

Carbon Tax is a Burden on the Economy.

Recently an Economics Professor, Anthony O'Brien, wrote an article advising everyone to calm down as climate change is not going to kill us. His article was in the Allentown Morning Call. His article did bely many of the claims that radicals contend will end civilization. But in that article, the professor puts forth his support of a Carbon Tax as a means to prod firms to minimize carbon emissions. My response to Professor O'Brien follows.

Economics Professor O'Brien's column on Climate Change was a welcome response to the rants of "the world is going to end". Yes, we have climate change, but no climate crisis. I do take exception to his assertion that a carbon tax would be directly born by the firms whose emissions violated a threshold. The professor knows that no corporation pays taxes. Firms pass on the taxes to either consumers (price increases) or a reduction to shareholder distributions (think 401k). The professor acknowledges this later in his article when he states that a carbon tax would necessitate an increase in gasoline and electricity.

Increasing electric rates is a twofold increase to the consumer. They would see an increase in their personal electric bills and in all their purchases (food, wine, newspapers) as firms pass on their electric rate increase.

Increasing the cost of gasoline would be a triple threat to the consumer pocketbook. First at the gas pump for their vehicles and lawnmowers. Next, an increase in transportation costs affects all goods and services. Airlines, plumbers, painters, MC carriers, all have vehicle expenses that will raise their rates. Food costs will rise due to transportation costs (remember dairy farmers also paid increased electric bills). Property taxes will increase as schools have to pay the increased costs in busing and cafeteria programs; townships pay higher road maintenance. The "consumer" ultimately pays the carbon tax.

Penalties have to be applied directly to Board of Directors/ CEOs, whose duties include environmental leadership and responsibility.

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