Lessons Learned from the I-732 Carbon Tax Campaign

Mike Massa
CarbonWA Board Chair
I-732 Revenue-Neutral Tax Swap

**Tax Covers**
- Fossil Fuels Consumed Within State
- Imported Electricity

**Slower Phase-In**
- On-farm Diesel
- Non-Profit Transit

Maintain revenue neutrality by raising carbon tax rate 3.5% + inflation annually

- **Carbon Tax** $2.2 Billion
- **Tax Cuts** $2.2 Billion

**GENERAL FUND** $17 Billion
- **WFTE** $250 Million
- **B&O Tax** $450 Million
- **Sales Tax Reduction** $1.5 Billion

**Tax Rebate for Working Families**
Cut Taxes on Manufacturers
Cut State Sales Tax Rate by One Point (6.5% → 5.5%)
What did I-732 campaign accomplish?

- First statewide public vote on a carbon tax in the nation
- Largest climate policy education campaign in state history
- Earned bipartisan endorsements (local + some national)
- Drew substantial media coverage (local, national, some international)
- Prompted business, NGO, and civic leaders to assess their positions
- Motivated first “5 corners” legislative discussion (on “732B” alternative)
- Established Washington as a leader in climate policy development
- **Demonstrated public demand for climate action**
There's a cheap, proven fix to the world's biggest problem

By John D. Sutter, CNN

Updated 11:34 AM ET, Tue April 19, 2016

The left’s opposition to a carbon tax shows there’s something deeply wrong with the left

Activists in Washington state put interest-group politics over sound policy.
Leonardo DiCaprio
@LeoDiCaprio

I-732 is a chance to create a clean energy future. Join @CarbonWA and @AudubonWA and vote #YesOn732. ow.ly/xMN0305ujGl

Edward Norton
@EdwardNorton

WA State: You have a huge opportunity 2 lead our country 2 a sustainable future: Yes on I-732 for Clean Air/ Water/ Energy #YesOn732
#waelex
What we learned: Exit Polling

Results of an “exit poll” conducted by FM3; commissioned by The Nature Conservancy and Vulcan, Inc.


Graphic provided courtesy of The Nature Conservancy
Factors that impeded passage

- Unappealing ballot title ("I-732 concerns taxes")
- Negative fiscal note from state Office of Financial Mgmt
- Low voter awareness & comprehension of measure
- Small campaign budget limited education outreach
- Big polluters were able to sow confusion and doubt about measure
- Relatively low turnout for a presidential election year
  - 79% in 2016 vs. 85% in 2008 (and 81% in 2012 midterms)
  - 226K fewer voters than 2016. Measure lost by 574K votes.
Biggest predictor of support: partisanship

- Strong correlation with liberal candidates and measures
- Stronger correlation with tax than social measures
- Stronger correlation with “environmental” candidates and measures.

Correlation of support for I-732 with other ballot questions:
- 1.0  perfect correlation
- 0.5 – 1.0  strong correlation
- 0.3 – 0.5  moderate correlation
- 0.1 – 0.3  low correlation
Other predictors of support

Density (urban areas)

Within incorporated King County:

1. Fewer residents who drive to work
2. More residents with a 4-year degree
3. Higher fraction of minorities
4. Longer average time to get to work
5. Younger median age
6. Higher median household income
Diversity correlated with support in King County

51% support overall in King County

52% support in avg majority-minority precinct

61% support in avg 100% minority precinct

Percentage of persons of color by census tract

City of Seattle

Percentage of the Population Who Are Persons of Color by Census Tract

Percentage of Population

0.0 % - 0.9 %
1.0% - 2.4 %
2.5 % - 4.9 %
5.0 % - 7.4 %
7.5 % - 9.9 %
10.0 % - 24.9 %
25.0 % - 49.9%
50.0% - 74.9 %
75.0 % and higher
Conservative voters are ‘warming’ to climate change, but still didn’t support I-732

More Than Six in Ten Trump Voters Support Taxing and/or Regulating the Pollution that Causes Global Warming

In general, which of these two approaches to reducing the pollution that causes global warming do you prefer, if either?

- Do both – Regulate and tax pollution (31%)
- Regulate pollution (18%)
- Tax pollution (13%)
- Do neither (21%)
- Don’t know (16%)

Governments can reduce the pollution that causes global warming in two main ways: (1) **Tax pollution** (require companies to pay a tax on the pollution they emit, which encourages them to reduce their emissions). (2) **Regulate pollution** (legally require companies to limit the amount of pollution they emit). In general, which of these two approaches to reducing the pollution that causes global warming do you prefer, if either?

Observations from the campaign trail

- I-732 did well in areas where we did strong outreach.
- Organizations and voters are not the same thing.
- Distrust of government was a major theme for conservative voters, undercutting the appeal of tax reductions in I-732.
- Endorsements from retired/elder Republican statesmen did not appear to sway conservative voters.
- More limited economic opportunities and dependence on driving makes rural communities very sensitive to energy costs.
We are making progress

- Despite many challenges, I-732 solidified 41% of the electorate (1.26m votes)
- Voter comprehension, not lack of concern for climate change, appears to have been the major obstacle to passage.
- Since the 2016 election, many electric utilities and some major companies have shifted towards support for carbon pricing.
- Future campaigns can capitalize on groundwork laid by our effort.
- The question is no longer whether we should act, but how (what policy)
Final Lesson: We’ll only win if we get out there!

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