



Taxpayers Association of Oregon

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P.O. Box 23573, Tigard, OR 97281

TO: Joint Committee on Carbon Reduction

March 5, 2019

Dear Legislators,

Taxpayers Association of Oregon is in opposition to HB 2020 as this tax increase disproportionately charges the people who can least afford to pay it while the largest polluters go ignored.

Evidence is clear that Oregon's largest polluters are 1. Wildfires and 2. China, as prevailing easterly winds from China blow to the western U.S. Neither of these polluters are mentioned in the bill. Instead, exemptions and special favors are given to large transportation sectors leaving people who drive the cars paying the bill. Gasoline, heating oil and natural gas users will be taxed at a very high rate without proof that the program works.

Timber and agriculture are left to pay with no means to do so. As timberlands burn unchecked yet lawmakers fail at passing laws to curb wildfires. Logging is not allowed on dead and dying timber where removing fuel load is a proven method to control wildfire. If mercury levels are found in valley farmland, evidence shows China is the world's largest producer, yet Oregonians are being forced to pay. A 1990 level was targeted as a measure. However, this is at a time when most cars run cleaner than ever before due to adoption of emission controls and electric cars.

TAO urges lawmakers to review the following carefully:

- The state sets a carbon CO2 emission limit
- To go above the emission limit a company has to purchase special credits
- Emission credits will be sold by the ton
- The money from the credits goes into some type of fund and from there the details are unclear
- Supporters are not calling this a tax, but it is.
- When you force companies to purchase these credits it will cost them millions of dollars
- The cost is how companies pass it on to consumers with higher prices, this is how gas and natural gas prices will rise.
- The increased gas and natural gas prices is what we are calling an indirect tax even though it is not a direct tax.

-- Previous carbon plans seem to raise around \$600 million, so until we get a number, this seems safe

Thank you