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## The Obameter

### Enact windfall profits tax for oil companies

"Will require oil companies to take a reasonable share of their record-breaking windfall profits and use it to provide direct relief worth \$500 for an individual and \$1,000 for a married couple. The relief would be delivered as quickly as possible to help families cope with the rising price of gasoline, food and other necessities. The rebates would be fully paid for with five years of a windfall profits tax on record oil company profits."

#### Sources:

["New Energy for America"](#)

**Subjects:** [Corporations](#), [Energy](#), [Taxes](#)

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## Updates:

### Three budget plans, no proposals for windfall profits tax, promise broken

**Updated: Wednesday, March 16th, 2011 | By [Robert Farley](#)**

In a [press conference](#) on March 11, 2011, President Barack Obama talked in length about his energy policy. He talked about boosting domestic oil production, energy conservation and investing in clean energy alternatives. But one thing you didn't hear was President Obama talking about the need for a tax on windfall profits for oil companies.

Two years ago, we moved this promise to Stalled when Obama failed to include it in his 2010 budget outline. It wasn't in Obama's 2011 budget. And now --even as gas prices are again on the rise -- it's not in his 2012 proposal either.

Jerry Taylor, a senior fellow at the Cato Institute, a libertarian think tank, said there has been "no serious push" from the administration for a windfall profits tax.

Obama made the promise back in the summer of 2008, when gas prices were at record highs. The national average for a gallon of unleaded hit a record of \$4.11 on July 17, 2008. Then the market collapsed, and so did talk about a windfall profits tax.

Gas prices are climbing again, but with Republicans now controlling the House, Taylor said, "there is no way he'd get that through the Congress today."

"It's the sort of thing that polls well during a campaign, but once you get elected, you conveniently let it go by the wayside," Taylor said. "If we continue to see a rise in gas prices, I'm virtually certain we'll see a lot of conversation about that," he said. But there's no chance it will pass, he said.

Chuck Marr, director of federal tax policy at the left-leaning Center on Budget and Policy Priorities, said that while Obama's 2012 budget plan does include a proposal to cut or eliminate tax subsidies to oil, gas and other fossil fuel producers -- \$4 billion worth, according to the [Obama budget plan](#) -- "he hasn't proposed (a windfall profits tax), that's for sure."

During the election, prices were very high, Marr said. As oil prices again climb, he said. "it becomes more in play, though I haven't heard much discussion of it." And with Republicans now controlling the House, he said. "Let's just say it couldn't happen."

This promise seemed doubtful from the start. Even before Obama took office, the promise was scrubbed from the Obama campaign's transition website. In December 2008, an aide to the Obama transition team told [ABC News](#), "President-elect Obama announced the policy during the campaign because oil prices were above \$80 per barrel. They are below that now and expected to stay below that."

At the time, we thought it was too early to call this promise dead. Gas prices are unpredictable. But even as gas prices rose again this year, Obama said nothing about a windfall profit tax. It hasn't been included in any of Obama's three budget plans to date. And we couldn't find anywhere that either Obama or anyone in his administration has raised the idea. Now, even if it were to be proposed, experts say the political calculus -- with Republicans controlling the House --

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makes it almost impossible that it wouldn't become law. We rate this one a Promise Broken.

**Sources:**

White House website, [Transcript of news conference by President Obama](#), March 11, 2011

White House website, Obama's proposed 2012 budget, [funding highlights for the Department of Energy](#)

ABC News, "[Obama Abandons Windfall Profits Tax on Oil Companies: Liberals Smell a Corporate Rat.](#)" Dec. 3, 2008

Interview with Bob Williams of the Tax Policy Center, March 15, 2011

Interview with Jerry Taylor at the Cato Institute, March 15, 2011

Interview with Chuck Marr at the Center on Budget and Policy Priorities, March 15, 2011

## Low gas prices have stalled windfall profits tax on oil companies

**Updated: Tuesday, March 10th, 2009 | By [Angie Drobnic Holan](#)**

Back in the summer of 2008, gas prices were at record highs. The national average for a gallon of unleaded hit a record of \$4.11 on July 17.

Barack Obama, then a candidate, argued for a windfall profits tax on oil companies.

"I'll make oil companies like Exxon pay a tax on their windfall profits, and we'll use the money to help families pay for their skyrocketing energy costs and other bills," Obama said in a speech that summer.

But since then, gas prices have declined. A gallon of unleaded cost \$1.94 in March 2009.

So these days, President Obama doesn't talk about the windfall profits tax. It didn't make it into the budget outline he released on Feb. 26, 2009. No one in Congress has introduced legislation to enact it. (In 2008, there were at least seven windfall profits bills.)

That's not to say that Obama has abandoned all energy taxes. His budget outline includes a cap-and-trade policy that would require carbon emitters to pay new fees ([Promise No. 456](#)), as well as proposals to revoke other tax deductions for oil and gas companies ([Promise No. 2](#)).

But we've seen nothing to indicate Obama intends to pursue a windfall profits tax anytime soon. If Obama was serious about this one, it seems likely it would have been in the budget outline. For these reasons, we rate this promise Stalled.

**Sources:**

AAA, [Fuel Gauge Report](#), accessed March 10, 2009

Library of Congress Thomas legislative database

Office of Budget and Management, [Budget Documents for Fiscal Year 2010](#), Feb. 26, 2009



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