

Florida Representative Carlos Curbelo introduces controversial carbon tax bill

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Representative Carlos Curbelo (R-FL-26) introduced the first Republican carbon pricing bill in nearly a decade on July 23, breaking with the party's long-standing general opposition to such policies. The proposal, called the MARKET CHOICE Act (H.R. 6463)—an acronym for the Modernizing America with Rebuilding to Kick-start the Economy of the Twenty-first Century with a Historic Infrastructure-Centered Expansion Act—seeks to reduce greenhouse gas emissions by imposing a federal carbon tax, and to use the revenue to fund infrastructure modernization.

The MARKET CHOICE Act would put a \$24-per-ton tax on carbon dioxide emissions starting in 2020, which would increase 2 percent above inflation each year. The bill directs 70 percent of the revenue to go to the Highway Trust Fund, with an additional 10 percent going to grants for low-income households and 5 percent to coastal flooding mitigation and adaptation projects. The remaining revenue would go to various research and development (R&D) efforts, such as ARPA-E, carbon capture and storage, battery storage, and direct air capture projects, and for a fund to assist any energy workers that may be displaced by effects of the tax. The bill would also impose a rolling, performance-based moratorium on the federal government's ability to finalize and enforce regulations on greenhouse gas emissions (except for methane emissions) from stationary sources covered by the tax.

Representative Curbelo, who is a co-chair and co-founder of the House Climate Solutions Caucus, joined the Columbia University Center for Global Energy Policy (CEGP) to discuss the introduction of his new legislation on the day of its release. According to an analysis led by CEGP scholars posted on July 19, Representative Curbelo's proposal would reduce economy-wide net greenhouse gas emissions by 27–32 percent by 2025 and 30–40 percent by 2030, compared to 2005 levels. This would outpace the United States' nationally determined contribution to the Paris Agreement of 26–28 percent by 2025, although President Donald Trump announced his intent to withdraw the U.S. from the Paris Agreement last June.

The MARKET CHOICE Act was introduced just days after the House voted on and passed an anti-carbon-tax resolution from Majority Whip Steve Scalise (R-LA-1), expressing "the sense of Congress that a carbon tax would be detrimental to the United States economy." Representative Curbelo was among six Republicans who voted against the resolution, while seven Democrats strayed from party lines and voted in favor. After the vote on the resolution, Representative Curbelo told reporters that while his plan would implement a carbon tax, it would also repeal the jet fuel excise tax and the gas tax, "which is regressive and is unfair to low- and middle-income Americans who drive traditional vehicles." He said that his proposal would generate \$700 billion in revenue over a decade for infrastructure investments, and he intends to pitch the bill to the White House as a potential way to fund President Trump's infrastructure plan.

Sources: E&E News; Columbia University Center for Global Energy Policy; Library of Congress; The Hill; U.S. House of Representatives, Office of Representative Carlos Curbelo.
