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## **President Obama Tax Proposals are Bad for Workers and the Economy**

*President Obama's fiscal 2011 budget proposal calls for \$36.5 billion in new taxes on the oil and natural gas industry.*

**Raising taxes when the economy is trying to recover from a deep recession is a recipe for disaster.**

New taxes kill jobs. When companies face higher costs because of tax hikes, they are less likely to undertake new exploration and development and that translates into fewer jobs. When America is trying to recover from a deep recession, now is not the time to impose new taxes on the economy, including the oil and natural gas industry. New taxes could stifle growth just as the recovery is starting and could hurt workers by depressing job creation just when employers would otherwise be looking to add new workers.

**The Administration's tax plan puts an economic burden on hard-working Americans and their families.**

Historically, higher taxes have resulted in less domestic energy, and restrained supplies often lead to higher energy costs for consumers. In today's economy, that could not only stifle a recovery but also leave Americans more dependent on foreign oil and natural gas. New taxes will make it more expensive for oil and natural gas producers to expand or initiate new exploration and development programs which would likely mean fewer jobs and less oil and natural gas for consumers and businesses.

**Higher energy taxes would seep into every facet of our lives and be paid on the backs of hard-working Americans who already struggle to make ends meet.**

New taxes hurt businesses, threaten jobs, and lead to higher prices to consumers. Higher taxes are a burden felt throughout the economy and discourage business expansion, investment, and job creation. They could result in less, not more, job security for American workers and threaten other benefits.

**The Administration is not listening to the majority of Americans who want a stronger economy using our own vast oil and natural gas resources.**

A 2009 poll found 61% of Americans who voted in the 2008 presidential election support access to oil and natural gas resources. At a time when other countries are providing incentives to develop their own energy resources, the U.S. is the only country actively discouraging it. The U.S. oil and natural gas industry employs 9.2 million workers in good jobs that offer good wages and benefits. Saddling the industry with additional taxes would likely drive many of these jobs overseas at a time when America needs to create jobs. An economic recovery cannot be built on tax policies that threaten millions of jobs in one of America's largest industries.

**Current tax policies do not provide taxpayer subsidies to the oil and natural gas industry.**

The agreement among the G-20 nations to eliminate fossil fuel "subsidies" should not be used as an excuse to raise taxes on energy consumers and businesses. The assertion by the Obama Administration that tax provisions intended to help oil and natural gas producers recover their costs have resulted in "inefficient fossil fuel subsidies that impede investment in clean energy sources and undermine efforts to deal with the threat of climate change" doesn't make sense and runs counter to any logical national energy policy. The President's proposed actions on oil and gas taxes are based on academic notions that simply do not apply in the real world. America needs all the energy it can get and would be hurt by higher taxes that would constrict supplies, cause energy costs to increase, and kill jobs. Such policy prescriptions suggest that Americans must make an unwise and unnecessary choice between green energy and traditional oil and natural gas. Americans will need all energy sources in the future and such false choices only hurt workers, businesses, and the economy. According to the Energy Information Administration (EIA), America relies on fossil fuels for 83% of its energy and will continue to do so for many decades. With proven alternatives still years away, now is not the time to adopt tax policies that discourage the exploration and production of oil and natural gas.

**There is a better way than saddling a troubled economy with new taxes that hurt consumers and workers.**

The oil and natural gas industry should be allowed to develop our nation's vast resources. It would improve America's energy security, create jobs, and increase federal, state, and local tax revenues. In fact, a recent study found that developing the vast domestic oil and natural gas resources that Congress keeps off-limits could generate \$1.7 trillion in government revenue.