

# An Act Combating Climate Change: the basics

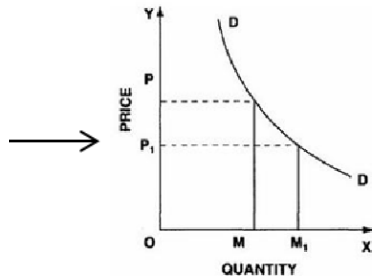
Sen. Barrett's bill, S.1747, **An Act Combating Climate Change**, puts a fair price on dirty fuels that make people sick and harm the environment. The cost of this damage is not reflected in today's prices, which leads to overuse. A *carbon fee* changes all that:

- Each of us pays a fee, but only to the degree we cause the pollution by consuming the fuel.
- Basic economics kicks in. We'll respond to the fee by cutting back. Good news: as we use less, we'll pay less.
- The system is "revenue-neutral." The state doesn't keep the money. Instead, it's rebated to residents and employers.

**Fees are levied on fuels that emit carbon dioxide, driver of climate change.**



**Due to the higher price, demand goes down. And so does CO<sub>2</sub>.**



**The fee has done its work. Proceeds are then rebated *equally* to everyone.**



**Less \$ goes out of MA for imported energy. Which means more \$ remains in-state to create local jobs.**



**Progressives** can support the Barrett bill because it's not regressive. It doesn't put an unfair burden on the poor.

*"Net impacts are progressive ... by income group."*  
- conclusion of the MA Dept. of Energy Resources report

**Conservatives** can support it because it doesn't grow the size of government. Oh, and legally it's not a tax.

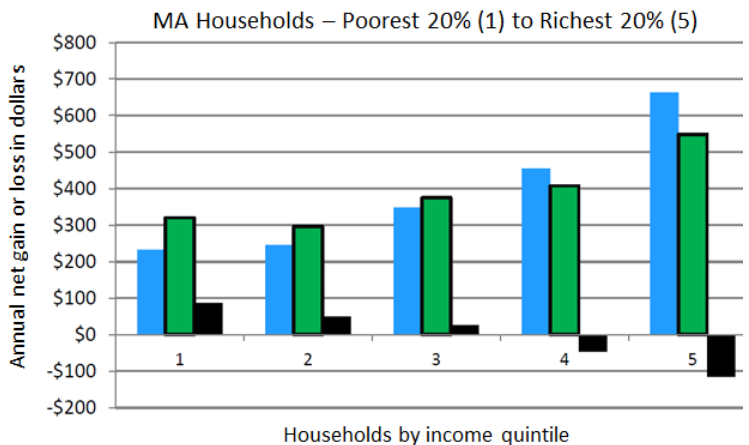
*"I've said repeatedly that I will not raise taxes."*  
- Governor Charlie Baker

## How the Legislation Will Affect You:

- Use more energy than average, and you pay more in fees than you get back in rebates.
- Go green -- use less than the average -- and you actually make money!

### By the Numbers:

- The Barrett bill sets fees at \$10/ton of CO<sub>2</sub> in the first year.
- Fees increase \$5 per year until they reach \$40/ton.
- \$40/ton of CO<sub>2</sub> translates into \$0.36/gallon of gasoline, but ...
- ... at \$40/ton, each resident receives a \$225 annual rebate.
- On average, the bottom 60% of households come out ahead.



The bottom 60% pay less in fees (blue bar) than they get back in rebates (green bar). Net gain or loss is shown by the black bar.