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# Can a carbon tax ever work as a conservative solution?

BY ASHE SCHOW (/AUTHOR/ASHE-SCHOW) | JUNE 18, 2013 AT 4:45 PM

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Representatives from the Heartland Institute, Heritage Foundation, R Street Institute and Energy and Enterprise Initiative gathered last week at the FHI 360 Conference Center in Washington to debate whether conservatives should support a carbon tax.

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Thinkstock Some argue that conservatives should support a carbon tax if it is truly revenue-neutral.

Those in favor argued that the tax could "substitute" for reduced taxes on income and fewer regulations, while those opposed pointed to the "pixie dust" belief that the federal government would ever make such an exchange.

Andrew Moylan, an R Street Institute senior fellow, argued that conservatives should support a carbon tax if is "legitimately revenue-neutral," "eliminates existing taxes" and "is combined with legitimate regulatory pre-emption to avoid layering a carbon taxation regime on top of a carbon regulation regime."

Moylan, who last year wrote a letter to Gov. John Kasich, R-Ohio, urging him to oppose any tax on targeted businesses in exchange for lower income taxes, contended during the debate that the Ohio levy was a "narrow tax" on oil extraction, while the carbon tax he proposes is much more broad. Apparently, taxing all fossil fuels (but not wind, solar or other alternatives) is fine, but taxing just one element of one fossil fuel is bad.

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Bob Inglis, executive director for the Energy and Enterprise Initiative, meanwhile, offered little more than campaign platitudes, but did receive applause for declarations like "I believe that a free people can govern themselves." How that relates to the government telling people what energy sources they can buy using the tax code as punishment is a little hard to see.

Inglis also suggested the audience "impose accountability on your elected officials. If they don't do something you like, you get rid of them." Funny coming from him, considering he lost his 2010 primary in a 71/29 point landslide after he came out in favor of a carbon tax. On the accountability front, he is exactly right.

Moylan and Inglis also claimed that their version of a carbon tax would foster smaller government. Their arguments for a "tax swap," however, undermine this argument by leaving government exactly the size it is, just proportioned differently. They cited the CBO's estimate that a \$1.2 trillion carbon tax (the liberal headlines write themselves) over 10 years could "get rid of capital gains taxes, dividends taxes, estate taxes and tariffs." So our energy bills would go through the roof, but rich people could get a huge tax break?

Eliminating those taxes would be good for the economy, but so wouldn't getting rid of them without hurting low-income Americans (who pay a disproportionate share of their income on energy costs)?

Carbon tax opponents countered with examples of when the federal government accepted this kind of trade. Oh wait, they provided examples of when the federal government claimed it would accept this kind of a trade but failed to follow through — like President George H.W. Bush's tax increase in the early '90s, where he agreed to a tax hike in exchange for spending cuts that never materialized.

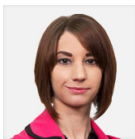
Or the same tax-hike-for-spending-cuts deal accepted by President Reagan with 1982's infamous TEFRA deal with House Speaker Tip O'Neill. Or the amnesty-for-border-security deal also accepted by Reagan in 1986. Or the tax-hike-for-no-more-tax-hikes accepted by Republicans just this year (which, of course, were followed immediately by another tax hike proposal).

What the debate comes down to is this: Why would conservatives capitulate to the left in a completely hypothetical and not likely to happen scenario? Are we so beaten down that we're ceding the argument before it's even made?

ASHE SCHOW Commentary Writer

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