The Center for Climate Strategies conducted a macroeconomic-impact analysis of a proposal for the District of Columbia to put a price on all carbon emissions. The revenue raised by carbon pricing will be returned to residents as a rebate, small business assistance, and green investment initiatives. The full report can be found here.

**Overview of the Policy**

**Carbon fee structure:**

$20 per ton of carbon emitted in year one → $140 million revenue generated in year one

Steady increase over time

The policy is designed for the carbon fee to increase over time, from $20 per ton in year one to $150 per ton in 2032. This would increase the annual revenue from $140 million to $600 million by 2032.

**Distribution of Carbon Fee Revenue:**

- **5% Small Business Assistance**
  - Operating cost relief to allow local small businesses to adapt to changing policy.
- **75% Cash Rebate**
  - Provided to every DC resident on monthly basis. Weighted rebate structure provides higher rebate rates to low-income residents.
- **Green Investments 20%**
  - Funding for greenhouse gas reduction programs and energy efficiency projects.

**Environmental Impact**

23% Reduction of greenhouse gas emissions from the use of electricity, natural gas, and home heating fuel relative to a business-as-usual baseline by 2032.

Learn more about the policy at www.carbonpricedc.org
Economic Impacts

Sector Growth:

- **500 jobs**
  Expected boost in DC jobs as a result of the policy by 2032. Green investments would result in positive job growth, particularly in the construction sector.

- **$10-20 million**
  Expected increase in sales among grocery, beverage, restaurants, & consumer technology products each year due to the policy.

± 0.1%
Changes to expected economic productivity in terms of GDP, total output, and job growth from business as usual. This policy is not expected to have a dramatic economic impact.

Cash Rebate Estimates

**Average family year one:**
- $516 annual rebate for average family of four
- $300 estimated annual fee for family of four

1.5 to 2x rebate value compared with estimated fee

**Low-income family year one:**
- $888 annual rebate for low-income family of four
- $300 estimated annual fee for family of four

3 to 4x rebate value compared with estimated fee

Rebate estimates 2032:

- **$1,920**
  The annual rebate generated for an average income family of four as projected by the analysis by 2032. This breaks down to $160 per month. For a low-income family, the estimated rebate in 2032 is $3,324 or $277 per month.

75%
The percent of DC residents modeled to receive a higher rebate from the policy than the fee they pay. Residents making less than $150,000 are very likely to receive a higher rebate than fees.

Learn more about the policy at [www.carbonpricedc.org](http://www.carbonpricedc.org)