

September 15th, 2021

RE: Fossil Fuel Subsidies Must be Repealed

Dear Leader Schumer, Minority Leader McConnell, Senate Finance Committee Chair Wyden, Speaker Pelosi, Minority Leader McCarthy, and House Ways & Means Chair Neal,

The Green Scissors coalition is dedicated to cutting wasteful and environmentally harmful government spending. As a coalition of free-market, taxpayer, and environmental groups, we differ vastly in our beliefs on the proper scope of government spending on infrastructure. We do however, strongly agree that new revenue to be raised to cover the cost of infrastructure spending should start by cutting programs and tax expenditures that are harmful to the environment. This should include repealing the preferential tax treatment for fossil fuel extraction.

The House Ways and Means Committee has released their list of infrastructure revenue raisers, in which the repeal of domestic fossil fuel subsidies was notably absent. This is a troubling exclusion, the taxpayer should not be subsidizing fossil fuel extraction in the midst of this unprecedented climate crisis. The domestic fossil fuel tax advantages that Chairman Neal omitted as revenue raisers include, but are not limited to:

- [Last in, first out accounting](#): \$15 billion
- [Excess of percentage over cost depletion](#): \$5.8 billion
- [Intangible Drilling Costs](#): \$4 billion
- [Master Limited Partnerships](#): \$1.1 billion
- [Amortization of geological and geophysical expenditures](#): \$1 billion

We urge House leadership to support the repeal of domestic fossil fuel subsidies to the Build Back Better Act over the course of the House Ways & Means mark-ups or in the weeks ahead on the House floor. Further, we urge leadership in the Senate to ensure that this important priority is included in parallel legislation.

Respectfully,

The Green Scissors coalition

Friends of the Earth; Taxpayers for Common Sense; The R Street Institute; U.S. PIRG; Environment America