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BUDGET WATCH: \$45 Billion Tax Increase On American Energy Production Will Hit Families, Small Businesses and Rural Communities Hardest

Since his State of the Union Address, President Obama has repeatedly talked about expanding “all-of-the-above” energy production. However, a closer look at his Fiscal Year 2013 budget proposal reveals more of the same job-destroying tax increases on American energy that will stifle production and cost jobs. The President simply doesn’t understand that raising taxes on energy production will ultimately end up costing American families and small businesses thousands of dollars at a time when they can least afford cost of living increases.

For example, every penny the price of gasoline increases, it costs consumers an accumulated \$4 million per day. As gasoline prices continue to rise, the last thing consumers need is more expensive energy due to President Obama’s billions of dollars in tax increases.

Specific energy tax and fee proposals in the President’s budget:

- Tax on production of hardrock minerals **(\$1.8 billion)**
- Non-producing lease fee **(\$738 million)**
- Offshore inspection fees **(\$30 million)**
- Onshore inspection fees **(\$480 million)**
- Repeal Domestic Manufacturing Tax Deduction for oil and natural gas **(\$11.6 billion)**
- Repeal expensing for intangible drilling costs **(\$13.9 billion)**
- Repeal percentage depletion for oil and natural gas wells **(\$11.4 billion)**
- Increase geological and geophysical amortization period for independent producers to seven years **(\$1.4 billion)**
- Repeal percentage depletion for hard mineral fossil fuels **(\$1.7 billion)**
- Tax increase for Oil Spill Liability Trust Fund **(\$717 million)**
- Repeal expensing of exploration and development costs **(\$440 million)**
- Repeal domestic manufacturing deduction for hard mineral fossil fuels **(\$271 million)**
- Tax increase on capital gains coal royalties **(\$422 million)**
- Repeal exemption to passive loss limitation for working interests in oil and natural gas properties **(\$82 million)**
- Repeal deduction for tertiary injectants **(\$100 million)**

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