

Senators Introduce Climate Protection Act of 2013

FEBRUARY 20, 2013

On February 14, 2013, Senators Bernie Sanders (I-VT) and Barbara Boxer (D-CA) introduced a new carbon tax bill (S. 332) called the Climate Protection Act of 2013. The bill would give EPA authority to impose a fee of \$20.00 per ton of carbon dioxide equivalents on any manufacturer, producer, or importer of a carbon polluting substance. The fee would increase by 5.6% per year over a ten-year period. The bill aims to reduce greenhouse gas emissions to 80% of 2005 levels by January 1, 2050. The Congressional Budget Office estimates that the carbon tax would raise \$1.2 trillion over ten years.

A portion of the revenue raised by the carbon tax would be split equally between EPA and the Department of Transportation and would be used to fund climate change adaptation programs and infrastructure projects, including electric vehicle charging stations and preferential parking for carpools. Carbon tax revenue would also be used for energy efficiency and sustainability projects, including weatherizing homes for low-income persons, job training to allow fossil fuel employees to work in the clean energy sector, and energy research. The bill would allocate 60% of the revenue raised to a residential environmental rebate program, under which legal residents of the United States would receive monthly rebate payments. Remaining revenues would be used for federal budget deficit reduction.

In addition, the bill would reinstate EPA's authority to regulate hydraulic fracturing under the Safe Drinking Water Act by ending the so-called Halliburton exemption. The bill would also require the disclosure of fracking chemicals before and after underground injection. The fracking chemical constituent disclosures would be publicly available, although proprietary chemical formulas would remain confidential. While we note that no Senate Finance Committee members have signed-onto the bill, it, at a minimum, is a starting point for discussion.

Senators Sanders and Boxer also introduced a second bill (S. 329) on February 14, 2013, the Sustainable Energy Act, which would terminate various tax credits and subsidies for fossil fuel production. The bill would also extend certain energy tax incentives for renewable energy projects through 2021.

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