

U.S. Sen. Baldwin, colleagues: introduce legislation to curb profiteering by big oil companies to provide relief at the pump

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Big Oil Windfall Profits Tax would protect consumers from giant oil companies taking advantage of world events to jack up prices

WASHINGTON, D.C. – U.S. Senator Tammy Baldwin has cosponsored the introduction of new legislation to curb profiteering by oil companies and provide Americans relief from rising gas prices.

“Wisconsin is feeling the Putin price hike at the pump and we cannot afford to have big oil corporations taking advantage of market disruptions to pump up their profits,” **said Senator Baldwin.** “I support this legislation because it can provide some economic relief to working families and help put their pocketbooks ahead of more profits for big oil.”

Russia’s invasion of Ukraine has further disrupted an already volatile global oil market by reducing supply and leading governments to limit imports of Russian energy to help protect the Ukrainian people. At the same time, big oil companies are reaping near-record profits. In 2021, ExxonMobil’s profits jumped over 60 percent over pre-pandemic levels to more than \$23 billion. Over that same time period, the price of a gallon of gasoline rose from an average of \$2.69 to \$3.41. It currently stands at over \$4. This increase is not justified by increases in the cost of domestic production, but is driven by international markets controlled by fossil fuel cartels.

The *Big Oil Windfall Profits Tax*, led by U.S. Senator Sheldon Whitehouse (D-RI), would provide consumers guaranteed relief while maintaining American competitiveness and reducing pressure on inflation by attacking corporate profiteering. Under Whitehouse's bill, large oil companies that produce or import at least 300,000 barrels of oil per day (or did so in 2019) will owe a per-barrel tax equal to 50 percent of the difference between the current price of a barrel of oil and the pre-pandemic average price per barrel between 2015 and 2019, a period when big oil companies were already earning large profits. The quarterly tax will apply to both domestically produced and imported barrels of oil to ensure a level playing field.

Smaller companies accounting for roughly 70 percent of the domestic production will be exempt, so oil giants like Exxon Mobil and Chevron cannot simply gouge consumers further without the threat of losing market share.

Revenue raised from the windfall profits of big oil companies will be returned to consumers in the form of a quarterly rebate, which would phase out for single filers who earn more than \$75,000 in annual income and joint filers who earn more than \$150,000. At \$120 per barrel of oil, the levy would raise approximately \$45 billion per year. At that price, single filers would receive approximately \$240 each year and joint filers would receive roughly \$360 each year.

The Senate legislation is also cosponsored by Senators Michael Bennet (D-CO), Richard Blumenthal (D-CT), Cory Booker (D-NJ), Sherrod Brown (D-OH), Bob Casey (D-PA), Ed Markey (D-MA), Jeff Merkley (D-OR), Jack Reed (D-RI), Bernie Sanders (I-VT), and Elizabeth Warren (D-MA). Congressman Ro Khanna (D-CA-17) is introducing the legislation in the U.S. House of Representatives.

An online version of this release is available [here](#).