



## ATR Energy Tax Hike Series

### *Overall Energy Tax Review*

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#### Current Law

In the 110<sup>th</sup> Congress, the federal bans on Outer Continental Shelf (OCS) and shale oil drilling were allowed to naturally expire. This created the natural potential for American businesses to utilize more domestic energy while creating jobs at the same time. Currently, energy prices are relatively low and stable, with no need for Congressional action. Between the Obama budget and the Waxman-Markey energy bill, the left wants to “tax” their way to a “cleaner” future.

#### Obama Energy Tax Proposal<sup>1</sup>

What does Obama want to tax and how much?

- **\$1 billion** – new taxes by increasing the amortization period to seven years
- **\$5 billion** – new tax on 25 percent of total U.S. production of oil and 15 percent of gas
- **\$62 billion** – new taxes on this “LIFO reserve”
- **\$49 billion** – new taxes by repealing the passive loss exception for oil and gas properties
- **\$13 billion** – new taxes by repealing a domestic manufacturers tax deduction
- **\$646 billion** – new taxes by forcing a “cap-and-trade” tax on production emissions
- **\$175 billion** – new taxes by forcing states into a renewable portfolio system
- **\$17 billion** – new taxes by reinstating the Superfund excise and income taxes

#### That’s \$968 billion in new taxes!

#### ATR Analysis & Recommendations<sup>2</sup>

If Obama would proceed with the offshore energy production plan, rather than repealing the ultra-deepwater oil and gas research and development projects and cutting tax incentives, the following **positive** things would happen:

- **\$8 trillion** – amount of increased GDP access to OCS resources will provide the U.S.
- **\$2.2 trillion** – total revenue to the U.S. government in new tax receipts
- **\$70 billion** – amount in additional wages per year if OCS is expanded
- **1.2 million** - the amount of new jobs every single year

President Obama, at a time when our country needs help, not new taxes, why do you want to punish the average American working family?

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<sup>1</sup> Visit [www.atr.org](http://www.atr.org) for detailed information about each specific tax provision. All numbers were taken directly from the FY 2010 budget.

<sup>2</sup> Projections taken from provisions in the “No Cost Stimulus Act of 2009,” introduced by Rep. Bishop (R-UT) and Senator Vitter (R-LA)