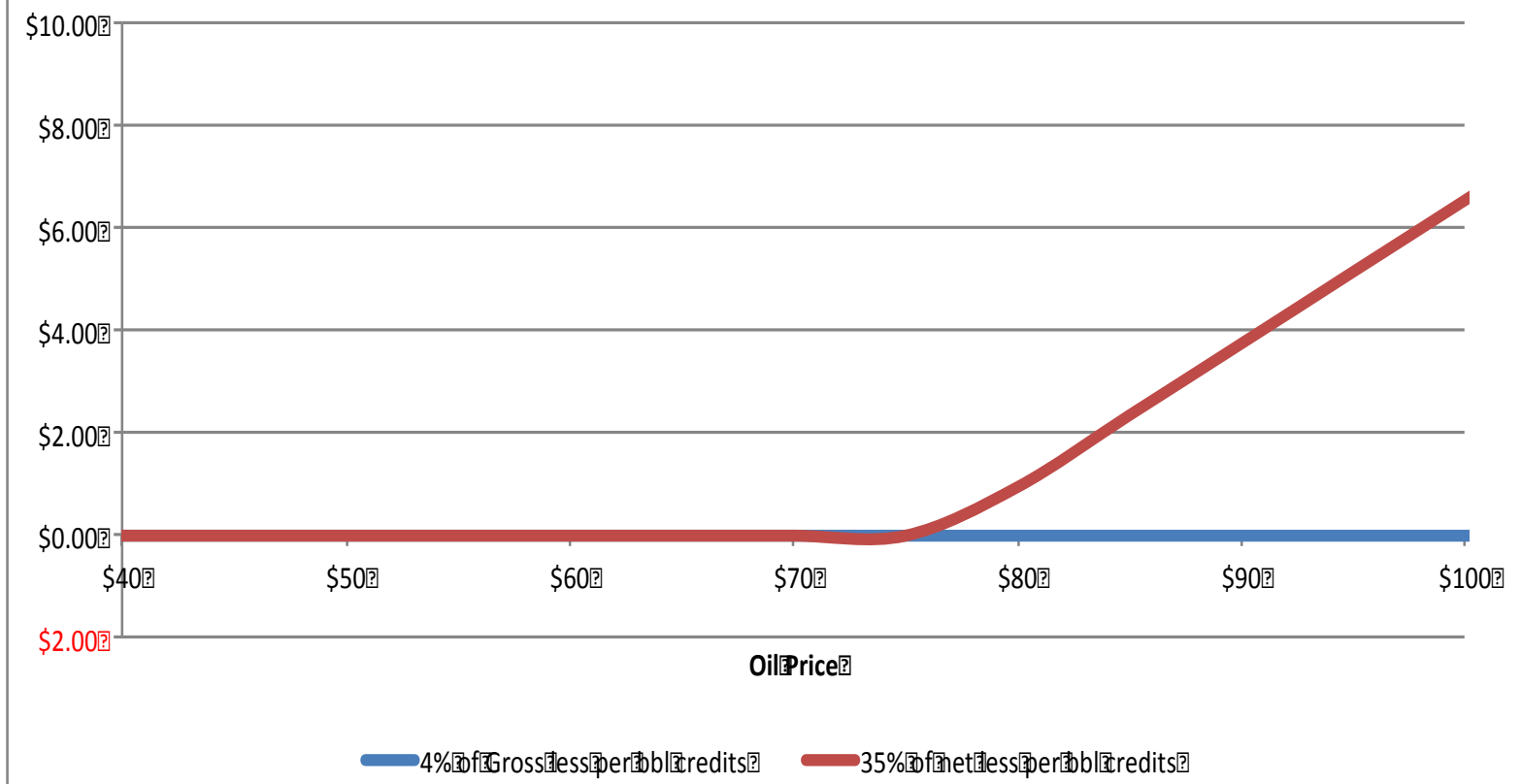
Cost Recovery With Hard Floor

Crossover Net vs. Gross: Non-GVR Oil @ \$25 Upstream Cost



Cost Recovery With Hard Floor

Crossover Net vs. Gross: GVR Oil @ \$35 Upstream Costs



Cost Recovery With Hard Floor Crossover Net vs. Gross: GVR Oil @ \$45 Upstream Costs

