

EVERETT MCKINLEY DIRKSEN
ILLINOIS



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MINORITY LEADER

United States Senate

OIL DEPLETION

C. FLYNN

May 28, 1969

Dear :

The Ways and Means Committee is currently studying proposed changes in the Revenue Code as a part of their revenue reform legislation. One of the items being considered is the 27½% depletion allowance for the petroleum industry. This percentage depletion was put in the Code to insure that there would be an adequate domestic reserve of petroleum. It has been a part of the Code for sometime.

This percentage depletion will be studied by the Finance Committee when the revenue reform measure comes to the Senate. As a member of the Finance Committee I can assure you that every aspect of percentage depletion will be gone into in depth at Committee sessions.

Sincerely,

Everett McKinley Dirksen



United States Senate

OIL DEPLETION--ROBO
C. Flynn

August 19, 1969

Dear :

The House of Representatives has approved and sent to the Senate one of the most far-reaching revenue reform measures that the Senate has ever considered. The measure has been referred to the Senate Finance Committee and the Committee has scheduled public hearings to begin the first week in September and run into October. The Committee hopes to be able to report the measure with modifications to the Senate by the end of October. Aside from many material changes in the tax law, the bill before the Committee also contains reductions for individuals that will cost the government several billion dollars in revenue.

As a part of this measure the House reduced the percentage depletion rate for oil and gas from 27½% to 20%. Percentage depletion for minerals was comparably reduced except for gold, silver, copper, oil shale and iron ore. As a member of the Finance Committee I intend to see that the question of changing the tax laws, insofar as natural resources are concerned, is thoroughly explored. We have serious problems with many minerals including oil and gas, and I want to make sure that we have adequate reserves for our national security. I would not want to see tax reform jeopardize our security.

Sincerely,

Everett McKinley Dirksen