

1 FAYETTEVILLE SHALE CAUCUS RESOLUTION

2  
3 OPPOSING PASSAGE OF THE NATURAL GAS SEVERANCE TAX ACT OF  
4 2012  
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7 WHEREAS, Arkansas’s natural gas industry has created thousands of jobs that  
8 pay higher than the state average; and  
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10 WHEREAS, the development of Arkansas’s natural gas industry has positively  
11 impacted the state’s economy; and  
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13 WHEREAS, in 2008, Governor Mike Beebe credited “the stimulus being  
14 provided by the Fayetteville Shale exploration and production” as a reason why  
15 Arkansas had fared better than other states during the country’s economic downturn;  
16 and  
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18 WHEREAS, Arkansas’s current natural gas severance tax rate is comparable to  
19 those of surrounding states; and  
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21 WHEREAS, the natural gas severance tax rate in Arkansas was increased in  
22 2008 and those tax collections are up 4000%; and  
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24 WHEREAS, the increase in the development of shale formations in the United  
25 States creates a competitive environment; and  
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27 WHEREAS, according to a recent study by IHS Global Insight, the shale gas  
28 industry supported more than 600,000 jobs in 2010 with that number expected to  
29 grow to 870,000 by 2015; and  
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31 WHEREAS, according to the same study, the shale gas industry will generate  
32 more than \$933 billion in tax revenues for local, state and federal governments over  
33 the next 25 years; and  
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35 WHEREAS, the proposed Natural Gas Severance Tax Act of 2012 would take  
36 hundreds of millions of dollars from the local economies of natural gas producing  
37 counties and communities; and  
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39 WHEREAS, nearly all the Fayetteville Shale counties have an unemployment  
40 rate below the state average; and  
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42           WHEREAS, the proposed 7% flat severance tax contained in the Natural Gas  
43 Severance Tax Act of 2012 would be among the highest in the country and would  
44 threaten Arkansas's ability to compete for natural gas drilling capital and the resulting  
45 jobs and economic impact.

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47 NOW THEREFORE,

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49 BE IT RESOLVED THAT THE FAYETTEVILLE SHALE CAUCUS OF THE  
50 EIGHTY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS  
51 OPPOSES THE PASSAGE OF THE NATURAL GAS SEVERANCE TAX ACT  
52 OF 2012.

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