

As the economy continues in its downward spiral and talks in Congress about reducing spending have only amounted to political theater, the subject of how the tax code treats energy has become a topic of controversy. Specifically, should we subsidize, enforce mandates, or give tax credits and deductions to industries like ethanol and natural gas? Having a thriving energy market domestically is a good thing and something the government should not hinder. Not only would decreasing our dependence on foreign oil simplify our foreign policy, but it would greatly enhance our anemic economy at home.

Of course, the government should neither inhibit nor subsidize any particular type of energy. While many people agree with that statement, there is much confusion over the difference between government subsidies and tax credits or deductions. The difference is night and day, yet so many times they are all lumped together as evil government handouts. A subsidy IS a government handout. It amounts to the government taking money from the people and giving it to a favored interest. It is the worst sort of market manipulation and it is something I can never support. This kind of government mischief is anathema to the Constitution and the principles of freedom and the free market.

By contrast, with tax credits and deductions, industries, business, and individuals simply get to keep more of the money they have earned. Ideally, the tax code should not be used for social engineering, but, until we have true tax reform, I will always support tax credits and deductions that keep more dollars in the private sector where they are spent, saved, or invested. This means I will support tax credits and deductions for energy producers, farmers, homeschoolers, family child care expenditures, expenses of evacuees from disaster areas, and even adoption expenses. I've almost never met a tax cut, deduction, or credit I didn't like. Any measure that keeps money in the private sector to spend, save or invest, rather than allowing the government to waste or misallocate is a win for the economy.

Inequities in the tax code dealing with tax credits should be solved by giving all participants equal treatment. Removing tax credits is nothing more than a tax increase.

I oppose ethanol mandates because I do not think anyone should be forced to use or buy ethanol. Ethanol mandates often serve as corporate welfare for big agriculture ethanol producers. The marketplace should decide whether or not to use ethanol, and producers of ethanol have to discover if they can produce it at a price that makes good business sense. No industry should be allowed to use legislation to create a "market" for its products. The real reason ethanol mandates continue to surface in federal legislation is that agribusiness continues to have one of the most powerful lobbies in Washington.

Furthermore, while I do not support providing federal grants to any industry, I do support the tax credits contained in the NAT Gas Act, HR 1380. These credits reduce taxes for the production

or purchase of vehicles that run on American-made natural gas. These credits are not subsidies. Of course, we should repeal federal barriers to energy production and reduce taxes on all forms of energy. Therefore, I have also introduced the Affordable Gas Price Act HR 1102 which would remove governmental barriers to offshore drilling, encourage private investment in new refineries and suspend taxes on gasoline when the price at the pump reaches a certain threshold. Lowering taxes to encourage the domestic production of energy and getting government out of the way of the American energy market is not a government giveaway; it is the way it should be in a free country.