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## **HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING THE IMPACT OF TAX REFORM ON U.S. ENERGY POLICY**

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee hearing examining the impact of tax reform on U.S. energy policy:

I thank the Chairman for once again holding a critical hearing on tax reform. It is essential that we continue these discussions in pursuit of reforming a tax code, which is complicated, unfair, and difficult to administer. We cannot afford as a nation a tax code that prevents our full potential for economic growth.

Looking at the witnesses, it is clear that we have a good representation of different viewpoints about the various energy sources addressed throughout the tax code. My hope is that this hearing will contribute to our goal of comprehensive tax reform in the near future.

It is important to conduct our examination today with President Reagan's three criteria for tax reform as our guide posts. We will be looking at the fairness of the system. We will be looking at the efficiency of the system, with a particular emphasis on its anti-growth features. And we will be looking at the complexity of the current tax code.

If we keep these principles in mind, I am optimistic that this committee will be in a position to reform our tax code in a way that is better for families, businesses, and our economy.

I know many of my colleagues on both sides of the aisle hope to achieve a tax reform that lowers rates while broadening the tax base. However, from my perspective, there is another feature that will be essential for any successful tax reform. Tax reform should be about tax reform — not about deficit reduction. We should be simplifying our tax code and lowering rates to create a more fair system that generates the economic growth necessary to generate jobs and revenue. It would be a mistake to call tax increases tax reform, and use that increased revenue to achieve deficit reduction rather than pro-growth rate reductions.

Today, we are prospectively focusing on what role, if any, energy policy should play in the tax code. Energy policy has been creeping into the tax code at an exponential rate. Yesterday, I heard the Chairman compare the tax code to the Hydra — the hundred-headed creature of Greek mythology. Each time you cut off one head, two more grow back. I believe this analogy is particularly apt with respect to energy tax provisions.

I hope today we can have an open debate about whether, going forward, there is a role for energy policy in the tax code. And if so, what should that role be?

I could keep talking, but there is no tax incentive for producing a lot of hot air yet, so I'll just let the witnesses get to it. Thank you again Mr. Chairman, and I look forward to hearing from the panel today.

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