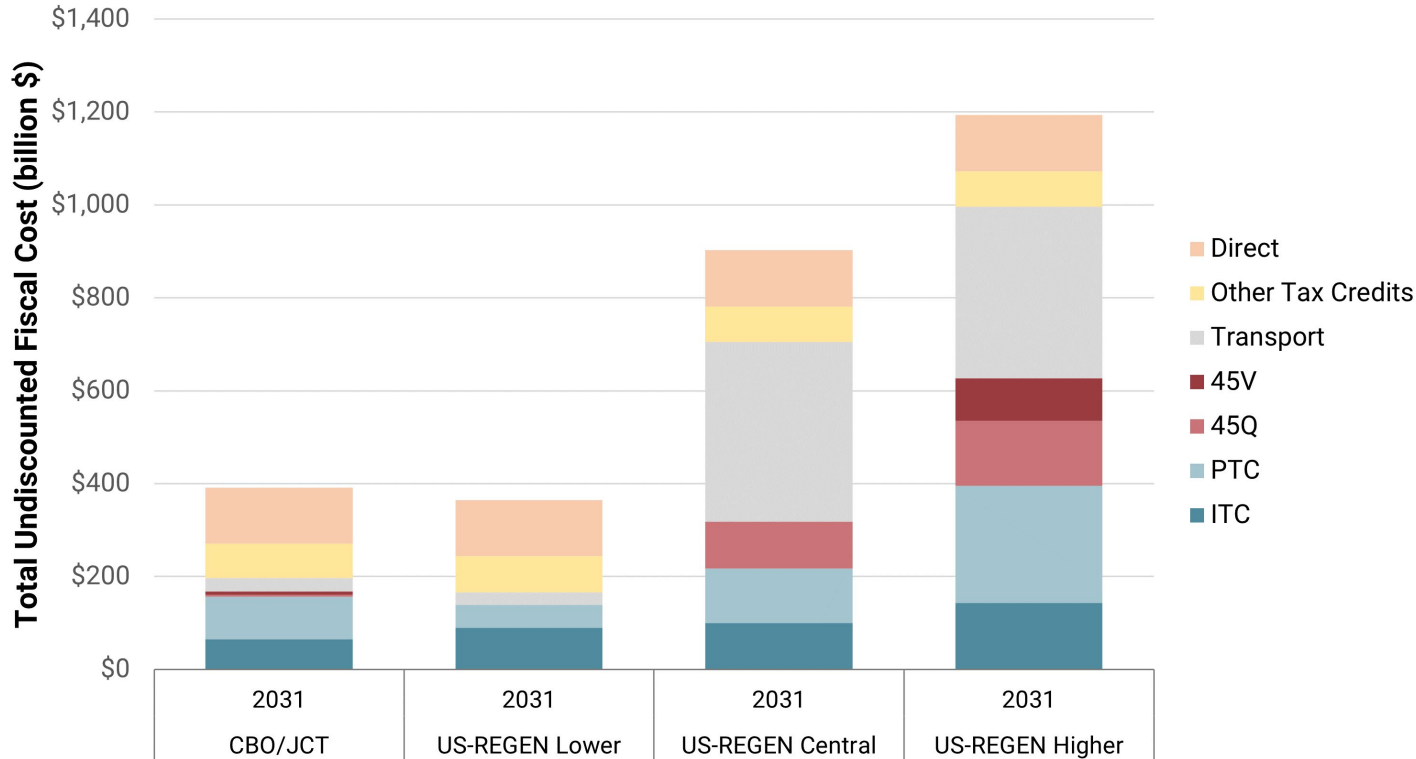


US Climate Policy and Carbon Border Adjustment Mechanisms

September 2024

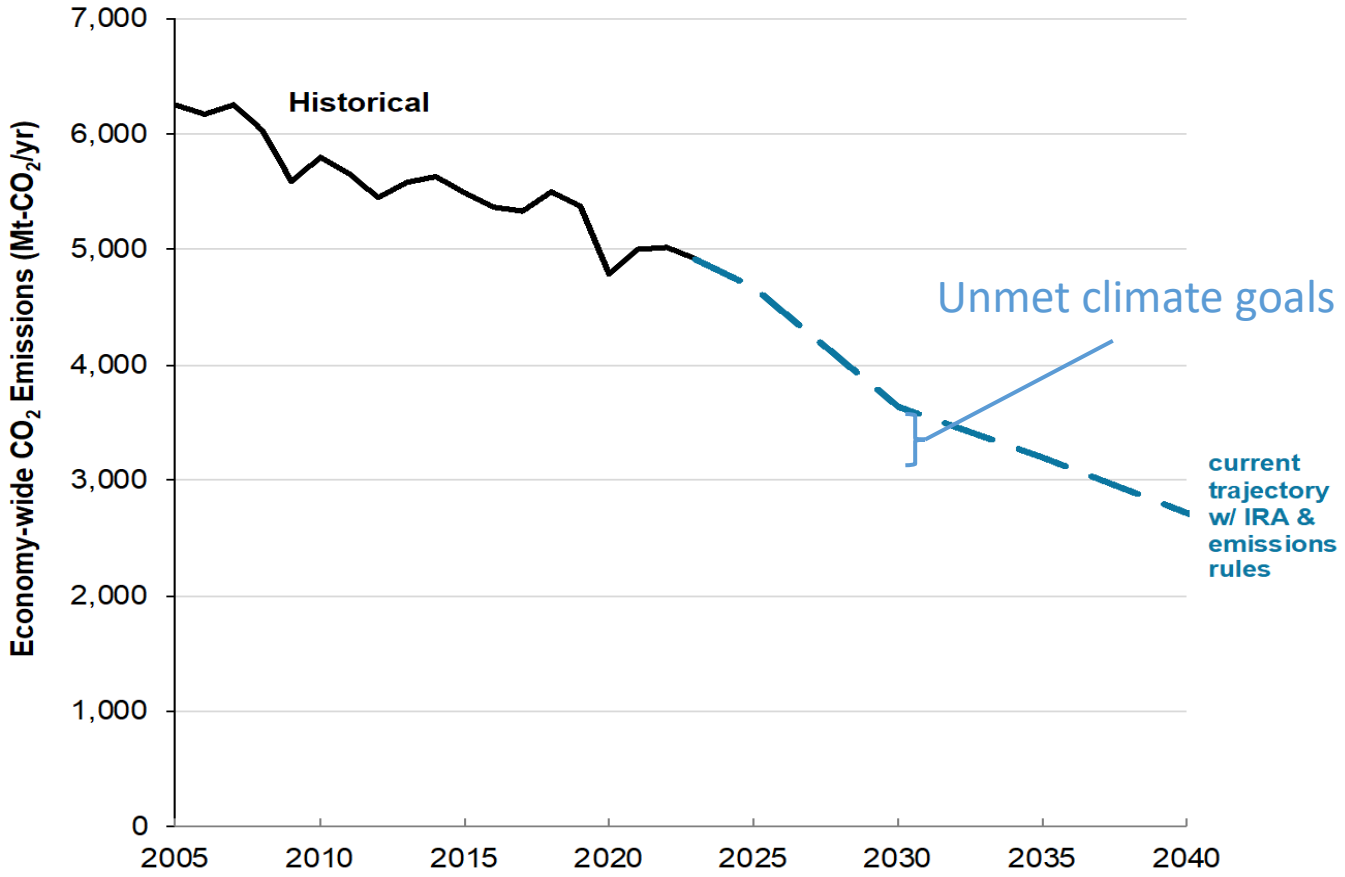
Catherine Wolfram, MIT Sloan

U.S. Inflation Reduction Act projected fiscal cost

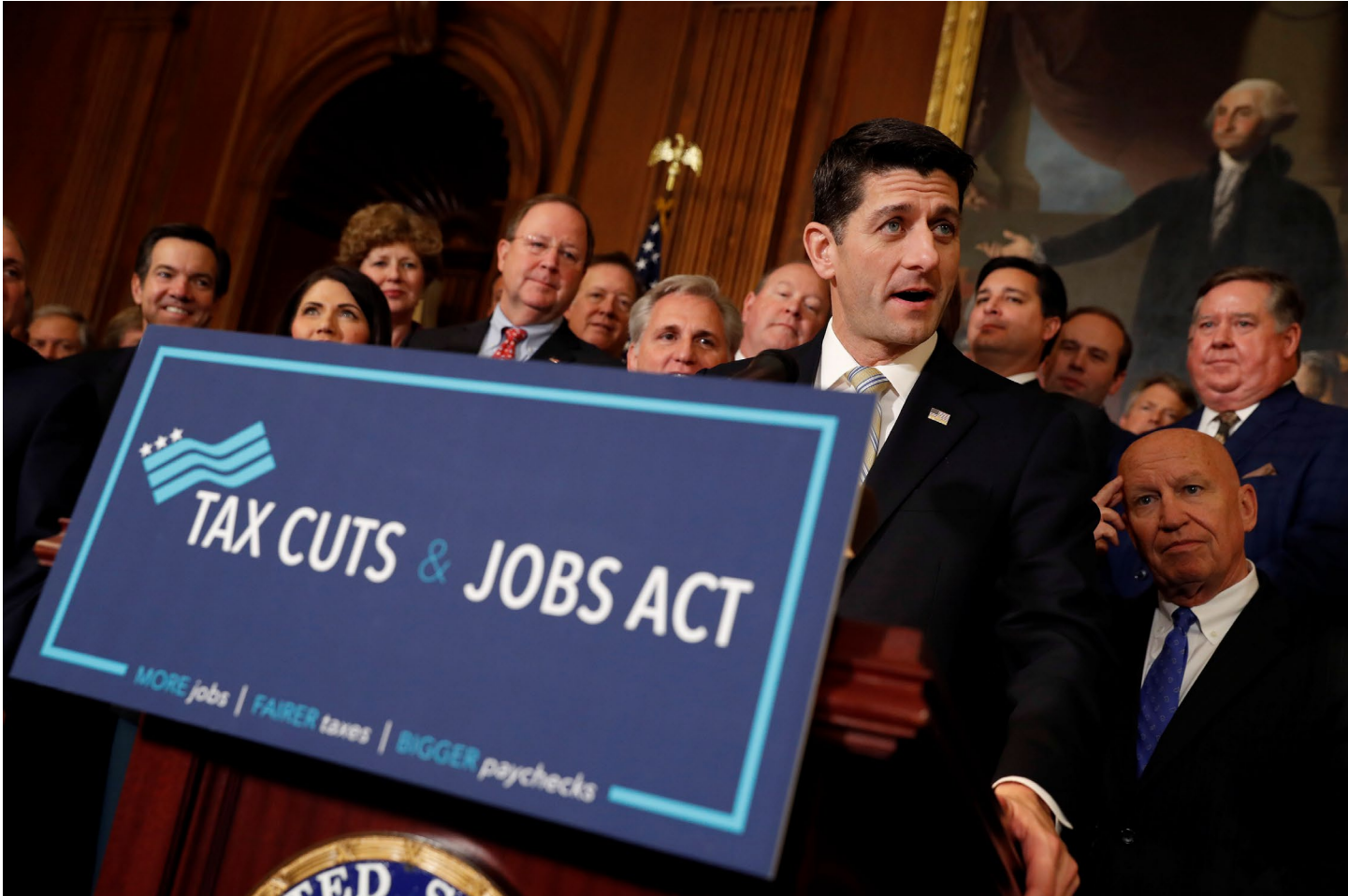


1. Cost uncertain
2. CBO/JCT low
3. Esp. for EVs
4. A lot in IRA

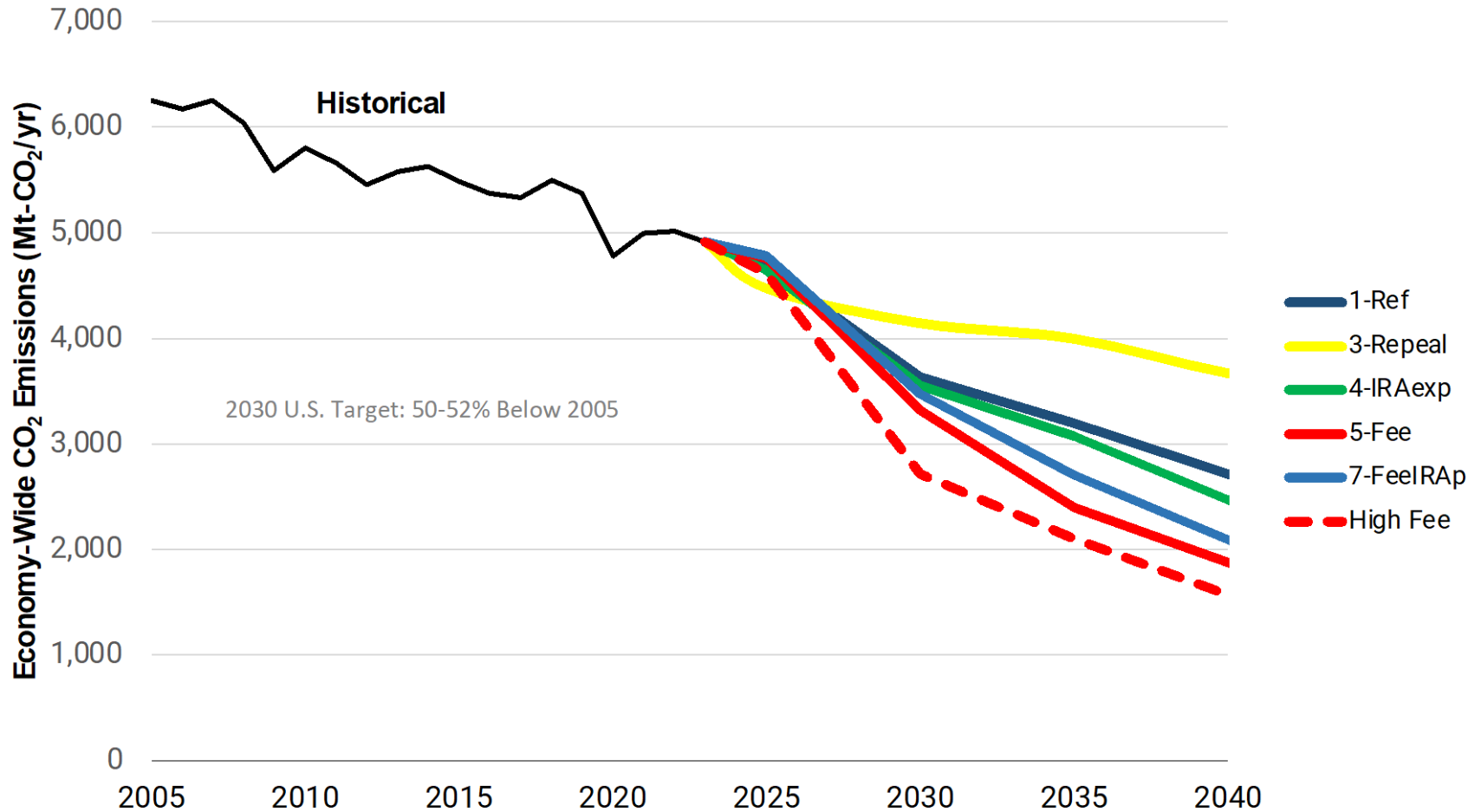
Inflation Reduction Act projected emissions impacts



The tax code will reopen in 2025



Projected emissions impacts



Source: Bistline, Clausing, Mehrotra, Stock, and Wolfram, 2024

Projected fiscal impacts

Scenario	Estimated Fiscal Impact (\$B)
1-Ref	NA
3-Repeal	+1,500
4-IRAExp	-530
5-Fee	+590
7-FeeIRAp	+1,390

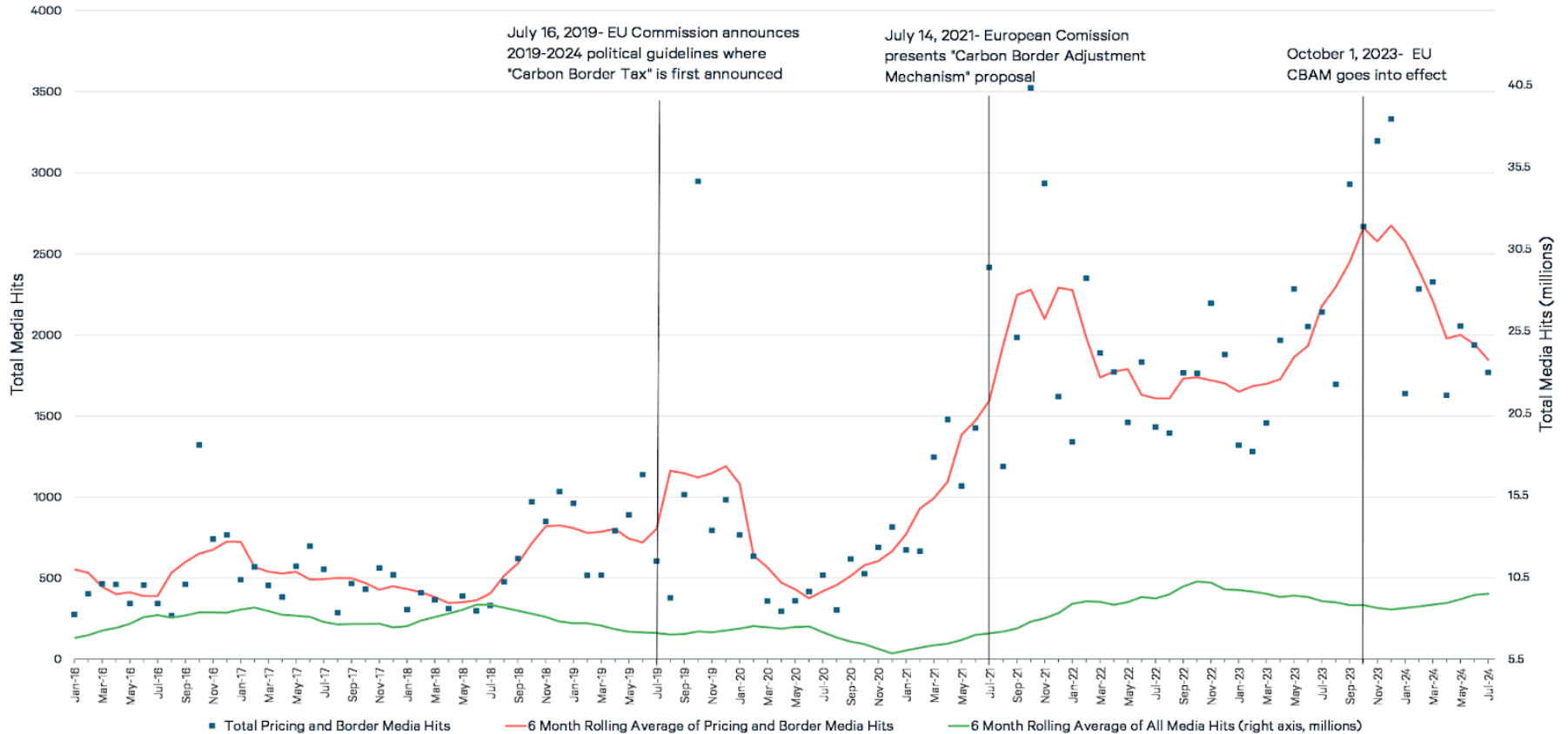
Values are over the 2026-2035 budget window

Source: Bistline, Clausing, Mehrotra, Stock, and Wolfram, 2024

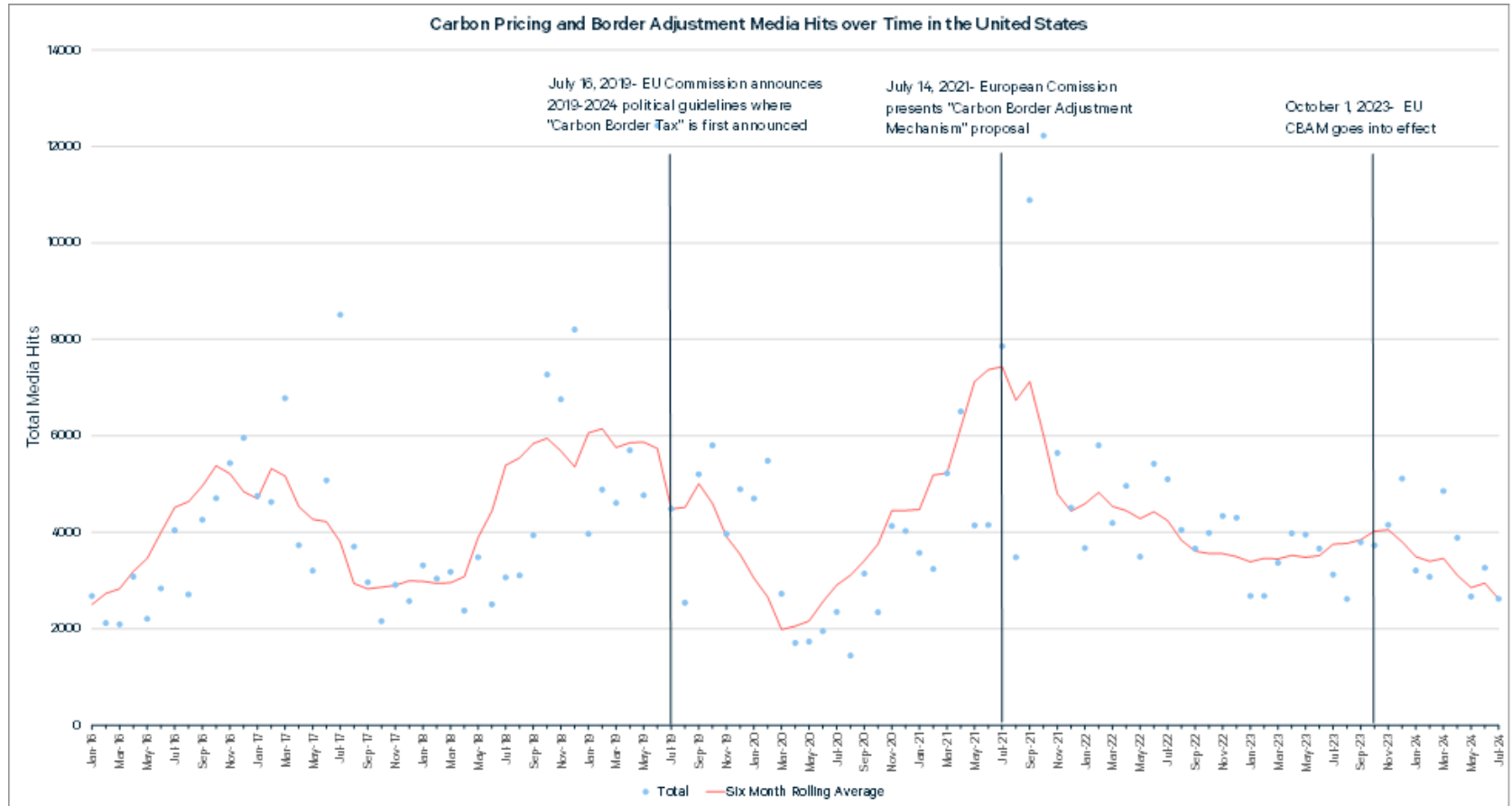
News mentions of carbon pricing

Non-US, no carbon price as of 2019

Carbon Pricing and Border Adjustment Media Hits Over Time Excluding Regions with a Carbon Price as of July 2019 and the United States



News mentions of carbon pricing, U.S.



News mentions of decarbonization

Non-US, no carbon price as of 2019

