Green Tax Shift
True Cost Economics

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Public Finance for a World That Works for Everyone.
True Cost Economics via Green Tax Shift policy is a rapidly emerging new perspective on tax reform which emphasizes the incentive capacity inherent in public finance policy.
The goal of green tax shift policy is the creation of a system of public finance which will strengthen and maximize incentives for:

- Fair distribution of wealth
- Environmental protection
- Wealth production
- Provision of adequate government services
- Peaceful resolution of territorial conflicts
Green tax reform makes a clear distinction between private wealth and common wealth.

Private wealth is that which is created by individual and collective labor.

Common wealth is that which is provided by nature.
Tax waste, not work.
Tax bads, not goods.
Pay for what you take, not what you make.
Polluter pays
Reducing or eliminating taxes on labor created wealth means slashing taxes on

- Income, especially from wages, payroll
- Capital, especially of sustainable quality
- Sales, especially for basic necessities
- Homes and other buildings
With careful calculations usually geared to overall revenue neutrality, green tax shifting balances these tax cuts by increasing taxes and fees on use of the commons, local to global.
- Emissions into air, water, or soil
- Surface land sites according to land value
- Timber, grazing, mining land use
- Oil and minerals
- Water resources
- Electromagnetic spectrum
- Geo-orbital zones
Green tax shifters also aim to eliminate numerous subsidies deemed no longer necessary, environmentally harmful, or socially unfair and inequitable and unfair.
Slated for drastic reduction or complete removal are subsidies for:

- Energy production
- Resource extraction
- Waste disposal
- Agriculture and forestry
- Private transport and the infrastructure it requires
- Investments designed to exclude labour from production.
Approximating the composition of the world's $7.5 trillion tax pie reveals that 93% of taxes fall on work and investment while only 3% is collected from environmentally damaging activities. A mere 4% of global tax revenues is captured from natural resource use and access fees.
Current Global Taxes
Mostly on Labor/Production

- Work and Investment: 93%
- Environmental Damage: 3%
- Resource Windfalls: 4%
Proposed Shift to Resource Rents and Enviro Damage

- Work and Investment: 65%
- Resource Windfalls: 12%
- Environmental Damage: 15%
- Subsidy Cuts: 8%
Current Pacific NW Tax Structure

- Property taxes: 27%
- Business, income and sales taxes: 48%
- Existing environmental taxes: 18%
- Miscellaneous: 7%
Earth Rights Tax Shift Proposed for Pacific NW

- Land value taxes: 27%
- Existing environmental taxes: 18%
- Business, income and sales taxes: 16%
- Miscellaneous: 7%
- Pollution and carbon taxes: 15%
- Traffic taxes: 5%
- Hydropower taxes: 8%
- Water, timber, fish and minerals taxes: 4%
Holistic Green Tax Shift
The Australian GDP pie since 1972....

- **NET INCOMES OF LABOUR & CAPITAL**: 63% of $811 bn or $308 bn
- **RESOURCE RENTS**: 31% of $250 bn
- **TAXES**: 25%
.... could have looked like this had we taken more resource rents to eliminate real estate bubbles.
If we captured land values

- Net incomes (L&C): 69.0%
- Rent: 31.0%
The state of the earth now requires that the costs of industrial production and human commercial activity no longer be externalized onto the local to global commons.
Ecological economics research and data indicate that true cost pricing of natural resource use and capturing that cost via ecotaxes and resource rental charges would be sufficient to eliminate taxes on labour and productive, sustainable capital.
A study by the New Economics Foundation in London calculated that half the tax revenue in the UK - some $140 billion a year - could be raised through a land value tax set at 75 percent of annual rental value.
Ninety-eight percent of this would come from land used for housing, offices, factories, or mining, not for farming.
Combined with a sizable energy tax, this could fund the abolition of all taxes on income, payroll, sales, profits, and buildings and also pay for a "Citizen's Income" in the form of stipend checks for several hundred or thousand pounds for each resident each year.
There are now 20 million refugees predicted to increase to 50 million in next five years.

Warfare over land and resources will destroy us all unless and until we find ways to equitably share the earth.
What is the True Cost of War?
Every inch of our planet is now owned by some person or organization.

The majority population (60% to 90%) in EVERY inhabited country are landless - own no part of the planet whatsoever, not even their own homes.

The richest 5% in every nation, rich and poor, North and South, East and West, now own between 70% and 95% of their own countries.
Essentials of Economic Rent and a War Economy

In a naturally just and harmonious society, everyone has fair access to the gifts of nature in order to procure their livelihood.
Privilege Fund Grows

When people must pay rent for access to land, exploitation of labor begins. Because of the Rent Leak, people cannot get capital without borrowing from the Privilege Fund lending system, and paying interest.
Collectors of the Privilege Fund invest in land and resources in “underdeveloped” countries.

To quell protests, investors call for military intervention.
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The Privilege Fund is equitably returned to society by public collection of land and resource rents.

Workers, with their just economic opportunities restored, can now accumulate capital through their own savings.

Economic Justice, abundance and peace are restored.
For many specific examples of green tax policies now in place go to the Articles Section of www.earthrights.net

Financing Local to Global Public Goods: An Integrated Green Tax Shift Perspective
The Earth Belongs to Everyone
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