



# Carbon Washington's revenue-neutral carbon tax ballot measure

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# THE CARTOON INTRODUCTION TO **ECONOMICS**

VOLUME ONE: MICROECONOMICS



BY **GRADY KLEIN** AND  
**YORAM BAUMAN, PhD**

THE WORLD'S FIRST AND ONLY **STAND-UP** ECONOMIST

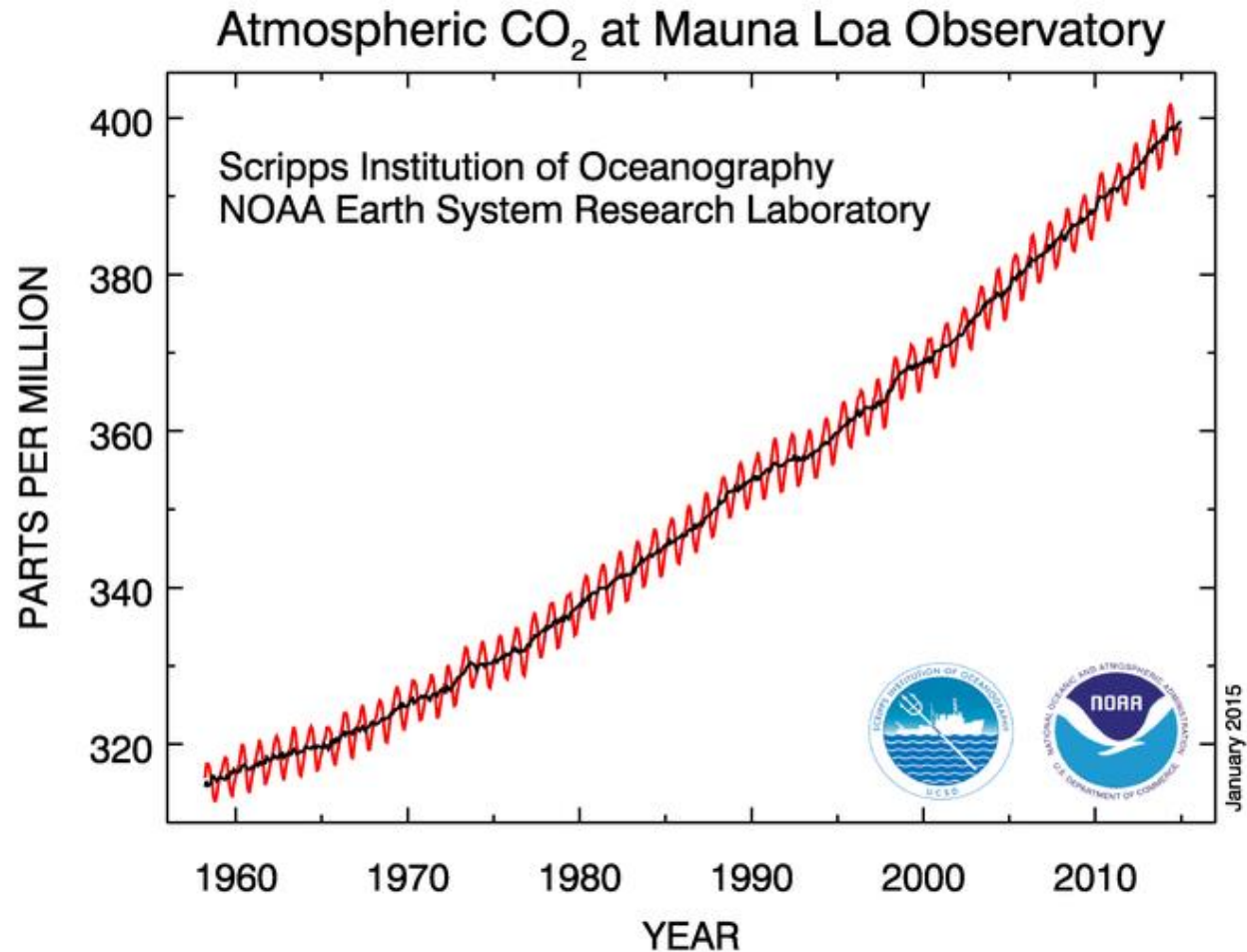


The background of the cover is a light blue sky with a large yellow sun. In the top left, a superhero in a red and blue suit is flying. In the center, a band of four scientists in white lab coats is performing; one is singing into a microphone, another is playing a guitar, and a third is on drums. To the right, a polar bear in a blue sweater is pushing a shopping cart filled with various items. In the bottom left, a train is shown with several flatcars carrying different objects like a car, a bicycle, a box, and a person. The title 'THE CARTOON INTRODUCTION TO CLIMATE CHANGE' is written in large, bold, orange and red letters across the middle. Below the title, the authors' names 'BY GRADY KLEIN AND YORAM BAUMAN, Ph.D.' are written in black, followed by the subtitle 'THE WORLD'S FIRST AND ONLY STAND-UP ECONOMIST' in smaller black letters. There are also some small green cartoonish figures near the title.

# THE CARTOON INTRODUCTION TO CLIMATE CHANGE

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THE WORLD'S FIRST AND ONLY STAND-UP ECONOMIST

# Carbon concentrations going up



Source: : <http://www.esrl.noaa.gov/gmd/ccgg/trends/>

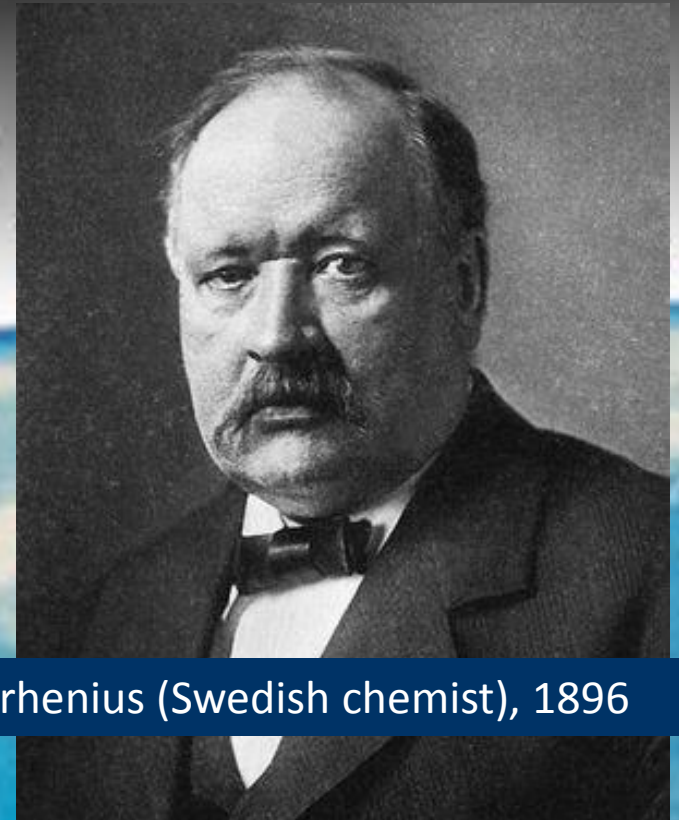


# The Greenhouse Effect

Some of the sun's energy  
is reflected back into space



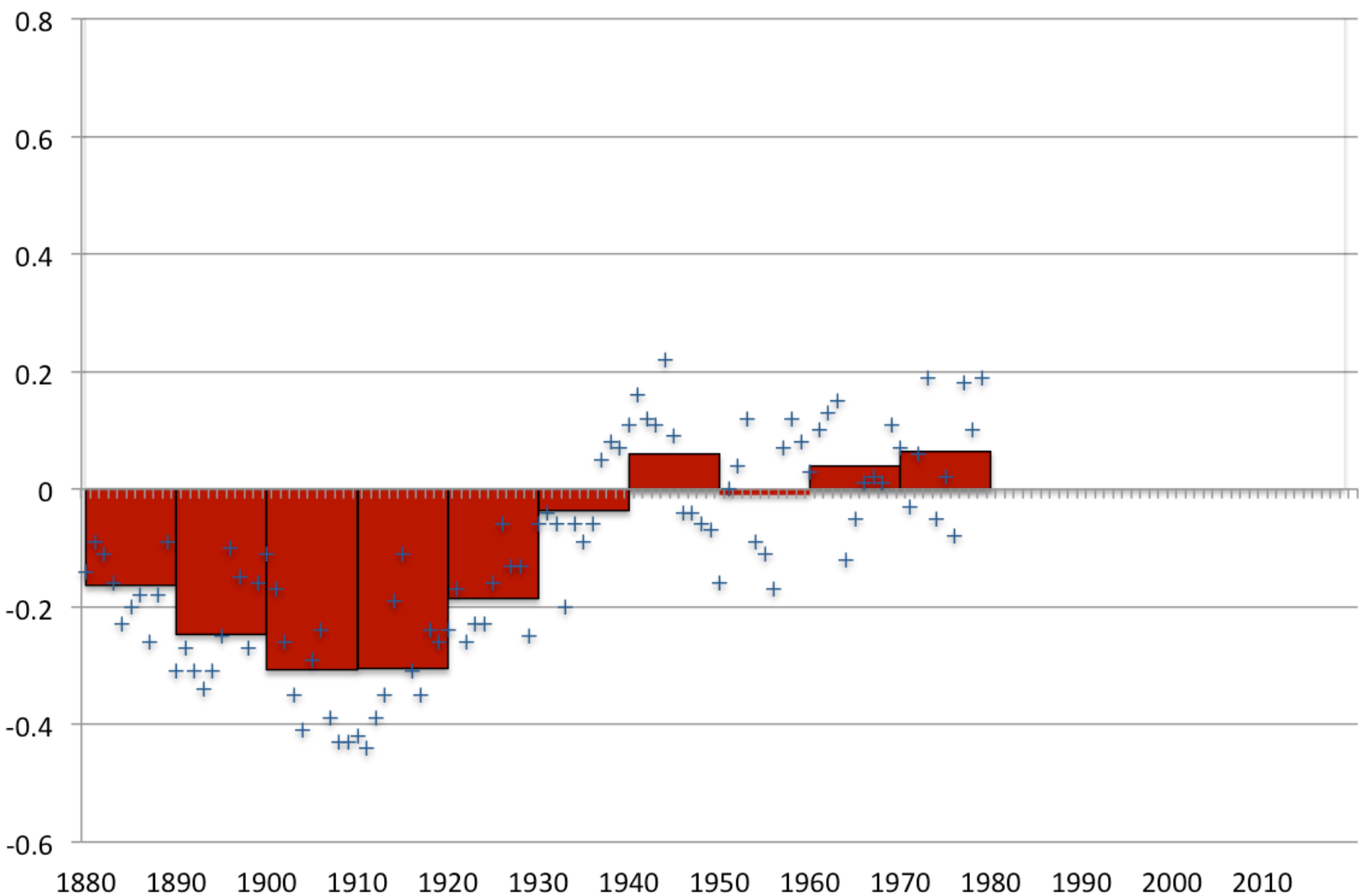
Solar energy passes  
through the atmosphere,  
warming the Earth



Arrhenius (Swedish chemist), 1896

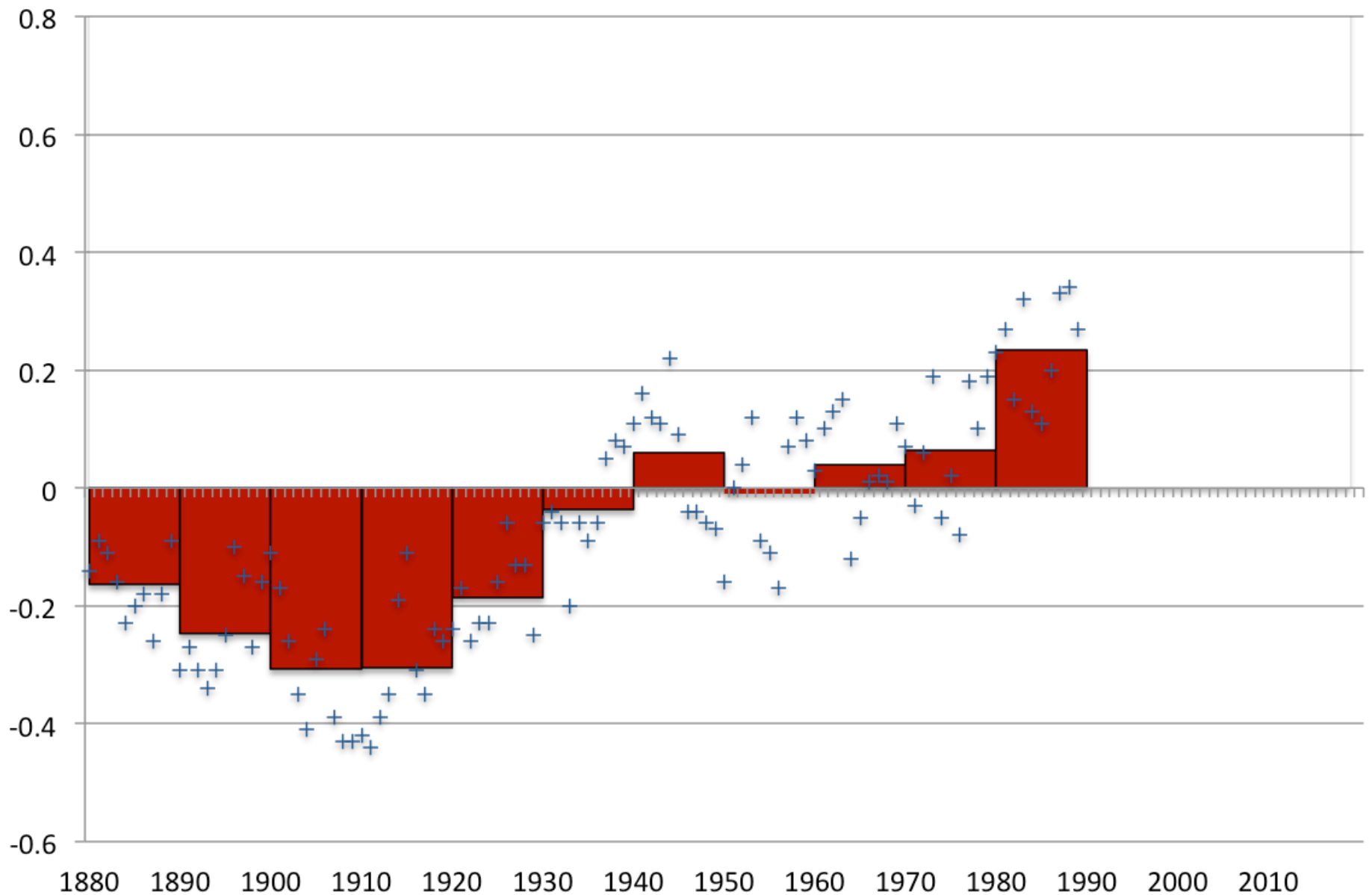
# Annual Global Temperature Anomaly, in °C

(NOAA Land+Ocean data, relative to 1901-2000)



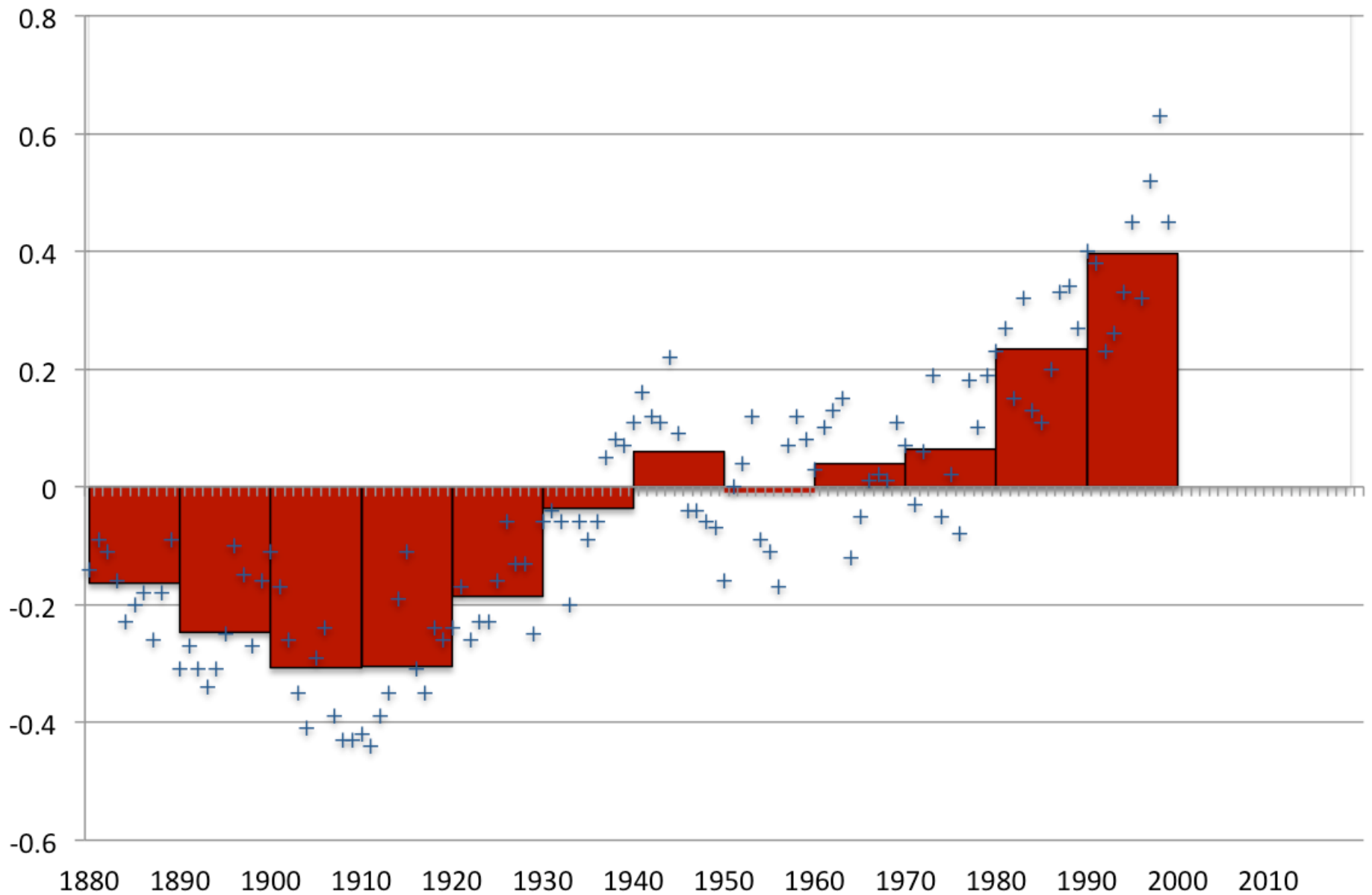
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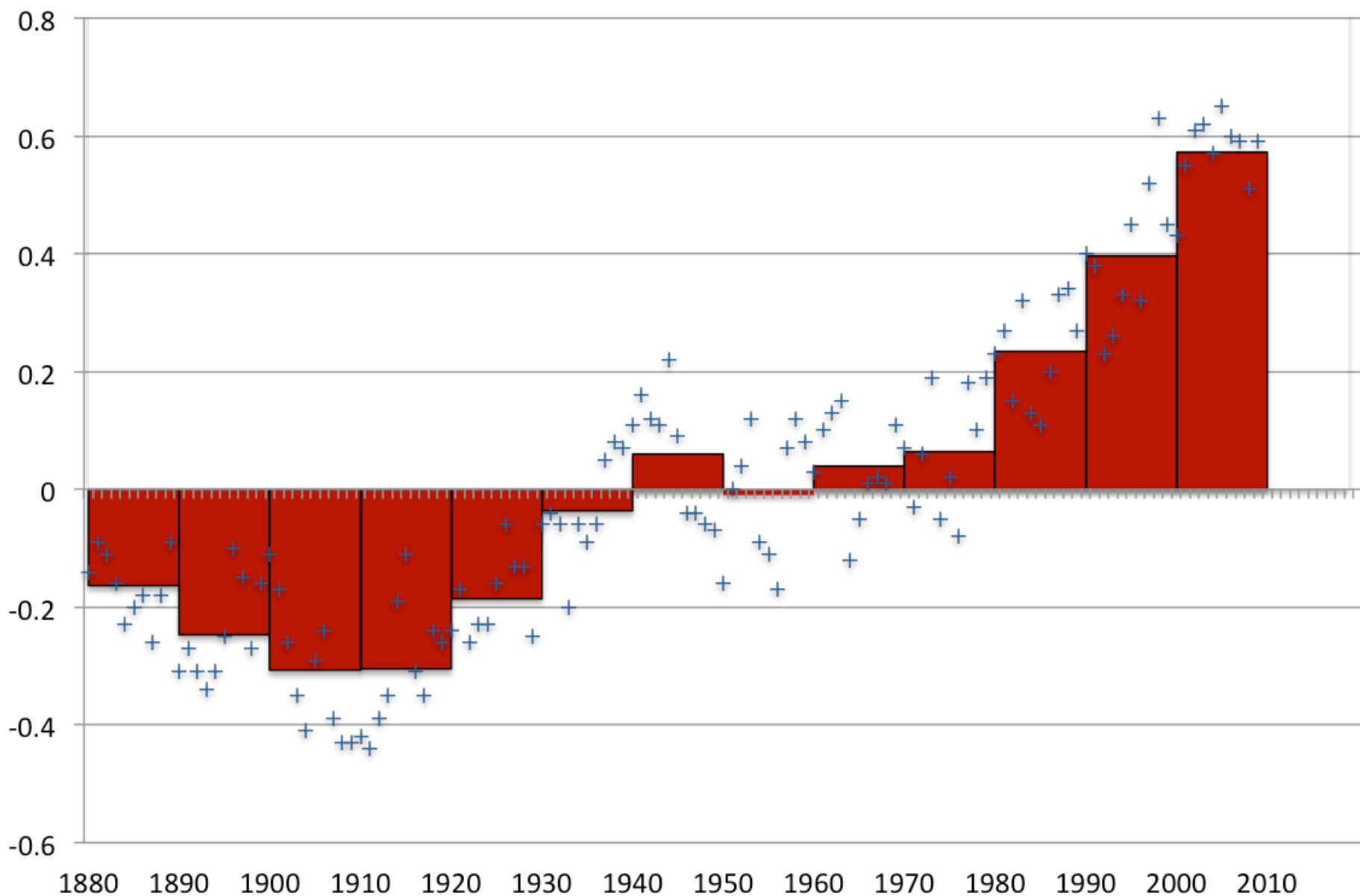
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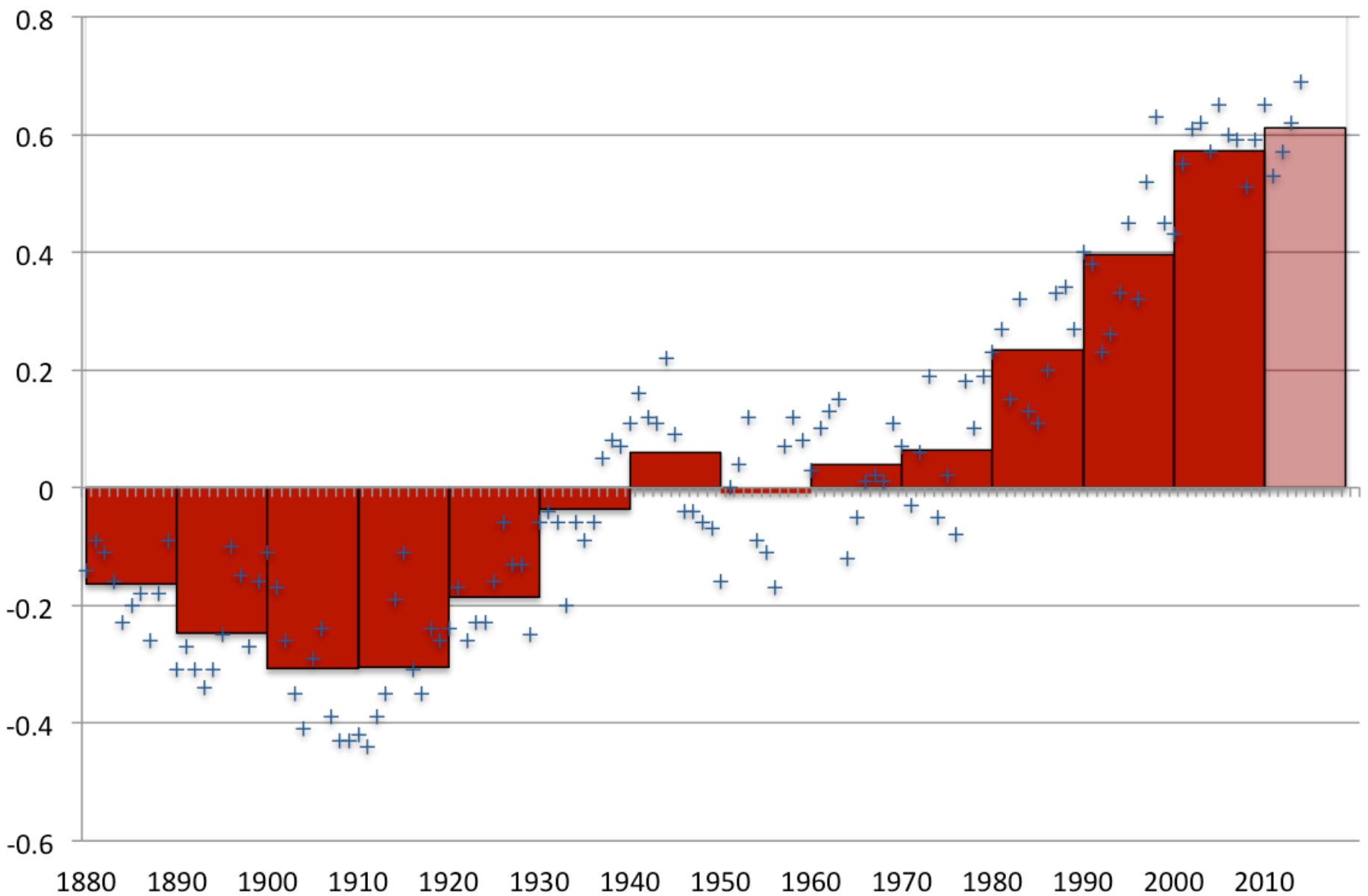
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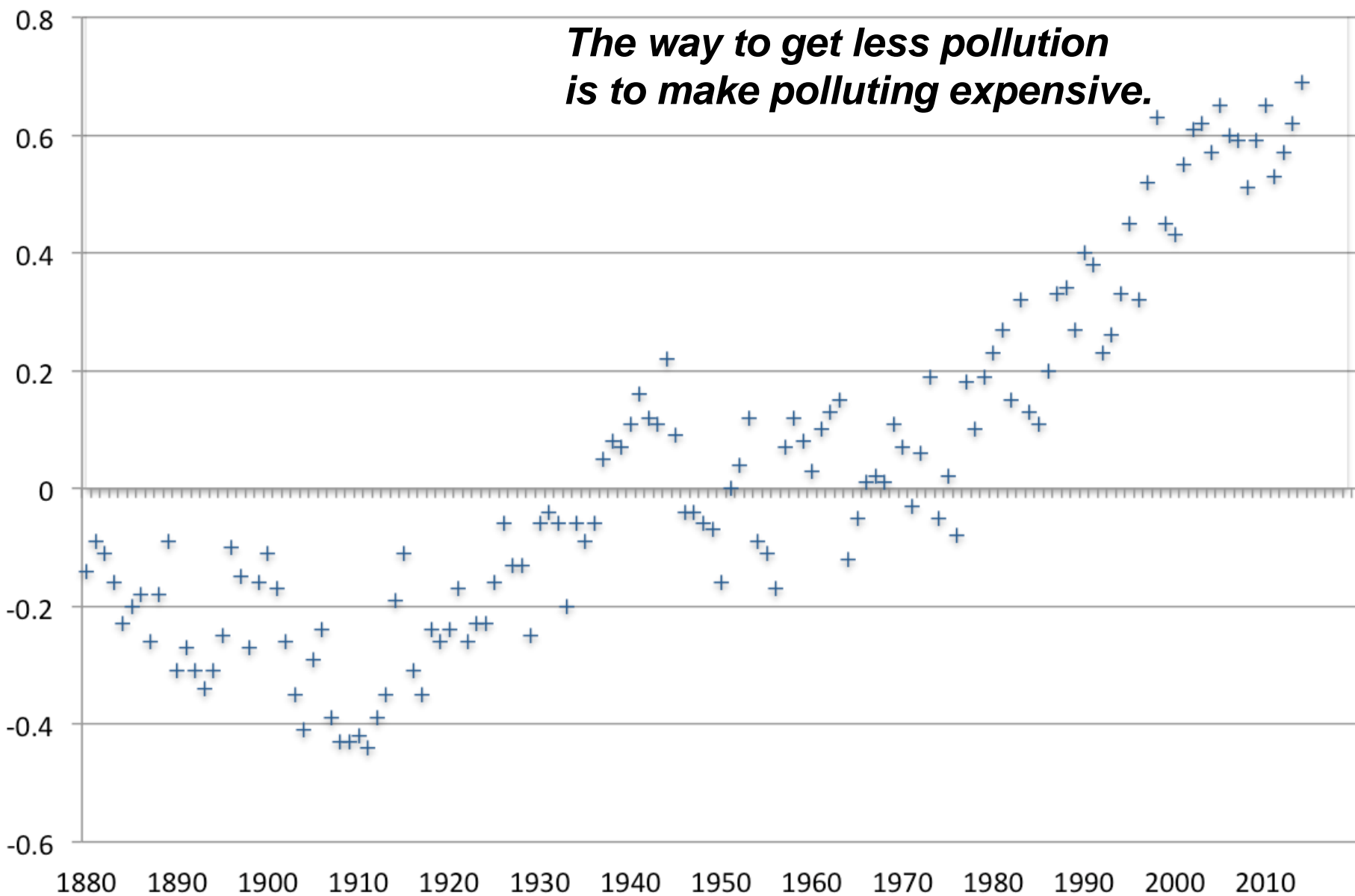
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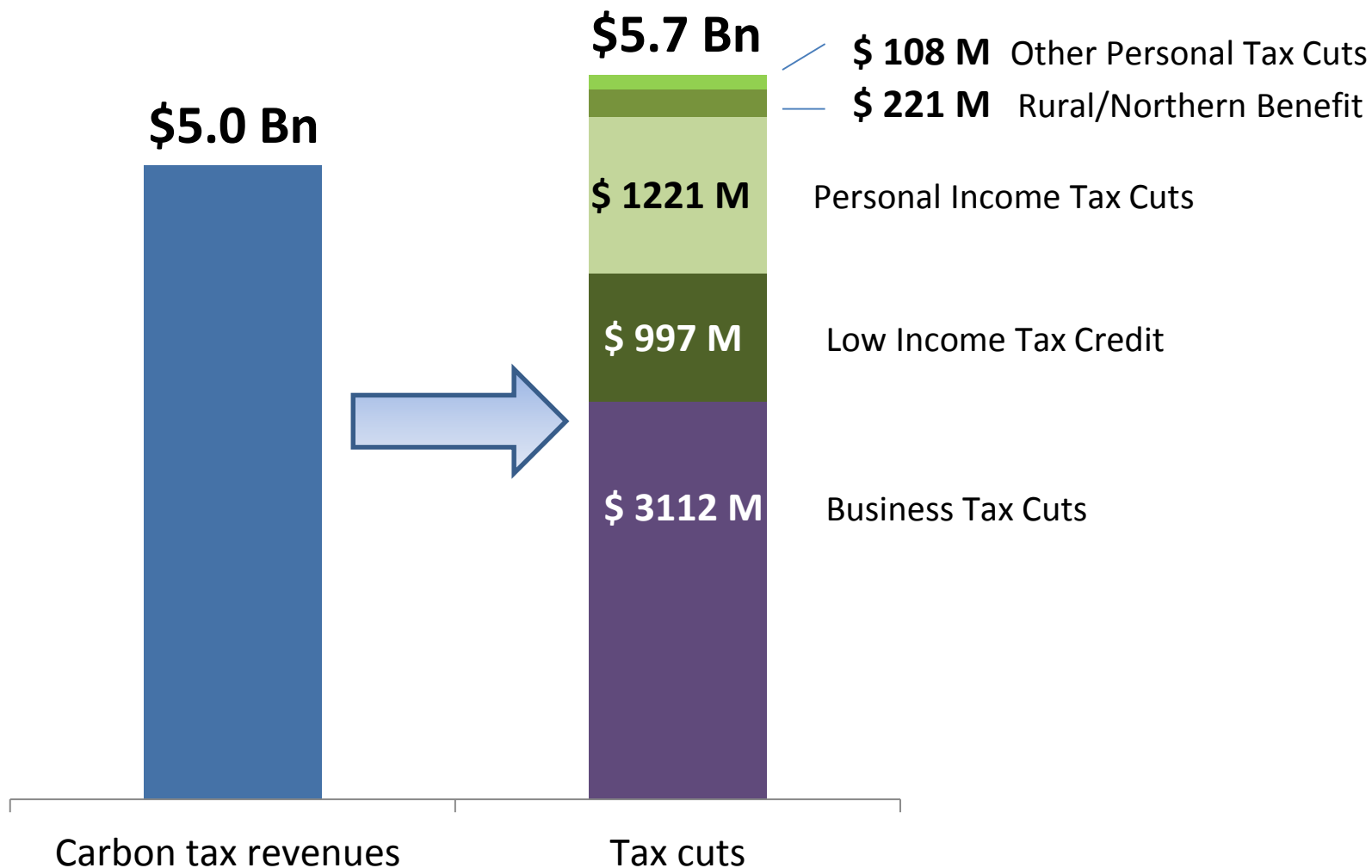
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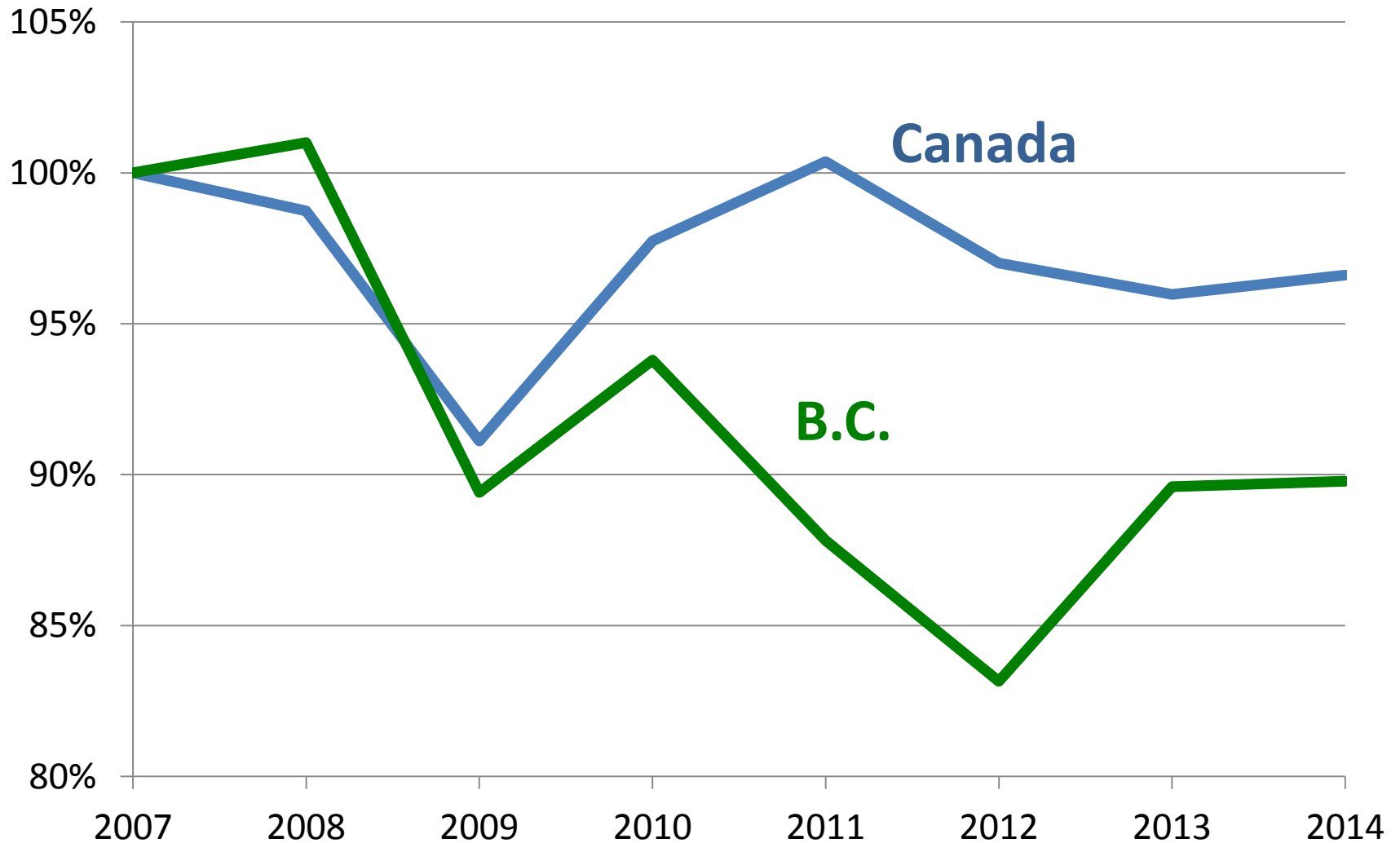
***The way to get less pollution  
is to make polluting expensive.***



# Cumulative BC Carbon Tax Revenues and Tax Cuts 2008 – 2014



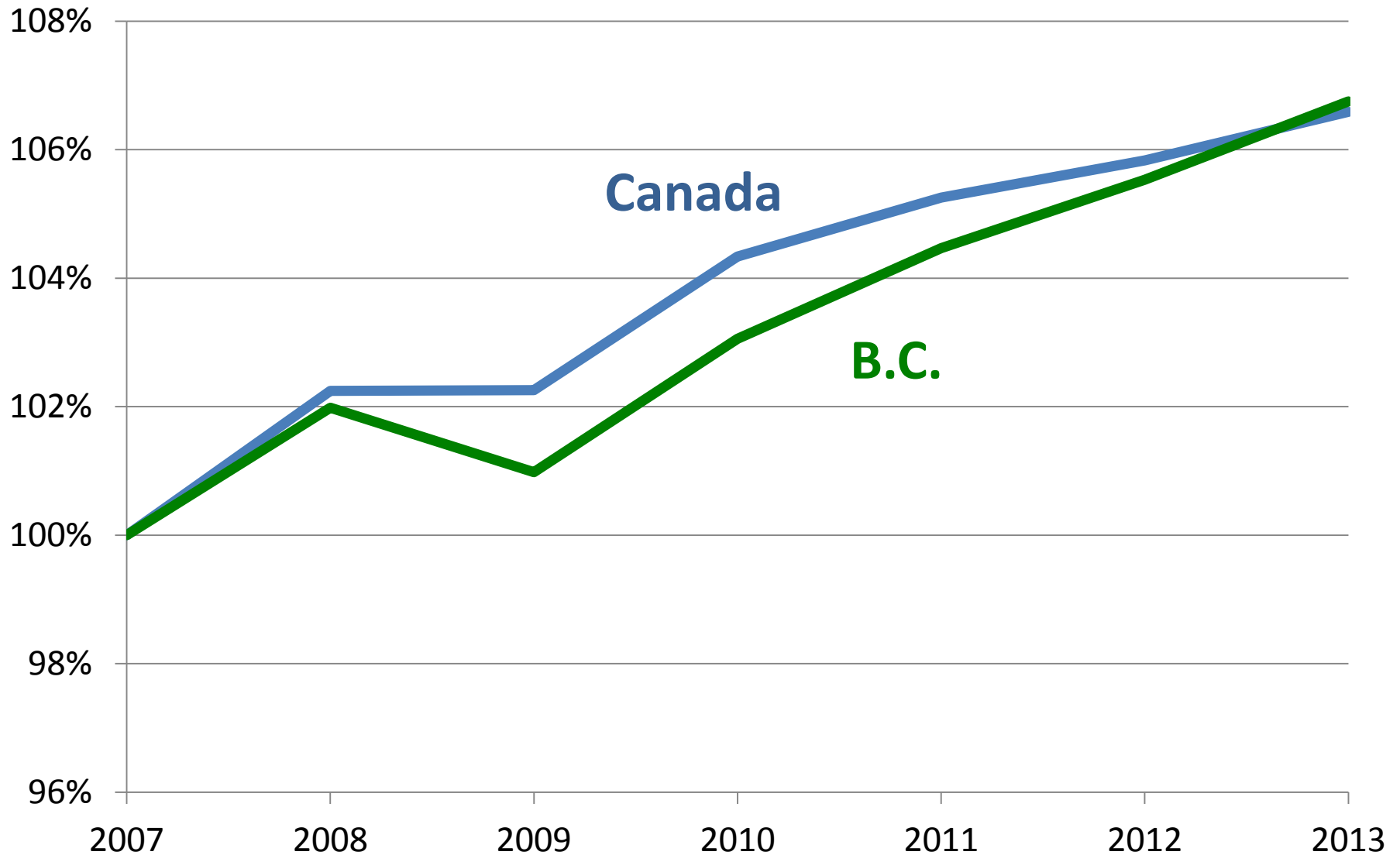
## Sales of refined petroleum products per capita (2007 = 100%)



Source: CANSIM 134-0004, 051-0001



## Real GDP per capita (2007=100%)



Source: CANSIM 384-0038, 051-0001



# Carbon Washington's revenue-neutral carbon tax ballot measure

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# CarbonWA strategy

- Bipartisan climate action.
- Filed Initiative to the Legislature I-732, needed to collect 320,000 signatures by Dec 2015.
- The Jan 2016 legislature has to either pass it or put it on the Nov 2016 ballot.
- We collected 362,000 signatures.



# Revenue Neutral Tax Swap

**Carbon Tax:  
≈\$1.7 Billion**

**\$25/ton  
CO2**

**Tax Cuts:  
≈\$1.7 Billion**

**Manufacturers'  
Tax Cuts: \$200 Million**

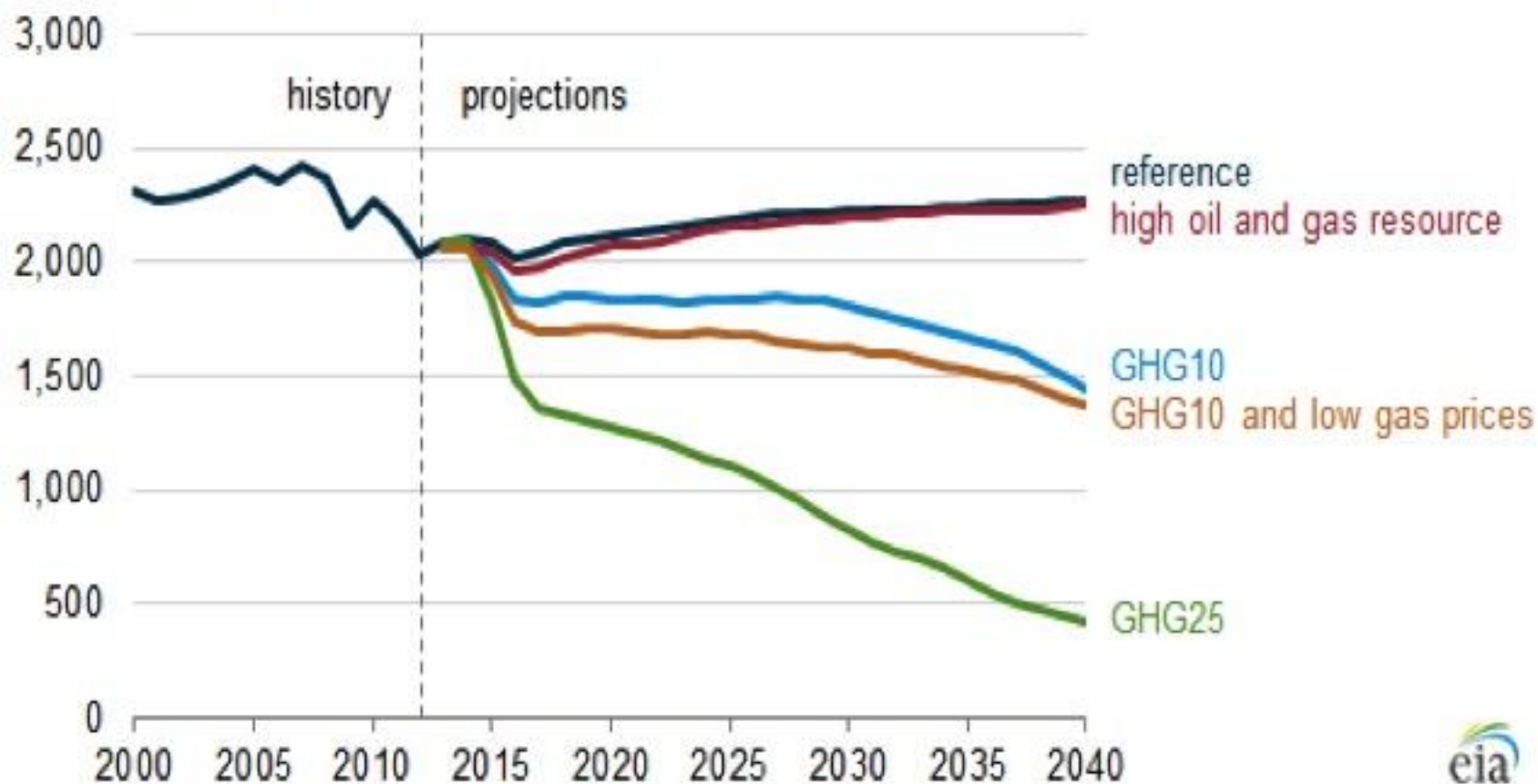
**Working Families  
Rebate: \$200 Million**

**Cut Sales Tax  
One Full Point:  
\$1.3 Billion**

Maintain revenue neutrality by slowly raising carbon tax rate

The EIA model shows that a \$25 carbon tax has a huge impact on electricity emissions.

AEO2014 projections of power sector CO<sub>2</sub> emissions in five cases  
million metric tons





# carbon.cs.washington.edu

## Carbon Tax Swap Calculator

▸ Welcome

▸ Sales Tax Savings

▸ Working Families Rebate (WFR)

▾ Gasoline Usage

How much gasoline does your household use:

gallons ▾

of gasoline per

Week ▾

Submit

We estimate that your household would spend this much more due to carbon taxes on gasoline:

\$116

per year

▸ Air Travel

# Bipartisan support

- We have letters of support from economists around the state and are building support from across the political spectrum.
- *Seattle Times*, Dec 21: “A revenue-neutral approach... would be both less financially risky and more politically viable...”
- Endorsements: *Seattle Business* (“a carbon tax works—and Washington should implement one”), *Olympian*, *Spokane Spokesman Review*.

**NWSUNDAY****ARCTIC DRILLING>DAMAGED ICEBREAKER IN PORTLAND FOR REPAIRS>B2****NW DROUGHT  
SALMON**

# Sockeye die-offs in lethal waters

**STRATEGIES DIFFER****Spending revenue  
versus I-732's plan  
to cut other taxes**By JIM BRUNNER  
Seattle Times political  
reporter

This summer, as Washington battles in a West Coast drought, a flock of petition-seeking activists has fanned out to parks, festivals and street corners, trying to force the sort of sweeping action on global warming that has eluded state lawmakers.

They're wrangling signatures for Initiative 732, which would put a new tax on carbon burned in gasoline, natural gas and other fossil fuels — while cutting other taxes by an equal amount. By raising the price of dirty energy, I-732 aims to cut greenhouse-gas emissions and encourage development of cleaner alternatives.

That's a goal shared by Gov. Jay Inslee, environmentalists, labor and other

Democratic Party allies, who backed carbon pricing legislation that was stymied this year in the Legislature.

So you might think they'd get behind the scrappy, grass-roots I-732 campaign, known as Carbon Washington.

Nope. Instead, a powerful coalition that includes the state's major green and labor groups is trying to squash the effort.

Leaders of the Alliance for Jobs and Clean Energy have sought to discredit I-732 in recent weeks.

They've circulated poll results that suggest it would be rejected by voters. And they've argued the initiative is insensitive to communities of color.

Alliance members say they're working on their own climate initiative proposal for 2016, one that would divvy up tax dollars differently, include input from a more diverse crowd, and, most important, have a better chance to pass.

So, while they agree-

See » CARBON TAX, B7

## 'Green' alliance opposes petition to tax carbon



# Engagement opportunities

- Alliance for Jobs and Clean Energy ([www.jobscleanenergyWA.com](http://www.jobscleanenergyWA.com))
- Carbon Washington ([www.carbonWA.org](http://www.carbonWA.org))
- Sightline Institute ([www.sightline.org](http://www.sightline.org))

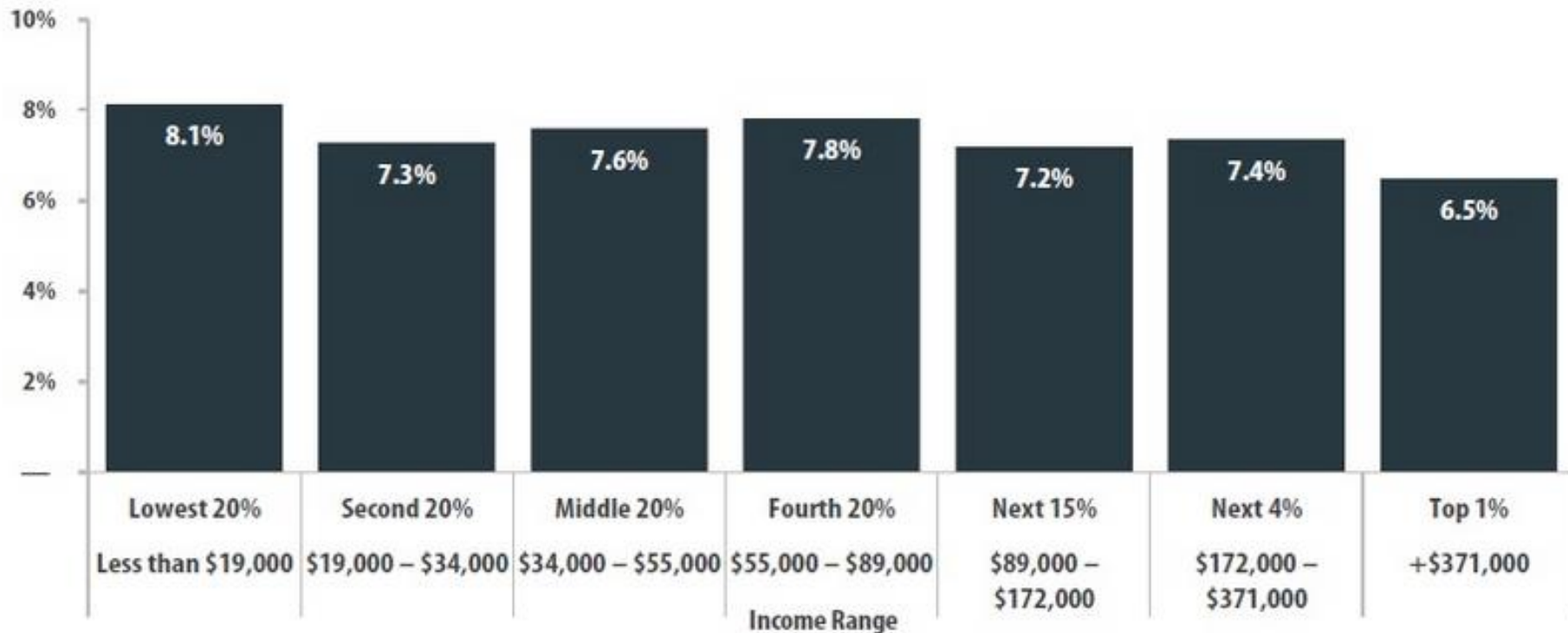
Source: Institute on Taxation and Economic Policy, *Who Pays?* (2015)

# Tax system impacts on income

## Oregon

### State & Local Taxes in 2015

Shares of family income for non-elderly taxpayers





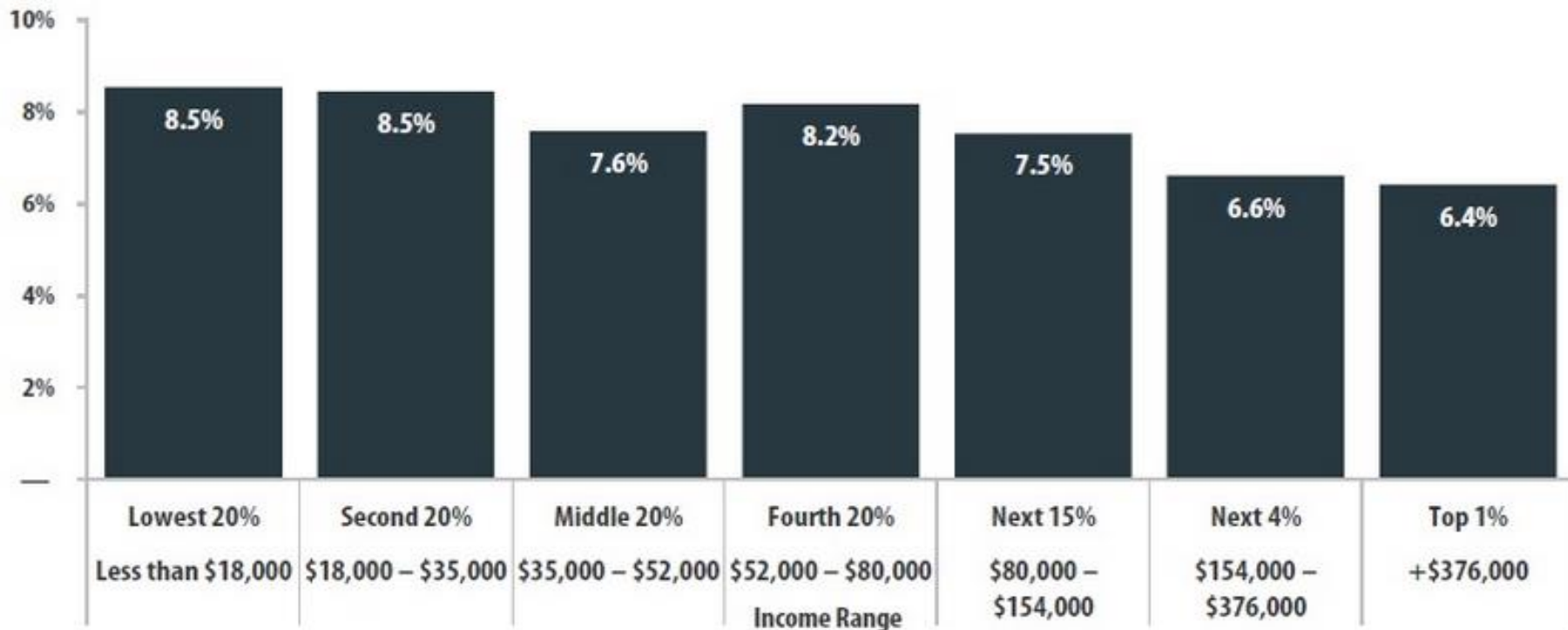
Source: Institute on Taxation and Economic Policy, *Who Pays?* (2015)

# Tax system impacts on income

## Idaho

### State & Local Taxes in 2015

Shares of family income for non-elderly taxpayers



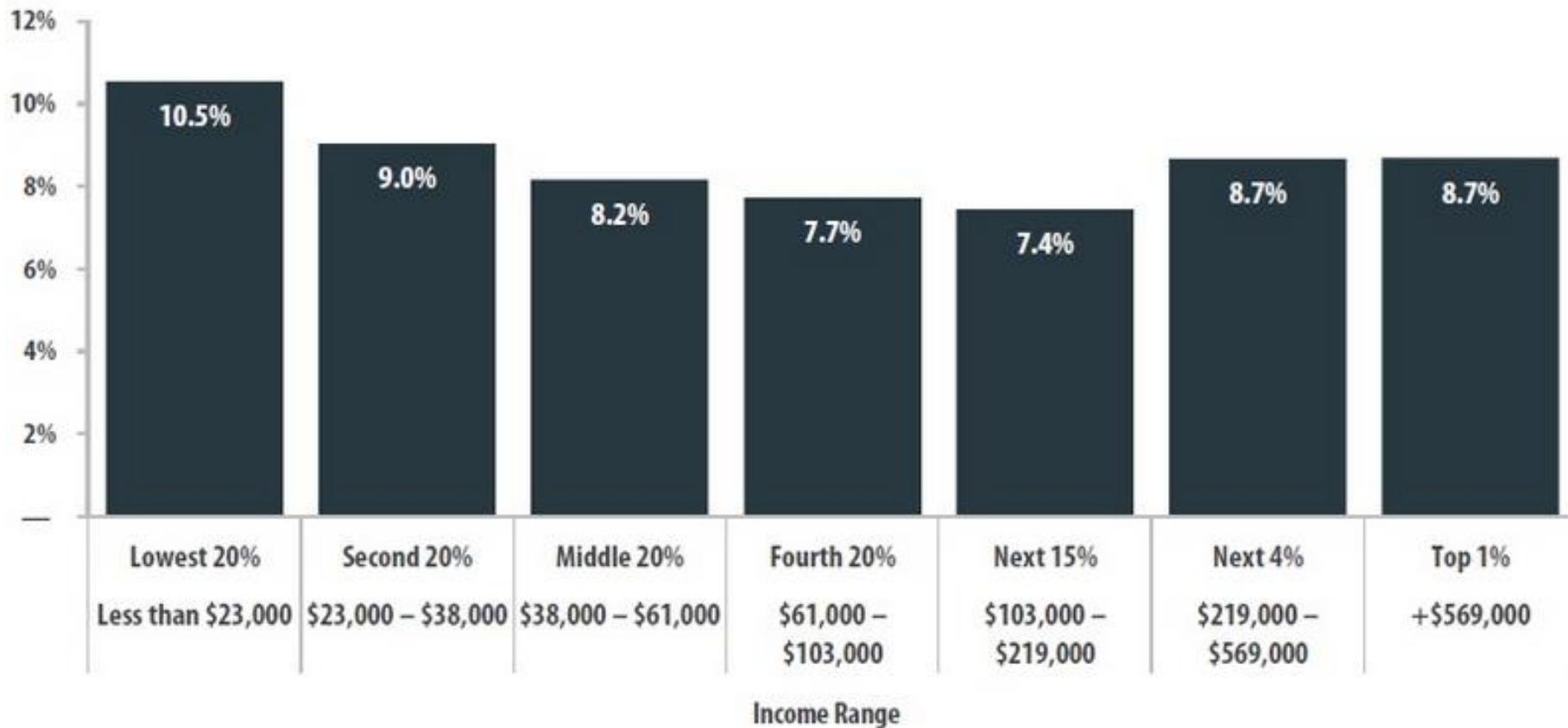
Source: Institute on Taxation and Economic Policy, *Who Pays?* (2015)

# Tax system impacts on income

## California

### State & Local Taxes in 2015

Shares of family income for non-elderly taxpayers



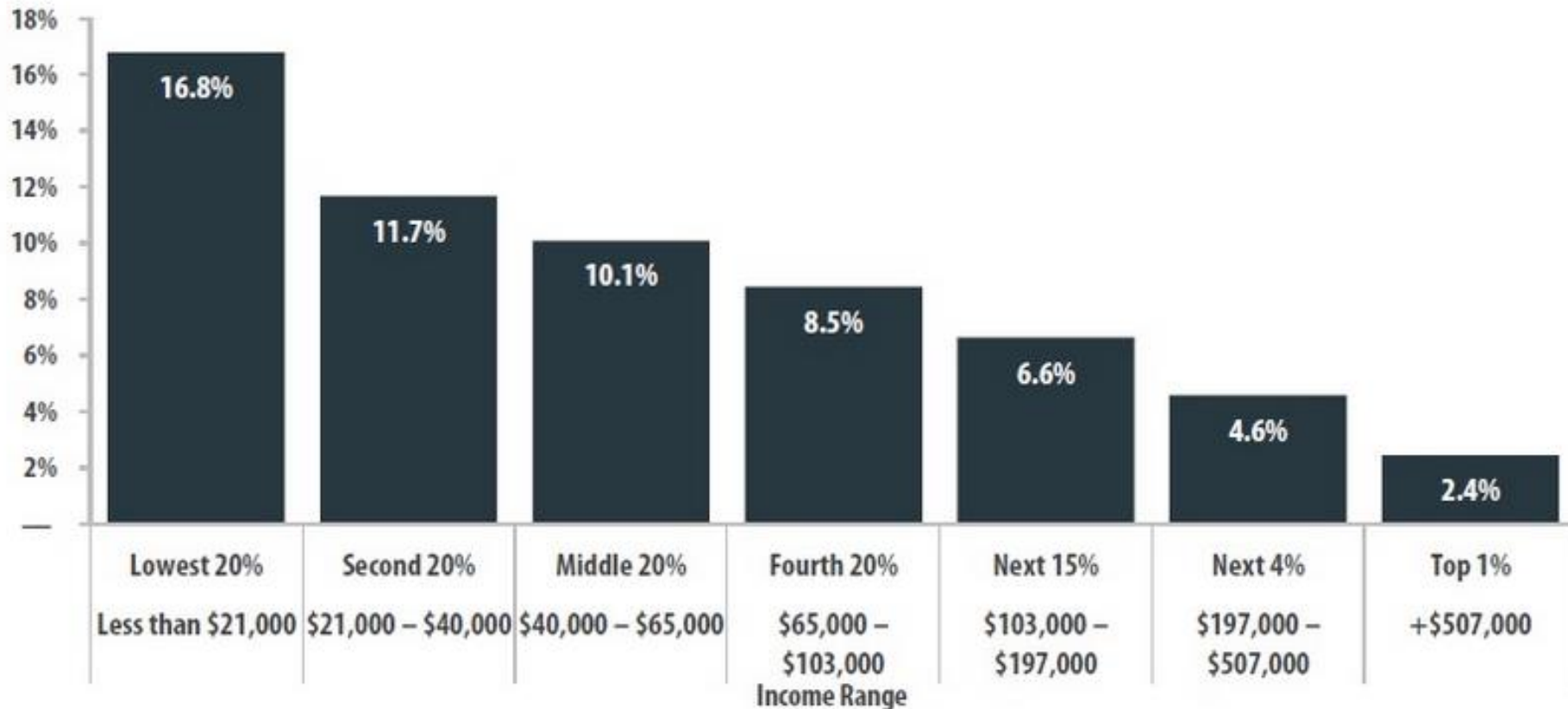
Source: Institute on Taxation and Economic Policy, *Who Pays?* (2015)

# Tax system impacts on income

## Washington

### State & Local Taxes in 2015

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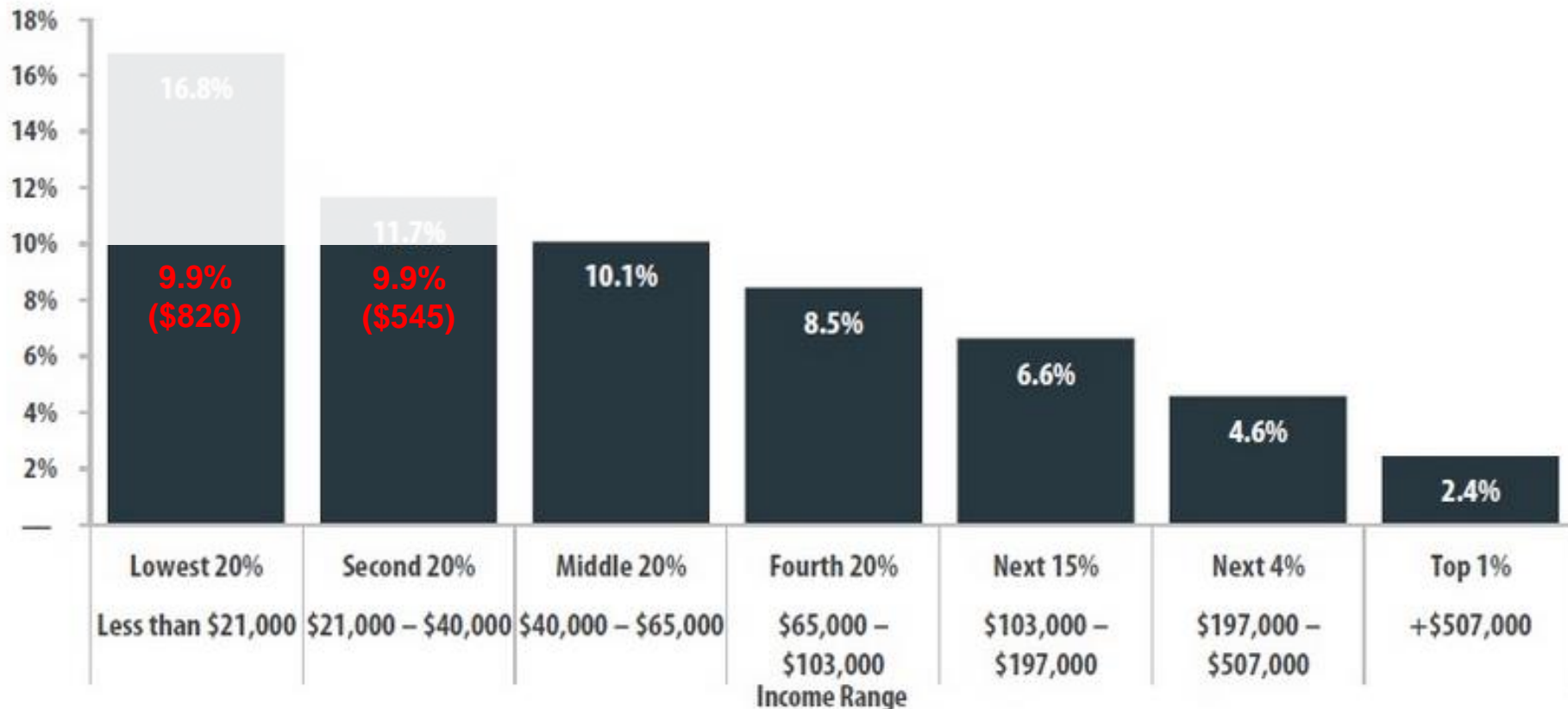
Based on Institute on Taxation and Economic Policy, *Who Pays?* (2015)

# CarbonWA for married couple, 1 kid

## Washington

### State & Local Taxes in 2015

Shares of family income for non-elderly taxpayers





Let's take a swing at the ball!

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