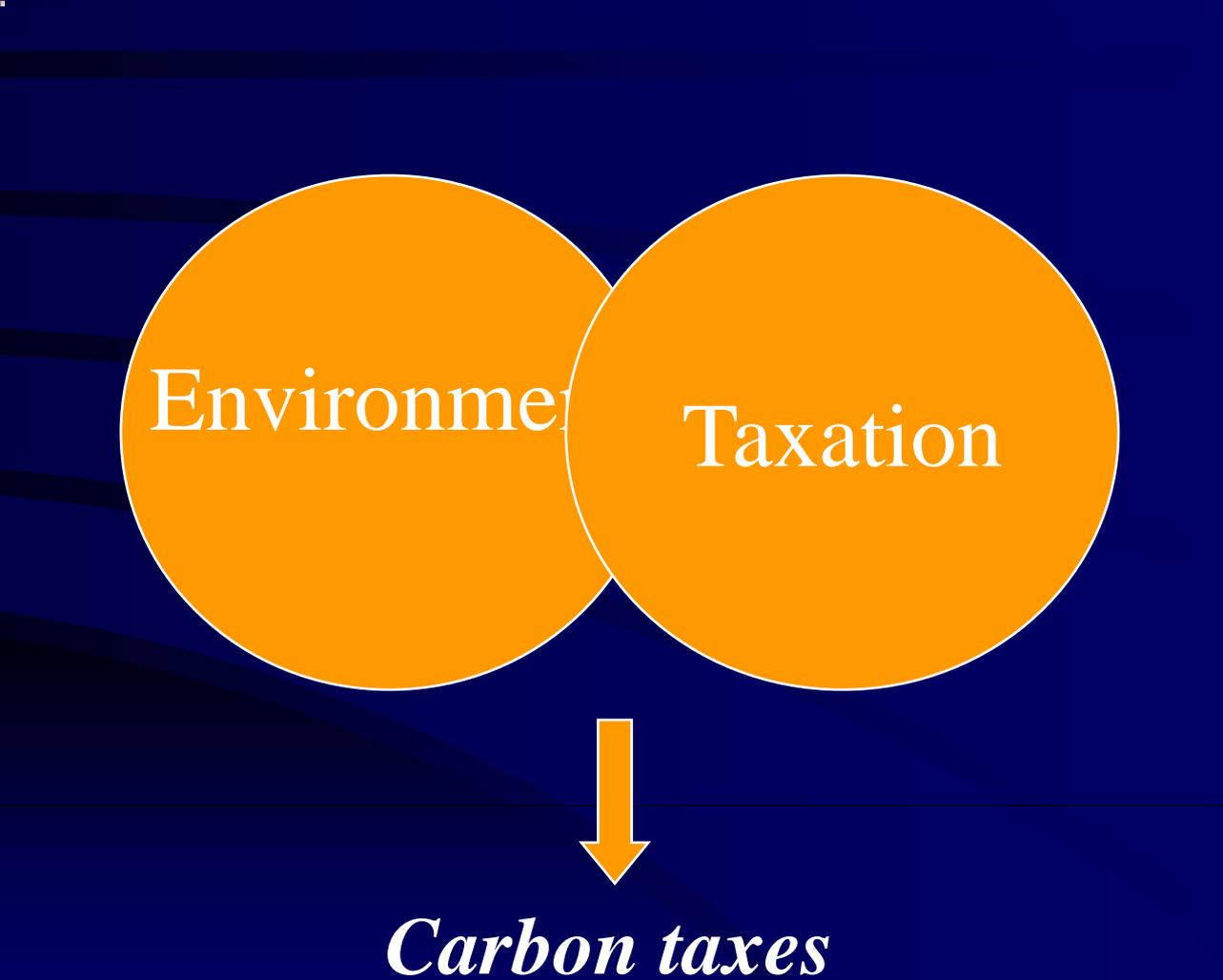


Carbon Taxes: International Experiences

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Environment

Taxation

Carbon taxes

Tax base

x

Tax rate

=

Revenue

Tax base

x

Tax rate

=

Revenue

Environmental effect

Tax base

x

Tax rate

=

Revenue

Environmental effect

Economic effect

Equity

Administrative feasibility

Political feasibility

British Columbia

Tax base

x

Tax rate

=

Revenue

Fossil fuels
CO₂-e

Limited
exemptions

Tax base

x

Tax rate

=

Revenue

Fossil fuels
CO₂-e

\$10/ton 2008



\$30/ton 2012

Limited
exemptions

“Upstream” tax collection

Tax base

x

Tax rate

=

Revenue

Fossil fuels
CO₂-e

\$10/ton 2008



\$30/ton 2012

Limited
exemptions

Tax base

x

Tax rate

=

Revenue

Fossil fuels
CO₂-e

\$10/ton 2008



\$30/ton 2012

Revenue
neutral
tax relief

Limited
exemptions

Tax rate

x

Tax rate

=

Revenue

Comprehensive
Simple
Quick
Here to stay
Effective

$$\boxed{\text{Tax base}} \times \boxed{\text{Tax rate}} = \boxed{\text{Revenue}}$$



fuels outside
EU emissions trading scheme



fiscal crisis

Ireland 2010

$$\boxed{\text{Tax base}} \times \boxed{\text{Tax rate}} = \boxed{\text{Revenue}}$$



123 euros or \$132

Sweden 1991

$$\boxed{\text{Tax base}} \times \boxed{\text{Tax rate}} = \boxed{\text{Revenue}}$$



result-based rate

Switzerland 2008

$$\boxed{\text{Tax base}} \times \boxed{\text{Tax rate}} = \boxed{\text{Revenue}}$$



green energy
investments

Japan 2012

Tax base

x

Tax rate

=

Revenue

BC	Economy-wide	\$30/ton	Revenue neutral
Ireland	Household, transportation, light industry	20 euros (\$21)	General fund, green projects, fuel allowances
Sweden	Household, transportation, light industry	123 euros (\$132)	Tax relief, green projects
Japan	Economy-wide	289 yen (\$2.40)	Green projects
VT (H.412)	Non-electricity	\$100	90% rev. neutral, 10% green fund

Tax base

x

Tax rate

=

Revenue

VT

Non-electricity

\$100/ton

90% rev. neutral
10% green fund

MA

Non-electricity

\$40

100% rev. neutral

WA

Economy-wide

\$25
+3.5% to
\$100

Tax relief—sales,
manufacturing

Tax base

x

Tax rate

=

Revenue

VT	Non-electricity	\$100/ton	90% rev. neutral 10% green fund
MA	Non-electricity	\$40	100% rev. neutral
WA	Economy-wide	\$25 +3.5%	Tax relief—sales, manufacturing
RGGI	Cap and trade Electricity	\$5.41	Mitigation
CA	Cap and trade Sector-wide	\$12.10	Mitigation

Carbon taxes are real.

One size doesn't fit all.

A delicate mix of policy and politics—
but robust enough to stand the test of time.

A carbon tax can be elegantly simple.

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