

U.S. Sen. Baldwin: Works to hold Big Oil accountable for price gouging consumers and give families relief

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WASHINGTON, D.C. – As the five largest publicly traded oil companies boast to Wall Street about their record \$264.3 billion haul in 2022, U.S. Senator Tammy Baldwin (D-WI) joined her Democratic colleagues in reintroducing the *Big Oil Windfall Profits Tax Act* to crack down on profiteering by Big Oil and give working families relief.

“While Wisconsin families were experiencing sticker shock at the pump, Big Oil was collecting record profits. Big Oil and those at the top of the food chain cannot be allowed to use inflation and foreign conflict as an excuse to boost record profits while working families pay the price,” **said Senator Baldwin.** “This legislation will hold the fossil fuel industry accountable and deliver relief to Wisconsin families.”

The five largest publicly traded oil companies – Exxon Mobil, Chevron, BP, Shell, and TotalEnergies – hauled in pre-tax profits totaling \$264.3 billion in fiscal year 2022. Exxon alone reported \$77.8 billion in profits in 2022, smashing the earnings record of any American or European oil company. Exxon also announced plans to keep oil production flat for the year ahead. Rival oil giant Chevron – flush with \$49.7 billion in profits – greenlit \$75 billion in stock buybacks in 2023 to benefit its wealthy executives and shareholders on Wall Street.

Last year, gas prices briefly surpassed \$5 a gallon, squeezing the budgets of families across the country. While the price of gas has fallen significantly since then, it remains well above pre-pandemic levels.

The Big Oil Windfall Profits Tax Act would:

- **Claw back Big Oil's windfall profits.** Large oil companies will owe a per-barrel quarterly 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. It will apply to both domestically produced and imported barrels of oil to ensure a level playing field. The claw back will apply to oil profits in 2022 and going forward so that Americans gouged by high prices are made whole.
- **Apply only to the largest companies.** Large companies that produce or import at least 300,000 barrels of oil per day will be subject to the legislation. Smaller companies accounting for roughly 70 percent of domestic production will be exempt, so oil giants like Exxon and Chevron cannot simply gouge consumers further without the threat of losing market share.
- **Lower consumer costs with relief rebates.** 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. With oil priced at roughly \$90-100 per barrel, this levy would raise approximately \$48.1 billion per year. At this price, single filers would receive an estimated \$255 each year and joint filers \$382.

The Senate legislation is led by Senator Sheldon Whitehouse (D-RI) and is also cosponsored by Senators Alex Padilla (D-CA), Jeff Merkley (D-OR), Sherrod Brown (D-OH), Bob Casey (D-PA), Elizabeth Warren (D-MA), Edward Markey (D-MA), Richard Blumenthal (D-CT), Michael Bennet (D-CO), Chris Murphy (D-CT), Tim Kaine (D-VA), Raphael Warnock (D-GA), Cory Booker (D-NJ), Debbie Stabenow (D-MI), Bernie Sanders (I-VT), and Jack Reed (D-RI).

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