



## **A Carbon Tax of \$30 per ton**

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<https://budgetmodel.wharton.upenn.edu/model-estimates-1/2019/11/18/a-carbon-tax-of-30-per-ton>

Summary: We estimate the budgetary and economic effects of a new carbon tax of \$30 per ton of emissions, which is enacted on January 1st, 2021, rising by inflation plus 5 percent through 2050.

[Analysis of estimate](#)

## **Contents**

[Table 1. Conventional Budget Estimate, FY2021-2030](#)

[Table 2. Dynamic Macroeconomic Effects](#)



**Table 1. Conventional Budget Estimate, FY2021-2030**

*Billions of Dollars, Change from Current-Law Baseline*

Policy	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-2030
A carbon tax of \$30 per ton	96	136	144	152	161	170	181	192	201	212	1,644



**Table 2. Dynamic Macroeconomic Effects**

*Percent Change from Baseline*

Year	GDP	Capital stock	Labor income	Hours worked	Consumption
2030	0.3%	0.9%	0.3%	0.0%	-1.1%
2040	0.9%	2.5%	0.9%	0.1%	-1.1%
2050	2.2%	6.1%	2.2%	0.3%	-1.1%

Note: Consistent with empirical evidence\*, the projections above assume that the U.S. economy is 40 percent open and 60 percent closed. Specifically, 40 percent of new government debt is purchased by foreigners.

\* <https://budgetmodel.wharton.upenn.edu/issues/2016/9/13/setting-behavioral-responses-in-pwbms-dynamic-simulations>