

FOR RELEASE: December 10, 1993

CONTACT: John Barclay

(202) 208-3983

DOI SOLICITOR SAYS TAX CREDITS NOT SUBJECT TO ROYALTY (#30057)

The Solicitor's Office of the U.S. Department of the Interior has ruled that tax credits for production of unconventional fuels from Federal and Indian lands are not subject to royalty as part of the lessee's gross proceeds.

An audit report of the Interior Department's Inspector General's office had previously asserted that such revenues were subject to royalty, and faulted the Minerals Management Service for failing to collect more than \$70 million in royalty payments for nonconventional fuels.

-MMS-

Subject: PR-12/10/93 Tax Credits/DOI Solicitor Says Tax Credits Not Subject to Royalty (#30057)