

Republican Motion #2

REPEAL THE COW TAX

Offered by Representative Trent Kelly (MS-01)

Mr. Kelly moves that the Committee on the Budget direct its Chairman to request on behalf of the Committee that the rule providing for consideration of the bill shall make in order an amendment to strike funding for the following line item:

- \$75 million for the Environmental Protection Agency (EPA) to create a new program under the Clean Air Act, which would assess a fee (tax) on methane emissions.

Background

- (1) The natural gas tax under the Clean Air Act essentially amounts to a cow tax on American farmers and livestock owners by fining them for methane emissions. The EPA's methane tax will have an annual impact on American agriculture operations that directly harms farmers and livestock owners by increasing producer costs and leading to higher prices for consumers.
- (2) The addition of the methane tax all but guarantees producers and consumers will continue seeing higher prices in the foreseeable future.
- (3) According to Farm Bureau estimates, the total impact of the methane tax on American farmers and ranchers would be \$361.5 billion per year.
 - a. Beef: \$198.75 billion total/ \$2,607 per head
 - b. Dairy: \$112.8 billion total/\$6,504 per dairy cow
 - c. Swine: \$39 billion total/ \$503 per head
- (4) Prices are already high under President Biden's inflation crisis, and the EPA's methane tax will only exacerbate it. Food prices are up 3.4 percent for consumers over the last year and are predicted to go even higher by the end of 2021.
 - a. Beef: 4-5 percent increase
 - b. Dairy: 1-2 percent increase
 - c. Pork: 5-6 percent increase
 - d. Poultry: 3.5-4.5 percent increase
- (5) Inflation has averaged 2.0 percent over the past 20 years. Inflation in 2021 is already over 50 percent higher than average annual inflation. Above-average inflation is expected to continue through 2022.
- (6) Senator Joni Ernst (R-IA) successfully added an amendment to the Senate Fiscal Year 2022 budget resolution that would bar any new permits or federal methane requirements on

livestock. Senator Ernst's "Stop the Cow Tax" amendment was adopted with a wide bipartisan vote, 66-33.