

An Act Combating Climate Change: The Basics

Sen. Barrett's bill, S.1821, **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:

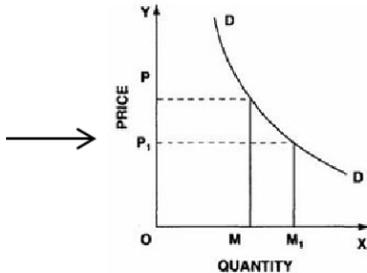
- Each of us pays a fee, but only to the degree we cause the pollution by consuming the fuel.
- Basic economics kicks in. We'll respond to the fee by cutting back. Good news: as we use less, we'll pay less.
- The system is "revenue-neutral." The state doesn't keep the money. Instead, it's rebated to 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 CO₂.

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.

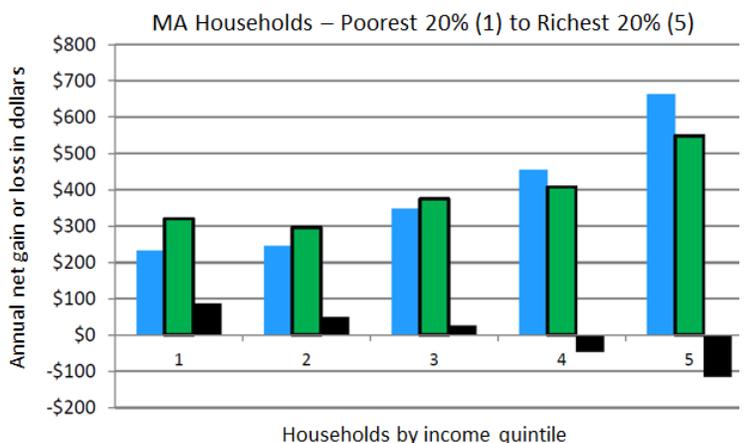
"I've said repeatedly that I will not raise taxes."
- Governor Charlie Baker

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 CO₂ in the first year.
- Fees increase \$5 per year until they reach \$40/ton.
- \$40/ton of CO₂ 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.