



Big Oil: Old, Rich, and Dirty

Six Essential Oil Subsidy Facts

Every year, oil, gas, and coal companies harvest billions of dollars in Federal subsidies. Below are 6 essential facts every taxpayer should know about these century-old giveaways to some of today's biggest, most lucrative, and most polluting industries—and why it's long past time to put a stop to them.



1 SUBSIDIES COST TAXPAYERS TENS OF BILLIONS OF DOLLARS EVERY SINGLE YEAR

Subsidies exclusive to oil and gas cost taxpayers about \$4 billion per year. Add to that the oil and gas portion of broader deductions and loopholes and the total nearly doubles. The exact cost will change from year to year along with drilling activity. But it is clear that Big Oil is siphoning off billions of dollars annually—and they've been at it for nearly a century.



2 OIL SUBSIDIES ARE A CENTURY OLD

Subsidization of the fossil fuel industry started nearly a century ago. Some subsidies, like the deduction of Intangible Drilling Costs, were originally put in place in 1916, when energy markets, technology, and our understanding of fossil fuel's impacts were starkly different. Today, Big Oil continues to feed off taxpayers despite being fully entrenched politically, economically, and supported by a massive infrastructure network.



3 OIL SUBSIDIES ARE PERMANENT

Many subsidies for polluting oil and gas do not expire. In contrast, and despite their benefits to human health and the environment, clean energy incentives must be actively renewed by Congress—sometimes every year.



4 OIL SUBSIDIES ARE AN OUT-OF-DATE CORPORATE ENTITLEMENT

Big Oil and gas companies represent some of the most mature technologies and most profitable companies on the planet. Oil is a globally traded commodity. Americans spend literally hundreds of billions of dollars purchasing it every year. Companies like Exxon don't need taxpayer dollars to help gain a foothold in the marketplace.



5 BURNING FOSSIL FUELS IS THE NATION'S LARGEST SOURCE OF CARBON POLLUTION

According to the Energy Information Administration, oil is the economy's largest source of carbon pollution and is predicted to be so for the foreseeable future. Americans should not be forced to permanently subsidize companies that jeopardize the health of future generations for decades to come.



6 OIL PRICES DON'T JUSTIFY SUBSIDIZING OIL PRODUCTION

In 2005, President Bush stated that “with \$55 oil we don't need incentives to the oil and gas companies to explore.” Since then, crude prices have soared to roughly \$100 per barrel and are expected to climb steadily into the future. It makes no sense to continue paying these companies to drill when current and expected oil prices already provide ample motivation.

Stop Big Oil's Corporate Entitlement Program

It's time to stop forcing taxpayers to funnel billions of dollars to the largest, richest companies in the world and time to start supporting the clean energy solutions of tomorrow.



For more information, please contact:

www.nrdc.org/policy
www.facebook.com/nrdc.org
www.twitter.com/nrdc

Printed on recycled paper
© Natural Resources Defense Council 2014