

Support for S.4405
A Bill to Amend the Clean Air Act to Repeal the Natural Gas Tax

Jeff Eshelman, President & CEO, Independent Petroleum Producers of America, said, “The methane tax that was included in the Inflation Reduction Act seriously complicates industry efforts to plan and comply with EPA and state regulations that address emissions from oil and natural gas production. The tax was passed without appropriate understanding of its impact or safeguards. IPAA supports Sen. Cruz’s legislation to repeal the misguided tax on American energy producers.”

Erik Milito, President, National Ocean Industries Association, said, “The recent regulatory overreach targeting various facets of U.S. oil and gas development and use threatens both economic stability and energy accessibility for American households. We applaud Senator Cruz for leading efforts to ensure that regulatory measures do not unfairly disadvantage consumers or American energy production. We strongly support efforts to curtail these regulations and promote balanced, practical energy policies.”

Anne Bradbury, CEO, American Exploration & Production Council, said, “In an era of global economic and security uncertainty, the punitive natural gas tax is counterproductive because it will lead to at least \$6 billion in new taxes and higher energy prices for the American people. Thank you to Senator Cruz for leading the effort in the Senate to eliminate this burdensome tax on American energy, and now is the time for the Senate to show support for lower energy prices for families and businesses across America.”

Tim Stewart, President, U.S. Oil & Gas Association, said, “Small US oil and gas producers are the backbone to our domestic oil and gas industry and the Biden Administration has had us in its sights since the day one. It’s poorly designed tax on natural gas producers is designed to drive most of the small companies out of business so it can overregulate and overtax the ones that remain. The repeal of the natural gas tax brings balance back to the economics of producing energy in America. It will help lower energy costs so businesses can expand, and household budgets have a little more wiggle room for other necessities. And it reduces the numbers of Americans who are falling into energy poverty. The faster we ditch this bad idea – the quicker we can get back to work. We applaud the Senator for taking action.”

Holly Hopkins, Vice President of Upstream Policy, American Petroleum Institute, said, “The men and women of the U.S. oil and natural gas industry are focused on meeting demand for affordable, reliable energy while reducing emissions, but we need policies that incentivize progress rather than limit it. The natural gas tax creates an incoherent regulatory regime that could stifle innovation and hamper America’s energy advantage, and we thank Sen. Cruz and Rep. Pfluger for their leadership in repealing this misguided policy.”

Ben Shepperd, President, Permian Basin Petroleum Association, said, “Senator Cruz continues to fight for the American people, the American economy and American energy security. Worldwide demand for natural gas continues to grow and the American people, our economy and even the world’s environment, are better off when domestic natural gas production is supported by those in Washington, D.C. This Act does just that.”

Karr Ingham, President, Texas Alliance of Energy Producers, said, “The natural gas tax is an ill-conceived piece of legislation that will clearly raise the cost of energy to US consumers, and at the same time, place Texas independent oil and gas companies, and tens of thousands of wells in the state in jeopardy. The Texas Alliance of Energy Producers, the voice of independents in Texas, strongly supports its repeal, and we applaud Senator Cruz for his efforts to protect the fabric of the oil and gas industry in Texas.”

Brent Bennett, Policy Director for Life: Powered, Texas Public Policy Foundation, said, “The tax on methane in the Inflation Reduction Act is a harebrained scheme to punish American energy producers and increase energy prices for Americans with no environmental benefit. Even if the U.S. eliminates all methane emissions by 2040, the effect on global temperatures will be less than 0.03 degrees C, and this tax will only cover a small fraction of that. The market for natural gas is increasingly a global market, and taxing American producers will simply lead to increased production and emissions by less responsible companies in other countries. We support the Natural Gas Tax Repeal Act and hope that this scheme can be put to bed for good.”

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