

LOBBY WATCH



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13 Companies Paid Craddick A Big Income While Claiming His 1999 Energy Tax Cut

- Claiming A \$3.3 Million Tax Cut, They Paid Him Up To \$140,000.

Rep. Tom Craddick reported receiving tens of thousands of dollars in income in 1999 from 13 companies that claimed 16 percent of an \$18.5 million energy tax cut that Craddick sponsored that year.

Craddick's personal financial disclosures reveal that he received a 1999 income of between \$44,500 and \$140,000 from these companies, even as they claimed more than \$3 million of his tax cut that year. Most of this income came from oil and gas royalties (the exact

income amount is unknown because officials report it in ranges such as "\$10,000-\$24,999").

While hundreds of producers claimed this special tax cut for marginal oil and gas wells, 17 companies—with tax breaks exceeding \$200,000 apiece—accounted for 36 percent of the total tax cut. Craddick reported business dealings with seven of these megabeneficiaries, including the \$10,000-\$24,999 in royalty payments he received from the only company to claim a \$1 million tax cut: Pioneer Natural Resources.

Oil Tax-Cut Beneficiaries That Benefited Craddick In 1999

Energy Company	Severance Tax Cut	Craddick's 1999 Income From Related Companies
Pioneer Natural Resources	\$1,036,981	\$10,000-\$24,999 royalties; <100 stock shares.
Texaco Exploration	\$632,109	\$500-\$4,999 dividends.
Exxon Mobil	\$448,720	\$500-\$4,999 royalties.
Occidental Petroleum	\$300,638	100-499 shares
Mobil Producing TX & NM	\$271,479	\$5,000-\$9,999 royalties.
Atlantic Richfield (ARCO)	\$242,257	\$5,000-\$9,999 royalties.
Autry C. Stephens	\$200,736	\$500-\$4,999 royalties; \$500-\$4,999 oil/gas payments
Concho Resources, Inc.	\$63,220	\$500-\$4,999 royalties.
Tamarack Petroleum	\$45,535	\$500-\$4,999 royalties.
Energen Resources	\$42,973	\$500-\$4,999 royalties.
Breck Operating Corp.	\$22,008	\$500-\$4,999 royalties.
Williams Oil Co.	\$13,905	*\$10,000-\$24,999 royalties; \$10,000-\$24,999 oil/gas payments
Rust Oil Corp.	\$11,914	\$500-\$4,999 royalties.
TOTALS: \$3,332,475 From \$44,500 - \$140,000		

* Williams Oil also paid Craddick an unspecified "lease bonus."

As the *Dallas Morning News* reported in 2000, Pioneer had close ties to then-Governor George W. Bush, who fast-tracked the tax cut by declaring it an “emergency” bill. Pioneer was created in 1997 by a merger engineered by Fort Worth financier Richard Rainwater, whose business dealings with Bush included a major stake in the Texas Rangers baseball team, which made Bush a millionaire 15 times over.

During the late 1990s, the Interstate Oil and Gas Compact Commission (IOGCC)—representing the

governors of energy producing states—pushed such severance tax cuts nationwide. Texas’ tax cut may trace its roots to prolific appointments that then-Governor Bush made to the IOGCC in 1995. A number of these appointees came from companies that got the tax break four years later; they also included representatives of Pioneer’s precursor companies. Other Bush IOGCC appointees included: Craddick, who introduced the tax cut as House Bill 989; co-sponsor Rep. Tommy Merritt; and Sen. Buster Brown, the primary author of the Senate companion bill, SB 290.