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Exxon-Mobil, one of the largest oil companies in the world, paid no U.S. taxes last year. It also walked away with a \$156 million tax refund from the federal government.

Tax loopholes like that one are "obscene," says U.S. Sen. Bernard Sanders, I-Vt., who unveiled an amendment Tuesday that he said would remove \$35 billion in taxpayer-funded assistance to some of the world's largest corporations.

"In 2006, Exxon-Mobil had, according to reports, the most profitable year in the history of the world," Sanders said during a telephone interview Tuesday morning. "It is astonishing that they can be reaping in those profits while also getting huge tax breaks from the IRS."

As British Petroleum's oil spill continues in the Gulf, Sanders and U.S. Rep. Peter Welch, D-Vt., took aim at the industry, calling on the companies to pay what they say is a fairer share of taxes and damages to affected residents.

Welch grilled oil executives on exactly that issue Tuesday during a hearing before the Energy and Commerce Committee's subcommittee on energy and environment. The CEOs of the five major oil companies – including BP – defended the tax breaks they get.

"Not surprisingly, they thought that their companies should continue enjoying very large profits at the expense of taxpayers," Welch said during an interview Tuesday afternoon.

Welch and 31 members of the U.S. House sent a letter to BP on Tuesday calling on the company to halt its upcoming payout to shareholders and instead use the money to start up a fund to pay for the clean-up of the spill and reimburse victims.

The company is scheduled to pay about \$10 billion to shareholders soon. Meanwhile, the estimated cleanup costs for the massive oil spill has climbed to \$37 billion. Welch said the BP oil spill wasn't an accident, saying the company "cut corners" in the days and weeks leading up to the explosion that many say contributed to the crisis.

"This was avoidable," Welch said.

Welch said he believes that existing law would allow the government to force BP to make these payments if the company does not do so voluntarily.

"The pressure is mounting," he said. "Existing creditor/debtor law would allow the Attorney General to go to court and get an order."

Sanders, meanwhile, has focused on three tax loopholes that allow the oil companies to reap major profits, but pay little or no taxes to the federal government.

Citing financial filings with the U.S. Securities and Exchange Commission, Sanders said that oil company Chevron received \$19 million in tax refunds and Valero got \$157 million back from the IRS. Other oil and gas companies had \$3.7 billion in first quarter 2010 profits, he said, but also got major tax breaks.

Sanders' proposal – which he is attaching to a tax bill now under consideration in the U.S. Senate – was endorsed by President Obama earlier this year. Sanders said a bulk of the estimated \$35 billion in savings – about \$25 billion – should be used to pay down the national debt.

A vote on that tax bill was expected as early as Tuesday night.

"A lot of my colleagues are focused on our national debt," Sanders said. "I believe there is a way to pay down the debt without harming working families and the middle class."

The remaining savings, about \$10 billion, should be used to fund Energy Efficiency Conservation Block Grant Program. That program just announced a \$4 million project in Rutland and Sanders said this influx of cash to help retrofit homes and businesses to be more energy efficient could create 140,000 new jobs.

But can such an initiative pass in the U.S. Senate, where Republicans have refused to allow votes to go forward without approval of 60 of the 100 members? Sanders said he is not sure.

"It's going to be tough," Sanders said. "I think we'll see little support from the Republicans and we may lose a few Democrats as well."