NEW STUDY: OFFSHORE NATURAL GAS AND OIL RESERVES COULD PROVIDE BILLIONS OF DOLLARS IN REVENUE FOR FLORIDA

TALLAHASSEE, November 15, 2018 – The Florida Petroleum Council today released results from a new study showing that Florida’s economy could benefit from $2.5 billion as a result of offshore leasing in the Atlantic Outer Continental Shelf (OCS) and the Eastern Gulf of Mexico.

“The projected tax revenues outlined in this new study of potential federal offshore oil and natural gas production and activity could mean substantial investments in Florida such as in areas like education and opportunities to rebuild infrastructure,” said Florida Petroleum Council Executive Director David Mica. “This opportunity to inject one billion dollars in increased state and local revenues, coupled with the additional billions of dollars for the economies of coastal states from previous studies, is critical for any plans to help improve quality of life for Florida’s residents and the overall future of the state.”

The new reports titled, The Economic Impacts of Allowing Access to the Atlantic OCS and Eastern Gulf of Mexico for Oil and Natural Gas Exploration and Development Supplement: Projected State, Local, and Federal Tax Receipts, focuses on state and local tax revenues and was prepared by CALASH on behalf of API. Calash projects that offshore-related natural gas and oil activities in Florida could generate additional non-bonus and royalty revenue such as personal and corporate income tax, property tax, and sales taxes. The combined associated state and local tax revenues are projected to reach nearly $155 million annually by the end of the forecast periods, according to the report.

Cumulative state and local tax revenues due to industry spending are projected to total $2.5 billion from the Atlantic and Eastern Gulf of Mexico combined by the end of the 20-year forecast period. This projection includes:

- Cumulative personal property and other taxes and fees: $175,000,000
- Cumulative corporate income tax (Including dividends): $79,000,000
- Cumulative business sales, property, excise, custom and other: $2,238,000,000

This report builds on a prior report released in March of 2018 which showed that contributions to the economy from Atlantic OCS and Eastern Gulf of Mexico oil and natural gas exploration and development activity in Florida could reach more than an additional $5 billion within 20 years. The same report shows that offshore natural gas and oil related activity on the Atlantic Coast and Eastern Gulf areas could support more than 60,000 jobs annually in Florida within 20 years. Florida is also projected to gain an additional $1.3 billion by the end of the forecast period if Congress extends sharing of the federal royalties from the production of resources in the Eastern Gulf of Mexico to Florida. For additional information visit Explore Offshore, the website for a bipartisan coalition dedicated to safe and environmentally responsible access to our offshore energy resources to help supply affordable energy for American consumers, small businesses, and manufacturers.

Advanced technology, safety standards, best practices, and regulations are designed to protect the environment, marine life, and workers - while enabling the oil and natural gas industry to work alongside recreational fishing, tourism, and military activities. Since 2010, more than 100 standards were created or strengthened, including for improved safety and environmental management, well-design, blowout prevention, and spill response to ensure we have the best protections and highest safety measures in place.

The Florida Petroleum Council is a division of API, which represents all segments of America’s oil and natural gas industry. Its more than 600 members produce, process, and distribute most of the nation’s energy. The industry supports 10.3 million U.S. jobs and is backed by a growing grassroots movement of more than 47 million Americans.

###

© Copyright 2018 – API. All Rights Reserved.