

Excess Oil Profits

In 2005, Exxon Mobil posted a net profit of \$36.1 billion - a 31 percent increase from the year before. Exxon earned \$10 billion in the fourth quarter of 2005 alone — up from the previous quarterly record of \$9.92 billion, set by Exxon in the third quarter of 2005. Despite record breaking profits, Congress has not hesitated to give billions in hard earned taxpayer money to the oil industry in the form of tax breaks and incentives. I strongly believe that our national energy and tax policies should reflect the common sense that Americans should not be getting hit by high prices twice -- once at the pump and once again seeing their tax dollars given away to an industry enjoying unprecedented levels of profit.

To this end, I joined with Congresswoman Rosa DeLauro (D-CT) to introduce the Consumer Windfall Excess Oil Profits Protection Act of 2005 (H.R. 4276) which would impose a windfall profit tax on oil and natural gas. The proceeds from these profits would be used to fund the Low-Income Home Energy Assistance Program (LIHEAP), which provides home heating assistance to low-income families, and for veteran's medical care provided by the Department of Veterans Affairs.

In addition, on April 27 2006 I introduced the Oil Subsidy Elimination Act (H.R. 5234) to rollback nearly \$7 billion in federal tax breaks and incentives for the oil industry. H.R. 5234 would ensure that Connecticut consumers are not being forced to use their tax dollars to subsidize an industry that is receiving huge profits from as a result of the high priced gas they buy for their families and businesses.

On May 4, 2006, I offered a motion to instruct House conferees on the Tax Reconciliation Act (H.R. 4297) to accept three bipartisan provisions passed by the Senate that would eliminate \$5.4 billion worth of tax subsidies and loopholes for large oil companies. The motion failed by a vote of 197 to 224, with almost every House Republican voting against it. You can learn more about this motion [here](#).

Finally, I am also an original cosponsor of the Restore a Rational Tax Rate on Petroleum Production Act of 2006 (H.R. 5218), introduced by Rep. Jim McDermott (D-WA). H.R. 5218 would eliminate an unneeded manufacturing tax deduction enacted for the oil industry in 2004. Recent reports have shown that oil companies are receiving millions of dollars as a

result of this unneeded tax cut. Conoco Philips, for example, received \$106 million from this tax benefit in 2005. The cost of this benefit is expected to triple by 2010 as it is fully phased in.

Press Releases and Editorials

- 9/1/05
- Larson, DeLauro Propose Reviving Excessive Profits Tax
- 9/12/05
- Big Thinking on Oil Problems (Hartford Courant)

Correspondence

- 11/8/05
- Letter to Speaker Hastert urging him to call oil company executives before Congress to explain the relationship between rising oil prices and oil company profits

Additional Information

Oil Industry Profits: Analysis of Recent Performance (Library of Congress)