



TEXAS OIL & GAS ASSOCIATION | SINCE 1919

Sheldon W. Burleson
Chairman

D. Todd Staples
President

April 28, 2025

The Honorable Jason Smith
Chair, House Ways & Means Committee
U.S. House of Representatives
2148 Rayburn HOB
Washington, D.C. 20515

Dear Chairman Smith,

As the voice of the oil and gas industry in Texas, I write today with a clear and urgent message: any proposal to eliminate or limit the deductibility of state and local business taxes, also known as B-SALT, must be firmly rejected. Such a move would strike at the heart of the energy sector, undermine economic growth, and directly contradict the pro-business, made in America vision that helped fuel the greatest economy in our nation's history.

President Trump's bold strategy for American energy dominance empowered domestic production, created good-paying jobs, and solidified the United States position as a global energy leader. Texas was proud to play an integral role in achieving that vision. The oil and gas industry is not just an economic engine, but a cornerstone of national security, energy independence, and American prosperity.

State and local taxes are the cost of doing business, just like employee wages and the cost of goods sold, and eliminating B-SALT deductions would greatly hamper the oil and gas industry. In 2021, our industry contributed \$208.8 billion in direct SALT payments, and \$8.48 billion in severance taxes – a tax unique to extractive industries - to Texas alone in 2024. Denying deductions is nothing short of a backdoor tax increase, and it would unfairly target industries like ours that are uniquely burdened with severance taxes.

Make no mistake: limiting the B-SALT deduction would punish the very companies that helped build the strongest economy in American history and make achieving President Trump's Energy Dominance Agenda far more difficult. It would weaken our competitiveness, reduce investment, and ultimately harm the workers and families who depend on a thriving energy sector. The Treasury Department itself reports that 37% of the burden of a corporate tax hike would fall on households earning less than \$300,000 per year. This isn't just a tax on business—it's a tax on working Americans.

Furthermore, economic analysis shows that eliminating the B-SALT deduction would shrink GDP and eliminate over 21,000 full-time equivalent jobs. That's not progress. That's a step backward.

If we are serious about fostering a pro-growth, pro-business environment and restoring the strength of the American economy, then we must protect the industries that drive it forward. Preserving the B-SALT deduction is essential to keeping energy production strong, jobs plentiful, and the American economy unmatched on the world stage.

I urge you to stand with Texas, stand with American energy, and stand with President Trump's vision

of prosperity through energy independence. Reject any measure that would eliminate the B-SALT deduction and instead champion policies that reward hard work, investment, and growth.

Sincerely,



Todd Staples
President
Texas Oil & Gas Association

CC:

Senator Ted Cruz, R-TX
Senator John Cornyn, R-TX
Representative Nathaniel Moran, TX-1
Representative Dan Crenshaw, TX-2
Representative Keith Self, TX-3
Representative Pat Fallon, TX-4
Representative Lance Gooden, TX-5
Representative Jake Ellzey, TX-6
Representative Lizzie Fletcher, TX-7
Representative Morgan Luttrell, TX-8
Representative Al Green, TX-9
Representative Michael McCaul, TX-10
Representative August Pfluger, TX-11
Representative Craig Goldman, TX-12
Representative Ronny Jackson, TX-13
Representative Randy Weber, TX-14
Representative Monica De La Cruz, TX-15
Representative Veronica Escobar, TX-16
Representative Pete Sessions, TX-17
Representative (Vacant), TX-18

Representative Jodey Arrington, TX-19
Representative Joaquin Castro, TX-20
Representative Chip Roy, TX-21
Representative Troy Nehls, TX-22
Representative Tony Gonzales, TX-23
Representative Beth Van Duyne, TX-24
Representative Roger Williams, TX-25
Representative Brandon Gill, TX-26
Representative Michael Cloud, TX-27
Representative Henry Cuellar, TX-28
Representative Sylvia Garcia, TX-29
Representative Jasmine Crockett, TX-30
Representative John Carter, TX-31
Representative Julie Johnson, TX-32
Representative Marc Veasey, TX-33
Representative Vicente Gonzalez, TX-34
Representative Greg Casar, TX-35
Representative Brian Babin, TX-36
Representative Lloyd Doggett, TX-37
Representative Wesley Hunt, TX-38