



Democrats' "War on Energy" Includes \$145 Billion in Taxes on American Energy Companies, Workers, and Consumers

President Biden and congressional Democrats have attacked traditional energy, proposing to raise taxes by \$145 billion on Made-in-America oil and gas, pipeline and refining firms—killing over 1 million jobs, raising fuel prices, and leaving America more dependent on foreign oil.

1. Repealing the **deduction for ordinary drilling costs (IDCs)** punishes companies for investing in new equipment and technology that makes U.S. energy more efficient and cleaner. This will eliminate 265,000 industry jobs and 2.5 times as many indirect jobs.
2. The **percentage depletion deduction** is the small business deduction for the smaller producers of oil and gas. Repealing it will cost 840,000 jobs over the decade and reduce royalty payments to millions of retirees who depend on Social Security.
3. Repealing the **marginal well credit** will also harm the smallest oil and gas producers and the communities where they operate—often in rural America.
4. Eliminating the **enhanced oil recovery credit** will curtail emissions-reducing activities like injecting CO₂ into producing wells.
5. Repealing **expensing for tertiary injectants** would increase the cost of maintaining the output from older wells and reduce U.S. production.
6. Repealing **accelerated deduction of geological and geophysical costs** hurts companies who do advanced research to limit the environmental footprint of new projects.
7. Eliminating **publicly traded partnership treatment (MLPs)** will harm America's ability to finance energy pipelines that bring products to U.S. refiners and back to consumers.
8. Increasing **taxes on U.S.-based multinational oil and gas companies** will advantage foreign companies over U.S. companies, sending jobs overseas and reducing our energy security.
9. Repealing the **passive loss exception**, a provision that provides parity for working interest owners' investments in oil and gas production with the investments of corporate shareholders, will raise taxes on small and independent producers and senselessly push investors away from small businesses.
10. Hiking **corporate taxes** by one third and **eliminating the small business deduction** will hurt American energy companies and cost 1 million jobs in just the first two years.
11. In the "infrastructure" bill, restoring the **superfund taxes** that expired over 25 years ago will hurt U.S. chemical producers most and increase prices on American consumers. This tax further disadvantages American manufacturers of products, from semiconductors and solar panels to soap and lightbulbs, to the benefit of importers where chemical inputs aren't subject to equivalent taxes.