

When it comes to carbon pricing,  
**climate policy is fiscal policy**

Yoram Bauman Ph.D.

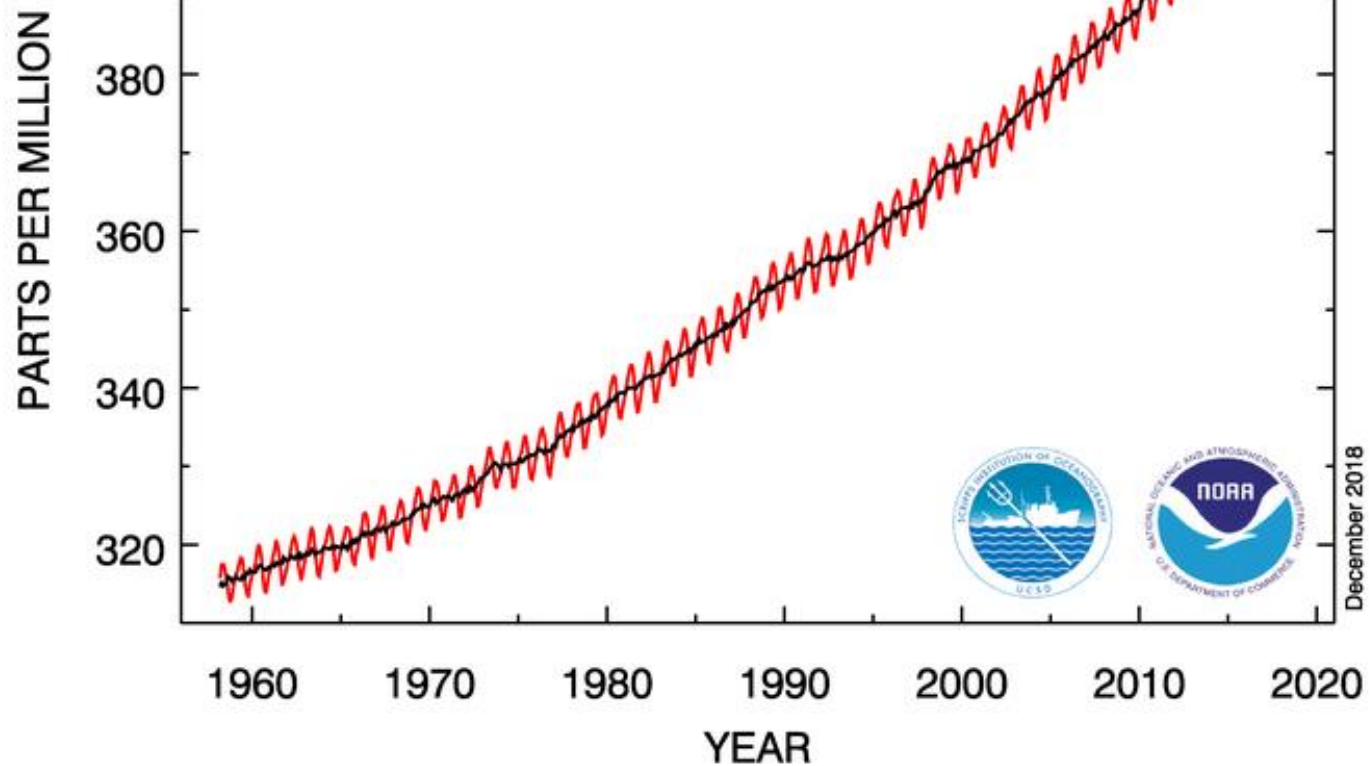
Founder, I-732 carbon tax campaign

[yoram@standupeconomist.com](mailto:yoram@standupeconomist.com)

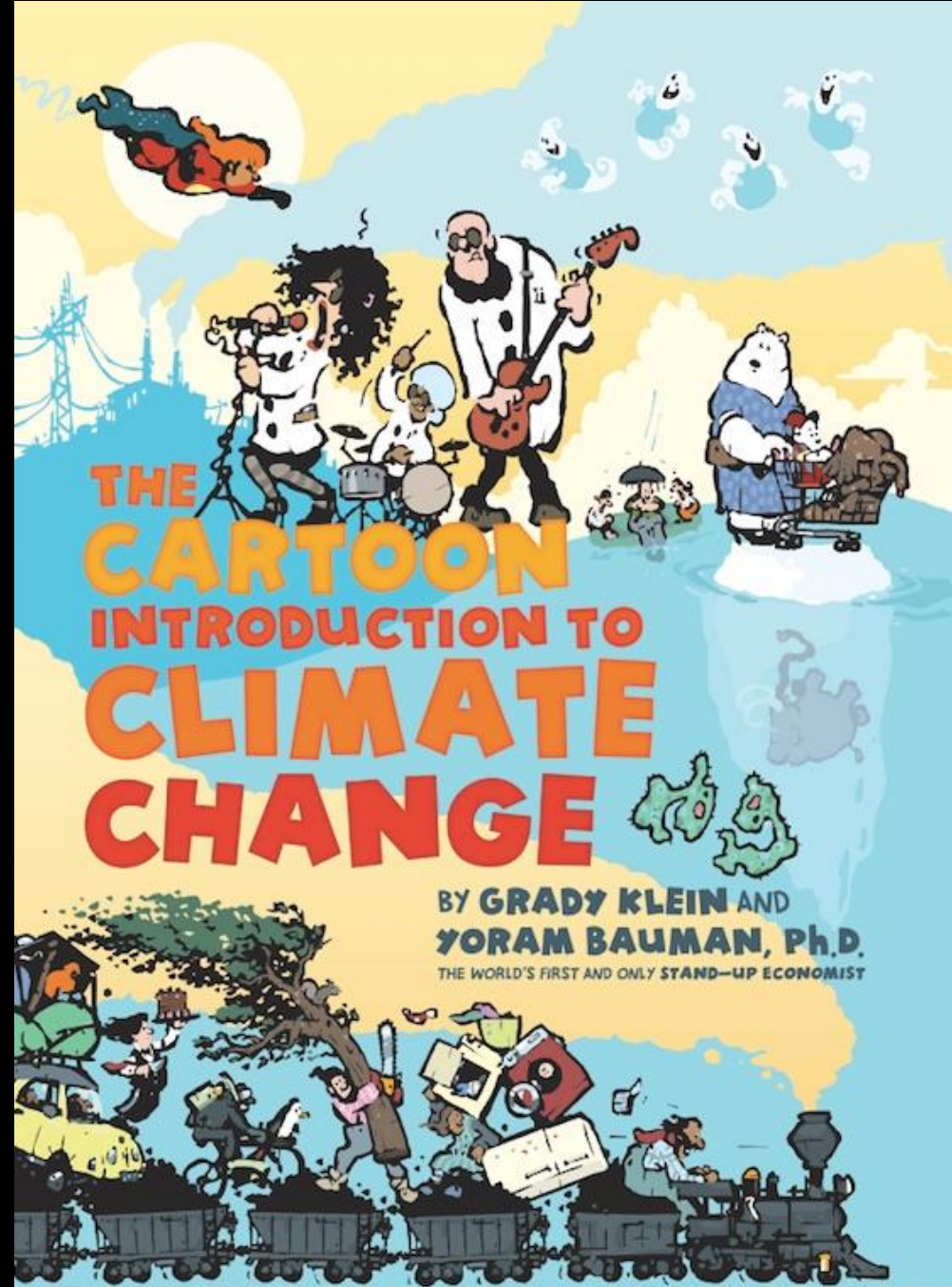
[@standupecon](#)

# Atmospheric CO<sub>2</sub> at Mauna Loa Observatory

Scripps Institution of Oceanography  
NOAA Earth System Research Laboratory



December 2018



# THE CARTOON INTRODUCTION TO CLIMATE CHANGE

BY GRADY KLEIN AND  
YORAM BAUMAN, Ph.D.  
THE WORLD'S FIRST AND ONLY STAND-UP ECONOMIST

STARTING IN 1958, KEELING AND HIS COLLEAGUES MADE **DAILY MEASUREMENTS**  
OF CO<sub>2</sub> AT THE **MAUNA LOA OBSERVATORY** IN HAWAII...

C'MON DAD, LET'S  
GO TO THE **BEACH!**

SORRY, KID,  
NOT NOW.



KEELING'S MEASUREMENTS CONTINUED FOR **YEARS**, AND THEN **DECADES**,  
AND AFTER HIS RETIREMENT HIS SON STEPPED INTO HIS SHOES.

C'MON SON, LET'S  
GO TO THE **BEACH!**

SORRY, DAD,  
NOT NOW.



# Carbon pricing: policy and politics

- “Carbon pricing” is an umbrella term that covers carbon taxes as well as cap-and-trade systems. They work to reduce emissions by **making polluting expensive.**
- For lots of folks, what matters (even more than climate!) is **who pays the money and who gets the money.**

# Climate policy is fiscal policy

- We are currently in a “let a thousand flowers bloom” period in terms of how to implement carbon pricing.
- I-732 (WA 2016): 100% revenue-neutral \$25 carbon tax: cut state sales tax, fund 25% EITC match, cut B&O taxes.
- I-1631 (WA 2018): 0% revenue-neutral \$15 carbon tax: fund clean energy, EJ, etc. (“Green New Deal”).
- HB403 (UT 2018): 90% revenue-neutral \$10 carbon tax: fund air pollution clean-up, cut sales tax on food, etc.



# Hawai'i carbon emissions (MMTCO<sub>2</sub>)

EIA (2016)	Petroleum	Coal	Nat. gas	Total
Gasoline and diesel	5.0	-	-	<b>5.0</b>
Electricity	5.1	1.5	-	<b>6.6</b>
Other (RCI)	1.5	0.1	-	<b>1.6</b>
<b>Total of these 3</b>	<b>11.6</b>	<b>1.6</b>	<b>-</b>	<b>13.2</b>
Aviation fuels	5.2	-	-	<b>5.2</b>
<b>Grand total</b>	<b>16.8</b>	<b>1.6</b>	<b>-</b>	<b>18.4</b>

USDOT: Taxes on jet fuel must go to airport purposes.  
\$10/ton CO<sub>2</sub> is about 10¢/gallon, 1¢ per kWh coal power.

# Hawai'i carbon tax: Money out options

- Can go to mitigation, adaptation, and/or offsetting climate policy impacts on households and businesses.
- Per-capita dividend of \$100: \$150m.
- Make state EITC match refundable (\$30m for existing 20% match, or \$55m for a refundable 30% match).
- Eliminate GET on food and medicine: \$120m - \$220m.



When it comes to carbon pricing,  
**climate policy is fiscal policy**

Yoram Bauman Ph.D.

Founder, I-732 carbon tax campaign

[yoram@standupeconomist.com](mailto:yoram@standupeconomist.com)

[@standupecon](#)