



# ALLIANCE FOR MARKET SOLUTIONS

**For Immediate Release**

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## **A Carbon Tax Would Induce Technological Innovation that Helps Address Climate Change**

Washington, D.C. — Today, Alliance for Market Solutions (AMS) Executive Director Alex Flint released the following statement after a [hearing](#) in the House Appropriations Committee on "Strategies for Energy and Climate Innovation."

"If Republicans are looking to promote innovation, research shows that a carbon tax would induce and increase clean technology innovation beyond what would otherwise occur, which would then lower the economic cost of achieving a given level of emission reductions," explained AMS Executive Director Alex Flint. "The revenue generated by a carbon tax could also be used to increase the tax incentives for conducting research and development, as well as investing in lower emitting machinery and equipment."

AMS-commissioned [research](#) conducted by the Information Technology and Innovation Foundation, which had a representative speaking at today's hearing, found that a carbon tax at reasonable levels, with the revenues dedicated to reducing the after-tax cost of research and capital investment, is likely to not only reduce carbon emissions but do it in a way that grows the overall economy. Additionally, this research found that by increasing the costs of carbon-intensive activity throughout the supply chain, companies will be motivated to develop better and more cost-effective clean energy technologies, thus inducing innovation.

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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.*