n June 10, 2016, the U.S. House of Representatives passed a resolution sponsored by Rep. Steve Scalise (R-LA) saying a carbon tax would harm the economy and should not be enacted. The 237–163 vote in favor of the resolution included only six Democrats, who joined the entire Republican caucus.

Although the legislative action was purely symbolic — there was no pending legislation attempting to impose a tax on carbon dioxide — I applaud the House's vote. When carbon taxes or similar bills capping carbon emissions have been considered in the past, they have either been rejected or failed to get a vote.

Despite President Barack Obama’s inability to get legislation through Congress to raise the cost of burning fossil fuels, the Obama administration has enacted limits on carbon-dioxide emissions through various executive actions and regulations that ultimately have the same effect as a tax on carbon would. Thus, this resolution is important, because it highlights the high costs related to many of the Obama administration’s restrictions on greenhouse-gas emissions.

Because a carbon tax would apply to 85 percent of the United States’ energy, and energy is the lifeblood of the economy, the resolution notes a carbon tax “would be detrimental to American families and businesses, and is not in the best interest of the United States.”

In the lead up to the resolution’s introduction, a group of 22 research institutes, legal foundations, and grassroots activist groups — including the Heartland Institute, my employer — submitted a letter to Scalise expressing their support for the resolution.

The letter says multiple independent analyses, including reports by the Congressional Budget Office (CBO) and the National Association of Manufacturers (NAM), have found...
carbon taxes and similar policies often bring with them significant unintended consequences.

“Such marketplace manipulation represents a recipe for unintended consequences and self-inflicted economic damage... [and would be]... regressive, imposing disproportionately high costs on middle- and lower-income families and thereby harming most those who can afford it least,” wrote the authors of the letter.

NAM says a carbon tax could eliminate the equivalent of 21 million jobs over the next 40 years and reduce workers’ wages by up to 8.5 percent. NAM also says a carbon tax would increase the cost of goods and services, as manufacturers and retailers would pass their higher energy costs on to consumers.

A carbon tax would damage America’s economic competitiveness, making U.S. goods more expensive than comparable goods from other countries. Relatively inexpensive energy is currently one of U.S. manufacturers’ main competitive advantages over international competitors. The American Energy Alliance notes in the second half of 2014, the average price of electricity for industrial consumers in the European Union was 12 cents per kilowatt hour, compared to 7 cents per kilowatt hour in the United States.

CBO notes a carbon tax is highly regressive, costing the poorest one-fifth of American households 250 percent more than the richest one-fifth of households. Low-income communities, seniors, and those on fixed incomes spend a greater proportion of their budgets on energy and energy-related items compared to middle-income households and wealthy households.

Incredibly, the Environmental Protection Agency (EPA) admits neither a carbon tax nor the regulations EPA has already imposed will do anything to prevent global climate change — even if humans’ carbon-dioxide emissions are contributing to it. These policies are truly all pain and no gain.

Ironically, carbon-dioxide limits and taxes — by raising the cost of using fossil fuels — will likely increase pollution. Facing higher energy costs for certain American companies means they will be forced to move overseas to remain profitable. Countries such as China and India — two places many businesses are likely to relocate to — have weaker environmental standards and less-efficient methods of production than those that exist in the United States. As companies fleeing the carbon tax and other onerous regulations
shift more of their operations overseas, air pollution will likely increase as a result.

There is never a good time to enact bad policy, and a carbon tax is one of the worst policies I can imagine.