

CARBON TAX STUDY

2013 Regular Session

There have been several inquiries as to the broader business community's position regarding a carbon tax study.

Adopting a carbon tax would be the most far reaching tax change since the founding of the state. It would affect every business and every working Oregonian; there will unavoidably be winners and losers. The impact would not just be local. Since Oregon would be the sole state adopting this system, it would permanently reconfigure the competitiveness of the various components of our economic base relative to the rest of the nation.

The importance of having a study done properly cannot be overstated. The more completely a study informs us as to how the tax would affect each Oregonian and how effective it would be in reducing carbon, the more likely it is that we will make the right decision. Consequently, any study serving as a foundation for the consideration of a carbon tax must be done competently, fairly, and comprehensively as part of a broader tax reform discussion.

In addition to the usual elements expected in such a study, it should, at a minimum, include the following:

- Be performed by an organization with a proven, demonstrated ability to conduct objective, data-driven studies competently, reliably, and without bias;
- Be revenue neutral with regard to revenue generation;
- Assess impacts across the full range of activities including energy generation, construction, transportation, residential, commercial, and manufacturing;
- Include an analysis of the relative costs/benefits and impacts relative to the effectiveness of all existing state and federal programs and policies in Oregon that effect carbon reduction;
- Assess impacts on the relative inter and intra-state competitiveness of economic sectors (including traded sector), the immigration/emigration of portable industries and on potential expansions;
- Assess the impact on Oregon median and mean wages relative to those nationally;
- Assess the impact on employment, by sector and geographic area;
- Be adequately funded and allowed sufficient time to produce a valid study.

Associated Oregon Industries

*Industrial Customers of
Northwest Utilities*

*Oregon Forest Industries
Council*

*Oregon Home Builders
Association*

*Oregon Metals Industry
Council*

*Oregon People's Utility
District Association*

*Oregon Refuse & Recycling
Association*

*Oregon Rural Electric
Cooperative Association*

Oregon Trucking Associations

*National Federation of
Independent Businesses*

*Northwest Food Processors
Association*