

A RESOLUTION SUPPORTING THE CARBON WASHINGTON REVENUE-NEUTRAL CARBON TAX INITIATIVE (I-732)

WHEREAS, the 2015 United Nation's Intergovernmental Panel on Climate Change (IPCC) Synthesis Report (SYR) states:

The IPCC is now 95 percent certain that humans are the main cause of current global warming. In addition, the SYR finds that the more human activities disrupt the climate, the greater the risks of severe, pervasive and irreversible impacts for people and ecosystems, and long-lasting changes in all components of the climate system. The SYR highlights that we have the means to limit climate change and its risks, with many solutions that allow for continued economic and human development. However, stabilizing temperature increase to below 2°C relative to pre-industrial levels will require an urgent and fundamental departure from business as usual. Moreover, the longer we wait to take action, the more it will cost and the greater the technological, economic, social and institutional challenges we will face.

WHEREAS, carbon pricing is considered by economists to be the most efficient way to reduce emissions of carbon dioxide;

WHEREAS, the mechanism to price carbon in Washington State must be effective in reducing carbon pollution, equitable for all levels of socio-economic status, and do so without hurting our local economy;

WHEREAS, in 2008 our neighbors to the north, British Columbia, Canada, implemented a revenue-neutral carbon tax; and have since decreased emissions by 16% while continuing to grow their economy;

WHEREAS, Initiative 732 proposes a carbon tax of \$25 per metric ton on fossil fuels consumed in Washington;

WHEREAS, the state sales tax is reduced by one full percentage point, from 6.5% to 5.5%;

WHEREAS, the "Working Families Rebate" is funded at 25% of the federal Earned Income Tax Credit (EITC), providing up to \$1500 per year for 400,000 low-income working households in Washington;

WHEREAS, the B&O business tax for manufacturers is effectively eliminated in order for our energy-intensive manufacturers to maintain competitiveness with businesses in other states and overseas.

WHEREAS, the tax swap is phased in over two years, with the sales tax reduced by a half point in year 1 and another half point in year 2. The carbon tax will be \$15 in year 1, increase to \$25 in year 2, and increases thereafter to maintain revenue neutrality.

WHEREAS, many people who live in the 25th Legislative District would benefit from the progressive nature of the state tax reforms embedded in this Initiative;

WHEREAS, all of the residents of the 25th Legislative District would benefit from cleaner air and reduced climate change;

WHEREAS, for the reasons mentioned in the previous two clauses, residents of the 25th Legislative District are affected by policies of Initiative 732, whether or not they believe the science behind climate change.

THEREFORE BE IT RESOLVED, that the 25th Legislative District Democrats endorse the Carbon Washington Initiative that will come before the 2016 legislature and/or appear on the ballot in 2016 as "Initiative 732."