

## **With Gas at \$4 per Gallon, It is Time to End the Giveaways to Oil Companies**

*“With American families struggling under the burden of \$4 per gallon gasoline, there is no justifiable reason taxpayers should be subsidizing oil companies currently making near-record profits,”* said Democratic Whip Steny Hoyer. *“It is time for Republicans to make their priorities clear: Will they side with taxpayers or will they side with oil companies who don’t need the handout? Ending these subsidies is not just good policy, it is simple common sense.”*

Today, the Senate will vote on a measure to end the billions of dollars per year we spend on unnecessary taxpayer handouts to oil companies. Will Senate Republicans vote to preserve this giveaway at a time of high gas prices, near-record profits for oil companies and a bipartisan consensus that we must bring down our national debt? Even Speaker John Boehner himself has said the oil companies “ought to be paying their fair share.” While House Republicans have already voted numerous times this year to protect these handouts, will their counterparts in the Senate finally take a stand?

### **The Experts Agree: Ending the Subsidies Will Not lead to Higher gas prices or Higher Taxes:**

- **The Joint Economic Committee:** “In reality, most of the so-called incentives have no impact on near-term production decisions, and thus repealing them would have no effect on consumer energy prices in the immediate future. Even in the longer term, the current proposed changes to these tax provisions would have little impact on global production and a negligible effect on consumer energy prices.”
- **The Center for American Progress:** “Unfortunately, some... have begun to repeat API’s claim that eliminating tax loopholes is the same as a tax increase. **Nothing could be further from the truth.** These tax loopholes are ‘tax expenditures’ that provide taxpayer-funded subsidies to Big Oil companies via the federal tax code instead of through direct grants.”
- Further analysis by the nonpartisan **Congressional Research Service** **predicts a negligible impact** on the price of gasoline if the subsidies are eliminated changes.

### **Amidst Near-Record Profits, Even former Oil Company CEOs Favor Ending Subsidies:**

- The five largest oil companies **have made nearly \$1 trillion** in profits over the past ten years—including an astounding \$36 billion in profits in the first quarter of 2011 alone.
- Even John Hofmeister, the former CEO of Shell Oil, **recently told National Journal:** “In the face of sustained high oil prices it was not an issue—for large companies—of needing the subsidies to entice us into looking for and producing more oil.”

### **The Public Clearly Does Not Support Keeping These Taxpayer Handouts:**

- A recent **CAP poll found that:** “...taxpayer-funded subsidies for oil companies make voters furious — as our research has shown for some time. **A 73 percent majority supports eliminating these giveaways, with 57 percent strongly supporting this action.**”

When it comes to ending taxpayer handouts for big oil companies, the numbers just don’t add up. With gas at \$4 per gallon, it’s time to end the billions of dollars we give away to oil companies.