



ALLIANCE FOR MARKET SOLUTIONS

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New FTI report shows carbon tax can finance extensions of GOP tax cuts

Washington, D.C. – The Alliance for Market Solutions (AMS) today released a new report by FTI Consulting showing how a revenue-neutral carbon tax could permanently extend the newly enacted individual income tax cuts, as well as other expiring tax provisions, without adding to the deficit. The study also investigates the expected energy market impact, effect on carbon dioxide emissions, and state-by-state and national macroeconomic impact of a revenue-neutral carbon tax.

“A carbon tax can make the individual tax cuts permanent,” said Bud DeFlaviis, Director of Government Affairs for AMS Action. “This will grow the economy, reduce carbon pollution and improve the environment.”

Report Highlights:

- The revenue raised from the carbon tax finances the permanent extension of all expiring individual tax provisions enacted as part of the Tax Cuts and Jobs Act of 2017; the permanent extension of other expiring tax provisions regularly extended by Congress; and the repeal of four taxes established by the Affordable Care Act (ACA).
- By 2028, the carbon tax will reduce emissions by 23 percent overall and 43 percent in the power sector.
- By 2028, employment is projected to be higher by 1.9 million jobs and GDP is projected to be \$171 billion greater.
- By 2028, 44 states would experience either a negligible or positive economic impact.
- Over the decade, the carbon tax would result in 56 gigawatts of coal plants, fuel oil plants, and older gas plants retiring and 94 gigawatts of new solar and wind production being brought online.

For a complete summary of the report, [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.