



# AMERICANS for TAX REFORM

Grover G. Norquist  
President

## ENERGY TAXES MCCAIN VS. OBAMA

ISSUE AREA	CURRENT LAW	MCCAIN	OBAMA
<i>Windfall Profits Tax</i>	None	None	\$15 Billion <sup>1</sup>
<i>Cap and Trade</i> <sup>2</sup>	None	60% below 1990 levels	80% below 1990 levels
<i>Gas Tax Holiday</i>	None	18.4¢ per gallon tax break	None
<i>Manufacturer's deduction for domestic energy production</i> <sup>3</sup>	Domestic production tax deduction	Domestic production tax deduction	(Repealed) \$13.5 Billion tax increase
<i>Energy Stock Dividend Rate</i>	15%	15%	39.6%
<i>Energy Corporate Income Tax</i>	35%	25%	35%
<i>Ethanol Tax Credit</i>	51¢ per gallon	0¢ (Repealed)	51¢ per gallon
<i>Taxes on Foreign Subsidiaries</i> <sup>4</sup>	None	None	35%
<i>Ethanol Tariff Tax Rate</i>	54¢ per gallon	0¢ (Repealed)	54¢ per gallon
<i>New Energy Tax Credits</i>	Yes	Yes	Yes
<i>Development of Nuclear Energy</i>	No Plan <sup>5</sup>	45 Nuclear Plants by 2030, 100 total goal	No Plan

<sup>1</sup> The windfall profits tax would cost oil companies \$15 billion a year based upon their 2007 profit levels.

<sup>2</sup> A cap and trade system is an excise tax on emissions. Like other excise taxes, cap and trade will pass on the negative effects to consumers through higher energy prices.

<sup>3</sup> Section 199 provides a production tax deduction to all domestic manufacturers. The Energy Independence and Security Act of 2007 called to repeal this deduction for domestic oil companies, increasing their taxes by \$13.5 billion over ten years.

<sup>4</sup> Currently, businesses can defer taxes on overseas earnings until they are repatriated back to the United States at the corporate income tax rate of 35%. Repealing this ability to defer earnings will increase taxes on the overseas operations of every U.S. energy company. Consumers will feel the tax increase through higher energy prices. Click [here](#) for more information on the effect of taxes on foreign subsidiaries.

<sup>5</sup> No nuclear power plant has been built in the U.S. in more than 30 years. The U.S. gets 20% of our electricity from 104 working commercial reactors, many nearing the end of their operating license time-period.

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