

Support for carbon tax grows when revenue fuels renewable energy

23 July 2014, by Greta Guest

A carbon tax with revenues used to fund renewable energy programs gained support from 60 percent of Americans, according to a University of Michigan poll.

That's the highest among tax options presented and one that crossed the political divide with majorities of Democrats, Republicans and Independents saying they would support the tax, according to the National Surveys on Energy and Environment.

The survey is a joint effort of the Center for Local, State, and Urban Policy at U-M's Gerald R. Ford School of Public Policy and the Muhlenberg Institute of Public Opinion at Muhlenberg College in Allentown, Pa.

"Conventional wisdom is that [carbon tax](#) is a political non-starter," said Barry Rabe, U-M professor of public policy and director of the Center for Local, State, and Urban Policy. "But there may be broader support for such a tax than is commonly believed, depending upon how revenues from that tax are used."

Congress is not actively considering [climate change](#) legislation, however, the Obama administration has continued to pursue regulation of carbon dioxide as a greenhouse gas under the Clean Air Act. Climate change policy is also being pursued by a number of states, including 10 committed to some form of cap-and-trade.

Economists have long argued that market-based emissions policies, such as a carbon tax or cap-and-trade, are superior to technology mandates or performance standards and they are operational abroad. Recent Obama administration steps do not create a national market-based system but leave open the option that states might establish them as a way to reach federal targets for reducing emissions.

The survey also found:

- A revenue-neutral carbon tax, in which all tax revenue would be returned to the public as a rebate check, received 58 percent support.
- Only 38 percent of respondents supported a carbon tax when revenues would be used to reduce the federal budget deficit.
- Support for a carbon tax stood at only 34 percent when no explanation of revenue use was given and dropped further to 29 percent when a specific cost was added.

The random telephone survey of 798 American adults was conducted March 24-April 9, 2014. The survey had a margin of error of 3.5 percent. The report was authored by the late David Amdur, Muhlenberg College professor, Rabe, and Muhlenberg Institute of Public Opinion director Chris Borick.

More information: The survey results are available online: closup.umich.edu/issues-in-energy-used-use-of-revenue/

Provided by University of Michigan

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