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Steven Kirchner

University of Nebraska - Lincoln, skirchs77@gmail.com

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Steven Kirchner
ENSC 230. Energy and the Environment: Economics and Policy
Email: skirchs77@gmail.com
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The Tax That Will Actually Do Something Is Not In The Current Bill

If we are going to be talking about tax reform, we should be talking about solutions that will actually solve a problem. The combustion of fossil fuels has much more than environmental implications. Burning fossil fuels is a blatant catastrophe for our entire economic system. The current American energy market is entirely reliant on fossil fuels (coal, oil, and natural gas). Negative externalities have flooded the American economic system because of the combustion of fossil fuels. A negative externality is a cost that indirectly affects someone outside of the economic transaction. That third party entity must bear the burden of the negative externality.

Fossil fuels are so cheap because their true cost to society is not accounted for. The true costs of fossil fuels are hidden in the form of negative externalities. These negative externalities create a cost that society, not the irresponsible corporations, must bear. The costs occur in the form of health problems, environmental degradation and pollution, climate change, and agricultural productivity loss (amongst others). In 2009, the National Academy of Sciences estimated that fossil fuels caused around \$120 billion a year in health care costs alone. This outrageous amount of money is paid by consumers, victims of pollution, and taxpayers.

It is a fact that when fossil fuels are burned, harmful emissions (carbon dioxide, sulfur dioxide, and particulate matter, amongst a laundry list of others) are released into the atmosphere. These emissions are creating problems in our society, economics, and the environment. There is a solution to the negative externalities plaguing our lives. It is time to put a price on carbon.

Every sector of the economy is introducing carbon dioxide into the atmosphere, mainly because of the chosen energy source: fossil fuels. A major function of taxes is to correct market failures and negative externalities. This must be done in the case of fossil fuels and carbon. Putting a price on carbon dioxide will allow the free market to address a source causing climate change, spur innovation, increase our energy independence and security, as well as improve our public health.

The organization Citizens Climate Lobby (CCL) has the ideal solution in my opinion. CCL is a non-profit, non-partisan, grassroots advocacy organization focused on national policies to address climate change. The group is made up over 75,000 citizen volunteers across the United States, around the world, and four chapters in Nebraska (Omaha, Lincoln, Bellevue, and Chadron). Their goal, to create political will for a livable world. Currently, the focus of CCL is to pass federal legislation on carbon pricing -- specifically, their Carbon Fee and Dividend proposal.

CCL has found success with moving the conversation about action on climate change by influencing elected officials in Florida to start a caucus dedicated to solutions on climate change. Founded in 2106, the Climate Solutions Caucus is a bipartisan group in the US House of Representatives which will explore policy options that address the impacts, causes, and challenges of our changing climate. The caucus was founded in February of 2016 by two south-Florida representatives Rep. Carlos Curbelo (R-FL) and Rep. Ted Deutch (D-FL), who serve as co-chairs of the caucus. Nebraska and Omaha Representative Don Bacon is a member of the caucus.

CCL's current work is focused on implemented Carbon Fee and Dividend legislation. Carbon Fee and Dividend is a revenue neutral proposal that places a steadily rising fee on carbon emissions and returns the revenue back to American households. This fee is assessed as upstream as possible: at the mine, well or port of entry. Energy companies already track their carbon emissions so it is very easy to determine how much a company pays. The fee starts low and increases every year, this sends a clear market signal to investors and corporations that it is time to transition to cleaner forms of energy. The dividend will protect consumers from rising costs in the transition to a clean energy economy. By pricing carbon, not only are the true cost of fossil fuel emissions accounted for but a level playing field for all forms of energy is established.

Because Carbon Fee and Dividend is revenue neutral, it will not create a bigger government and will allow the market to flourish. In 2013, a study was commissioned with Regional Economic Models, Inc. (REMI) to study the effect of a revenue-neutral carbon price on the American economy. The study concluded that during the first 20 years, a Carbon Fee and Dividend policy would lead to: a 50% reduction of carbon emissions below 1990 levels, addition of 2.8 million jobs above baseline, and the avoidance of 230,000 premature deaths due to reduction in air pollutants that often accompany carbon emissions.

Renewables create a much more stable and predictable economy. Prices can be locked in for years down the line because of the predictability of the energy source. Nebraska would benefit immensely from an economic system dedicated to renewable energy. Nebraska ranks 3rd and 13th in potential for generation of wind and solar energies, respectively. There are only a handful of other areas in the country that have the opportunity to produce both wind and solar on a commercial scale. Investing in renewable energy with create jobs, stimulate the economy, and Grow Nebraska.

In 2015, Nebraska used coal to generate 60% of its total net electricity generation and purchased \$365.9 million worth of coal from Wyoming. There is a wealth and abundance of clean, renewable energy right in our own backyards. It is foolish to continue down the path of fossil fuels. Instead of purchasing hundreds of millions of dollars worth of coal from Wyoming, Nebraska should utilize the Southwest Power Pool market and be a leading exporter of renewable energy. Redistributing our energy budget to renewables is in the best interest of Nebraska.