

United States Senate

WASHINGTON, DC 20510

June 26, 2025

Ryan M. Lance
Chairman and CEO
ConocoPhillips
925 North Eldridge Parkway
Houston, TX 77079

Dear Mr. Lance:

We write to you today seeking answers about ConocoPhillips' lobbying efforts to help oil and gas companies win a \$1.1 billion tax loophole in President Trump's "Big Beautiful Bill" and leave middle-class families stuck with higher energy costs.¹

The *Inflation Reduction Act of 2022* (IRA) imposed a corporate alternative minimum tax (CAMT) on the nation's wealthiest corporations, requiring companies reporting over \$1 billion in annual profits to their shareholders to pay at least 15 percent of those profits in taxes.² The rationale for CAMT was simple: for far too long, massive corporations had taken advantage of loopholes in the tax code to avoid paying their fair share, sometimes paying zero federal taxes despite earning billions in profits.³ CAMT imposed a minimum tax on annual income that billionaire companies reported to their shareholders and is expected to raise over \$200 billion over ten years from some of the largest and most profitable companies in the world.⁴

Even after the IRA's passage, corporations lobbied furiously to weaken CAMT as much as possible, and Senate Republicans are now close to delivering on one of Big Oil's key requests by granting the industry a huge loophole.⁵ Specifically, Section 70523 of the Senate's reconciliation bill, modeled after the *Promoting Domestic Energy Production Act*, would exempt "intangible drilling and development costs" (IDC) from a corporation's income calculations under CAMT.⁶

¹ Tax Foundation, "Making the Corporate Alternative Minimum Tax Less Silly," Alex Muresianu, May 29, 2025, <https://taxfoundation.org/blog/corporate-alternative-minimum-tax-camt-repeal/>; American Prospect, "Senate Bill Gives Giant Tax Break to Big Oil," David Dayen, June 18, 2025, <https://prospect.org/politics/2025-06-18-senate-bill-gives-giant-tax-break-to-big-oil/>.

² Inflation Reduction Act of 2022, H.R. 5376, <https://www.congress.gov/bill/117th-congress/house-bill/5376>.

³ Institute on Taxation and Economic Policy, "55 Corporations Paid \$0 in Federal Taxes on 2020 Profits," Matthew Gardner and Steve Wamhoff, April 2021, <https://itep.org/55-profitable-corporations-zero-corporate-tax/>.

⁴ Wall Street Journal, "Biden's 15% Corporate Minimum Tax Hits KKR, Blackstone, Whirlpool in the First Year," Richard Rubin, March 13, 2024, <https://www.wsj.com/politics/policy/bidens-15-corporate-minimum-taxhits-krk-blackstone-whirlpool-in-first-year-de37376f>.

⁵ Washington Post, "Biden wants rich companies to pay higher taxes. Some are fighting back.," Tony Romm, August 18, 2023, <https://www.washingtonpost.com/business/2023/08/14/biden-corporate-tax/>.

⁶ Bloomberg, "Oil Industry Gets \$1 Billion Tax Tweak in GOP's Senate Bill," Ari Natter, June 18, 2025, <https://www.bloomberg.com/news/articles/2025-06-17/oil-industry-gets-1-billion-tax-tweak-in-gop-s-senate-bill>; Nasdaq, "New Bill: Senator James Lankford introduces S.224: Promoting Domestic Energy Production Act," Quiver LegislationRadar, February 26, 2025, <https://www.nasdaq.com/articles/new-bill-senator-james-lankford->

IDC is the “oldest and the largest fossil fuel subsidy on the books,” allowing companies to deduct most costs incurred before drilling, such as labor and equipment rentals.⁷ Big Oil now wants this deduction to apply not only for purposes of their regular taxable income, but for CAMT taxable income purposes as well. Put another way, if enacted, this provision would reduce or even eliminate tax liabilities for oil and gas companies under CAMT, allowing some to pay no federal income taxes whatsoever.⁸

ConocoPhillips stands to benefit tremendously from this provision and has spent big to support it—while preserving the many government subsidies for the oil and gas industry already in the tax code.⁹ Your company’s lobbying disclosures *explicitly* prioritize this handout.¹⁰ Executives of Marathon Oil, which you recently acquired, even shared in a recent earnings call that CAMT was the only tax liability the company expected to pay in federal taxes.¹¹ Other companies have also pushed hard to be exempted from CAMT altogether.¹² All told, it is estimated that this Big Oil loophole alone will cost American taxpayers over \$1 billion over the next decade.¹³

Adding this tax break for Big Oil to the reconciliation package is especially insulting since Senate Republicans are trying to pay for this handout with cuts to other programs that would end up raising energy prices for everyday Americans.¹⁴ Experts have said the bill would lead to “higher electricity costs for consumers,” adding to consumers’ already too high utility bills, by slashing clean energy tax credits and defunding vital energy programs.¹⁵ Two of the many clean

[introduces-s-224-promoting-domestic-energy-production-act.](#)

⁷ Public Citizen, “Minimum Tax, Maximum Influence: While GOP Lawmakers Consider Cuts, Fossil Fuel Companies Want Relief,” Lukas Ross and Alan Zibel, March 24, 2025, <https://www.citizen.org/article/minimum-tax-maximum-influence-while-gop-lawmakers-consider-cuts-fossil-fuel-companies-want-relief/>; Investopedia, “Intangible Drilling Costs (IDC): Overview and Example,” Will Kenton, August 9, 2024, <https://www.investopedia.com/terms/i/intangible-drilling-costs.asp>.

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⁹ Conoco Phillips Q1 2025 Lobbying Report, April 17, 2025, <https://lda.senate.gov/filings/public/filing/ada388ea-af4b-4a91-88f1-3658762a08bd/print/>.

¹⁰ *Id.*

¹¹ ConocoPhillips, “ConocoPhillips completes acquisition of Marathon Oil Corporation,” press release, November 22, 2024, <https://www.conocophillips.com/news-media/story/conocophillips-completes-acquisition-of-marathon-oil-corporation/>; Public Citizen, “Minimum Tax, Maximum Influence: While GOP Lawmakers Consider Cuts, Fossil Fuel Companies Want Relief,” Lukas Ross and Alan Zibel, March 24, 2025, <https://www.citizen.org/article/minimum-tax-maximum-influence-while-gop-lawmakers-consider-cuts-fossil-fuel-companies-want-relief/>.

¹² Ovintiv Inc. (fka Encana Oil & Gas (USA) Inc) Q1 2025 Lobbying Report, April 21, 2025, <https://lda.senate.gov/filings/public/filing/a1ce8e99-8ffc-409a-8681-352595a1613a/print/>.

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¹⁴ Center for American Progress, “The House Republican Plan to Increase Gas and Electricity Prices,” Trevor Higgins, May 16, 2025, <https://www.americanprogress.org/article/the-house-republican-plan-to-increase-gas-and-electricity-prices/>.

¹⁵ Reuters, “Trump tax bill squeeze on clean power could raise energy bills,” Juliana Ennes, June 10, 2025, <https://www.reuters.com/business/energy/trump-tax-bill-squeeze-clean-power-could-raise-energy-bills-2025-06-10/>; Bipartisan Policy Center, “2025 Reconciliation Debate: Senate Energy Provisions,” Xan Fishman, Zahava Urecki,


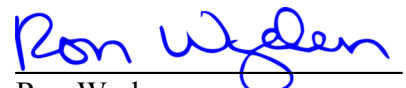


energy credits on the chopping block are the home energy efficiency and residential clean energy tax credits, which—if cut—would mean households would see higher costs for home energy upgrades and lose access to over \$2,200 in savings per year on utility bills.¹⁶

Congress should not raise energy prices for working families to deliver handouts to Big Oil. To better understand your role in delivering this loophole, among others, to the oil and gas industry, we request that you answer the following questions by July 10, 2025:

1. How much has ConocoPhillips spent, and how much does it expect to spend in total on lobbying expenses on Republicans' tax legislation in 2025?
2. In the past 12 months, how much money has ConocoPhillips donated, whether directly or through other vehicles for political donations, to federal elected officials who are advocating for tax cuts for your company?
3. How much of a reduction in tax liability would ConocoPhillips receive if Section 70523 of the Senate reconciliation package became law?

Thank you for your attention to this important matter.

Sincerely,


Elizabeth Warren
United States Senator
Ron Wyden
United States Senator
Ranking Member, Committee
on Finance
Charles E. Schumer
United States Senator
Sheldon Whitehouse
United States Senator

Jack McGee and Daniel Elizalde, June 18, 2025, <https://bipartisanpolicy.org/explainer/2025-reconciliation-debate-senate-energy-provisions/>; House of Representatives Sustainable Energy & Environment Coalition, "SEEC ENERGY AND COMMERCE MEMBERS SLAM REPUBLICANS' ATTACK ON AMERICAN HEALTH AND AFFORDABILITY," press release, May 14, 2025, <https://seec.house.gov/media/press-releases/seec-energy-and-commerce-members-slam-republicans-attack-american-health-and>.

¹⁶ Rewiring America, "Energy prices are going up and these two tax credits will deliver relief in every single congressional district," March 27, 2025, <https://www.rewiringamerica.org/research/tax-credits-relief-every-congressional-district>.

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Brendan McCracken
President and CEO
Ovintiv Inc.
370 17th Street
Suite 1700
Denver, CO 80202

Dear Mr. McCracken:

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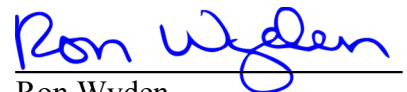
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Sincerely,


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United States Senator


Ron Wyden
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Ranking Member, Committee
on Finance


Charles E. Schumer
United States Senator


Sheldon Whitehouse
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