Favorable dividend tax rates are necessary for economic health, growth and stability and significantly impact American investors, retirees and industry. It is critical to maintain low dividend rates and parity between dividends and capital gains.

Low Dividend Tax Rates Help Build Our Energy Future
Investments are an important source of funding and stability for natural gas utilities and have helped provide utilities with part of the estimated $110 billion they will need over the next 20 years to maintain and expand their pipelines and other infrastructure to meet the nation’s growing demand for natural gas in a safe, reliable and efficient manner. Most energy utilities that deliver natural gas have a history of paying regular dividends to investors, many without interruption, for decades or even longer – some for more than 150 years. Lower tax rates on dividends significantly benefit natural gas utility shareholders and make energy utilities a more attractive investment. These lower tax rates provide access to affordable capital that will help utilities expand and rebuild their infrastructure, in turn helping to meet the nation’s energy needs and deliver on the promises of clean, affordable and domestic natural gas for our economy, environment and national security.

Low Dividend Tax Rates Drive Economic Growth
Favorable tax policy for natural gas will drive economic growth. Lower dividend tax rates benefit the tens of millions of Americans who own stocks indirectly through mutual funds, and they support the value of stocks held through or in life insurance policies, employer or union pension funds, 401(k) plans, or individual retirement accounts. Lower dividend tax rates also benefit Americans who own no stocks or mutual funds by helping to spur the growth that is needed to create new jobs and to strengthen the economy. Parity between dividends and capital gains creates a level playing field and allows investors to make decisions rather than creating a tax code driven bias for one over the other.

The American Taxpayer Relief Act AGA Position
On January 1, 2013, Congress passed the American Taxpayer Relief Act. Signed into law by the President the following day, the American Taxpayer Relief Act preserves and makes permanent 15 percent tax rates for dividends and capital gains for individuals earning up to $400,000 or couples earning up to $450,000. Dividends and capital gains for families who earn more than $450,000 will be taxed at 20 percent.

AGA Position
AGA and its members have continued to emphasize the importance of maintaining low tax rates on dividends and parity with capital gains, and supports the action taken in the American Taxpayer Relief Act. Through a variety of advocacy efforts and campaigns, we have worked to stress the critical nature of these issues.

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