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CC:

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

Date: Fri, 27 Mar 2009 14:49:08 -0400

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March 27, 2009

Dear Mr. Puente,

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

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