

## Washington Property Tax Updates: A Carbon Cap or Tax May Affect Property Tax Values

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In the very near future, Washington will either establish a clean air rule capping greenhouse gas emissions or impose a carbon tax. Either could diminish the property value of companies that face increased burdens. For carbon-intensive industries, a carbon cap or tax is analogous to the effect Prohibition had on the value of a brewery or distillery. A manufacturer of alcoholic beverages suffers extraordinary external obsolescence if those products become illegal. Limiting or taxing emissions is not as extreme as total prohibition, but the difference is only of degree. Governor Inslee's Advisor on Carbon Markets, Chris Davis, says climate policy discussions evaluating the fiscal impacts of regulating or taxing emissions have not considered the effect on property taxes. Though this effect is overlooked, affected businesses should be alert for a potential decline in market value—and property taxes—whether Washington adopts a cap, a tax, or both.

For more information, visit [APTC's Washington Property Tax Updates' page](#).