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Contact: Communications Office
(202) 224-4515

BAUCUS UNVEILS PLAN TO END TAX BREAKS FOR LARGEST OIL AND GAS COMPANIES, INVEST IN CLEANER, CHEAPER AMERICAN ENERGY

Finance Chair Says Skyrocketing Gas Prices Necessitate Action to Address Energy Costs

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today released a plan to end billions of dollars in tax breaks for large, multinational oil and gas companies and invest in cleaner and cheaper domestic energy sources. The Finance Chairman called his plan a blueprint for legislation that he intends to craft in the Committee. Baucus said today that with energy prices rising and large oil and gas companies announcing billions in first quarter profits, now is the time to end these subsidies and instead direct that investment to cleaner and more affordable domestic energy solutions.

“High gas and energy prices are hitting folks hard in Montana and across the country,” said Baucus. **“Now is not the time to stand idly by while large oil and gas companies get billions of dollars in tax breaks – now is the time to take concrete steps toward cleaner, more affordable, domestically-produced energy. Reducing dependence on foreign oil isn’t easy, but this plan puts us on a path toward a clean, affordable energy future that works for our planet – and our pocketbooks.”**

Baucus’ clean, domestic energy plan outlines three policy goals: promote demand for domestically-produced energy, encourage the use of fuel-efficient vehicles and invest in clean energy infrastructure. Baucus would pay for these investments by eliminating tax incentives for the largest oil and gas companies and would not add to the deficit. And, his plan would create jobs domestically by increasing alternative energy production here at home. The pillars of the Baucus energy plan follow here. Baucus said today that further details would be released following discussions with his Finance Committee colleagues.

Clean, Affordable Energy Production Plan

- **Repeal tax breaks for the largest oil and gas companies** – end tax incentives for the five largest oil and gas companies that announced tens of billions of dollars in first quarter profits this week. This includes the elimination of the section 199 manufacturing deduction, reduction in the foreign tax credit for royalty payments to foreign governments and the imposition of an excise tax on certain Gulf leases.
- **Promote demand for clean, domestic fuel** – encourage increased production of cleaner and more affordable domestically-produced fuel by making it easier for manufacturers to produce and for consumers to purchase.
- **Incentivize fuel efficient vehicles** – increase demand for the most fuel efficient vehicles by providing incentives for the purchase of these vehicles and encouraging manufacturers to increase production.

- **Build a clean energy infrastructure** – incentivize the infrastructure needed to support clean energy vehicles, such as alternative energy fueling stations, that will make the clean energy transportation of the future possible.

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