

# The Daily Sentinel

## Foundation to introduce measures to raise tax rate

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By Mike Saccone

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The Donnell-Kay Foundation will introduce two ballot measures today aimed at hiking Colorado's severance tax rate, according to Tony Lewis, the foundation's executive director.

"It's basically going to increase the severance (tax) revenue and dedicate that toward locally impacted communities and higher ed capital (construction projects)," Lewis said.

The foundation is proposing to eliminate a property tax credit the state provides to oil and gas producers, which allows them to write off nearly all of the severance taxes they owe the state.

Under the ballot initiatives, all of the new tax proceeds, which the foundation estimates could top \$200 million a year, will be split between higher education construction projects and communities experiencing the side effects of energy development.

Lewis said the foundation decided to move ahead with its proposal in case the governor and state lawmakers fail to propose their own severance tax hike this year.

"If they get after a decent amount of revenue, and if a portion of that goes toward higher ed, we'd be very supportive of what they do," Lewis said.

Rep. Bernie Buescher, D-Grand Junction, said while the Donnell-Kay Foundation means well and has targeted two important needs in Colorado, he would rather see any tax hike move through the Legislature.

"There needs to be a discussion about needs before you talk about raising taxes," Buescher said. "That discussion shouldn't take place just in one foundation or one part of Colorado."

Sen. Josh Penry, R-Grand Junction, said he continues to object to any tax hike on oil and gas producers when the Colorado Oil and Gas Conservation Commission is writing how the industry will be regulated.

"They're trying to drive a conversation, which is fair game," Penry said, "but I don't have any expectation that the results of this will be any different than last year."

The Donnell-Kay Foundation submitted similar ballot questions to the Colorado Legislative Council last year but never moved ahead with efforts to put the questions on the 2007 ballot.

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