



2025 Oil and Gas Commercial Property Tax Forecast

The oil and gas industry, with its extensive infrastructure of extraction sites, refineries, storage facilities, and pipelines, faces unique property tax challenges. In 2025, global, national, and local dynamics will shape property tax obligations across the sector. With volatile oil prices, evolving environmental regulations, and state reassessments, companies are navigating a complex tax landscape. As the energy sector transitions towards sustainability, impacts on property valuations—and, by extension, tax liabilities—will be significant. This report explores the key factors influencing the oil and gas commercial property tax forecast for 2025 and how industry stakeholders can prepare for the tax implications.

Market Volatility and Commodity Prices

The valuation of commercial properties in oil and gas is closely tied to the global oil market's volatility. Property taxes, based on asset value, fluctuate with oil prices. Should oil prices remain high in 2025, properties linked to production, storage, and distribution may see valuation spikes, increasing tax burdens.

Conversely, lower or stabilizing oil prices may diminish property values, particularly in regions heavily dependent on the sector. Supply chain issues, geopolitical shifts, and changing energy consumption patterns will influence oil prices—and consequently, property taxes in oil-producing regions across the U.S., Canada, and beyond.

Environmental Regulations and Compliance Costs

Environmental regulations are tightening, particularly in developed markets. As governments align policies with climate goals, the oil and gas industry faces increasing scrutiny. Compliance with stricter environmental standards in 2025 may affect property values in two ways: older, non-compliant facilities may depreciate, while properties undergoing eco-friendly upgrades may see valuation increases, potentially raising tax assessments.

For instance, in progressive jurisdictions like California and New York, properties that fall short of new standards may experience devaluation, whereas those investing in compliance could encounter higher valuations and initial tax increases.



Energy Transition and Property Decommissioning

The global energy shift towards renewables is reshaping the industry, with oil and gas companies beginning to decommission underperforming assets or repurpose them for greener uses. This transition impacts property valuations directly. Older facilities may face obsolescence, leading to potential tax relief, while new or upgraded properties integrating renewable energy or carbon-capture technologies could see valuation—and tax—increases.

Companies engaged in this transition need strategic planning to navigate the shifting valuation landscape effectively, mitigating tax impacts where possible.

Local Market Conditions and Economic Factors

Local economic health in oil-dependent regions significantly impacts property tax assessments. In states heavily reliant on oil production, employment rates, infrastructure investments, and local government policies will shape the broader real estate market. For example, declines in oil output could reduce facility demand, while targeted infrastructure investments may increase property values.

Regions like West Texas, North Dakota's Bakken area, and Alaska are particularly sensitive to these shifts. Their reliance on the oil industry means local tax bases are directly influenced by global energy trends, affecting how local governments assess and tax oil and gas properties.

Preparing for 2025

The 2025 property tax forecast for oil and gas companies is influenced by diverse factors, including market volatility, stricter regulations, the energy transition, and local economic shifts. Companies must prepare for potential fluctuations, with some properties seeing increased liabilities and others possibly benefiting from tax relief under shifting market conditions.

To navigate these changes, oil and gas companies will benefit from proactive tax planning. Working with specialized tax advisors, they can strategically manage assets, anticipate reassessment impacts, and optimize tax outcomes. By staying attuned to both global and local developments, companies can better forecast their 2025 property tax obligations, supporting sustainable financial operations in an evolving energy landscape.



Steven Marshall

*Principal,
Complex Property Tax*
steven.marshall@ryan.com



Jesse Noneman

*Principal, Vice Practice Leader,
Complex Property Tax*
jesse.noneman@ryan.com

Award-Winning Tax Services

For additional information

1.855.RYAN.TAX

ryan.com