

# *Oppose New Subsidies for Natural Gas*



May 4, 2011

Dear Representative:

Taxpayers for Common Sense Action urges you to oppose H.R. 1380, the New Alternative Transportation to Give American Solutions or NAT GAS Act. By providing billions in new tax subsidies, H.R. 1380 does a double whammy on taxpayers. It sets up a system to favor natural gas over other transportation and energy technologies while at the same time adding more tax expenditures and increasing complexity in the tax code – counter to all of the current fiscal reform plans, including the recently adopted House Budget Resolution (H. Con. Res. 34). Members on both sides of the aisle have acknowledged that all options need to be on the table to reform our nation’s energy policy and level the playing field. But by siphoning billions into the natural gas market, the NAT GAS Act clearly picks a winner and makes taxpayers, and the deficit, a loser.

H.R. 1380 provides significant subsidies for natural gas at all levels of production—from manufacturing and infrastructure to consumer tax credits—carrying an estimated \$5 billion price tag. It includes a tax credit for up to 80 percent of the marginal cost of buying a natural gas vehicle—up to \$64,000 for the heaviest trucks; a 50-cent-per-gallon fuel tax credit, an infrastructure tax credit of 50 percent of the cost of a fueling station—up to \$100,000, and a manufacturing tax credit for the production of natural gas vehicles.

Recently, Taxpayers for Common Sense joined with 30 other organizations calling for “No new subsidies. No legislative proposal should include new subsidy programs of any kind.”

H.R. 1380 runs counter to this fundamental principle. When the phrase of the day is tax simplification, members should demonstrate fiscal restraint and not pile on more blatantly narrow subsidies. The recent fiscal year 2011 appropriations debate clearly highlighted the need and commitment of Congress to make tough cuts—across the board. The NAT GAS Act should be no exception.

In this fiscal climate, taxpayers cannot afford this costly legislation. TCS Action urges you to prevent the siphoning of billions of dollars to the natural gas industry and oppose the NAT GAS Act. If you would like to discuss this further please contact me or Autumn Hanna at 202-546-8500.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Ryan Alexander', written in a cursive style.

Ryan Alexander  
President