

## Berkeley professor suggests a look at aligning state's climate and tax policies

February 23 2016, by Kathleen Maclay



Credit: AI-generated image (disclaimer)

When Karen Chapple delivers the second annual Bacon Lecture at the UC Center in Sacramento this week, she could turn up the heat on a debate on California's climate protection goals and tax policies that may fuel sprawling land use and how much people drive.



Chapple, a UC Berkeley city and regional planning professor, will take her place at the podium Wednesday as the winner of the second annual UCCS Bacon Public Lectureship and White Paper Competition. The lecture and competition were established to promote the synthesis of evidence and creative thinking around a pressing public policy issue and to advance UC's mission of discovering and sharing information for the public good.

In her white paper, Chapple says the best potential for cutting back on the number of miles that people are driving is found in the state's suburbs, which rely disproportionately on property and sales tax revenues.

She also reports that areas receiving a low share of their revenues from those two taxes are more inclined to back development of vacant or underused land within built-up areas, especially for housing.

"And yet," she writes, "the state has seen little conversion in recent years of vacant or low-density areas to the high-density residential use that could reduce dependence on the automobile."

## **Driven by more than geography**

In her paper on California's climate goals and fiscal structure, Chapple notes that the average household in suburbs dominated by single-family homes logs 60 miles a day behind the wheel. In dense central cities, the daily mileage average per household is 17 miles, and in urban areas with substantial access to public transit, the average is 27 miles.

State legislators have not hesitated to pass bold climate change regulations and, Chapple says, they should feel emboldened to experiment with sensible tax code reforms to support California's pioneering climate goals.



The Global Warming Solutions Act of 2006 set a benchmark goal of cutting California's carbon emissions to below 1990 levels by the year 2020. The legislation requires metropolitan planning agencies to devise strategies to achieve the goal through integrated land use, transportation and housing planning.

## Taxes and more compact development

Based on her review of scholarly literature examining the intersection of tax and climate policies as well as her own data analysis, Chapple recommends close evaluation of four potential tax changes to stimulate more compact development where needed in the Golden State:

- Return more property tax to cities based on their willingness to build high-density development.
- Share property and/or sales tax regionally, rewarding jurisdictions that meet their regional housing obligations.
- Avoid penalizing new development, potentially through measures such as taxing vacant land at a higher rate than improved, or built-upon land.
- Link future taxes directly to environmental and sustainability goals, through taxes on the number of miles driven, a carbon tax on vehicles or rebates or other incentives.

"At a minimum, the state should study any proposed <u>tax</u> reform to ensure that it does not conflict with climate change goals," concludes Chapple, who specializes in housing, community and economic development, as well as regional planning.

Last fall, she launched the <u>Urban Displacement Project</u>, a research portal examining patterns of residential, commercial, and industrial displacement, as well as policy and planning solutions.



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