

CLIMATE CHANGE

The Right Way to Tax Carbon

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By Editorial Board

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In 2016, voters in Washington will get the chance to enact the first state carbon tax. To make sure they provide a good example for the other 49, they should adopt the smartest policy with the broadest bipartisan appeal: a revenue-neutral tax.

Carbon Washington, an organization that has gathered some 350,000 signatures to put a \$25-per-ton carbon tax to a vote, has long favored the revenue-neutral strategy. Its measure would return the money generated by cutting income and corporate taxes. Unfortunately, many left-leaning carbon-tax supporters in Washington feel strongly that the revenue should be used to make new investments in clean energy, education and other social programs.

Their strategy undercuts one of the most powerful arguments in favor of a carbon tax: Climate change is everyone's problem, regardless of political philosophy, so the effort to lower greenhouse-gas emissions should be undertaken in the least partisan manner possible. Putting a price on carbon can encourage energy efficiency and the use of cleaner fuels, and it can be done without getting sucked into the eternal debate over the proper size and scope of government.

A revenue-neutral carbon tax would sidestep that controversy and focus on its one essential goal: cutting emissions.

A second advantage would be transparency. If revenue from a carbon tax were used to enable other tax cuts, politicians would have less opportunity to reward their favored constituencies. That would make it easier to assure voters that the higher prices they'd have to pay for electricity, gasoline and home-heating fuel are working to fight climate change, not to play politics.

Washington's legislature will soon decide whether to pass the revenue-neutral tax or put it on the November ballot -- possibly alongside an alternative carbon tax that would expand the state budget. In that case, voters should stick with the original version, and support the broader fight against climate change.

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