

Subject: Chaffetz opposed to \$3.01 billion carbon tax in Obama budget

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March 27, 2009

Dear Mr. Taylor,

Data released on March 26 by the [House Committee on Ways and Means](#) demonstrates that every state in the Union - and every American - will be hit hard by a new and highly regressive "Cap and Trade" tax.

The President's recently-released budget imposes a \$3.01 billion tax on Utahns. On a per capita basis, each Utahn will be hit with \$1,115.47 in new taxes on their electricity bill alone (Table 1). Families will be hit even harder. The data show this new tax will increase the average Utah family's (3.08 people/household) annual electricity bill by \$3,435.65 or by nearly \$290 per month. While other energy costs are low as a result of the recession, [all energy costs will increase](#) as the Administration increases the velocity of its frontal assault on American energy security.

At a recent [congressional hearing](#) on energy consumption I asked Mr. Howard Gruenspecht, an expert witness from the Energy Information Agency (EIA), a non-partisan federal agency dealing with energy issues, what percent of Americans consume some form of energy. He replied: "All of them." Further, I asked him what percent of Americans would be impacted by a cap and trade tax. His answer: "Probably all of them."

Since everyone in America consumes energy, then everyone in America will suffer the consequences of the Obama Administration's foolhardy proposal to regulate climate change through so-called "Cap and Trade (Tax)" policies. The Administration's proposal will not only further cripple the economy, it will impose a [crushing energy consumption tax](#) on every man, woman, and child in the United States.

With so many individuals already living on the margins, this massive new tax increase will destroy our hope of recovering from the current recession. The financial security of all Americans will be jeopardized if this tax is enacted. Now is not the time to increase taxes, nor is this the way. Despite the President's assurances that 95 percent of Americans will not see their taxes increase by one dime, the numbers clearly show his plan will actually increase taxes on 100 percent of Americans.

Table 1:

Annual Increase in Electricity Costs
(based on the Stern Review's recommended carbon price of \$85 per ton)

State	Cost at 100% Auction (in millions)	Increase in Electricity Costs per Capita
Alabama	7124.6	\$1,528.26
Alaska	367.5	\$535.49
Arizona	4365.3	\$671.57
Arkansas	2240.6	\$784.69
California	4647.8	\$126.45
Colorado	3471.5	\$702.81
Connecticut	981	\$280.19
Delaware	19.9	\$22.79
District of Columbia	578.4	\$977.30
Florida	11077.6	\$604.40

Georgia	7586.5	\$783.26
Hawaii	767.6	\$595.87
Idaho	113.4	\$74.42
Illinois	8567.2	\$664.04
Indiana	10378	\$1,627.46
Iowa	3417.6	\$1,138.23
Kansas	3199.6	\$1,141.84
Kentucky	7677.1	\$1,798.23
Louisiana	4853.6	\$1,100.39
Maine	599.9	\$455.69
Maryland	2832.7	\$502.82
Massachusetts	2279.6	\$350.82
Michigan	6691.7	\$668.94
Minnesota	3304.7	\$633.04
Mississippi	2137.4	\$727.35
Missouri	6785.5	\$1,147.83
Montana	1661.7	\$1,717.63
Nebraska	1876.7	\$1,052.30
Nevada	2206.1	\$848.45
New Hampshire	694.1	\$527.51
New Jersey	1793.8	\$206.60
New Mexico	2782.9	\$1,402.42
New York	5137.8	\$263.61
North Carolina	6450.7	\$699.46
North Dakota	2790.8	\$4,350.56
Ohio	11205.6	\$975.60
Oklahoma	4373.3	\$1,200.68
Oregon	762.1	\$201.08
Pennsylvania	10770.6	\$865.23
Rhode Island	221.2	\$210.51
South Carolina	3473.7	\$775.41
South Dakota	280.5	\$348.80
Tennessee	5090	\$819.00
Texas	21986.2	\$903.78
Utah	3052.4	\$1,115.47
Vermont	1.2	\$1.93
Virginia	4055.2	\$521.97
Washington	1267.1	\$193.47
West Virginia	7207.6	\$3,972.29
Wisconsin	4587.4	\$815.11
Wyoming	3861.6	\$7,249.54

Source: Committee on Ways & Means Republican Staff analysis

Sincerely,

Jason Chaffetz
Member of Congress