Carbon Pricing in the United States

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Net-Zero 2050

Carbon Tax or Trading Scheme

Repeal of Fossil Fuel Subsidies

Climate-friendly Tax Subsidies
Direct Carbon Price
Repeal of Fossil Fuel Subsidies
Tax Expenditures for Positive Actions
Average Gas Tax
$0.55 per gallon
Failed:
1993 Clinton BTU Tax
2008-2010 Cap-and-Trade

The Context
The Context

- California Cap-and-Trade
- Average Gas Tax $0.55 per gallon
- RGGEI
- Failed: 1993 Clinton BTU Tax
- Failed: 2008-2010 Cap-and-Trade
The Context

- California Cap-and-Trade
- RGGI
- Average Gas Tax $0.55 per gallon
- Federal Climate-friendly Tax Incentives $60 billion 2020-2024, plus $10 billion

Failed:
- 1993 Clinton BTU Tax
- 2008-2010 Cap-and-Trade
Enter: President Biden
"Jobs, jobs, jobs" April 28, 2021

For me, when I think climate change, I think jobs.
The Biden Plan 2021

- Repeal fossil fuel tax subsidies
- Climate-friendly tax incentives

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- 2035 carbon-free electricity
- 2030 50-52% reduction
The Biden Plan 2021

- Repeal fossil fuel tax subsidies
- Climate-friendly tax incentives
- No carbon tax yet

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2035 carbon-free electricity
2030 50-52% reduction
Going Forward

• Climate policy meets politics

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2035 carbon-free electricity

2030 50-52% reduction
Going Forward  A partisan mood
Going Forward

- Crucial Senate procedures
  - The filibuster
  - Budget reconciliation
  - 60 versus 51 votes
Going Forward

• Federal action in 2021?
• Carbon tax in the future?
  • What kind?
• The political balance
• State action
Conclusion

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- Carbon Tax or Trading Scheme
- Climate-friendly Tax Subsidies
- Repeal of Fossil Fuel Subsidies
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Thank you.

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