

Tom O'Halleran supports legislation that would impose a tax and new fees on energy, which could increase costs for families and small businesses.

BACKUP:

Tom O'Halleran supports the Inflation Reduction Act:

- **O'Halleran supports the Inflation Reduction Act.** "O'Halleran supports Inflation Reduction Act, which includes money to combat climate change. The Act passed the U.S. Senate Aug. 7 and is now headed to the House of Representatives before President Joe Biden can sign it. He said people no longer debate whether climate change is real, but what to do about it." (Stan Bindell, "Rep. Tom O'Halleran talks issues, looks forward to general election in a new district," [Navajo-Hopi Observer](#), 8/9/22)
- **In August 2022, O'Halleran voted for H.R. 5376, the Inflation Reduction Act.** (H.R. 5376, [Roll Call #420](#), Passed 220-207: R 0-207, D 220-0, O'Halleran Voted Yea, 8/12/22)
 - **President Biden signed the Inflation Reduction Act into law.** "President Joe Biden signed a sweeping \$750 billion health care, tax and climate bill into law at the White House on Tuesday - marking a major victory for his administration and the Democratic Party ahead of the midterm elections. Biden said during a signing ceremony in the State Dining Room that the legislation, called the Inflation Reduction Act, is 'one of the most significant laws in our history.'" (Maegan Vazquez and Donald Judd, "Biden signs Inflation Reduction Act into law," [CNN](#), 8/16/22)

The Inflation Reduction Act would reinstate and increase a long-lapsed tax on crude and imported petroleum products, increase the royalty rate payable on oil and gas produced on federal land, and impose a first-time fee on methane emissions, which could contribute to higher bills for natural gas customers, including families and small businesses:

- **The Inflation Reduction Act would reinstate and increase a long-lapsed tax on crude and imported petroleum products to 16.4 cents per barrel, which would be paid by US refineries receiving crude oil and importers of petroleum products.** "The climate and tax spending deal announced last week by Senate Majority Leader Chuck Schumer and Senator Joe Manchin could cost billions in new taxes. The legislation, which may get a Senate vote as soon as this week, would reinstate and increase a long-lapsed tax on crude and imported petroleum products to 16.4 cents per barrel, according to a summary of the plan released Sunday by the Senate's tax-writing committee. The fee would be paid by US refineries receiving crude oil and importers of petroleum products, according to the Congressional Research Service, which said proponents of the taxes believe they reflect a 'polluter pays' mentality." (Ari Natter, "Manchin Spending Deal Includes Billions in Oil Import Taxes," [Bloomberg](#), 7/31/22)
- **The Inflation Reduction Act would impose costs on the oil and gas industry, including a first-time fee on methane emissions and increases in the royalty rate payable on oil and gas produced on federal land.** "The 725-page spending bill, which includes some \$370 billion in spending to help fight climate change, would also impose other costs on the oil and gas industry, including a first-time fee on methane emissions and increases in the royalty rate payable on oil and gas produced on federal land." (Ari Natter, "Manchin Spending Deal Includes Billions in Oil Import Taxes," [Bloomberg](#), 7/31/22)

- **In 2021, the American Gas Association warned that a methane fee would likely contribute to higher bills for natural gas customers, including families and small businesses.** “New fees or taxes on energy companies will raise costs for customers, creating a burden that will fall most heavily on lower-income Americans. While we appreciate that the details of the methane fee proposal are still under development, based on similar proposals introduced earlier this Congress, we estimate that the fee could amount to tens of billions of dollars annually. These major new costs most likely will result in higher bills for natural gas customers, including families, small businesses, and power generators. In one scenario, we estimate that such a fee could result in the average customer seeing an approximate increase of 17% in their natural gas bill, or over \$100 per year for the average American family. ² We also estimate that the proposal could put more than 100,000 American jobs at risk.” (Letter, [American Gas Association](#), 9/7/21)
- **According to Americans For Tax Reform, the Inflation Reduction Act would impose a regressive tax on American oil and gas development that will drive up the cost of household energy bills in violation of Biden’s pledge not to raise taxes on anyone making less than \$400,000 a year.** “The bill imposes a regressive tax on American oil and gas development. The tax will drive up the cost of household energy bills. The Congressional Budget Office estimates the natural gas tax will increase taxes by \$6.5 billion. The tax hike violates President Biden’s tax pledge to any American making less than \$400,000 per year. Biden administration officials have repeatedly admitted taxes that raise consumer energy prices are in violation of President Biden’s \$400,000 tax pledge.” (Mike Palicz, “\$6.5 Billion Natural Gas Tax Which Will Increase Household Energy Bills,” [Americans For Tax Reform](#), 8/7/22)

On November 19, 2021, Tom O’Halleran voted for H.R. 5376, the Build Back Better Act:

- **On November 19, 2021, O’Halleran voted for H.R. 5376, the Build Back Better Act.** (H.R. 5376, [Roll Call 385](#), Passed 220-213: R 0-212, D 220-1, O’Halleran Voted Yea, 11/19/21)

Editor’s Note: The version of the Build Back Better Act referenced is the one that passed the House of Representatives on November 19, 2021 and has not been passed by the Senate or signed into law.

The Build Back Better Act, as passed by the House on November 19, 2021, imposes a natural gas tax, or methane fee, that could raise costs for American consumers, and cost the American economy as much as \$9.1 billion and as many as 90,000 jobs:

- **The Build Back Better Act would introduce a methane fee that could raise costs for consumers.** “Buried inside the ‘Build Back Better’ plan that cleared the House of Representatives on Friday morning is a new tax on natural gas production that will likely translate into higher heating bills for American households. The new tax is aimed at curbing methane emissions and will apply fees to companies that produce, process, transmit or store oil and natural gas starting in 2023. The specific fees will depend on where the natural gas is produced and will vary depending on how much methane is released into the atmosphere during the process. Overall, the Congressional Budget Office estimates that the new ‘methane fee’ will generate about \$8 billion over the next 10 years. The natural gas industry says that money will end up coming directly out of

consumers' wallets." (Eric Boehm, "House-Passed 'Build Back Better' Plan Aims To Curb Methane Emissions by Hiking Heating Prices," [Reason](#), 11/19/21)

- **Per the American Petroleum Institute, the methane tax included in the Build Back Better Act could cost the economy as much as "\$9.1 billion and as many as 90,000 jobs."** "Perhaps most importantly, the tax in the House Energy and Commerce bill will generate significant costs and loss of jobs. The methane tax is a tax on oil and natural gas which could have harmful impacts on America's economy and jobs. At \$1,500 a ton, the potential cost of the bill's methane fee to the economy could be as high as \$9.1 billion and as many as 90,000 jobs could be lost." (American Petroleum Institute, "[Methane Fee Opposition Letter](#)," 9/12/21)
 - **The House approved Build Back Better Act included a fee reaching \$1,500 per ton on methane as of 2025.** "Language approved by the House represents a compromise that would slap a rising fee on excess emissions at oil and gas facilities, reaching \$1,500 per ton in 2025, along with \$775 million in subsidies for companies that take steps to reduce emissions." (Matthew Daly, "Dems confident on methane fee as budget bill moves to Senate," [AP News](#), 11/22/21)

A coalition of energy industries determined that "new fees or taxes on energy companies will raise costs for consumers," specifically creating a burden for lower-income Americans:

- **A coalition of energy industries determined that "new fees or taxes on energy companies will raise costs for consumers," specifically creating a burden for lower-income Americans.** "New fees or taxes on energy companies will raise costs for customers, creating a burden that will fall most heavily on lower-income Americans," a coalition of energy industries wrote in a letter to congressional leaders in September. "These major new costs most likely will result in higher bills for natural gas customers, including families, small businesses, and power generators." (Eric Boehm, "House-Passed 'Build Back Better' Plan Aims To Curb Methane Emissions by Hiking Heating Prices," [Reason](#), 11/19/21)

The methane fee included in the House-passed version of Build Back Better has been labelled a "stealth tax" that would impact over 180 million Americans and 5.5 million businesses:

- **The methane fee included in the House-passed version of Build Back Better has been labeled as a "stealth tax on natural gas and everyone who uses it."** "It could be a rough winter for energy prices across the U.S., and the Democratic spending plan will make it worse. The House passed what it calls a 'fee' on methane that amounts to a stealth tax on natural gas and everyone who uses it." (Wall Street Journal Editorial Board, "The Stealth Gas-Heating Tax," [The Wall Street Journal](#), 12/9/21)
- **The tax on natural gas could be passed along to the "180 million Americans [who] use natural gas to heat homes and run appliances" and the "5.5 million businesses [that] use it to run their workplaces and manufacturing facilities."** "Producers will naturally pass the cost of the tax along to customers. Some 180 million Americans use natural gas to heat homes and run appliances, while some 5.5 million businesses use it to run their workplaces and manufacturing facilities." (Wall Street Journal Editorial Board, "The Stealth Gas-Heating Tax," [The Wall Street Journal](#), 12/9/21)

The Build Back Better Act, as passed by the House on November 19, 2021, would increase royalties on domestic energy production:

- **The Build Back Better Act would raise the royalty rates for all new oil, gas, and coal leases from 12.5% to 20%, and in some cases up to 25%. “In the Build Back Better bill, minimum onshore royalty rates would be increased from 12.5% to 20%, while higher royalty rates of 16.67% would be increased to 25%. Offshore production royalties would be increased across the board from 12.5% to 20%.”** (Mark Passwaters, “Biden's Build Back Better bill would ban drilling offshore Florida, increase royalty rates,” [Upstream Online](#), 11/4/21)