

# ECONOMIC BENEFITS

## Why a Tax on Polluters Will Grow Vermont's Economy, Create Jobs and Increase Income



### FOSSIL FUEL DEPENDENCE IS HOLDING US BACK

Why is a tax on carbon pollution good for Vermont's economy? The answer is surprisingly simple: it keeps Vermonters' dollars here, in Vermont.

Here's why. Vermont isn't producing fossil fuels – we don't have extraction or refining taking place. That means we have to import any fossil fuels we use – and sending all those dollars straight out of state is bad for our economy.

For example, in 2012, Vermonters spent more than \$1 billion on gasoline alone. Almost all of this money drained out of our state's economy – only a fraction of this sum stays in-state (to pay the gas station attendants, for instance).

Reducing fossil fuel imports and keeping more of these dollars local would grow Vermont's economy and create thousands of jobs.

### CREATE CLEAN ENERGY JOBS THAT CAN'T BE OUTSOURCED

Now imagine how many millions of dollars Vermonters will save, thanks to targeted investments to help them reduce their use of fossil fuels and switch to clean energy and efficiency technologies. In fact, these

investments in Vermont's energy independence will do more than save money – they'll create hundreds of good-paying jobs in construction and renovation, which simply can't be outsourced.

### HOW SAVINGS AND TARGETED INVESTMENTS WORK TOGETHER

Investments to help Vermonters reduce fossil fuel dependence and save money will mean more money in Vermonters' pockets.

And that means more money for groceries, going out to eat, or shopping at local businesses.

### AND DON'T FORGET THE TAX CUTS

In addition to the economic infusion from the many dollars Vermonters are saving on fuel bills, our proposal contains targeted tax cuts which will help drive dollars into job-creating sectors – like manufacturing, agriculture and retail.

## THE PLAN

To save Vermonters money and cut carbon pollution, our proposal would tax fossil fuel distributors, and return all the revenue to Vermonters.

1. Require oil and gas companies to pay a tax on the carbon pollution created by the fossil fuels they sell.
2. Create an Energy Independence Fund to help Vermonters save money on their home heating and other energy costs, and cut carbon pollution.
3. Cut taxes for Vermonters and Vermont businesses, and provide additional rebates for low-income Vermonters.

## THE POINT

Unchecked pollution and importing expensive fossil fuels are both bad for Vermont's economy – but our proposal turns global warming into an economic opportunity.

- 3,200 MORE JOBS
- 800 JOBS in construction alone
- \$25 MILLION in growth in computer and electronics manufacturing
- Vermonters' incomes increase by \$135 MILLION in 10 years

### Who we are

Energy Independent Vermont is a growing coalition of environmental organizations, Vermont businesses and business associations, academic leaders, low-income advocates and Town Energy Committees all dedicated to a simple goal: address the problem of climate change by putting a price on pollution here in Vermont.



# TAX REFORM: VERMONTERS AND BUSINESSES WIN BIG

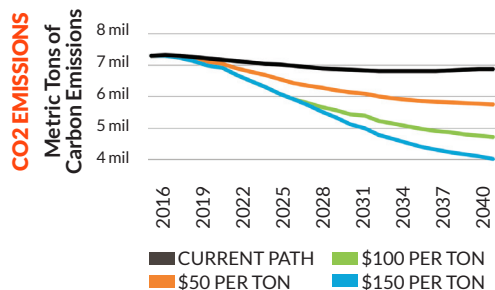
Our plan will create polluter-funded investments to save Vermonters money on our fuel bills and reduce taxes on Vermonters and businesses.

According to economic modeling performed specifically for Vermont by non-partisan firm Regional Economic Models Inc., this tax reform will grow Vermont's economy and create good-paying jobs—all by reducing our dependence on expensive fossil fuels.

A pollution tax that starts low and gradually rises over time will dramatically increase use of clean energy, promote solutions like fuel-efficient vehicles, and create thousands of jobs.

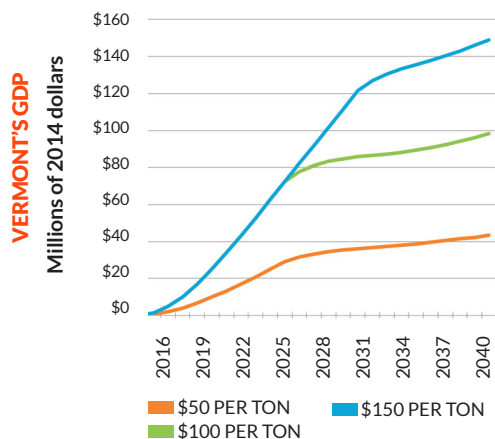
## 1 Saving Vermonters & local businesses money

Since clean energy and efficiency is cheaper than fossil fuels, switching to clean energy saves money and reduces fossil fuel pollution.



## 2 Growing GDP & Vermonters' income

The higher the tax on pollution, the faster we transition to a clean economy—and the faster and bigger our economy grows.



## 3 Creates new full-time jobs

Wasting money on fossil fuels drains Vermont's economy. Keeping our dollars here grows jobs.

## The Bottom Line

Taxing pollution is simple, fair & effective

Economists and policy experts from across the political spectrum—from Paul Krugman and President Bush's former Treasury Secretary Hank Paulson to climate activist Bill McKibben and the World Bank<sup>5</sup>—advocate for a price on carbon pollution because it harnesses free market forces to cut pollution and grow the economy at the same time.



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