

A stable tax system is the foundation for long-term, multi-billion dollar energy investments in America.

ERRATIC TAX HIKES ON ENERGY INDUSTRY =

LESS INVESTMENT, LESS ENERGY

- *Increasing taxes on American energy companies that are already paying record taxes will discourage the critical, sustained investments that are needed in new energy supplies.*
- *History shows that punitive taxes on energy production cause serious, negative impacts on America's energy consumers and economy.*
- *"Windfall profit taxes" in the 1980s undermined capital investments in the oil and gas industry and reduced domestic energy supplies by as much as 6% and increased imports by as much as 16%.*
- *"Backdoor" windfall profit taxes today would be no less damaging.*
- *The Administration's 2011 budget proposal seeks billions in new taxes on the oil industry, disadvantaging American companies competing in the global marketplace for energy.*

REDUCED ENERGY SECURITY

- *The best way to achieve energy security is through diversification of sources, beginning with increasing U.S. energy supplies.*
- *Erratic and punitive tax policies will discourage investments in developing American energy.*
- *Americans could be more vulnerable to foreign energy supply interruptions.*

MISSED OPPORTUNITY FOR AMERICA'S ECONOMIC RECOVERY

- *Global energy demand is projected to increase by 35 percent (2005 - 2030), alongside global economic growth. American companies stand ready to compete to meet these needs.*
- *The U.S. needs stable tax policies to compete in developing new supplies. According to a recent study, with sound policies, developing areas that are now "off-limits" in the U.S. could generate:*
 - *160,000 new jobs*
 - *\$1.7 trillion in new federal and state government revenues to fund critical priorities*
- *Higher taxes usually result in higher prices for consumers, reduced earnings for investors, or some combination.*
- *New, punitive taxes on the oil industry would hurt the millions of retirees and workers whose pension funds, IRAs and 401(k)s are invested in oil and natural gas companies.*

Investments in new energy supplies are needed to meet America's demand for oil and natural gas.