



AMERICANS FOR TAX REFORM

# TAXPAYER PROTECTION PLEDGE ALERT

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## H.R. 6, THE SO-CALLED “CLEAN ENERGY ACT OF 2007” IS A TAX INCREASE AND VIOLATES THE TAXPAYER PROTECTION PLEDGE

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### A VOTE FOR H.R. 6 IS A VIOLATION OF THE TAXPAYER PROTECTION PLEDGE

Following thirteen years without a tax increase on the federal level (1993) and \$2.28 trillion in net tax cuts, the newly formed, Democrat-controlled House will TOMORROW force a vote, within its first fifteen days, to raise taxes on domestic energy production, increase America’s dependence on foreign oil and subsequently lower the value of millions of Americans’ retirement funds.

As stated in yesterday’s Wall Street Journal editorial (1/16/07, A20), *“This bill is said to promote America’s energy independence, but the biggest winner may be OPEC. This is a lengthy, complicated bill, but the central idea is simple: Raise taxes on domestic oil producers and then spend the money to subsidize ethanol, solar energy, windmills (so long as they’re not on Cape Cod), and so on. But if you increase the cost of domestic oil production by \$10 billion, you are ensuring that U.S. imports of OPEC oil will rise and domestic production will fall.”*

**This measure is a violation of the Taxpayer Protection Pledge, signed by 197 House members and 43 Senators, who have pledged to their constituents to “oppose any net reduction or elimination of deductions and credits, unless matched dollar for dollar by further reducing tax rates.”** By eliminating the manufactures’ deduction without an offsetting tax cut somewhere else, H.R. 6 clearly violates the pledge.

**And instead of a subsequent dollar for dollar tax reduction, the measure simply takes the increased revenue and shifts it into a fund dedicated for new pork-barrel spending: namely an all-new “Strategic Energy Efficiency and Renewable Reserve” for the purpose of investing in alternative energy.** The last memorable reserve with only a warm fuzzy feeling and no purpose was the “lock box” for preserving Social Security, coined by former Vice President Al Gore. This reserve has the same rationale and effect as the former Vice President’s: none.

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