



AMERICANS for TAX REFORM

Grover G. Norquist
President

February 13, 2008

To: All Members, House of Representatives
Subject: Energy Tax Package

Dear Representative,

As the Democratic leadership once again looks for ways to increase taxes on American consumers, Americans for Tax Reform (ATR), on behalf of the American taxpayer, would like to address our concerns with energy proposals currently being considered.

Congress should oppose any legislation that includes a tax increase. The Democrat-controlled House continues to force votes to raise taxes on domestic energy production, subsequently lowering the value of millions of Americans' retirement funds. Increased taxes on energy companies and price controls in the form of legislation do nothing but undermine the investment climate needed to improve and expand industry infrastructure.

As the economy shows some signs of entering a recession, this is the wrong time to talk about raising taxes, especially on domestic energy production. Recently, the House passed the "Economic Growth Act of 2008," and sent a message to consumers that the way to spur economic growth is to encourage investment and cut taxes. So, it is disconcerting to see the House leadership begin to backtrack by putting forth proposals that would discourage domestic energy production, harm consumers, and threaten American jobs.

Raising taxes on energy companies makes U.S. oil and natural gas exploration projects less competitive globally, thereby discouraging new U.S. production and increasing the nation's reliance on imported oil. Almost all large oil and gas companies are publicly-traded entities, whose shares are owned by millions of investors through their 401(k) plans, retirement plans and pension funds. Taxing away the earnings of those companies negatively impacts the ability of hard-working Americans to achieve a more financially secure future.

Congress should be considering proposals that increase our nation's energy security and lower Americans' overall tax burden, not discouraging investment, hindering domestic production and killing jobs. Any legislative solution must maintain the fundamental principles of America's free market economy in order to effectively reduce energy prices.

Onward,

Grover G. Norquist