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New report shows impact of carbon tax on GOP electoral map

Washington, D.C. – The Alliance for Market Solutions (AMS) today released a new report, authored by Alex Brill of the American Enterprise Institute and Scott Ganz of the Georgia Institute of Technology, on the net impact of a revenue-neutral carbon tax in nearly all of the 3,000+ counties in the United States. Using historical election results data, the study found that there is a weak relationship between the impact of a revenue-neutral carbon tax and counties' partisan leanings.

“Some Republican lawmakers are reluctant to support a carbon tax because they fear their constituents will end up paying more for gasoline and electricity,” said Alex Flint, Executive Director of AMS. “This research suggests that these fears are misplaced. Looking at a carbon tax paired with equally large income tax rate cuts, the average difference between Republican-leaning and Democratic-leaning counties is small — about \$100.

“Conservatives who question the effects of a carbon tax should take a closer look at the positive economic impact a market-based, revenue-neutral carbon policy could have all across the country.”

Key findings of the report include:

- The net impact of a federal \$25/ton carbon tax offset by a reduction in wage taxes is modest across most counties. The average taxpayer in the median county experiences less than a \$100 change in net tax liability.
- The average net impacts among Republican-leaning counties, swing counties, and Democratic-leaning counties are relatively similar.
- Among 2,467 Republican-leaning counties, 2,238 will experience a net impact that is negligible (less than 0.5 percent of income) or positive.
- Incorporating the domestic social cost of carbon and the projected county-level climate change risk yields additional economic benefit throughout many counties, particularly in Florida, Louisiana, and Texas.

To read the full report, “The Political Economy of a Carbon Tax: A County-by-County Investigation,” [click here](#).

The Alliance for Market Solutions (AMS) aims to create a conversation among conservatives on the benefits of market-oriented solutions to one of America's pressing economic challenges: advancing clean energy and reducing carbon pollution. AMS believes in the need for pro-growth solutions for our economy, replacing harmful government regulations, and responding to changing public attitudes and demographics.

Learn more at www.allianceformarketsolutions.org.

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Alliance for Market Solutions (AMS) is an organization of conservative leaders with experience in business, government, and the intellectual community who know that markets and economic incentives are the most powerful drivers of change and are more efficient and effective than top-down regulation. We aim to educate conservative policymakers on the benefits of market-oriented solutions to one of America's most pressing economic challenges: advancing clean energy and reducing carbon pollution.

The carbon tax policy we support is consistent with a pro-growth conservative agenda. It would replace costly regulations and prevent new regulations from burdening families and job creators. And it would eliminate economically harmful taxes on investment and family incomes. AMS is a 501(c)(3) non-profit educational organization. We don't engage in electoral politics on behalf of any candidate, campaign or party. We are recruiting allies and developing policy analyses to help conservative policymakers consider a pro-growth, conservative carbon tax policy.