CARBON TAX AND ITS EFFECT ON THE ECONOMY, TAXES AND ENVIRONMENT

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Abstract

This research discusses theoretically the relationship between carbon tax and the economy, tax and environment. This research is legal research with an analytical and descriptive nature, namely research that analyzes secondary data on issues related to carbon taxes as an instrument for reducing carbon dioxide emissions. According to secondary data, this research aims to discover aspects of carbon tax design, collection of carbon taxes, and state management of carbon tax revenues. Carbon taxes are an effective and efficient instrument to support the reduction of carbon dioxide emissions. The results of this study state that, carbon taxes provide price signals that incentivize reducing emissions. To be implemented, a carbon tax must be feasible. Eligibility requires public acceptance. On the other hand, a carbon tax can create a lot of controversy. The main argument against carbon taxes is that they do not always guarantee emission reductions. In addition, there are also concerns over the unintended effects of competitiveness, carbon leakage, and fears of unintended distributional impacts, which could be barriers to implementation.

Keywords: carbon tax; tax revenue; revenue management

INTRODUCTION

Whenever fossil fuels are burned, carbon dioxide emissions cannot be completely eliminated, unlike other pollutants. Carbon dioxide (CO2) cannot be effectively "filtered" before it is released into the atmosphere. Currently, the only way to produce zero emissions is to use non-fossil fuel sources, for example, renewable energy sources such as wind, solar, geothermal, etc., or reduce activities that require carbon-intensive energy. It is important to underline that carbon dioxide emissions are a global problem, which means that carbon dioxide emissions in any part of the world contribute equally to the warming of the earth.

Climate change, which is both general and global, seems to require international cooperation between countries to take meaningful action at the global level. At the same time, the actions of sovereign states are inevitable or in other words "must be done" to implement policies that result in reductions in greenhouse gas emissions. Meanwhile, the main challenge for developing countries is to industrialize while reducing carbon dioxide emissions. To reduce carbon dioxide emissions, many countries are turning to renewable energy. However, until now there are still many countries (especially developing countries) that still depend on fossil fuels to develop their economies.

A carbon tax on its own is not a radical new idea. The origin of the carbon tax is the Pigovian tax, named after the economist Pigou, as a tax on market activity that produces "losses". These have come to be called "externalities" as social costs that are not reflected in private market prices (Coase, 1960). In theory, the Pigovian tax addresses market failure by adding a levy to market prices, to correct for undesirable or inefficient market outcomes, at a level that reflects the social breakdown of the activity. The theory used by these economists resulted in a theoretical debate about social costs.

The implementation of a carbon tax, to address the externalities of social damage caused by carbon dioxide emissions, is often preferred as the "best first" or "optimal" solution because it is considered the most economically efficient approach to achieving the best climate targets (Bertram et al., 2015; Shelanski & Shelanski, 2014). But carbon taxes are not without their critics. In political economy, the priority of carbon taxes as an approach has been linked to the dominance of "climate capitalism." (Newell & Paterson, 2010).

In addition to addressing carbon dioxide emissions, carbon taxes can provide incentives for technological innovation to decarbonize. Therefore, a carbon tax can encourage investment and innovation in alternative energy sources by making them cost competitive with respect to fossil fuel use. A key element in implementing a carbon tax is its feasibility. Feasible policy measures are those that can be implemented to achieve their goals efficiently.

What is quite important to note is the attitude of the community towards the carbon tax, after the policy is implemented. Maintaining public acceptance (i.e., attitudes formed after policies are implemented) over time may be important for effective implementation. In short, in designing a carbon tax, governments need to realize how important public acceptance of the policy is, to minimize public rejection and reduce the subsequent political and economic costs. To do so, knowledge of the factors that can explain such acceptability is required. However, although several factors are known to generate positive attitudes towards environmental policies, how they affect specific carbon tax revenues remains an open question. As such, it is also an unanswered question for countries looking to implement carbon taxes in the future.

Furthermore, with regard to the move towards drafting and implementing this policy (carbon tax), it seems that it is no longer enough to consider only cost-effectiveness. The preparation and implementation of this policy (carbon tax) need to consider the following, including: (i) economic; (ii) distribution and justice; (iii) environmental feasibility; and (iv) institutional and political (Gilbert E Metcalf, 2007).

In Indonesia, through Law Number 7 of 2021 concerning Harmonization of Tax Regulations (hereinafter referred to as the HPP Law), carbon tax was born as one of the fiscal policies used as an instrument to control climate change; which came into effect on April 1, 2022. In relation to the matters that need to be considered in the preparation and implementation of the carbon tax as mentioned above, the question arises how does the Government of Indonesia fulfill it? However, because the carbon tax in Indonesia is a new tax, it seems that this question cannot be answered on this occasion. Thus this article will discuss the above-mentioned things from a theoretical point of view. Furthermore, the purpose of this study is to examine the application of carbon tax in general, and is expected to be an input for the implementation of carbon tax in Indonesia.

RESEARCH METHODS

The research method used in this study is descriptive analytical, namely research that describes and analyzes secondary data regarding issues related to carbon taxes as an instrument for reducing carbon dioxide emissions. Furthermore, in accordance with secondary data, this study is aimed at

aspects of finding a design or draft carbon tax, collecting carbon taxes, and managing by the state the revenues obtained from collecting carbon taxes.

This research was conducted using a normative juridical approach, namely the secondary data obtained will be analyzed based on norms, rules, legal doctrines and principles known in the field of Legal Science, which is also supported by an approach in the field of economics.

In this study, qualitative juridical data analysis is used, meaning that the means used to analyze data are norms, rules and principles of law and theories known in the field of Legal Science, which are supported by analysis from an economic point of view.

The theoretical research method employed in this study involves the exploration and application of relevant theories to gain a deeper understanding of the relationship between carbon taxes, the economy, and environmental issues. This approach enriches the analysis by adding a theoretical perspective to the previously conducted descriptive analytical analysis of secondary data.

1. Identification of Relevant Theories
   Identifying and detailing legal and economic theories relevant to carbon tax issues, including fundamental concepts that either support or oppose implementing carbon taxes.
2. Exploration of Theoretical Framework
   Constructing a theoretical framework that integrates legal and economic concepts to provide a conceptual basis for the analysis. This may include a theoretical understanding of the effectiveness of carbon taxes in reducing emissions.
3. Application of Theories in Analysis
   Using the identified theories to analyze secondary data. For example, applying economic theories to understand the impact of carbon taxes on economic behavior and legal theories to assess the legislative framework supporting carbon taxes.
4. Discussion of Theoretical Implications
   Discussing the implications of research findings on the applied theories. Do the findings support, challenge, or expand our understanding of the applied theories?
5. Integration of Theoretical and Empirical Perspectives
   Integrating empirical findings from the analysis of secondary data with theoretical perspectives. This can provide a more holistic understanding of the complexity of the relationship between carbon taxes, the economy, and the environment.

RESULTS AND DISCUSSION

An Overview of the Use of Carbon Tax as an Instrument to Reduce Carbon Emissions

In response to the historic Paris Agreement on climate change and the Environmental Protection Agency's recently finalized Clean Energy Plan, economists and other climate policy experts have renewed calls to adopt a carbon tax. In general, governments can take two policy approaches to reduce carbon emissions. First, the regulatory approach, often known as a "command-and-control" policy instrument, relies on the introduction of specific regulations to change practice. This approach includes, among others, emission standards, reporting and licensing requirements. Second, carbon pricing. Both types of instruments are effective in reducing pollution, but there is ample evidence that carbon pricing can be done at a lower cost. Therefore, carbon pricing is considered a more cost-effective policy instrument (Baumol & Oates, 1988).

Carbon pricing can be used by countries to lower their carbon emissions and fulfill their Nationally Determined Contribution (NDC) pledges under the Paris Agreement. In fact, in two-thirds of all NDCs submitted, there are around 100 countries that are considering using carbon pricing to achieve their emissions reduction targets (Bank, 2011; Malpass, 2021).There are two kinds of instruments related to carbon pricing, namely: the carbon tax and the emissions trading system (ETS).

The carbon tax, for the purposes of this article will be defined as a mandatory and unrequited payment to the government that is levied on carbon emissions and characterized as having environmental objectives and effects. The definition follows the Organization for Economic Co-operation and Development's (OECD) general definition of an environment-related tax as "a mandatory and unrequited payment to the general government levied on the basis of a tax deemed to have particular environmental relevance (Baumol & Oates, 1988) "In this sense, a carbon tax can be seen as a specific type of environmental tax, in accordance with the OECD definition of "a tax whose tax base is a physical unit (or its proxy) that has Proven specific negative impacts on the environment," namely carbon dioxide.

A carbon tax provides cost certainty because the tax rate determines the price, and no matter how much the tax is (regardless of whether it can be passed on to consumers or not), the cost cannot rise above this price. A carbon tax offers a stable and predictable carbon price. Economic actors are aware that they have to pay a certain price when a triggering event occurs, that is, when they emit carbon dioxide above a certain level. This allows businesses to plan their investments in low-carbon

technologies based on reliable decision-making elements. Therefore, a carbon tax provides certainty about the costs that polluters will consider when making decisions. In addition, in a situation of reducing emissions, carbon taxes will continue to signal prices.

Thus it can be said that carbon taxes provide cost certainty because tax rates determine prices, and no matter how big the tax is, costs cannot rise above this price. ETS, on the other hand, suffers from inherent cost uncertainty. Emission allowances may initially be distributed free of charge, but businesses will eventually have to pay for them, and because prices are determined by the demand and supply of permits or emission allowances, businesses will face price uncertainty.

Experts say that carbon taxes are a reliable tool to prevent and simultaneously reduce greenhouse gas emissions that cause climate change. Climate change itself is a classic externality, which is the result of businesses, consumers, and governments emitting carbon dioxide and other greenhouse gases by burning fossil fuels, making cement, raising livestock, and other activities. Those emissions accumulate in the atmosphere, alter the climate, and impose potential economic and environmental costs including threats to human health, changes in agricultural productivity, and damage to ecosystems. Levying taxes on greenhouse gas emissions is one way to reduce those dangers.

In addition, it can be said that carbon taxes are aimed at providing incentives to consumers to change their behavior and reduce consumption of carbon-heavy products. The carbon tax law determines which legal subjects will be responsible for paying taxes, which parties are taxpayers. The effect of carbon tax incentives will depend on whether taxpayers can pass on the cost of carbon taxes to consumers, which is expected to change their behavior. However, there may be differences between who is targeted for taxes, who is legally responsible for payments, and who bears the burden of taxes.

In theory, the best way to tax carbon dioxide is to monitor all emissions and tax them at a uniform rate. This approach will create consistent and comprehensive incentives for carbon dioxide emitters to shift to less carbon-intensive production and households to switch to less carbon-intensive consumption. Unfortunately, such monitoring would be very expensive given the large number of sources to monitor. Policy design considerations related to implementing a carbon tax are needed including determining the tax base, which sectors are taxed, where to set tax rates (upstream or downstream), how to use tax revenues, how to assess their impact on consumers, and how to ensure the carbon tax achieves its emissions reduction goals.

Furthermore, if we look closely, carbon taxes have several characteristics that distinguish them from other taxes. The main purpose of carbon taxes is not to increase incomes, but to change the behavior of households and companies. An effective carbon tax should encourage reductions in carbon emissions. However, there are some issues that require special consideration when assessing how a carbon tax system might be implemented in a country with little or no experience in levying carbon taxes.

When discussing the implementation of a carbon tax, it is closely related to state or government power which can be outlined in laws and regulations. The power or authority of laws to collect taxes varies between and within the jurisdiction of a country. It is stipulated in rules that can take the form of constitutional arrangements, public law requirements, supranational principles, or other legal obligations. Such rules can influence certain design choices as well as identify potential gaps in regulation. Some countries, such as Indonesia, have adopted fiscal decentralization policies that give provincial and local governments the authority to collect certain taxes and decide on the use of their revenues (Lucas Jr, 2017; Morris & Mathur, 2015).

Since an emissions tax involves a transfer from an economic agency (e.g. a company) to the state, it involves private parties bearing the cost of reducing emissions. Therefore, this can lead to resistance or rejection of policies by polluters. All because carbon taxes can disproportionately affect those in poverty, or low incomes, and in designing carbon pricing policies, in all cases, it needs to involve striking a balance between encouraging low-carbon behaviour, and mitigating the adverse distributional consequences of higher energy prices (Carbone et al., 2013; Kriegler et al., 2015).

Thus considering the regulation of taxation powers early in the design process will help provide a clearer view of who should be involved in the design and implementation of a carbon tax and the resources policymakers have to implement a carbon tax effectively.

Impact of carbon tax on economy, tax and environment

Climate change is an existential threat, and countries are facing dramatic impacts due to global warming. Given the huge costs associated with climate change, countries are increasingly adopting more ambitious and sophisticated policy instruments to support climate mitigation, especially market-based policy instruments such as carbon pricing. Carbon pricing is more cost-effective than other policy instruments and has co-benefits that can support other development goals, such as resource mobilization. A carbon tax is a common carbon pricing instrument.

When designing a carbon tax, the impact on low-income households should also be taken into consideration. A common criticism of carbon taxes is that they disproportionately burden low-income households. Carbon taxes also impact businesses, although businesses may prefer carbon taxes over other carbon mitigation policies. That's because carbon taxes provide certain long-term price signals that can be incorporated into projected operating costs, while prices may be less familiar than emissions limits. Energy-intensive industries or highly competitive industries that compete with companies in countries without a carbon tax have expressed concerns about carbon taxes.

In principle, the simplest approach to carbon pricing is through the imposition of a carbon tax by the government (Bertram et al., 2015; Gillbert E Metcalf & Weisbach, 2009). To be cost-effective, such a tax would cover all sources, and to be efficient, the price of carbon would be set equal to the marginal benefits of reducing emissions, represented by the estimated social cost of carbon (Clark & Dolan, 2021; Coase, 1960). Over time, an efficient carbon tax will increase to reflect the fact that the more greenhouse gas emissions accumulate in the atmosphere, the greater the additional damage from a ton of carbon dioxide (CO2).

The carbon tax would be administratively simple and directly applicable in most industrialized countries, as it could incorporate existing methods for monitoring and reporting fuel supplies to regulatory authorities. Some developing countries with effective tax systems, including monitoring and enforcement governance to minimize tax avoidance, can also implement carbon taxes in a relatively easy way.

In addition to being relatively simple, carbon taxes have at least five other important features that make them attractive policies (Lucas Jr, 2017; Gillbert E Metcalf & Weisbach, 2009): **First**, governments can apply them upstream directly to a limited number (in a sense) of companies that extract, process, and/or import fossil fuels. These fossil fuel suppliers will then charge most of the cost to their customers who use fossil fuels to produce gasoline, electricity, and other carbon-intensive goods. As a result, the price of all goods will increase in proportion to their carbon intensity. A broad-based carbon tax would encourage emissions reductions in all carbon-intensive sectors of the economy and ensure that resources are not inefficiently reallocated from taxed sectors to untaxed sectors.

Second, because it would be broadly applicable, a carbon tax encourages almost everyone who produces and consumes carbon-intensive goods to behave in ways that reduce emissions (Mankiw, 2013; Gilbert E Metcalf, 2007). For example, encouraging consumers to drive fuel-efficient cars and power companies to innovate to use or utilize renewable energy such as wind, or solar.

Third, a broad-based carbon tax will reduce carbon emissions at the lowest possible cost (Masson-Delmotte, 2018; Gillbert E Metcalf & Weisbach, 2009). There are many opportunities to reduce emissions, but some are more expensive than others. By pricing emissions, an optimally designed carbon tax will ensure that carbon is emitted only if the benefits outweigh the costs, including the tax. Producers and consumers who can reduce emissions at a lower cost than a carbon tax will make those reductions. Those who can't make deductions have to pay taxes. Thus, a carbon tax effectively allocates emissions reductions to the sources that can reduce them most cheaply. In economic terms, the marginal cost of deductions will be uniform (i.e., equal to tax rates) across all activities and sectors of the economy, so that there is no opportunity to reallocate deductions from one sector to another cheaply (Shelanski & Shelanski, 2014).

Fourth, a carbon tax will increase revenue. Governments can use these revenues to fund public goods, to reduce deficits, or cut similar revenues and taxes that adversely affect economic growth by reducing incentives to work and save (Carbone et al., 2013). In particular, using carbon tax revenues to cut distorted taxes would dramatically reduce the cost of tackling global warming (Malpass, 2021).

Governments can also use revenues from carbon taxes to reduce the regressive nature of the tax. Although there is substantial debate about how regressive a carbon tax is. One popular criticism of carbon taxes is that the burden may weigh more on the poor than the rich, as the poor spend most of their income on carbon-intensive activities or goods (Morris & Mathur, 2015). To reduce regression, governments can provide a portion of carbon tax revenue to the poor; for example, by sending rebate vouchers, by reducing regressive payroll taxes, or by increasing earned income tax credits.

Finally, a carbon tax that includes carbon rates (sometimes called "border tax adjustments") can address the problem of free riders and leakage. Climate change is a global problem and tackling it will require global cooperation. Yet each state has an incentive to exempt the efforts of other countries while refusing to bear the cost of the reduction itself (Gillbert E Metcalf & Weisbach, 2009). Carbon tariffs offer a potential solution to this problem. For example, if China and India refuse to adopt climate policies in their own countries, then the United States could tax imports from those countries, thus giving them an incentive to change course.

Revenue Management from Carbon Dioxide Tax

Interest has grown internationally in taxing carbon released into the atmosphere in the form of carbon dioxide when fossil fuels are burned. Proponents of a carbon tax cite two potential benefits of a carbon tax: (1) revenues from a carbon tax can serve as an important source of state revenue, and (2) a carbon tax would reduce carbon dioxide emissions by pricing carbon dioxide as the most common greenhouse gas, which traps heat in the Earth's atmosphere. Such a price would ensure that the cost of products and activities involving carbon dioxide emissions covers some of the potential costs of damage from climate change.

As with other policy interventions, carbon taxes may have unintended effects or impacts. A carbon tax could lead to an increase in the price of goods and services, which could have a negative impact on household incomes and corporate competitiveness. Policymakers may want to avoid or mitigate these impacts. Addressing concerns over the effects of distribution, among others, on social justice, fairness, employment, competitiveness, and also important to achieve public acceptance. In addition, by paying attention to possible adverse side effects, it can help maintain the environmental integrity of the carbon tax because of the several measures available to policymakers to protect domestic competitiveness and can help avoid carbon tax leakage.

Audiences have learned that carbon becomes part of many countries' economies when coal, oil, and natural gas are extracted or imported. It enters the atmosphere in the form of carbon dioxide, when the fossil fuel is burned. Analysts have been trying to determine the point in the process at which it would be most cost-effective to levy a carbon tax. Such carbon taxes can apply either to the carbon content of each fuel or to carbon dioxide emissions emitted when the fuel is burned.

In addition to deciding where to implement the carbon tax, carbon tax designers need to consider what fossil fuel entities or uses, if any, will be exempt from the tax and whether certain activities qualify for credits under the tax. In general, the economic cost of achieving certain emissions reductions can be minimized by limiting the number of entities exempt from paying taxes and by allowing tax credits for activities that capture and store emissions permanently before they are released.

In general, imposing a carbon tax relatively close to the point where fossil fuels are extracted or imported will have the greatest likelihood of minimizing compliance costs and maximizing coverage. That point varies for different fuels (Newell & Paterson, 2010):

1. In the case of petroleum, analysts concluded that it would be more cost-effective to levy a carbon tax at the point where petroleum is refined, since almost all petroleum is processed by a limited number of refiners. The imposition of a tax at that time would have been facilitated by the fact that every barrel of crude oil received at current refineries was subject to a carbon tax by the state.
2. In the case of coal, some analysts suggest that costs can be minimized, and coverage maximized, by taxing coal as it is mined i.e., applying a tax at the mouth of the mine. Collecting taxes at that time will become easier with the fact that coal producers are already subject to carbon taxes by the state. Other analysts suggest that since most coal is used to generate electricity, emissions generated from coal could be capped by imposing a carbon tax on power plants based on their actual emissions. The imposition of the tax at that time would have been facilitated by the fact that the Environmental Protection Agency (BPL) collected data on carbon dioxide emissions by large generators.
3. In the case of natural gas, some analysts suggest that costs could be minimized by imposing carbon taxes on large natural gas well operators or natural gas processors. Alternatively, a carbon tax could be implemented at two points where BPL collects data on natural gas-related emissions under the Greenhouse Gas Reporting Program, namely when large generators use natural gas to generate electricity and when natural gas is sold to residential and commercial customers. (BPL collects data on those sales to cover emissions unrelated to power generation).

However, a domestic carbon tax could encourage the production of carbon-intensive goods to shift to a country with a low carbon tax. This could put some companies at a competitive disadvantage, and would encourage consumers to buy carbon-intensive goods from countries with lower carbon taxes. One response would be to adjust carbon taxes for imports and exports, as cap adjustments would be relatively modest for the fuel itself. A country, for example Indonesia may tax imports of coal and processed products such as gasoline at domestic tax rates and provide discounts for exports. This would not violate trade neutrality and would likely be accepted under World Trade Organization rules. A more difficult issue is adjusting the difference in carbon taxes imposed on intermediate products and high-carbon end products domestically and abroad. This is due to technical issues in measuring the carbon content of traded goods and legal issues because it is doubtful that import duties or subsidies for export goods are acceptable even with differences in carbon taxes.

It is generally assumed that carbon taxes will be passed on to consumers both directly at higher prices for energy purchases and indirectly at higher prices for other goods and services based on the

intensity of carbon production. Labor and capital in carbon-intensive industries may also bear some of the short-term burden, but typically focus on the long term when most of the costs will be passed on to consumers. As is the case with any consumer tax, the carbon tax will be regressive. This is because the burden will be higher as a share of the income burden for low-income households than for high-income households, as low-income households consume a larger share of their income and spend relatively more on carbon-intensive goods and services. Thus, low-income households will indirectly bear a greater carbon tax burden than high-income households.

For companies, a carbon tax will increase the cost of carbon-intensive inputs. If additional costs cannot be passed on to consumers, then carbon taxes can affect competitiveness. Apart from increased direct costs of emissions, or carbon-intensive inputs, companies may also face increased costs from their own carbon emission reduction measures. In the short term, measures to reduce emissions could require fuel switching or other energy efficiency improvements. It's also possible that some companies might choose to avoid carbon taxes by reducing production, since, in the short term, possible mitigation options are limited by capital, technological and production process constraints.

The idea of carbon leakage is inextricably linked to the question of adverse competitive impacts. Carbon leakage occurs when carbon pricing in one jurisdiction (country) results in increased emissions in another jurisdiction (country). If this happens, then in practice, carbon pricing policies will only move carbon emissions from one area to another. As carbon taxes increase the cost of domestic production, foreign goods gain a competitive advantage, and, as a result, consumption may shift to imported goods. As production and emissions decline domestically, carbon leakage indicates that production of carbon-intensive goods will increase abroad. Carbon leakage can also occur because domestic companies choose to reduce production volumes in existing factories as a result of carbon taxes, and that market share is taken over by foreign companies with higher carbon emissions. Because the climate change effects of carbon dioxide (CO2) emitted into the atmosphere are the same no matter where those emissions occur, the overall effect of climate change mitigation cannot be solely measured by reducing a country's domestic emissions.

Understanding the unique challenges and specific contexts in which carbon taxes are introduced will enable policymakers to design appropriate measures to avoid or counter unintended negative effects such as carbon leakage, competitive effects, and distribution risks. It will also help to ensure that economic agents are not compensated unnecessarily. Accurately assessing and communicating how the proposed carbon tax will affect stakeholders also helps gain public acceptance.

The most popular measures to address adverse impacts are tax reduction measures, lowering effective carbon taxes through threshold exemption, or tariff reductions. Another set of policies includes support measures for affected households, companies or sectors; Results-based rebates or targeted support for resource efficiency and cleaner consumption and production, as well as tax reductions other than carbon taxes (such as labor taxes or income/income taxes) could be included in this group of measures. Other policies concern trade-related measures, such as adjusting carbon caps, consumption-based taxation, and international cooperation.

CONCLUSION

Carbon taxes provide price signals that generate incentives to reduce emissions. However, there may be undesirable effects on the company or household. To ensure tax feasibility and effectiveness, policymakers must carefully assess the risk of competitive effects and carbon leakage, as well as unintended distribution effects.

Policymakers can implement measures to mitigate unintended impacts, for example, measures that reduce carbon tax payments (e.g., exemptions, tariff reductions, tiered systems, thresholds), and other support measures to mitigate negative effects.

Policymakers should strive to avoid undue administrative complexity, safeguard the environmental integrity of taxes and pay attention to perceptions of tax fairness among different social groups and sectors. In addition, both taxes and implemented measures must be assessed regularly to ensure that they remain relevant and appropriate. Above all, environmental goals can be met with the implementation of a carbon tax.

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