

AABE FEDERAL INCOME TAX ENERGY SECTOR PRINCIPLES

The American Association of Blacks in Energy (AABE) recognizes the need for increased participation in the discussion on federal income tax policy and the energy sector, by historically underserved and fixed income communities. To that end, AABE supports the following federal income tax energy principles.¹

- AABE supports modernizing, simplifying and reforming the U.S. Tax Code. The U.S. currently has the highest corporate tax rate in the world. The energy sector pays billions of dollars in federal income taxes and reducing this burden will help create new jobs, spur economic development and lead to a more competitive environment.
- AABE understands that energy policy challenges impact all consumers and ratepayers. AABE supports federal income tax reforms that help nascent energy technologies, and in turn reduce costs to low income and underserved consumers
- AABE believes that the reduced rate on dividends should be extended and made permanent, notwithstanding contemplated overhaul of the Federal U.S. Tax Code. U.S. energy companies pay and have paid dividends to consumers for many years. The U.S. energy industry is capital intensive, requiring capital investments that produce high quality jobs which should directly benefit underserved communities.
- AABE believes that critical infrastructure and other investments by the energy sector create opportunities and jobs for underserved and underrepresented communities. Where offsets to pay for tax reform are concerned, there should be a stable transition period regarding the phase out of current sector deductions so that capital can be attracted to realize these investments.
- AABE recognizes that regulated energy companies could potentially benefit from a properly structured federal rule to standardize the treatment of deferred taxes for ratemaking purposes.

¹ Adopted by the AABE Board of Directors (April 2013)