Climate XChange

Climate XChange is an organization of experienced advocates who have come together to work for a carbon tax in Mass. Our mission is to catalyze a movement of people and organizations from diverse constituencies that will lead our state to enact an economy-wide tax on carbon.

Our Track Record

- **Commissioned key research**: We funded a sophisticated $38,000 economic analysis by REMI, modeling a largely revenue-neutral state carbon tax. The study showed that the tax could be designed to significantly reduce emissions while also moderately strengthening the economy and increasing the number of jobs.
- **Presentation at the State House**: Sen. Michael Barrett, the sponsor of H2532, a carbon tax bill, invited our President, Jessica Langerman, and REMI economists to discuss a carbon tax and the study, which was attended by more than 100 policy leaders.
- **Education and outreach**: Climate XChange has held forums and events throughout the state to talk with allies about a carbon tax, reaching hundreds of voters and activists and expanding our relationships with key coalition partners.
- **Engaging political actors**: Climate XChange has helped educate gubernatorial candidates on the value of a carbon tax, securing endorsements for the concept and increasing the visibility of the proposal.

STATE HOUSE PRESENTATION

Jessica Langerman presents results of the Massachusetts REMI study on the feasibility of a revenue-neutral carbon tax at the State House.

Our Plan

PUBLIC EDUCATION

We are giving voters accurate information about the carbon tax, also called environmental tax reform (ETR). How?

- **Catalyze networks of activists**: We are reaching out to activists who already are organizing around climate and explaining the key role of a carbon tax.
- **Make our case in the media**: We are developing relationships with reporters, utilizing the web and social media, and helping our partner organizations reach out to local media.
- **Educate allies**: We are providing tools to a broad range of advocacy groups and thought leaders to help them make the case for ETR.

POLICY DEVELOPMENT

We are striving to ensure that the bill, which will be re-introduced in the new legislative session in January of 2015, will reflect research about how to implement a revenue-neutral tax in Massachusetts.

- **Provide input to DOER**: We helped shape the carbon tax study recently commissioned by the MA Dept. of Energy Resources, and will be involved in their stakeholder engagement process.
- **Educate legislative leaders**: We are working with Sen. Barrett, co-sponsors, and the legislative leadership to ensure that the bill upholds key principles for being effective and equitable.

ADVOCACY

- **Organize our base**: We are partnering with organizations that support a carbon tax and have the greatest grassroots reach across the state. In each Senate district, Climate XChange is preparing to convene these networks in order to educate the public and the legislators.
- **Reaching out to potential allies**: We are continuing our outreach initiative with the public health community and leading experts, and are expanding to reach the broader business community, communities of color, and veterans, whose support will be critical in this effort.

Climate ×Change

WE'RE TAKING THE NEXT STEP

Massachusetts has been a leader on progressive issues such as marriage equality and health care reform. The next step is to lead the country toward a bold solution to the climate crisis.

The Research

MA REMI STUDY

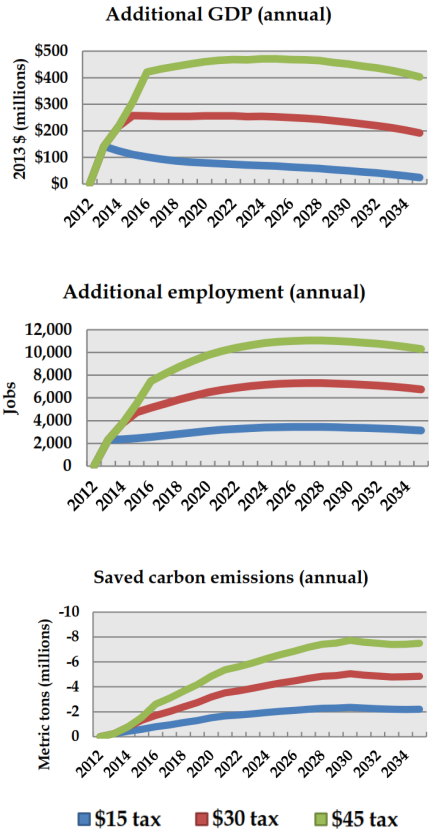
The carbon tax would apply to CO_2 emissions from the combustion of all fossil fuels with the exception of marine and jet fuel.

Conditions:

- Three scenarios were assessed: $15, $30, and $45/ton. All phased in at $10/year, beginning with a $5.00 tax imposed in 2013.
- The first $100 million of revenue reserved for clean energy and public transportation.
- Of the rest, 50% returned via corporate income tax reductions, 25% via personal income tax reductions, and 25% via sales tax reductions .

Results:

- All three scenarios result in economic gains, GDP increases between $100 and 450 million annually by 2016.
- All three scenarios result in increased employment, between 2,000 and 8,000 additional jobs annually by 2016.
- All three scenarios result in emissions reductions. In the $45/ton scenario, carbon emissions fall annually by between 2 million and 8 million metric tons/year between 2016 and 2030. This is sufficient to reduce carbon emissions in Massachusetts to 82% of 1990 levels by 2031.



The Policy

The basics: Tax all major suppliers of fossil fuels, at the first point of entry into the state.

The rate: Begin at a low level and increase the rate gradually so it is high enough to ensure significant emissions reductions, at least $50 per ton.

The return: Return all the revenue to the public in order to overcome objections that a carbon tax is just a new way for the government to raise taxes.

- An economy-wide carbon tax will yield around $4 billion in MA at $50/ton.
- Return revenues equitably so that the tax does not harm low- and moderate-income households or the competitiveness of businesses.

EXAMPLE: RATE INCREASE OVER TIME

$10/ton tax equals about 10 cents per gallon of gas, not enough to have a large effect on driving decisions. $45 a ton is 45 cents a gallon – sufficient to affect decision-making

EXAMPLE: RETURNING THE REVENUE

- Household sector as a whole and business/ institutional sector as a whole get back the share of the money they put in.
- Households get a flat payment for each adult and one-half share per child.
- Businesses, non-profit institutions such as hospitals, universities, cities and towns, get back money in proportion to their number of employees.

Another option is to return money through tax cuts rather than direct rebates. The DOER study will investigate several options.